



CAMBRIA COMMUNITY SERVICES DISTRICT

Tuesday, September 6, 2016 - 4:00 PM

1000 Main Street, Cambria, CA 93428

AGENDA

ADJOURNED REGULAR MEETING

This agenda is prepared and posted pursuant to Government Code Section 54954.2. By listing a topic on this agenda, the District's Board of Directors has expressed its intent to discuss and act on each item. In addition to any action identified in the summary description of each item, the action that may be taken by the Board of Directors shall include: a referral to staff with specific requests for information; continuance; specific direction to staff concerning the policy or mission of the item; discontinuance of consideration; authorization to enter into negotiations and execute agreements pertaining to the item; adoption or approval; and disapproval.

Copies of the staff reports or other documentation relating to each item of business referred to on the agenda are on file in the Office of the District Clerk, available for public inspection during District business hours. If requested, the agenda and supporting documents shall be made available in alternative formats to persons with a disability. The District Clerk will answer any questions regarding the agenda.

To ensure civility and encourage public participation, the Board requests that audience members refrain from public displays and outbursts, including applause, comments and cheering. Any disruptive actions that interfere with the Board's ability to conduct a civilized meeting will not be permitted and offenders will be asked to leave the meeting. The Board appreciates your support, participation and courtesy.

1. OPENING

- A. Call to Order
- B. Pledge of Allegiance
- C. Establishment of Quorum

2. SPECIAL REPORTS (Estimated time 5 Minutes per item)

- A. Sheriff's Department Report

3. ACKNOWLEDGEMENTS AND PRESENTATIONS

- A. Balance Public Relations to Provide an Update to the Board of Directors Regarding Recent Activity

4. AGENDA REVIEW: ADDITIONS/DELETIONS AND PULLED CONSENT ITEMS

5. PUBLIC COMMENT (LIMITED TO 30 MINUTES)

Members of the public may now address the Board on any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the District Clerk.

6. MANAGER'S AND BOARD REPORTS (Estimated time 15 Minutes total)

A. Manager's Report

i. General Manager Report

B. Ad Hoc Committee Reports and Other Related Board Member Reports (Committee Meetings and Board authorized meetings attended)

7. CONSENT AGENDA (Estimated time: 15 Minutes)

All matters on the consent calendar are to be approved by one motion. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may be made. Such items are pulled for separate discussion and action after the consent calendar as a whole is acted upon.

8. HEARINGS AND APPEALS (Estimated time: 15 Minutes per item)

9. REGULAR BUSINESS (Estimated time: 15 Minutes per item)

A. DISCUSSION REGARDING STAGE 3 WATER EMERGENCY, MAY 22, 2014 ACTION SUSPENDING OUTSTANDING INTENT TO SERVE LETTERS AND CONSIDERATION OF LIFTING THE SUSPENSION

B. DISCUSSION AND CONSIDERATION OF ADOPTION OF PROPOSED FUND BALANCE CASH RESERVE POLICY

10. PUBLIC COMMENT (CONTINUED)

Members of the public may now address the Board on any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda except that members of the Board or staff may briefly respond to statements made or questions posed by speakers. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the District Clerk.

11. FUTURE AGENDA ITEM(S) (Estimated time: 15 Minutes)

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 except to direct staff to place a matter of business on a future agenda by majority vote.

12. ADJOURN



Balance Public Relations

Cambria Community Service District Activity Report: August

1 TREE MORTALITY

Directed to report back to Board and GM, the ongoing efforts to ascertain path for funds for Forestry and Wildfire Management for Cambria and the greater county.

Available funds to date:

- \$10 million in State Responsibility Area Fire Prevention Fund grants, including \$5 million in grants to local governments specific to tree mortality and tree removal and \$5 million for general fire prevention.
- \$11 million to assist in the removal and disposal of trees in high hazard zones. Of these funds, \$6 million is dedicated to grants for local entities, including local governments, for the removal of dead and hazardous trees. There is \$5 million to support additional assistance for equipment use and personnel overtime for hazardous tree removal and fuels reduction efforts.
- \$30 million to support local jurisdictions using the California Disaster Assistance Act Program for tree mortality and other disasters.
- Unappropriated to date: Cap and trade revenues, including the proposed \$150 million for forest health and tree mortality that was proposed by the Governor for mortality mitigation and wildfire mitigation. Biomass efforts are inclusive.

Fund Allocators Include:

- Governor Tree Mortality Task Force
- OES
- CALFIRE
- US Department of Forestry
- California Public Utilities (BioMass)

Qualification Issues:

Given the recent fires in Big Sur area, it is important that Cambria and its proximity to Hearst be given consideration in the potential allocation of dollars. Currently, San Luis Obispo County is not on the

list of counties designated tree mortality zones (6 counties originally now expanded to 9, have been labeled High Hazard Zones, HHZs). The designation is driven by volume of dead or dying trees versus other factors such as major property damage or loss of life. Current funding seems to reflect the southern Sierra's which have about 1 person per 1000 acres, versus 1 person per 10 acres (density) in San Luis County. We have inquired on efforts to support "per capita funding versus "volume" of tree funding.

The Governor's Task Force has noted:

That current funding is based on Ariel survey, not new maps. There is clearly a net allocation plan based on this criterion and a large desire from coastal areas to focus on growing mortality rates.

The Task Force has formalized the engagement process, and it emphasizes local action first in order to rise to level of HHZ status including:

- I. Declare state of emergency
- II. Development of a county task force
- III. State of forest or trees ie bark beetle etc.

Also note that State Responsibility Areas (SRAs) are funding sources set forth from the 2012 base of \$152-dollar fee per habitable structure which the Board of Equalization collects for fire prevention efforts and is Cal FIRE driven. The Governor's Task Force has created a Subgroup which is designing a better process to get grants out which is still under development which is focused on how spent funds in the SRA are generated.

Actions to Date:

- Working with Governor's office to ensure that Cambria can be included in efforts regarding Tree Mortality.
- Attended the August 8th Tree Mortality Task Force held by Governor's office along with Cal Fire and CAL OES this week which highlighted the need for communities like Cambria to be at the table.
- Meetings: Key Players
 - Wade Crowfoot (Governor's office) who was co-chairing the efforts alongside with Mark Ghilarducci (Cal OES) and Ken Pimlott (Cal Fire) and is key person in this effort.
 - Matthew Reishman: Regulations
 - Thom Porter: Resource Allocation
 - Glenn Barley: Task Force Chair
 - Martha Guzman, Governor's office Secretary
 - Mark Ghilarducci, Head, Cal OES
- Key Discussion Points
 - Why doesn't a "high hazard zone" designation include as weighted factor population ratios versus just mapped dead/dying trees? Ratios that connect critical community infrastructure as just as important of criteria.

- Where is additional funding given State agencies, utilities, and local governments to the extent required by their existing responsibilities to protect the public health and safety, shall undertake efforts to remove dead or dying trees in these high hazard zones that threaten power lines, roads and other evacuation corridors, critical community infrastructure, and other existing structures.
- Given the Department of Forestry and Fire Protection issues emergency guidelines setting forth the relevant criteria can we adjust criteria to include population ratios?
- The HHZ counties have been defined by CAL FIRE using aerial survey data from the USFS showing tree mortality density in those areas. Should this criteria include population ratios and community need?
- Should the State identify areas of the state that represent high hazard zones for wildfire and falling trees associated with elevated tree mortality and a corresponding threat to public safety, community assets and related infrastructure.

Plan of Action:

- I. Working with CAL FIRE Units, USFS, and other stakeholders to validate, refine and finalize high hazard zones at the local level—to include population issues and new ratios beyond just dead trees.
- II. Seeking to include population factors to be included through CAL MAPPER for CAL FIRE and other data entry systems used by agency partners to include community populations factors.
- III. Keeping focus and discussion on: Mapping and Monitoring changes given legal powers under executive order AND regulations which are a constraint.
- IV. Discussing the inclusion as major focus, criteria as item that avoid damaging or otherwise disturbing significant archaeological or historical sites i.e. Hearst Castle etc. and those sites available from the Information Centers of the California Historical Resources Information System within the Department of Parks and Recreation.
- V. Work with task force to redefine Identify High hazard zones (HHZ) with areas with elevated tree mortality and high fire threat that are a hazard to public safety, community assets and related infrastructure which should represent the primary focus of these zones.
- VI. Ensure that the mapping of Dead Trees through the use of Aerial Detection Surveys include population ratios, public safety and community assets as a major criteria for focus, funding and evaluation.
- VII. Working to ensure that when mapping Community Protection Zones that the identification of communities, powerlines, roads and other critical infrastructure near high mortality and having a high fire threat (approximately 200 feet for roads, powerlines, communication sites and water storage and delivery features; approximately 1000 feet around Communities) are considered.
- VIII. Ensure that High Hazard Zone Footprint (HHZF) that use GIS overlays, identify hazard areas that represent the intersection of elevated tree mortality, high fire threat, community assets, and watershed level assets. This should include historical assets as well (Hearst).

- IX. Explore with Governor's office and PUC the ability to allocate \$2.5 million allocated for San Luis Obispo County, much of which would be spent to get the dead trees in Cambria out of the forest to a bio-mass processing facility that would be sited at the sewer treatment plant Property (PowerTrain discussion).

2 STATE PARKS: ENTRY ISSUE

Continued discussion with State Parks on achieving support of Cambria Community Services District desire to install Remote Sensing Instruments on the Lower San Simeon Creek Pedestrian Bridge. Will be securing communication from Coastal Commission on concerns to this action and then return discussion to State Parks.

3 STATE GRANT: STATE WATER RESOURCES CONTROL BOARD-DIVISION OF FINANCIAL ASSISTANCE-LOANS/GRANTS:

Currently working with assigned Project Manager Ryan Mitchell in Sacramento who oversees DWSRF Application for Cambria CSD's Fiscalini Water Tank Replacement Project. Issue is whether funding is forthcoming given the project construction has already commenced. Seeking to close items and open discussion with the Division of Financial Assistance (DFA) on the Financing Agreement based on past discussion dealing with concurrent actions allowed during and prior to financing of project. Jerry Gruber and I will be discussing in Sacramento.

4 STATE WATER RESOURCES CONTROL BOARD-DIVISION OF WATER RIGHTS

Continued discussion in Sacramento along with GM Jerry Gruber with Mitchell Moody of the State Division of Water Rights at the State Water Resources Control Board. On discussion of the licensing of the CCSD Diversion Permits for the San Simeon and Santa Rosa Aquifers. Working through the District's decision move forward with Licensing of our permits as opposed to asking for an extension of time. Securing necessary paperwork, justification and letters so that CCSD can start the process.

5 COUNTY/COASTAL COMMISSION

Working to complete comment on CCSD's EIR for the Sustainable Water Facility and our Regular Coastal Development Permit. Communication granting the CCSD a six-month extension for our Coastal Development Permit process was a positive as CCSD anticipates the release of the EIR for public comment

in August. Communicating those efforts to key decision makers in the process moving into the EIR comment period.

6 CCSD PROP 84 GRANT-CONSTRUCTION COST REIMBURSEMENT-5%

After receiving it's CCSD Prop 84 Grant (Construction Cost reimbursement), seeking to complete the Project Completion Report (guidance provided in Exhibit G of the DWR Agreement) demonstrating that all agreement deliverables have been submitted. Now left to collect is the 5% due CCSD. Working with staff to move this reimbursement along in terms of process.

TO: Board of Directors

AGENDA NO. **6.A.**

FROM: Jerry Gruber, General Manager

Meeting Date: September 6, 2016

Subject: MANAGER'S REPORT

I wanted to take a few minutes to provide the community and the CCSD Board of Directors a PowerPoint presentation on the continued efforts by staff showing the improvements which are being made regarding the Wastewater Treatment Plant and our Forest, specifically the Fiscalini Ranch. As you know, many projects relating to both Water and Wastewater have been deferred over the years; however, during the past five years an accelerated effort has taken place relating to key infrastructure repairs and improvements to the communities assets with the support of the CCSD Board of Directors. I wanted to publicly acknowledge Justin Smith, the District's Water Supervisor, and John Allchin, the District's Wastewater Supervisor, for their dedication, leadership and continued efforts to improve our infrastructure each and every day. I am encouraged each time I visit the facilities under their direct responsibility and sincerely appreciate the ongoing improvements that are being made.

These improvements also are true of the Fire Department under William Hollingsworth's leadership, and the Fiscalini Ranch and the associated facilities under Carlos's leadership. I would encourage the community and the Board to visit the Fire Station and see the physical improvements William has made since taking over as Fire Chief. He has literally cleaned house and has taken a great deal of unnecessary and unwanted items and has disposed of them, thus providing room for additional Firefighters and adding to the overall professional appearance of the Fire Station. I would also like to thank William and the Fire Department for accommodating important key community meetings, such as the Fire Safe Focus Group, CERT, and the BRPCC.

I would also encourage the community and the Board to visit and tour the Facilities and Resources Department facility located at the Rodeo Grounds, adjacent to the Filtronics Water Plant. Carlos and his staff have completed refurbishing the facility and can now easily mobilize to the Fiscalini Ranch as they continue to make improvements and maintain the Ranch. I would also like to thank Carlos and his staff for maintaining and improving the Veterans Hall. It has been said that the Veterans Hall is Cambria's Community Center and is used by the entire community for fund raising events, celebrations and both public and private meetings. It has also been said that the Veterans Hall is in better shape than ever. Thank you Carlos for all your hard work.

On another note we are in the process of starting up the Community's Sustainable Water Facility for the third time. We will also be conducting the District's second Tracer Study, which has been mandated by the State, starting the first part of September for a two month period of time. As you know, the starting of the Sustainable Water Facility is based on several operational variables, such as well levels within the San Simeon Well Field and Santa Rosa Wells, the level of the WBE Monitoring Well, the Hydraulic Gradient level at the San Simeon location and the continued and prolonged drought that continues to exist in California.

Attached as part of my staff report is the Honorable Judge Garrett's recent final ruling in favor of the Cambria Community Services District regarding the Landwatch case. As you know, the Landwatch lawsuit has cost the residents of Cambria a great deal of money. Listed below are the most recent figures.

- Rutan & Tucker - \$296,533.54
- District Counsel - \$43,910.51
- Staff time - It is difficult to estimate how much cost is associated with staff time, however a conservative estimate would be \$50,000.00. This does not include loss of productivity and the inability for staff during this period of time to focus on other priority items and customer service.

I wanted to briefly spend a few minutes on communicating to the Community and the Board three separate letters that I have received from the RWQCB regarding the SWF and the CCSD resolutions to these letters. They are dated July 21, 2016, August 9, 2016 and August 12, 2016. Copies of these were previously made available to the Board.

The Draft EIR for the SWF is in the final stages of review with critical components being closely worked on by staff and representatives from MBI. The EIR is a very important document, not only for the CCSD but for the entire community of Cambria. Our main focus is to make sure we have an EIR that is environmentally sound, legally defensible, and represents a quality, in-depth, comprehensive document for the SWF. We now anticipate the release of the EIR for the SWF to be in September. A slight schedule modification is necessary due to additional time needed by staff to comment and coordinate changes to the draft EIR with MBI. Additional time is also needed due to vacation schedules with MBI. Staff, the EIR Committee, MBI, and the Buildout Reduction Program Citizens' Committee (BRPCC) have been working diligently over the past several months on the draft EIR for the SWF. I would like to thank everyone, especially the volunteers on the BRPCC under Ted Ziegler's leadership, for all their dedication and hard work.

Staff continues to make progress on all three of the goals adopted by the Board.

President Robinette and staff continue to work closely with the Fire Safe Focus Group under the leadership of Shirley Bianchi. Staff has also been working closely with Dan Turner on the Powertrain facility and conducted a very productive conference call with Powertrain representatives on August 15, 2016, which will result in a detailed list of options for the community.

From May 26, 2016 through August 16, 2016, the CCSD has received a total of 19 public record requests. Copies of public record requests can be made available upon request from anyone who wishes to know the contents of the request and who made the request. Public record requests are a part of open government and are the rights of individuals to request such information. A simple public record request could take an hour of staff time. More in-depth public records requests that we have received during this time period can easily require ten hours of staff time and District Counsel time, and even longer in many cases. Please contact Monique Madrid at 927-6117 or mmadrid@cambricsd.org if you desire to receive a copy of public record requests.

The Fiscalini Tank Replacement project is well underway with the demolition scheduled to take place within the next eleven (11) days.

I attended the following meetings on behalf of the CCSD.

Meet weekly with Department Managers.

Conduct visits to the Fire Department, Water and Wastewater Departments and Facility and Resources Department.

Attended monthly PROS Commissioner Meeting.

Conducted tours of CCSD facilities with SDRMA Board of Directors.

Attended CSDA Managers' Meeting.

Guest speaker at the Cambria Realtors Association meeting.

Meet with Supervisor Gibson and Senator Florez ret. and other stakeholders regarding the state of the forest in Cambria.

Conducted a phone conference with Senator Dean Florez ret. regarding fire and matter matters.

ADMINISTRATION:

We are currently evaluating our website and will be determining what will stay and what will go. We anticipate that we may have a new website with a new look sometime in October.

We are also updating our phone system. We should have an entirely new phone system sometime in October as well.

We are continuing to attend meetings of the Buildout Reduction Program Citizens' Committee. Their schedule and agendas as well as minutes are posted on our website. If you have any questions please contact Administrative Assistant Haley Dodson at hdodson@cabriacsd.org.

Human Resources

Administration:

I would like to welcome Tracy McConnell. She is our new Administrative Technician I and will be stationed at the front desk. Please stop by the Administration Office and help us welcome her to the District. Congratulations, Tracy.

We are currently recruiting for an Administrative Technician II to assist our District Engineer.

Wastewater Department:

The Board recently adopted a position for Wastewater Treatment Operator Grade III. We are currently recruiting to fill this position. We are looking to create licensure redundancy within the department similar to what we have in the Water Department.

Fire Department:

We recently were successful in hiring a Fire Captain. Dan McCrain is our newest hire within the Fire Department. Please stop by and help us welcome Dan to the District. He previously served as a Reserve Firefighter and will receive the Oath of Office during our September Board meeting. Congratulations, Dan!

FACILITIES AND RESOURCES:

1. Fiscalini Ranch Preserve:

- a. Forest Rehabilitation Project
 - i. Test plot #1 was completed on June 9th.
 - ii. Test plot #2 and #3 were delayed due to birds' nests in the area.
 1. A follow up biological survey was conducted in both areas on July 22th.
 - a. Both dark eyed junco and great horned owl nests were no longer active.
 2. Cal-Fire crews will be doing the work on these two one acre test plots when availability permits.
- b. Recycled Monterey Pine
 - i. As part of an effort to reuse Pine trees that were removed do to their hazard to pedestrians and homes, 5 trees were milled.
 1. Wood that was milled will be used to make benches, tables, signs etc... for CCSD facilities and parks.
 2. First benches were installed in front of Vets Hall.
- c. Trail Restoration:
 - i. Friends of the Fiscalini Ranch and CCSD continue to close down and monitor adhoc trails on the Ranch.
 - ii. During the last monthly work day, volunteers were invited to spread wood chips on 4 trails by the Victoria Way trail.
 1. The chips will aid in protecting tree roots and make the trails easier to identify.
- d. Monarch Butterflies:

- i. Ranch Manager and FFRP Board have been working on protection of two monarch sites on the Ranch.
 1. Leon Kingston conducted a survey of the Monarch Sites and has provided guidance on protection.
 2. FFRP has been awarded a grant from U.S. Fish and Wildlife Service. The grant is for \$3,450
 - a. The grant will pay for installation of fence barriers, a small sign and planting supplies.
 3. In order to protect the sensitive areas, volunteers and the public, several dead trees will be removed.
 4. A biological survey will also be conducted in the areas, to identify birds and mammals.
2. **Fire Breaks:**
 - a. All of the fire breaks on the Ranch have been completed.
 3. **Weed abatement CCSD Lots:**
 - a. All CCSD owned lots on weed abatement list have been completed.
 - b. Land Conservancy Lots: the recently acquired lots have also been weed abated.
 4. **Vet's Hall:**
 - a. 33 Events were held at Vets Hall since last Board Meeting.

ENGINEER:

Key activities since the July 28, 2016 Board meeting report have included:

- Sustainable Water Facility:
 - Continue to coordinate with Michael Baker International on the Sustainable Water Facilities EIR. A draft document is getting very close to being released for public review.
 - Developing Task Order 7 with CDM Smith for completing an updated tracer study.
 - Coordinating between Water Department and CDM Smith on various operational permitting reports and permit submittals.
- Permit Counter: Continue to respond to miscellaneous permit counter information requests and remodel reviews. Completed reviews of several single family home remodels. Worked on job description for an assistant to include help on permitting, responding to questions from contractors, realtors & property owners; and assistance on water conservation program. Looking forward to getting some help on board.
- Urban Water Management Plan Update. Accelerating the effort on the UWMP update now that the draft SWF EIR is completed to the point where it can start going into production. We missed the July 1, 2016 completion deadline for the UWMP update, which was recently cited by the County as reason to not release the final 5% retention on our Prop 84 grant payment. A 60-day noticing letter was sent to County Planning on August 18, 2016, advising them of our intention to update the plan, and to solicit their input on the update. Thus far, plan updating has been completed on proposed conservation measures, including ones incorporating more recent technology. This information has also been incorporated into a detailed model, the results of which, will be presented in a future Board meeting and incorporated into the updated plan.
- Miscellaneous Wastewater Plant Repairs: Coordinating with the Or-Tec Influent screen representative and negotiating a change order with them to cover the cost of the bonds in exchange for our having delayed the screen's production until this year. Also

finalizing a professional services agreement with Carollo Engineers for design of the screen support platform and its ancillary needs.

Well Level reports from 8/1/2016 readings are being made available on the District website located at www.cambriacsd.org

FIRE:

Prevention and Education (June – July, 2016)

- 01 Residential rough/hydro inspections were completed
- 00 Hydrant pressure test completed
- 01 Fire final inspections
- 02 Residential site visits for building questions
- 11 Residential plan reviews
- 02 Engine company commercial fire and life safety inspections were conducted.
- 02 Public education events.
- 06 Residential smoke detectors were installed and or the batteries changed.
- 08 Contacts with people regarding fire prevention questions
- 02 Fire Engine and Station tours

Meetings and Affiliations (June – July, 2016)

- County Fire Chief's meeting June 1, 0900 Camp Roberts FD
- CCHD Special meeting June 14, 1300 Grammar School
- Fire Safe Focus Group June 22, 1500 Fire Station 57
- CCSD Board meeting June 23, 1230 Vet's Hall
- CCHD Board meeting June 28, 1300 Grammar School
- County Fire Chief's meeting July 6, 0900 Atascadero FD
- Bio Mass meeting July 13 1300 CCSD Office
- Fire Safe Focus Group July 13, 1500 Fire Station 57
- Fire Safe Focus Group July 27, 1500 Fire Station 57

Operations

- 328.25 Training hours were logged for Cambria Fire Department for the months of June and July.
- We are still waiting to hear from FEMA as to the status of our grant applications for replacement PPE, fire engine and prevention materials. We have not yet been excluded.
- Company-wide drill was held on June 18th. This drill focused on personnel development and succession planning. This was accomplished by training department members on emergency incident command and control skills utilizing a fire simulator, and also having out-of-class personnel perform DOT required inspections on all commercial vehicles and practice basic pump operations. The goal is to prepare our younger personnel to be Engineer and Company Officer qualified which will provide a better level of service to Cambria and give the FD more flexibility with staffing patterns.
- July 4th event, was held at the Cambria Shamel Park, with a return of fireworks, sponsored by the Lions. The event was a success, with no illegal fireworks confiscated, and no reported problems with illegal fireworks being ignited in the community.

Fire Statistics are attached for your review

WASTEWATER:**Wastewater Treatment Plant Operations (April, 2016):**

- The June 2016 monthly self-monitoring report was completed and submitted to the Water Board.
- Alpha has set up the waste activated pumps to run on SCADA and is providing a bid on removing the old SCADA as it still controls some of the operation at the plant.
- The replacement of the old SCADA has been moved forward due to the old SCADA crashing and sending an off signal to the PLC.
- FRM is now on an as needed bases with the Wastewater Treatment Plant and the collection system.
- FRM replaced the broken 12 bypass valve at the grit chamber

Collection Systems & Lift Stations

- We have cleaned out the debris left over from repairs at lift station 8. It is working well and will soon be on SCADA. Lift station B1 and 9 will also be added to the SCADA system in a few weeks.

Laboratory:

- Abalone Coast continued to provide the services of a certified laboratory analyst for those analyses that are reported to the State. At this point Amanda is calibrating the online pH meter on a monthly basis.

Administrative:

- Recruitment of a wastewater III is moving forward and we should be interviewing early September. Thank you for approving this position.
- I would like to recognize Delon, Tim and Jay for making all of these projects happen. If it was not for their hard work none of this would have been completed. We are short staffed at this point and have still been able to get a lot done.

WATER:

1. We received approval from the Division of drinking water in regard to the site sample plan.
2. The temporary tanks for the Fiscalini Tank have be put online and are supplying water to upper Lodge Hill. We assisted the contractor in the installation of a wharf head style fire hydrant at the site to provide water if the need arises. We also set up extra failsafe measure to guard against an overflow or emptying of the tanks. The Water Department will continue to work closely with the contract to make sure the installation of the new tanks goes smoothly.
3. We began the start-up of the SWF on August 15th.
4. Staff from H2O Innovations will be out on August 23rd for the final stages of startup at the SWF.

Production data, well level reports, and associated graphs are attached for your review and can be located on the District's website: www.cambriacsd.org

Attachments: SLO Superior Court Honorable Judge Garrett's Ruling for Landwatch vs. CCSD SLO
SLO County letter regarding Regular CDP Application Extension
Cambria Sweeping Schedule
CCSD Residential Rates Billing Insert
Finance Manager's Report
Water production and well level graphs
Fire Statistics June and July 2016

FILED

JUL 27 2016

SAN LUIS OBISPO SUPERIOR COURT

BY Júlia Vieira
Júlia Vieira, Deputy Clerk

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN LUIS OBISPO
PASO ROBLES BRANCH

LANDWATCH SAN LUIS OBISPO
COUNTY,

Petitioner,

v.

CAMBRIA COMMUNITY SERVICES
DISTRICT; COUNTY OF SAN LUIS
OBISPO; GOVERNOR'S OFFICE OF
PLANNING AND RESEARCH; and
STATE WATER RESOURCES
CONTROL BOARD DIVISION OF
DRINKING WATER,

Respondents.

Case No.: 14CVP-0258

**RULING ON PETITION FOR WRIT OF
MANDAMUS**

Landwatch San Luis Obispo County (Landwatch) brings this action challenging the Cambria Community Services District's (District) construction and operation of a brackish water supply treatment facility (Project) under an emergency coastal development permit (ECDP) approved by the County of San Luis Obispo's Department of Planning and Building (County). In addition to the County's approval of the ECDP,

1 the District also obtained a “concurrence” in the District’s Notice of Exemption from the
2 Governor’s Office of Planning and Research (OPR) which exempted the Project from
3 CEQA pursuant to the Governor’s executive order.

4 The second amended writ petition includes causes of action for violation of
5 CEQA against the District, violation of the Coastal Act against the District and the
6 County, and breach of the public trust doctrine against all Respondents.

7 The first cause of action is for alleged CEQA violations. Landwatch believes that
8 the Project did not qualify for an “emergency” exemption under CEQA. Landwatch
9 believes that the District took advantage of a statewide drought to create an “emergency”
10 for purposes of constructing a Project that addresses long-term water supply concerns,
11 but without the necessity of complying with CEQA’s environmental protections.

12 Landwatch contends that the Project does not qualify for a statutory exemption
13 from CEQA under Public Resources Code §21080(b). Landwatch and the Respondents
14 have differing opinions as to the applicable standard of review on this issue. Landwatch
15 argues that the District’s decision presents a question of law requiring de novo review.
16 Whereas, the District argues review of its factual determination that the Project falls
17 within a statutory exemption is governed by the substantial evidence standard. The
18 recent case of *Defend Our Waterfront v. California State Lands Comm'n* (2015) 240
19 Cal.App.4th 570, summarizes the standard of review as follows:

20
21 Typically, courts resolve substantive CEQA issues by determining
22 independently whether the administrative record demonstrates any legal
23 error by the agency and whether it contains substantial evidence to support
24 the agency's factual determinations. (*North Coast Rivers Alliance v.*
25 *Westlands Water Dist.* (2014) 227 Cal.App.4th 832, 850.) Thus, an
26 ‘agency's finding that a statutory exemption applies to a project will be
27 upheld if substantial evidence supports the finding of exemption.
28 [Citation.]’ (*Ibid.*) ‘On the other hand, if we are required to construe the
scope of a statutory exemption, to that extent the issue becomes one of
statutory interpretation to which we apply de novo review. [Citations.]’
(*Id.* at p. 851; *Defend Our Waterfront* at 587.)

1 Public Resources Code §21080(b)(4) provides that CEQA does not apply to
2 specific actions necessary to prevent or mitigate an emergency. Public Resources Code
3 §21060.3 defines “emergency” as a sudden, unexpected occurrence, involving a clear and
4 imminent danger, demanding immediate action to prevent or mitigate loss of, or damage
5 to life, health, property, or essential public services. As way of example, the statute
6 refers to occurrences such as fires, floods, earthquakes, riots, accidents, or sabotage.

7 Here, Landwatch argues that the above statutory exemption does not apply to a
8 long-term water supply project as approved in this case. According to Landwatch, this is
9 not a sudden and unexpected occurrence. Rather, Landwatch argues that the Project is a
10 long-planned, long-term public works project that was developed to address a chronic
11 water supply issue. (See *Castaic Lake Water Agency v. City of Santa Clarita* (1995) 41
12 Cal.App.4th 1257.)

13 In *Castaic*, the appellate court held that the City of Santa Clarita’s adoption of a
14 redevelopment plan for an area devastated by the Northridge earthquake did not qualify
15 for an exemption under Public Resources Code §21080(b)(3) and (4). The *Castaic* court
16 held that while the proposed plan did include repairing and restoring facilities damaged
17 and destroyed in the earthquake, it also included construction of facilities, independent
18 from the earthquake and infrastructure improvements, to alleviate deficiencies in the
19 City. Landwatch strenuously argues that the nature of the Project, and the fact it took
20 substantial time to develop and complete, affirms it was more of a long-term project as
21 opposed to an emergency fix. Landwatch points out that the District could have resorted
22 to smaller scale projects to address an imminent water shortage.

23 Contrary to Landwatch’s assertion, the Court concurs with the District’s
24 conclusion that the Project falls within the statutory emergency exemption under Public
25 Resources Code §21080(b)(4). In *CalBeach Advocates v. City of Solana Beach* (2002)
26 103 Cal.App.4th 529, there was a significant notch in a 74 foot stretch of coastal bluff
27 between two seawalls. The fracture created a very high likelihood that the bluff would
28 collapse during the winter storm season, which would damage homes located on the edge

1 of the bluff. The City of Solana Beach granted a special use permit under CEQA's
2 emergency exemption. The petitioner in *CalBeach* argued that there was no emergency
3 because the erosion and failure of the bluff was a condition and not a sudden and
4 unexpected occurrence.

5 The *CalBeach* court disagreed with the petitioner and found that a state of being
6 can consist of many occurrences. (*Id.* at 537.) In other words, the collapse of the bluff,
7 like an earthquake or forest fire, is an occurrence. Nevertheless, Landwatch argues that
8 this drought condition was not an unexpected occurrence. However, the *CalBeach* court
9 concluded that Public Resources Code section 21080(b)(4) exempts projects that prevent
10 emergencies which, in this case, was the stated purpose of the Project. Unlike the facts in
11 *Castaic*, the Project addresses a specific and current emergency relative to water supply.

12 Furthermore, the administrative record contains substantial evidence to support
13 the District's conclusion that there was an imminent water supply shortage and
14 emergency justification for the CEQA exemption. Due to lack of rain and any recharge,
15 the District was informed in January 2014 that there was, at best, only four months of
16 water remaining. (AR 37-38) The District took the extraordinary measure of declaring a
17 Stage 3 water shortage condition. (AR 56) Also, the Governor, on January 17, 2014,
18 declared a state of emergency related to water supplies and called on water suppliers to
19 immediately implement water shortage contingency plans. (AR 415-417) Likewise, on
20 December 26, 2014, the California Department of Public Health sent notice to all water
21 systems warning of limited water supplies and urged them to develop contingency plans
22 to mitigate water supply problems. (AR 409-411) Thus, as emphasized by the District
23 and as illustrated above, there is substantial evidence in the record to support the
24 District's determination that the Project was exempt.

25 As raised in the demurrer and in response to Landwatch's motion for preliminary
26 injunction, the District again argues that the Project for CEQA purposes was "approved"
27 on January 30, 2014 (Resolution No. 05-2014) and this action was filed nearly nine
28

1 months later. (AR 11-12) As such, the District asserts that the first cause of action is
2 barred by the 180-day CEQA statute of limitations. [Public Resource Code §21167(d)]¹
3 Landwatch focuses on the District's September 9, 2014, filing of a Notice of Exemption
4 (NOE) with OPR and on OPR's September 12, 2014, issuance of its concurrence
5 exempting the Project from CEQA. (AR 1-2) As was discussed in the Court's ruling on
6 the demurrer, those allegations were sufficient to comply with the 35-day statute of
7 limitations period following the filing of a NOE. However, the statute of limitations
8 issue appears now to be dependent upon when the District "approved" the Project. In
9 other words, Landwatch's CEQA-based claim requires a determination that the Project
10 was not approved in January 2014.

11 In support of its position, Landwatch highlights the District's efforts over the past
12 15 years to design and obtain approval for a long-term supply of additional water. This
13 included plans to construct a saltwater desalination project. Through that process, the
14 District, in 2013, ultimately came up with four viable alternatives to create an alternative
15 water supply.

16 The crux of Landwatch's argument is that the District, on January 30, 2014,
17 approved two "projects:" (1) A small project to restart older wells, and (2) a decision to
18 initiate the development of a long term brackish water supply project. (AR 96-97) As to
19 the brackish water supply project, Landwatch argues that the District, on January 30,
20 2014, simply authorized the use of emergency contract procedures, transferred funds
21 from the general fund to the water fund, and entered into a consulting agreement with
22 CDM Smith. Landwatch then points to the District's February 13, 2014 resolution in
23 which the District authorized its General Manger to seek an emergency coastal

24
25 ¹ Public Resource Code §21167(d) states as follows: "An action or proceeding alleging that a public
26 agency has improperly determined that a project is not subject to this division pursuant to subdivision
27 (b) of Section 21080 or Section 21172 shall be commenced within 35 days from the date of the filing
28 by the public agency, or person specified in subdivision (b) or (c) of Section 21065, of the notice
authorized by subdivision (b) of Section 21108 or subdivision (b) of Section 21152. If the notice has
not been filed, the action or proceeding shall be commenced within 180 days from the date of the
public agency's decision to carry out or approve the project, or, if a project is undertaken without a
formal decision by the public agency, within 180 days from the date of commencement of the project."

1 development permit with the County to complete the emergency water supply project.
2 (PAR 1352-1353)

3 Landwatch also cites to CDM Smith's Task Order 2 which describes, as Task 8,
4 an initial environmental study/mitigated negative declaration. (PAR 1665) Landwatch
5 points to the fact that on June 20, 2014, the District circulated the draft initial
6 study/mitigated negative declaration.² (PAR 425-1006) Landwatch emphasizes that
7 numerous governmental agencies that were asked to provide comments identified a
8 variety of environmental concerns. Most critical of all were from the Coastal
9 Commission which identified incompatibilities with the Coastal Act. (PAR 1017-1027)
10 Landwatch hypothesizes that because of these environmental roadblocks, the District
11 changed course on September 9, 2014, and elected to file the NOE which then triggered
12 Landwatch's right to challenge the District's determination that the Project was exempt
13 from CEQA.

14 In opposition, the District argues that the Project was clearly approved on January
15 30, 2014, in response to a severe drought which caused the California Department of
16 Public Health to send out notices to all local water agencies urging them to develop
17 drought response contingency plans. The District also highlights that on January 17,
18 2014, Governor Brown proclaimed a state of emergency as to water supplies.

19 At its January 30, 2014 meeting, the District declared a Stage 3 Water Shortage
20 Emergency. (AR 3-5) As to the water supply, the District ordered the restarting of two
21 wells and approved the completion of a brackish water supply project. (AR 12) The
22 District adopted Resolution 05-2014 which itself identifies an emergency water supply
23 project, authorizes expenditure of District funds to develop and implement the emergency
24 project, authorizes the general manager to enter into contracts, suspends the competitive
25

26
27 ² As emphasized by the District, the June 20, 2014 initial study specifically states that its purpose is to
28 support the Project's regular Coastal Development Permit which is consistent with the District's
assertion that the initial study was prepared in conjunction with the District's application for a regular
CDP. (PAR 435)

1 bid process, and, most importantly, determines that the “project” is exempt from CEQA
2 pursuant to Public Resource Code §21080. (AR 11-13)

3 The actions taken by the District, on January 30, 2014, constitute an “approval” of
4 the Project under CEQA Guidelines §15352(a) because the District committed itself to a
5 definitive course of action for the development and construction of an emergency water
6 supply project. (See *Stockton Citizens for Sensible Planning v. City of Stockton* (2010) 48
7 Cal.4th 481, 505; *Van De Kamps Coal. v. Bd. of Trustees of Los Angeles Cmty. Coll.*
8 *Dist.* (2012) 206 Cal.App.4th 1036, 1046-1047.) Landwatch responds that there was no
9 approval on January 30, 2014 because, at that point, the District was still considering
10 alternative emergency water supply projects. According to Landwatch, approval does not
11 occur until the agency has committed itself to the proposed project as a whole and its
12 particular features so as to preclude any alternatives or mitigation measures. (See *Save*
13 *Tara v. City of W. Hollywood* (2008) 45 Cal.4th 116, 131.) However, in *Save Tara*, the
14 Supreme Court noted that “the guideline defines ‘approval’ as occurring when the agency
15 *first* exercises its discretion to execute a contract or grant financial assistance, not when
16 the *last* such discretionary decision is made.” (*Id.* at 134.)

17 Contrary to Landwatch’s position, the Project was approved on January 30, 2014
18 because the District committed to the immediate development and implementation of an
19 emergency water supply project and, in furtherance of the project, authorized the
20 expenditure of funds and for the General Manager to enter into contracts to develop and
21 implement the emergency water supply project. (AR 12; See *City of Chula Vista v. Cty.*
22 *of San Diego* (1994) 23 Cal.App.4th 1713, 1720.) As such, even if the Project was not
23 subject to an emergency CEQA exemption, Landwatch is still time barred from
24 challenging the District’s emergency exemption determination.

25 The second cause of action is asserted against the District and the County and
26 alleges that the District is currently in violation of the ECDP, and the County is violating
27 the Coastal Act and its certified LCP because it is not enforcing the conditions of the
28 ECDP and is allowing the District to extend its compliance time period. According to

1 Landwatch, these violations are actionable under Public Resources Code §§30803 and
2 30804.³

3 Condition 6 of the ECDP requires that the District, within 30 days of the issuance
4 of the ECDP, apply for a regular coastal development permit to authorize the Project.
5 (PAR 2799) Also, the ECDP was originally set to expire on November 15, 2014 and
6 requires that the District provide semi-annual monitoring reports. (PAR 2796-2798)
7 Landwatch argues the District has failed to meet these requirements and the County is
8 mandated to enforce the requirements, but continues to unlawfully allow the District to
9 operate the Project under the ECDP. Landwatch believes that this conduct is actionable
10 through a declaratory judgment and/or equitable relief cause of action.

11 Landwatch acknowledges that on June 12, 2014, within 30 days after issuance of
12 the ECDP, the District submitted a “package” to the County which included a draft
13 CEQA initial study. (PAR 2871) The “package” submitted by the District was in fact the
14 District’s application for a regular coastal development permit as required by the ECDP.
15 (PAR 2871) On July 15, 2014, the County responded and informed the District that
16 additional information was to be provided within 90 days, in order for the application to
17 be accepted as complete for processing. (PAR 4319) According to Landwatch, this
18 extension was improper and under SLO County Code Chapter 23.10, the County was
19 required to initiate an enforcement action against the District.

20 Because Landwatch contends that the County’s extension of the time period for
21 the District’s compliance with condition 6 was improper, the District appears to be barred
22 from pursuing that claim. Pursuant to County Code §23.01.080, any action to attack,
23 review, set aside, void, or annul any decision on matters set forth in the Coastal Zone
24 Land Use Ordinance must be filed within 90 days after the date such decision become
25 final. Here, Landwatch asserts that the County, on July 15, 2014, improperly and
26 illegally extended the District’s time to complete the regular coastal development permit
27

28 ³ Landwatch is precluded from challenging the County’s issuance of the ECDP because the Court, in
ruling on the demurrer, found that the claim is barred by the applicable 90 day statute of limitations.

1 which, according to Landwatch, violates the ECDP and Coastal Act. As such, the
2 naming of the County as a defendant on February 13, 2015 violates section 23.01.080
3 such that the second cause of action as to the County is time-barred.

4 Even if not time-barred, Landwatch fails to meet its burden to establish that the
5 District is in violation of the ECDP, or that the County is in violation of its Coastal Act
6 duties for lack of enforcement. Despite Landwatch's assertions, there is no authority that
7 under SLO County Code §23.03.045(b)(6) the County is obligated to commence an
8 enforcement action against the District. The District filed its application within 30 days
9 of issuance of the ECDP in compliance with ECDP. Section 23.03.045 of the County's
10 Coastal Zone Land Use Ordinances related to emergency permits only requires that the
11 property owner "apply" for a land use permit. There is no authority cited that the
12 application must be completed in 30 days.

13 The County properly issued the ECDP and the District is in compliance with the
14 conditions of the ECDP. Landwatch cannot compel the County to exercise its discretion
15 to address any alleged violations of the ECDP. Any enforcement mechanisms authorized
16 by the County Codes are exercised based on the discretion of the County Planning
17 Director. (County Code §23.01.040) There is nothing in the County Codes that would
18 compel the County to unilaterally revoke the ECDP. More importantly, the County
19 emphasizes that there is no authority cited to establish that Public Resources Code
20 §30804 can be used to compel a regulatory governmental agency to take a certain action.

21 Landwatch asserts the Court can issue a writ of mandate to force the County to
22 take certain ministerial actions to enforce the District's compliance with the ECDP.
23 (*Terminal Plaza Corp. v. City & Cty. of San Francisco* (1986) 186 Cal.App.3d 814, 836.)
24 Even assuming there are violations of the ECDP, the Court is not convinced it can
25 compel the County to act through a writ of mandate. The second cause of action appears
26 to only allege claims for declaratory or equitable relief. The Court cannot compel the
27 County to exercise its enforcement discretion in a specific manner. The County has the
28 discretion to decide how it deals with the District and any alleged noncompliance with

1 the ECDP. (County Code §23.01.040) The same can be said for the Coastal Act; it is
 2 unclear how the County can be compelled to enforce the ECDP under the Coastal Act.
 3 With regard to Landwatch's third cause of action for violation of the public trust doctrine,
 4 those claims are duplicative of the second cause of action. Also, Landwatch concedes that
 5 there is no need to adjudicate the public trust doctrine claims because the District did not
 6 rely on any action taken by the state in approving and developing the Project.

7 Based on the foregoing reasons, the Court finds in favor of the District, the
 8 County, OPR, and the State Water Resources Control Board, and against Landwatch as to
 9 all claims in the first, second and third causes of action. Landwatch's request for a writ
 10 of mandate or any other declaratory or equitable relief is denied.

11
 12
 13 DATED: July 26, 2016

14 

 GINGER E. GARRETT
 JUDGE

15 GEG:jn
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**STATE OF CALIFORNIA, COUNTY OF SAN LUIS OBISPO
CERTIFICATE OF MAILING
RULING ON PETITION FOR WRIT OF MANDAMUS**

Landwatch San Luis Obispo County vs. Cambria Community Services District	14CVP-0258
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Stanford CA 94305

Robert Squire Bower
611 Anton Blvd Ste 1400
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County Counsel
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Los Angeles CA 90071-3101


Under penalty of perjury, I hereby certify that I deposited in the United States mail, at, Paso Robles, California first class postage prepaid, in a sealed envelope, a copy of the foregoing addressed to each of the above;

OR

If counsel has a pickup box in the Courthouse a copy was placed in said pickup box this date.

Dated: 7/27/2016

Michael Powell, Clerk of the Court

By:  Deputy Clerk
Julie Vierra

CAMBRIA COMMUNITY SERVICES DISTRICT

DIRECTORS:

GAIL ROBINETTE, President
 MICHAEL THOMPSON, Vice President
 JIM BAHRINGER
 AMANDA RICE
 GREG SANDERS


OFFICERS:

JEROME D. GRUBER, General Manager
 MONIQUE MADRID, District Clerk
 TIMOTHY J. CARMEL, District Counsel

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1316 Tamsen Street, Suite 201 • P.O. Box 65 • Cambria CA 93428
 Telephone (805) 927-6223 • Facsimile (805) 927-5584

June 23, 2016

Attn: Airlin Singewald
 North Coast Area Planner
 Department of Planning & Building
 County Government Center
 San Luis Obispo, CA 93408

Subject: Sustainable Water Facility – Regular Coastal Development Permit Application;
 Time Extension Request

Dear Mr. Singewald:

We greatly appreciate your continued participation in our regular conference calls and meetings with our consultants and EIR ad hoc committee, as we strive to complete a thorough environmental review and analysis to support our Sustainable Water Facility's regular coastal development permit application. Since our original June 12, 2014 application materials were prepared, our EIR team has worked earnestly and diligently on a variety of very complex issues, including: addressing potential growth inducement by forming a citizen's advisory committee to revisit and assess the CCSD's Buildout Reduction Program; developing phased mitigation measures to repurpose the project's evaporation basin by converting its use to storing raw potable water and using alternative offsite disposal of the facility's reverse osmosis concentrate; as well as addressing questions raised in NOP comment letters related to the CCSD's existing water diversion permits. These and other important issues all take time to adequately analyze, and we are therefore seeking an additional six month time extension to complete our regular Coastal Development Permit application.

Changes being made to our original application materials will include our rebranding the project description from an "Emergency Water Supply Facility" to its new name as our "Sustainable Water Facility," and providing our detailed EIR. Our goal is to be able to operate the new facility to help avoid a water shortage by not limiting its operation to when there already is a declared Stage 3 water shortage emergency. During its limited operation to date, the new facility has proven its ability to produce very high quality potable water while improving existing groundwater quality and protecting the sensitive

lagoon habitat. As an interim step to update your project file, we are providing you with a June 1, 2016 Project Completion Report. This report was prepared to address a Proposition 84 grant requirement, and provides the latest information on the facility, as well as initial performance information.

Please let us know if there is any additional information you may need to support our request to extend our regular coastal development permit application deadline. We greatly appreciate your assistance. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert C. Gresens".

Robert C. Gresens, P.E.
District Engineer

CAMBRIA COMMUNITY SERVICES DISTRICT

cc: Jerome D. Gruber
Attachment (1) – Project Completion Report

VENCO POWER SWEEPING, INC. will be performing monthly curb sweeping services for San Luis Obispo County.

PLEASE PARK YOUR VEHICLES 'SWEEPER FRIENDLY' & REMOVE GARBAGE CONTAINERS FROM CURB ON SCHEDULED SWEEPING DAYS

SWEEPING SCHEDULE for AUGUST 2016:

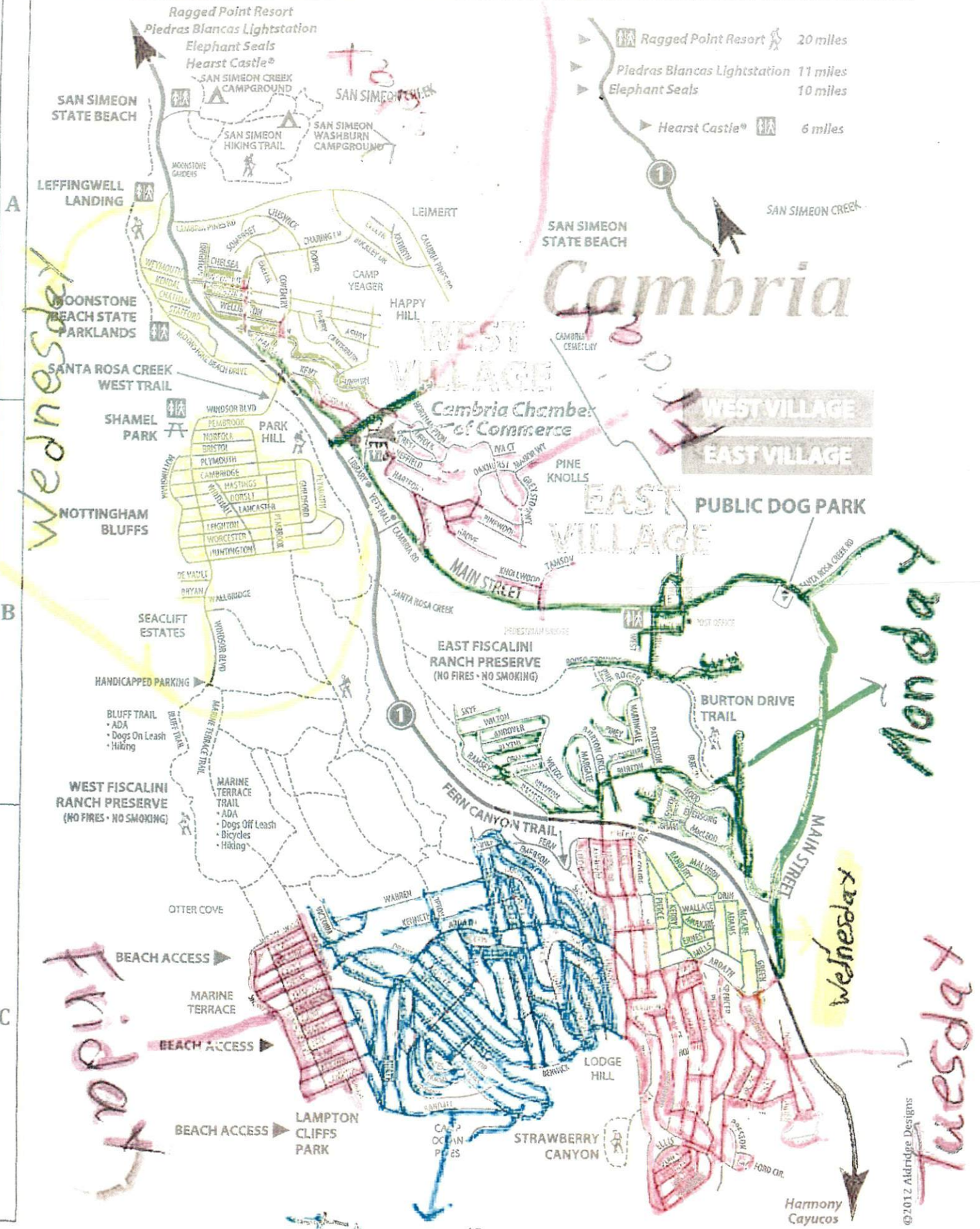
NIPOMO		
Monday	08/01/16	All streets North of Tefft Street; All streets East of Hwy 101; to include Tefft St.,
Tuesday	08/02/16	All streets South of Tefft Street; and All streets East of Orchard Ave.
Thursday	08/04/16	All streets South of Tefft Street; and All Streets West of Orchard Ave.
Monday	08/08/16	Black Lake Golf Resort-(both areas North & South of Willow Rd.)/ and the Callender Rd. area
Wednesday	08/24/16	Area on Nipomo Mesa*
OCEANO		
Wednesday	08/03/16	Pier Avenue, Strand Way, Railroad Street, & adjacent beachfront streets
Wednesday	08/10/16	Town of Oceano- to include bridge. Pier Avenue, Strand Way, Railroad Street, & adjacent beachfront streets
Wednesday	08/17/16	Pier Avenue, Strand Way, Railroad Street, & adjacent beachfront streets
Wednesday	08/24/16	Pier Avenue, Strand Way, Railroad Street, & adjacent beachfront streets
Wednesday	08/31/16	Pier Avenue, Strand Way, Railroad Street, & adjacent beachfront streets
AVILA BEACH		
Tuesday	08/09/16	Town of Avila Beach- to include bridges
TEMPLETON		
Thursday	08/11/16	Town of Templeton- East of Hwy 101 to include bridge
Friday	08/12/16	Town of Templeton- West of Hwy 101
LOS OSOS		
Monday	08/15/16	All streets East of 9th St. & to include the Sea Pines Golf Course area,
Tuesday	08/16/16	All streets West of 9th St., & Cabrillo Estates area
	08/18/16	
SAN LUIS OBISPO		
Friday	08/05/16	Country Club area, south of the city of San Luis Obispo
Monday	08/22/16	San Luis Obispo area
CAYUCOS		
SAN SIMEON		
Friday	08/19/16	Town of Cayucos- to include bridge Town of San Simeon
CAMBRIA		
Tuesday	08/23/16	Town of Cambria - roads with trash days on Monday, Wednesday, & Thursday
Friday	08/26/16	Town of Cambria - roads with trash days on Tuesday & Friday
SAN MIGUEL		
SHANDON		
SANTA MARGARITA		
Thursday	08/25/16	Town of San Miguel- to include bridge Town of Shandon- to include bridges Town of Santa Margarita- to include El Camino Real
MAINTENANCE YARDS		
Monday	08/22/16	Section 3 - Maintenance Yard & Traffic Shop & Garage Yard
Monday	08/29/16	Section 1- Maintenance Yard
BIKE LANES		
Monday	08/29/16	El Camino Real, Old Creek Rd.
Tuesday	08/30/16	Higuera St., O'Connor Way, Foothill Blvd., Los Osos Valley Rd., Buckley Rd., Price Canyon Rd
Wednesday	08/31/16	Thompson Rd., Hutton Rd., Joshua Rd., Halcyon Rd.(both north & south portions) Willow Rd., Los Berros Rd., Valley Rd., Oak Park Rd., Lopez Lake Dr., Orcutt Rd.

See a detailed schedule & more information regarding our sweeping program at:

www.slocounty.ca.gov/pw

OR Contact: Venco Power Sweeping, Inc.- (805) 201-0040 / www.vencosweep.com

1 2 3





CAMBRIA COMMUNITY SERVICES DISTRICT

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Telephone (805) 927-6223 • Facsimile (805) 927-5584

RESIDENTIAL RATES

The following residential *bi-monthly* rates effective March 1, 2016. Please contact us for commercial rates.

Bi-monthly Fixed Water Charge \$25.50

Bi-monthly Water Usage Charges

<u>CCF Used</u>	<u>Charge per CCF</u>
1-4	\$6.50
5-16	\$8.50
>16	\$9.50

Bi-monthly EWS Fixed Charge \$13.00

Bi-monthly EWS Usage Charge

<u>CCF Used</u>	<u>Charge per CCF</u>
1-4	\$1.50
5-16	\$3.00
>16	\$4.50

EWS Operating Charge (when SWF is operating)

<u>CCF Used</u>	<u>Charge per CCF</u>
1-4	\$1.50
5-16	\$3.00
>16	\$5.00

Bi-monthly Fixed Wastewater Charge \$56.00

Bi-monthly Wastewater Usage Charge

<u>CCF Used</u>	<u>Charge per CCF</u>
All use	\$3.24

Penalty for exceeding allotment: 500% of cost of last CCF billed (Exception: if the penalty is for the 4th thru 8th CCF used, the penalty is only 100% of the cost of the last CCF billed) ***Please note that penalties and surcharges are suspended through August 31, 2016 and will be reviewed at the Board meeting on August 25, 2016.**

Minimum bill (regardless if services are used or not used) for 2-month period = **\$94.50**

Late fees are applied if the payment is received after 5:00 pm on the due date. No postmarks accepted.

<u>PERIOD</u>	<u>MAILED</u>	<u>DUE</u>
Jan-Feb	Mar 10	Apr 11
Mar-Apr	May 10	Jun 13
May-Jun	July 11	Aug 10
Jul-Aug	Sept 12	Oct 12
Sep-Oct	Nov 10	Dec 12
Nov-Dec	Jan 10	Feb 13

Water Emergencies:

If you have a water or a wastewater emergency please call (805) 927-6223. We have an answering service for after hour emergencies.

How to read your water meter

Your water meter is usually located at the front of your property in a green plastic or concrete box.

1) Meter Read

The first four places on the left with white background are used for billing. This number, minus the previous read, represents the number of water units used during the current billing period.

2) Unit measurement

One unit of water equals 100 cubic feet of water or 748 gallons.

3) Sweep hand on meter face.

One revolution equals one cubic foot or 7.48 gallons of water.

4) Leak Detector: red triangle/blue circle

This triangle/circle rotates whenever water is flowing through the meter. Turn off all of your water fixtures. If the triangle is moving, you have a leak.

5) Meter Shut-off:

If you need your meter shut-off, you must contact the CCSD to have the water department do it for you.

Watering Regulations

The District's general water use regulations requiring conservation of water remain in effect. Violation of any of these provisions may result in surcharges, fines, water restrictions, or other action taken by the District.* Please follow these regulations to ensure a reliable water supply for all of Cambria.

- (1) When watering yards:
 - a) No water runoff is allowed
 - b) A person must be in attendance when watering takes place;
 - c) No watering allowed between 10 a.m. and 6 p.m.
 - d) Watering is limited to the amount necessary to maintain landscape
 - e) Addresses ending in even numbers may water on Tuesdays, addresses ending in odd numbers may water on Thursdays, and out of town owners may water on Saturdays or Sundays
- (2) The washing of walkways, driveways, parking lots and/or all other hard surfaces, with a hose is prohibited except as necessary to dispose of flammable or dangerous liquids.
- (3) Serving water to customers in any restaurant is prohibited, unless water is specifically requested.
- (4) The washing of vehicles must be done with a bucket. Rinsing with a hose equipped with a shutoff at the point of release is permitted, subject to non-wasteful applications.
- (5) The use of potable water for dust control, compacting, or construction activities is prohibited. Non-potable water can be obtained by contacting a local private water contractor.
- (6) The use of potable water in a fountain or any other decorative water features, except where the water is part of a recirculating system is prohibited.
- (7) The irrigation with potable water of ornamental turf on public street medians is prohibited.
- (8) The escape of water through breaks or leaks in your plumbing or distribution system is prohibited. Once detected, water must be shut off within two hours after the water user discovers such leak or break, or receives notice from the district of such leak or break, whichever occurs first. Such leak or break shall be corrected within an additional six hours.

**BOARD OF DIRECTORS' MEETING –SEPTEMBER 6, 2016
ADDENDUM TO GENERAL MANAGER'S REPORT
FINANCE MANAGER'S REPORT**

ADMINISTRATION

BUDGET FY 2015/2016

- A Fiscal Year 2015/2016 Budget was adopted on June 25, 2015. A mid-year budget amendment was adopted on February 18, 2016. A financial audit of transactions during Fiscal Year 2015/16 will be conducted by an independent auditor (Crosby Company CPA) with results reported to the Board and the public no later than January 2017.

BUDGET FY 2016/2017

- The Fiscal Year 2016/2017 Budget was adopted at the regular Board meeting on June 23, 2016.

EXPENDITURES OVER \$100,000 DURING JUNE & JULY 2016

There were no expenditures exceeding \$100,000 during June and July 2016.

WATER/WASTEWATER USAGE AND BILLING

The chart on the next page reflects usage and billing through May/June 2016. The CCF billed were 4.0% below the amounts billed the previous year and 62% of the amount billed in 2013. The revenue realized from Water sales was \$118,215 more than billed the previous year however total receipts this year were only \$33,809 more than last year for two reasons. First because \$60,128 in penalties were collected last year and none were collected this year and second, there were \$31,637 in adjustments this year while there were only \$7,359 in adjustments last year.

1 **CCSD WATER SALES HISTORY AND PROJECTIONS**

2 8/10/2016

3 FY 12/13	JUL/AUG	SEP/OCT	NOV/DEC	JAN/FEB	MAR/APR	MAY/JUN
4 TOTAL	381,951	313,702	250,683	255,453	277,670	333,616
5 BASE	102,586	102,672	102,722	102,809	102,906	102,915
6 USAGE	278,488	210,933	146,434	151,971	173,955	229,755
9 ADJUSTMNTS	877	97	1,527	673	809	946
11 TOTAL CASH						
12 CCF	61,407	51,098	40,051	40,943	44,201	54,173
13 USAGE \$/CCF	4.54	4.13	3.66	3.71	3.94	4.24

15 FY 13/14	JUL/AUG	SEP/OCT	NOV/DEC	JAN/FEB	MAR/APR	MAY/JUN
16 TOTAL	393,622	298,103	242,203	232,597	271,413	231,812
17 BASE	102,895	102,793	102,784	102,907	102,885	102,755
18 USAGE	288,512	192,906	137,197	129,137	97,979	99,313
21 ADJUSTMNTS	2,215	2,404	2,222	553	(157)	(17,035)
22 PENALTIES/SURCHARGES					70,706	46,779
23 TOTAL CASH						
24 CCF	63,113	47,345	38,827	36,576	24,917	25,500
25 USAGE \$/CCF	4.57	4.07	3.53	3.53	3.93	3.89

28 FY 14/15	JUL/AUG	SEP/OCT	NOV/DEC	JAN/FEB	MAR/APR	MAY/JUN
29 TOTAL	315,646	386,085	328,775	347,274	397,073	349,205
30 BASE	102,952	102,867	102,837	102,835	102,093	102,987
31 USAGE	127,246	103,268	83,048	85,496	107,340	103,415
32 EWS BASE		62,097	62,094	61,799	61,668	61,996
33 EWS USAGE		89,005	60,235	61,371	73,203	76,203
34 ADJUSTMNTS	(7,277)	(15,945)	(12,369)	(3,435)	(7,359)	(51,890)
35 PENALTIES/SU	92,725	44,793	32,930	39,208	60,128	56,494
36 TOTAL CASH						
37 CCF	31,592	28,764	23,723	23,967	28,899	28,229
38 % OF FY 12-13	51%	56%	59%	59%	65%	52%
39 USAGE \$/CCF	4.03	3.59	3.50	3.57	3.71	3.66
40 EWS \$/CCF		3.09	2.54	2.56	2.53	2.70

41	ACTUAL					
42 FY 15/16	JUL/AUG	SEP/OCT	NOV/DEC	JAN/FEB	MAR/APR	MAY/JUN
43 TOTAL	496,358	430,208	414,976	356,084	430,882	501,749
44 BASE	102,935	102,730	102,828	102,864	115,313	115,127
45 USAGE	124,569	116,096	101,617	92,773	211,292	249,393
46 EWS BASE	61,874	61,792	62,098	61,882	61,161	61,244
47 EWS USAGE	83,654	79,869	71,071	66,124	74,753	88,395
48 EWS OPS		36,864	49,964			
49 ADJUSTMNTS	(3,964)	(49,726)	(23,276)	(34,172)	(31,637)	(12,410)
50 PENALTIES/SU	127,290	82,583	50,674	66,613	-	-
51 TOTAL CASH						
52 CCF	33,441	32,633	27,147	24,968	27,603	34,043
53 % OF FY 12-13	54%	64%	68%	61%	62%	63%
54 USAGE \$/CCF	3.73	3.56	3.74	3.72	7.65	7.33
55 EWS \$/CCF	2.50	2.45	2.62	2.65	2.71	2.60

The chart below shows how actual CCFs billed in fiscal years 2014, 2015 and 2016 compared to what was billed in fiscal year 2013.

COMPARISON OF WATER USAGE BILLED						
	<u>JUL/AUG</u>	<u>SEP/OCT</u>	<u>NOV/DEC</u>	<u>JAN/FEB</u>	<u>MAR/APR</u>	<u>MAY/JUN</u>
FY 2012/2013	61,407	51,098	40,051	40,943	44,201	54,173
FY 2013/2014	63,113	47,345	38,827	36,576	24,917	25,500
Note 1	103%	93%	97%	89%	56%	47%
FY 2014/2015	31,592	28,764	23,723	23,967	28,899	28,229
Note 2	51%	56%	59%	59%	65%	52%
FY 2015/2016	33,441	32,633	27,147	24,968	27,603	34,043
Note 3	54%	64%	68%	61%	62%	63%
<i>Note 1: Each FY 2013/2014 billing cycle compared to same billing cycle in FY 2012/2013</i>						
<i>Note 2: Each FY 2014/2015 billing cycle compared to same billing cycle in FY 2012/2013</i>						
<i>Note 3: Each FY 2015/2016 billing cycle compared to same billing cycle in FY 2012/2013</i>						

WASTEWATER REVENUE

The chart below shows actual Wastewater revenue for fiscal years 2013, 2014, 2015 and 2016.

CCSD WASTEWATER SALES HISTORY AND PROJECTIONS						
7/26/2016						
FY 12/13	<u>JUL/AUG</u>	<u>SEP/OCT</u>	<u>NOV/DEC</u>	<u>JAN/FEB</u>	<u>MAR/APR</u>	<u>MAY/JUN</u>
SEWER SALES	353,040	333,530	314,016	316,887	322,690	339,547
BASE	248,975	248,931	248,991	249,061	248,917	248,880
USAGE	104,065	84,599	65,025	67,826	73,773	90,667
<i>PERCENT SALES COMPARED TO JUL/AUG 2013:</i>						
	100%	81%	62%	65%	71%	87%
FY 13/14	<u>JUL/AUG</u>	<u>SEP/OCT</u>	<u>NOV/DEC</u>	<u>JAN/FEB</u>	<u>MAR/APR</u>	<u>MAY/JUN</u>
TOTAL	356,678	327,765	312,334	309,020	288,655	288,937
BASE	249,916	249,111	249,098	249,489	249,415	249,153
USAGE	106,762	78,654	63,236	59,531	39,240	39,784
<i>COMPARISON TO SAME PERIOD FY 12/13</i>						
TOTAL %	101%	98%	99%	98%	89%	85%
USAGE %	103%	93%	97%	88%	53%	44%
FY 14/15	<u>JUL/AUG</u>	<u>SEP/OCT</u>	<u>NOV/DEC</u>	<u>JAN/FEB</u>	<u>MAR/APR</u>	<u>MAY/JUN</u>
TOTAL	298,877	291,469	286,650	287,225	292,401	291,940
BASE	250,263	250,012	249,984	250,198	249,261	250,349
USAGE	48,614	41,457	36,666	37,027	43,140	41,591
<i>COMPARISON TO SAME PERIOD FY 12/13</i>						
TOTAL %	85%	87%	91%	91%	91%	86%
USAGE %	47%	49%	56%	55%	58%	60%
ACTUAL						
FY 15/16	<u>JUL/AUG</u>	<u>SEP/OCT</u>	<u>NOV/DEC</u>	<u>JAN/FEB</u>	<u>MAR/APR</u>	<u>MAY/JUN</u>
TOTAL	297,892	296,385	292,464	289,964	305,052	318,932
BASE	250,403	249,841	250,429	250,500	214,599	214,989
USAGE	47,489	46,544	42,035	39,464	90,453	103,943
<i>COMPARISON TO SAME PERIOD FY 12/13</i>						
TOTAL %	84%	89%	93%	92%	95%	94%
USAGE %	46%	55%	65%	58%	123%	115%

EXPENDITURES FOR THE SUSTAINABLE WATER FACILITY

The District has undertaken the development of a Sustainable Water Facility system in response to the worst drought in California history which resulted in a declared Stage 3 Drought Emergency. \$12,910,109 in expenditures for the EWS project have been authorized by the CCSD Board of Directors. Those expenditures include the following:

CDM SMITH: ENGINEERING, PRECONSTRUCTION	
PERMITTING AND ENVIRON SVCS	2,786,818
CDM CONSTRUCTORS: DESIGN/BUILD	7,366,742
GENERAL COSTS	433,747
OTHER PROFESSIONAL SERVICES	560,699
TOTAL PLANT DESIGN/BUILD EXPENDITURES	11,148,006
REGULAR COASTAL DEVELOPMENT PERMIT	1,350,080
PLANT START-UP EXPENDITURES	412,023
TOTAL AUTHORIZATIONS	12,910,109

Total commitments made to-date, in the form of issued purchase orders, equal \$10,153,560. These relate to Task Orders in the following way:

174,495	Task Order 1: Hydrogeoloical Modeling
299,601	Task Order 2: Preconstruction Engineering (Phase 1)
920,084	Task Order 3: Preconstruction Services (Phase 2)
499,941	Task Order 4: Engineering; Permitting; Purchase Assistance
584,607	Task Order 5: Permitting and Environmental
308,090	Task Order 6: Permitting and Environmental
<hr/>	
2,786,818	Total CDM Smith
6,647,919	Design/Build Contract
511,602	Change Order 1
123,953	Change Order 2
83,268	Change Order 3
<hr/>	
7,366,742	Total CDM Constuctors
<hr/>	
<u>10,153,560</u>	Total CDM Smith & CDM Constructors

Invoices paid through July 2016 to CDM Smith, the Sustainable Water Facility Project's primary design/build contractor, equal \$2,629,418.

Invoices paid through July 2016 to CDM Contractors Inc., the Sustainable Water Facility Project's primary builder, equal \$7,366,742.

Total expenditures to all vendors through July 2016, meaning checks issued, equal \$11,253,013.

CASH BALANCES

CCSD maintains one account with the State of California Local Agency Investment Fund (LAIF) and the following five accounts at Heritage Oaks Bank:

- a payroll account;
- an account for operation of the Veteran's Hall;
- an account for medical benefits for employees;
- a main checking account; and
- a money market account.

CCSD pools all of its cash for all of its funds so, other than restricted funds, no cash asset is held for any specific fund. It should be noted that when the pooling method is used, a fund may overdraw its account in the pool. These overdrafts are reported as liabilities with a corresponding receivable (due to/from other funds) on the balance sheet.

The first three accounts shown above are restricted funds which are not available for use in other areas. However, the last two accounts are unrestricted and are available, along with LAIF, as part of the "pooled" cash of CCSD.

Revenues and expenditures fluctuate significantly from month to month and therefore the most appropriate comparison of available cash balances is at the end of the fiscal year on June 30th. Final balance amounts in the Water and Wastewater funds are determined after all other fiscal year activity is recorded, reconciled and audited. Audited cash balances on June 30, 2015 were as shown below. It should be noted that the 2014 and 2015 loans to the Water Fund were to support expenditures for the Sustainable Water Facility construction and those loans were repaid when the Prop 84 grant was received in December.

**CCSD FINANCIAL AUDIT
JUNE 30, 2015**

<u>FUND</u>	<u>CASH BALANCE</u>	<u>INTERFUND LOAN</u>	<u>CASH POSITION</u>
GENERAL FUND	4,211,905	(2,737,310)	1,474,595
WATER FUND	(1,652,586)	(2,047,696)	395,110
WASTEWATER FUND	(128,608)	(689,614)	561,006
TOTAL	2,430,711	(5,474,620)	2,430,711

LOAN HISTORYWATER FUND LOANS

PRIOR 2014	\$ 157,726
2014 LOAN	2,094,181
2015 LOAN	485,403
TOTAL LOANS	\$ 2,737,310

All Water Fund loans
except \$157,726
were paid off prior to
12/31/15

WASTEWATER FUND LOANS

2015 LOAN	\$ 689,614
TOTAL LOANS	\$ 689,614

CCSD CURRENT CASH POSITION AND PROJECTION

Cash balances on July 31, 2016 were \$4,324,584 as shown below. However, there were \$132,566 in checks issued but still outstanding at the end of the month which leaves only \$4,192,018 in cash actually available.

**CCSD CASH POSITION
JULY 31, 2016**

HOB CHECKING BALANCE	\$352,920
HOB MONEY MARKET BALANCE	\$505,263
LAIF BALANCE	\$3,466,401
TOTAL CASH	\$4,324,584
OUTSTANDING CHECKS	(132,566)
AVAILABLE CASH	\$4,192,018

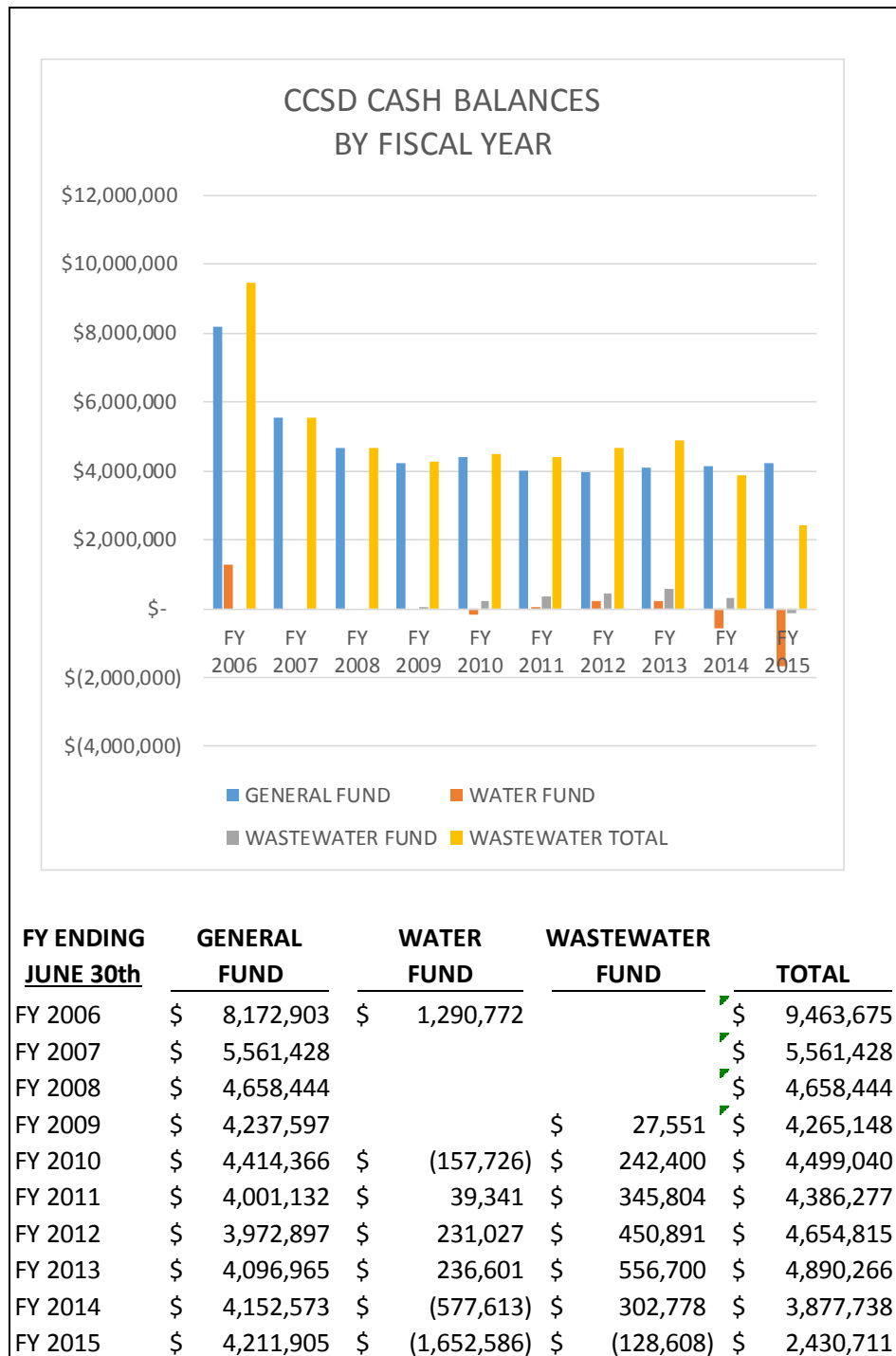
The cash flow projection for Cambria Community Services District for the Fiscal Year 2016-2017 is shown below.

CCSD CASH FLOW PROJECTION 7/1/16 THROUGH 6/30/17	
Balance 7/1/16	4,776,675
Revenue 7/1/16 thru 6/30/17	
WATR SALES	1,937,000
WTR STANDBY FEES	178,000
WATER WAIT LIST	55,000
WATER LOAN	660,000
AWTP SALES	847,000
AWTP OPS SALES	105,000
SWF GRANTS	278,743
WW SALES	1,860,000
WW STANDBY FEE'	119,000
PROPERTY TAX	2,371,633
FIRE BENEFIT	442,680
SAFER GRANT	167,628
FRANCHISE FEE	72,400
OTHER	213,194
Total Revenue	9,307,278
Expenditures 7/1/16 thru 6/30/17	
WAGES	4,385,891
OPS: FIRE	236,192
OPS: F&R/PROS	202,435
OPS: ADMIN	553,982
OPS: WATER	782,760
OPS: WASTEWTR	633,425
AWTP OPS	194,400
AWTP CCR	146,700
DEBT	1,029,127
DISPATCH	38,000
FISCALINI TANK	660,000
SANTA ROSA CR PROJ	10,000
SWF EIR MITIGATN/REG PERMIT	1,839,208
CAPITAL PROJECTS	933,741
Total Expenditures	11,645,861
Projected Cash Balance 6/30/17	<u>2,438,092</u>

Cash is projected to decrease during the year by \$2,338,583 to a balance of \$2,438,092 on June 30th, 2017. The budgeted areas that result in increases and decreases to cash are shown below.

FY 2016/17 NET BUDGETED CASH FLOW	
<u>NET ADDITIONS TO CASH:</u>	
WATER OPS NET	18,124
SWF CAPITAL COST RECOVERY	16,644
SANTA ROSA CREEK PROJECT	49,630
<u>NET DEDUCTIONS FROM CASH:</u>	
SWF PLANT OPERATIONS	(116,400)
SWF EIR MITIG/REG COAST DEV PERMIT	(1,620,095)
PARK & RECREATION DEPT: PARK CONSTRUCTION	(135,486)
WASTEWATER LOAN FROM GENERAL FUND	(551,000)
FY 2016/17 NET BUDGETED CASH FLOW	<u>(2,338,583)</u>

The following chart and table show audited cash balances in the three funds on June 30th of each fiscal year for the last ten years.



DISTRICT DEBT SUMMARY

LONG TERM DEBT

<u>FUND</u>	<u>DEBT HOLDER</u>	<u>PURPOSE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>ISSUE DATE</u>	<u>FINAL PAYMENT DATE</u>	<u>INTEREST RATE</u>	<u>ANNUAL PAYMENT</u>
Water	Western Alliance Bank	Build SWF	\$ 8,939,000	8/11/2014	8/1/2034	4.11%	\$ 659,426
Wastewater	City National Bank	Refund 1999 Bonds	\$ 1,585,000	3/23/2011	9/23/2023	4.55%	\$ 161,985

SHORT TERM DEBT

<u>FUND</u>	<u>DEBT HOLDER</u>	<u>PURPOSE</u>	<u>ORIGINAL PRINCIPAL</u>	<u>ISSUE DATE</u>	<u>FINAL PAYMENT DATE</u>	<u>INTEREST RATE</u>	<u>ANNUAL PAYMENT</u>
Various	City National Bank	Trucks (4) & Copier	\$ 102,000	11/1/2012	4/1/2017	3.25%	\$ 27,605
Various	Morton Revocable Trust	Trucks (2)	\$ 53,611	10/30/2013	11/20/2017	3.50%	\$ 14,596
General	John Deere Financial	John Deere Tractor	\$ 31,350	7/31/2013	7/30/2018	0.00%	\$ 6,270
General	Ford Credit	Truck	\$ 32,612	2/26/2016	1/26/2021	3.50%	\$ 7,644

INTERNAL LOAN

In Fiscal Year 2009-2010, the Water Fund borrowed \$166,000 from the General Fund to pay a required match on a grant from the Army Corps of Engineers. \$157,726 of that loan has been outstanding since June 30, 2010.

8/1/16

CAMBRIA COMMUNITY SERVICES DISTRICT
WELL WATER LEVELS FOR 8/1/16

Well Code	Distance Ref. Point to Water Level	Reference Point Distance Above Sea Level	Depth of Water to Sea Level	Remarks
SANTA ROSA CREEK WELLS				
23R	33.80	83.42	49.62	
SR4	30.90	82.00	51.10	
SR3	21.03	54.30	33.27	
SR1	19.05	46.40	27.35	
RP#1	20.78	46.25	25.47	
RP#2		33.11		Not Read
21R3		12.88		38560
WBE	12.78	16.87	4.09	
WBW		17.02		Not Read
AVERAGE LEVEL OF CCSD SANTA ROSA WELLS SR1 & SR3 =				30.31 FEET
CCSD SANTA ROSA WELL SR4 =				51.10 FEET

SAN SIMEON CREEK WELLS

16D1	7.80	11.36	3.56	
MW4	12.09	15.95	3.86	
MW1	20.30	42.11	21.81	
MW2	19.95	38.10	18.15	
MW3	24.60	49.56	24.96	
9M1	34.58	65.63	31.05	
9P2	11.20	19.11	7.91	
9P7	11.25	20.69	9.44	
9L1	16.00	27.33	11.33	
RIW	15.20	25.41	10.21	
SS4	16.25	25.92	9.67	SS4 to 9P2 Gradient = + 1.76
MIW	16.60	29.89	13.29	
SS3	19.50	33.73	14.23	
SS2	18.48	33.16	14.68	
SS1	18.12	32.37	14.25	
11B1	19.89	105.43	85.54	
11C1	23.75	98.20	74.45	
PFNW	20.45	93.22	72.77	
10A1	30.16	78.18	48.02	
10G2	22.15	62.95	40.80	
10G1		59.55		Not Read
10F2	28.75	66.92	38.17	
10M2	23.78	55.21	31.43	
9J3	19.91	43.45	23.54	
lagoon	20.22			mitigation errosion none

AVERAGE LEVEL OF CCSD SAN SIMEON WELLS SS1,SS2 & SS3 = 14.39 FEET

Red Font are the CCSD's Production Wells, as measured on

revised 6/6/16
8/1/16

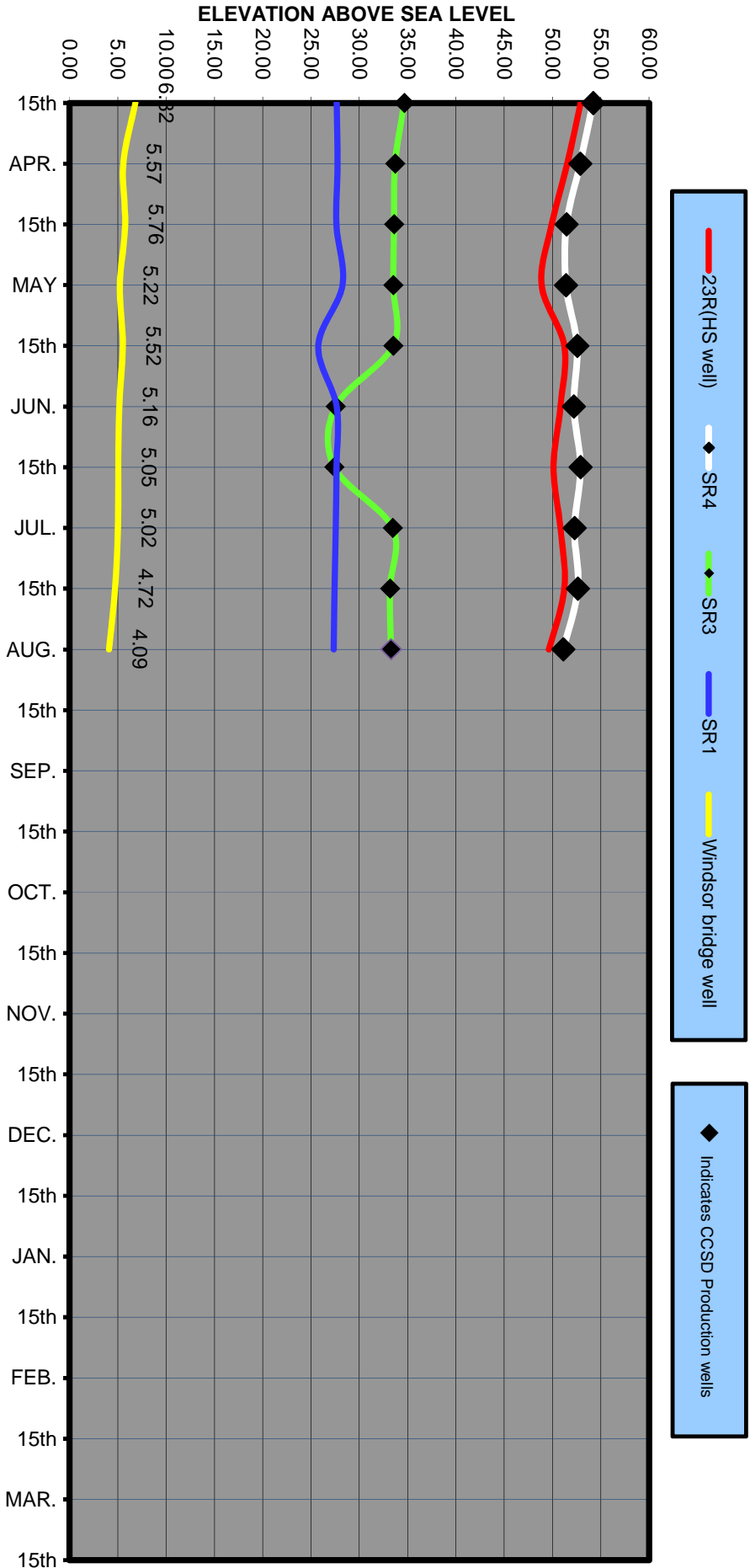
Reference point on 16d1,miw1,miw2,miw3,9p7,riw,miw1,ss1,ss2 and ss3 updated 2/17/2015

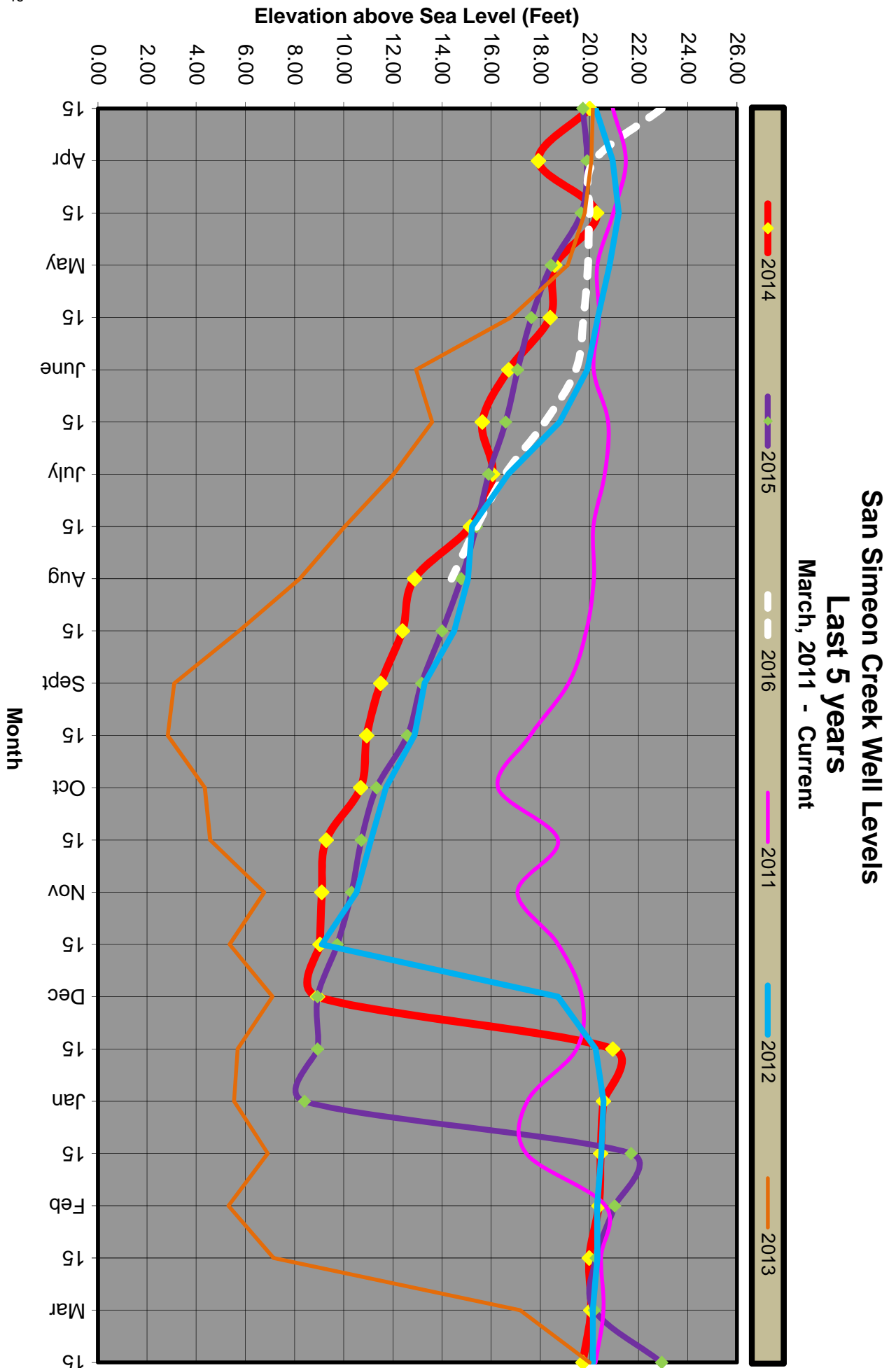
2016 CAMBRIA COMMUNITY SERVICES DISTRICT WATER PRODUCTION, BY SOURCE ACRE-FEET															1000.0	YEAR
YEAR	SOURCE	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL	YEAR	
1988	S.S.	51.20	57.90	63.20	47.30	57.40	44.20	50.00	51.70	41.90	37.40	27.40	36.00	565.60	1988	
	S.R.	0.00	0.00	0.00	16.30	15.70	30.70	31.20	34.90	36.00	34.90	35.20	19.00	253.90		
	TOTAL	51.20	57.90	63.20	63.60	73.10	74.90	81.20	86.60	77.90	72.30	62.60	55.00	819.50		
1989	S.S.	51.00	47.90	53.90	61.90	57.20	62.20	69.20	60.90	36.30	38.70	42.60	40.60	622.40	1989	
	S.R.	0.00	0.00	0.00	1.00	13.80	13.50	17.90	28.00	42.00	22.60	17.60	18.20	174.60		
	TOTAL	51.00	47.90	53.90	62.90	71.00	75.70	87.10	88.90	78.30	61.30	60.20	58.80	797.00		
1990	S.S.	45.70	47.00	55.28	44.75	31.46	32.34	40.00	38.00	31.91	31.40	29.40	29.90	457.14	1990	
	S.R.	8.70	0.80	0.50	18.03	32.30	26.79	22.30	22.20	20.64	20.20	19.30	14.90	206.66		
	TOTAL	54.40	47.80	55.78	62.78	63.76	59.13	62.30	60.20	52.55	51.60	48.70	44.80	663.80		
1991	S.S.	26.90	23.10	32.70	39.60	48.60	44.10	40.10	34.80	30.50	28.00	26.40	30.10	404.90	1991	
	S.R.	15.30	13.10	0.50	0.10	0.10	5.50	15.00	21.60	20.20	21.00	19.70	18.70	150.80		
	TOTAL	42.20	36.20	33.20	39.70	48.70	49.60	55.10	56.40	50.70	49.00	46.10	48.80	555.70		
1992	S.S.	45.30	42.20	45.90	55.20	64.00	58.10	44.90	41.80	35.00	32.80	34.00	43.10	542.30	1992	
	S.R.	0.80	0.30	0.10	0.40	0.50	6.10	22.70	28.10	26.30	25.10	19.50	5.50	135.40		
	TOTAL	46.10	42.50	46.00	55.60	64.50	64.20	67.60	69.90	61.30	57.90	53.50	48.60	677.70		
1993	S.S.	50.10	45.70	52.60	56.30	68.30	68.80	68.10	69.80	59.80	56.10	51.40	43.50	690.50	1993	
	S.R.	0.50	0.30	0.00	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90		
	TOTAL	50.60	46.00	52.60	56.30	68.40	68.80	68.10	69.80	59.80	56.10	51.40	43.50	691.40		
1994	S.S.	47.00	38.60	48.60	52.00	54.60	63.40	69.30	47.80	31.70	30.80	28.20	26.00	538.00	1994	
	S.R.	0.00	0.00	0.00	0.00	0.10	0.00	0.00	25.00	30.20	27.70	21.20	19.90	124.10		
	TOTAL	47.00	38.60	48.60	52.00	54.70	63.40	69.30	72.80	61.90	58.50	49.40	45.90	662.10		
1995	S.S.	41.30	41.10	47.10	52.14	53.50	59.00	74.70	74.10	65.40	64.70	55.30	47.60	675.94	1995	
	S.R.	1.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.90		
	TOTAL	43.20	41.10	47.10	52.14	53.50	59.00	74.70	74.10	65.40	64.70	55.30	47.60	677.84		
1996	S.S.	46.66	43.40	47.39	56.95	66.18	70.83	75.70	77.27	68.23	65.58	50.37	49.43	717.99	1996	
	S.R.	0.01	0.03	0.03	0.03	0.03	0.01	0.03	0.02	0.01	0.02	0.02	0.02	0.26		
	TOTAL	46.67	43.43	47.42	56.98	66.21	70.84	75.73	77.29	68.24	65.60	50.39	49.45	718.25		
1997	S.S.	50.61	49.20	65.66	68.65	76.18	79.14	82.31	57.02	37.32	27.50	38.96	45.96	678.51	1997	
	S.R.	0.02	0.08	0.02	0.02	0.02	0.02	0.38	25.92	31.54	36.85	12.41	0.01	107.29		
	TOTAL	50.63	49.28	65.68	68.66	76.20	79.16	82.69	82.94	68.86	64.35	51.37	45.97	785.80		
1998	S.S.	44.39	46.36	47.00	50.53	56.43	63.43	77.75	80.30	68.35	66.58	54.06	52.13	707.31	1998	
	S.R.	0.01	0.01	0.01	0.01	0.00	0.01	0.01	0.09	0.01	0.00	0.00	0.00	0.16		
	TOTAL	44.40	46.37	47.01	50.54	56.43	63.44	77.76	80.39	68.36	66.58	54.06	52.13	707.47		
1999	S.S.	56.40	45.26	52.16	57.40	70.43	71.35	85.41	82.68	69.45	68.04	57.78	57.69	774.05	1999	
	S.R.	0.01	0.01	0.01	0.04	0.02	0.07	0.01	0.02	0.32	0.02	0.00	0.00	0.53		
	TOTAL	56.41	45.27	52.17	57.44	70.45	71.42	85.42	82.70	69.77	68.06	57.78	57.69	774.58		
2000	S.S.	56.41	50.43	55.27	65.40	70.84	73.60	85.00	84.68	73.30	65.60	58.49	59.80	798.82	2000	
	S.R.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		
	TOTAL	56.41	50.43	55.27	65.40	70.84	73.60	85.00	84.68	73.30	65.60	58.49	59.80	798.82		
2001	S.S.	56.16	48.05	55.92	60.69	73.30	77.51	85.01	78.50	53.45	56.21	48.16	52.29	745.25	2001	
	S.R.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.78	21.08	16.87	8.06	0.89	52.68		
	TOTAL	56.16	48.05	55.92	60.69	73.30	77.51	85.01	84.28	74.53	73.08	56.22	53.18	797.93		
2002	S.S.	54.43	52.23	60.70	65.43	60.75	55.13	66.79	73.35	66.59	62.03	56.36	53.98	727.77	2002	
	S.R.	1.28	1.27	1.10	1.11	14.82	22.79	19.54	9.67	3.52	4.02	2.04	0.55	81.71		
	TOTAL	55.71	53.50	61.80	66.54	75.57	77.92	86.33	83.02	70.11	66.05	58.40	54.53	809.48		
2003	S.S.	52.73	49.97	57.35	58.32	62.82	68.22	65.05	63.34	58.91	67.08	56.20	48.84	708.83	2003	
	S.R.	0.70	1.11	0.48	0.94	1.84	5.63	19.77	22.04	16.00	6.58	3.12	5.84	84.05		
	TOTAL	53.43	51.08	57.83	59.26	64.66	73.85	84.82	85.38	74.91	73.66	59.32	54.68	792.88		
	S.S.	55.83	51.40	58.56	64.33	67.98	52.62	47.04	39.68	41.06	34.80	49.30	49.92	612.52		

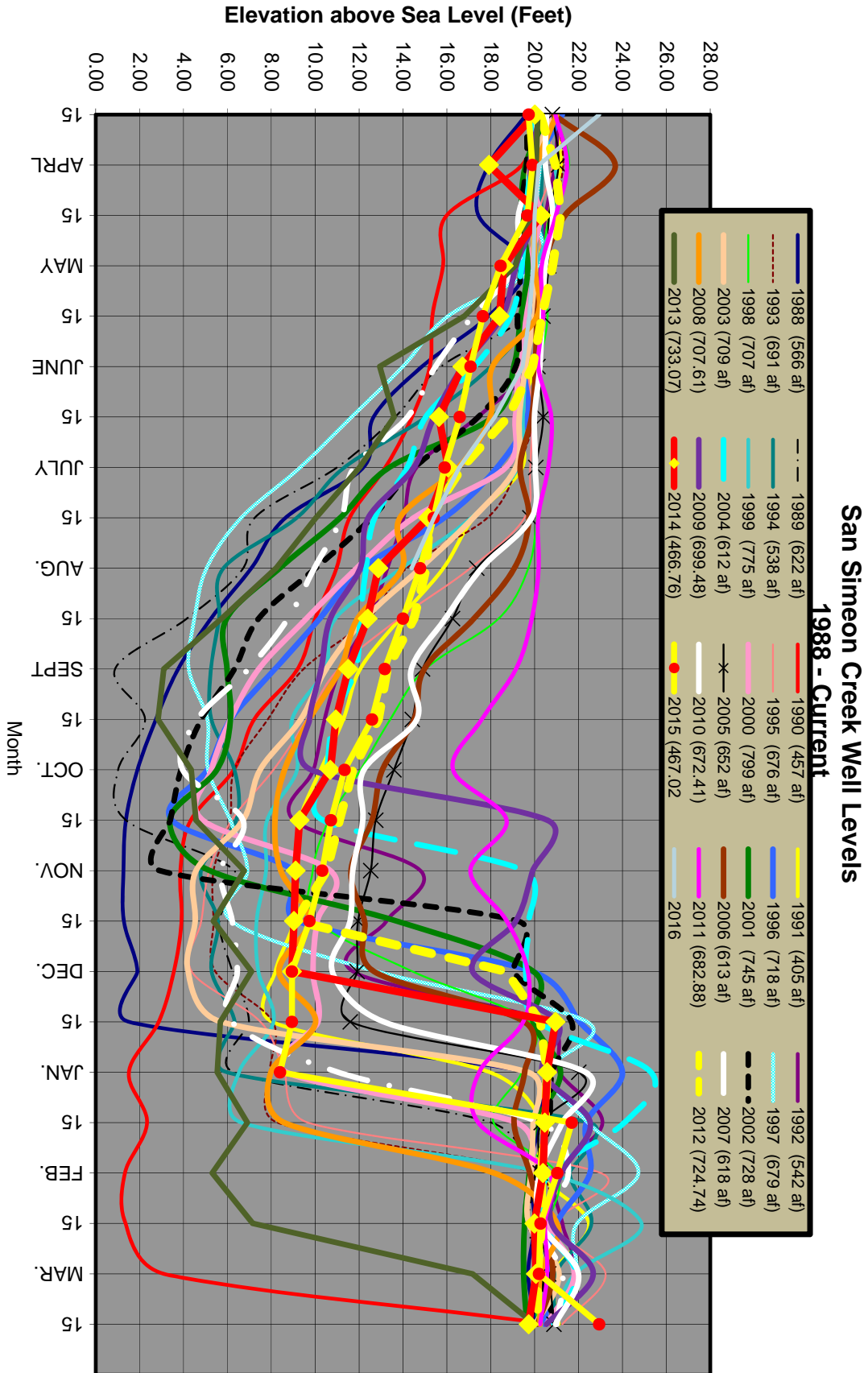
2016
CAMBRIA COMMUNITY SERVICES DISTRICT
WATER PRODUCTION, BY SOURCE
ACRE-FEET

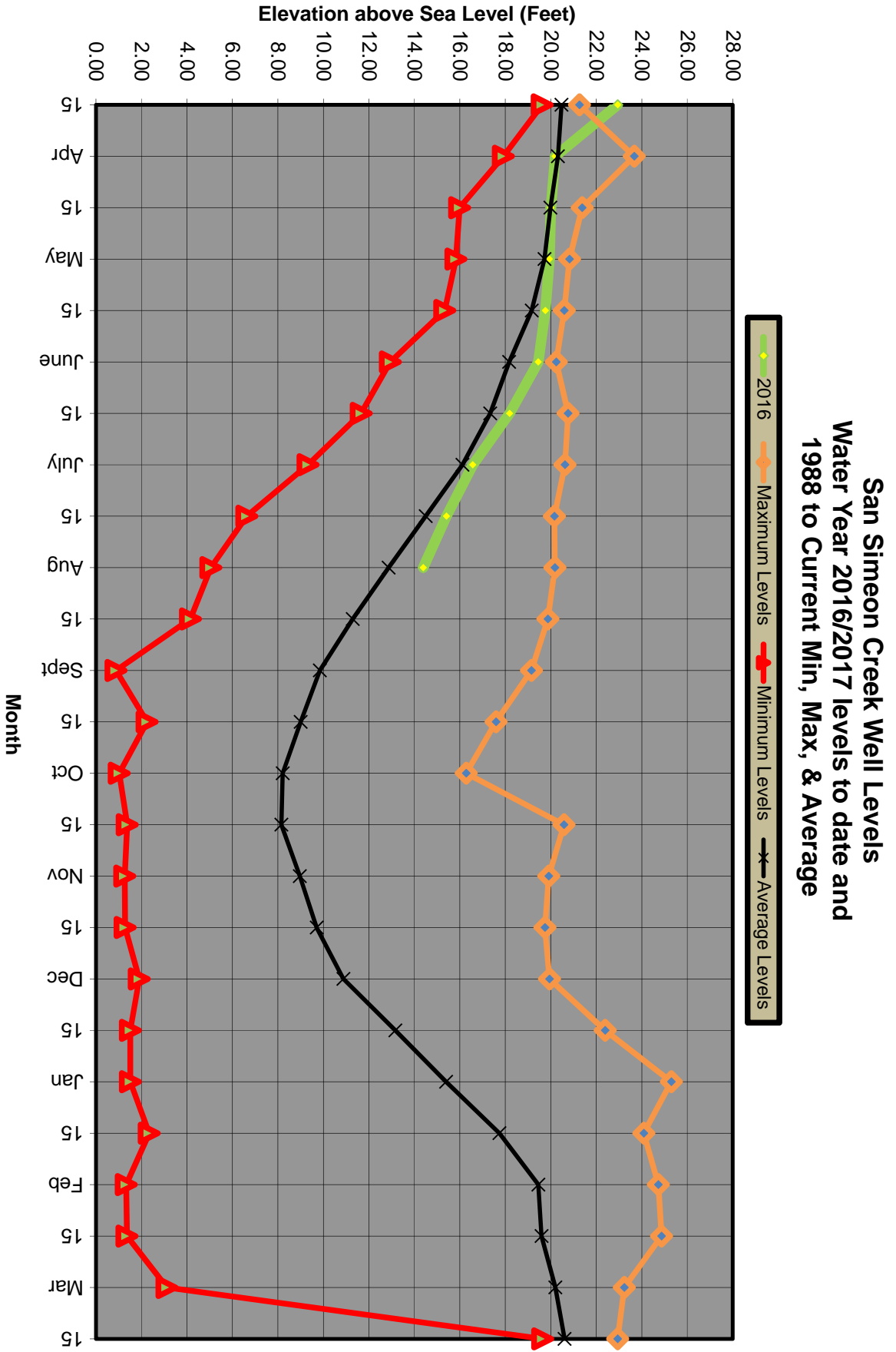
YEAR	SOURCE	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	1000.0 TOTAL	YEAR
2004	S.R.	0.00	0.61	1.17	4.84	8.68	22.08	30.80	36.30	27.32	24.95	1.73	1.63	160.11	2004
	TOTAL	55.83	52.01	59.73	69.17	76.66	74.70	77.84	75.98	68.38	59.75	51.03	51.55	772.63	
2005	S.S.	50.05	46.16	51.09	55.01	65.70	68.81	80.52	61.60	48.71	47.08	40.83	36.70	652.26	2005
	TOTAL	50.05	46.78	52.02	55.77	66.46	69.54	82.16	78.92	68.96	68.77	57.75	44.06	741.24	
2006	S.S.	50.81	49.10	48.82	49.65	60.58	65.65	56.12	59.67	52.49	42.86	34.46	42.75	612.96	2006
	TOTAL	50.81	49.88	48.82	50.27	61.32	68.21	79.70	80.39	72.66	66.74	60.92	56.38	746.10	
2007	S.S.	57.70	47.45	56.47	60.50	56.11	51.21	55.95	63.48	58.72	37.58	34.83	38.61	618.61	2007
	TOTAL	57.70	47.45	57.07	62.31	70.58	73.45	79.42	75.85	64.01	56.28	56.03	48.03	748.18	
2008	S.S.	43.35	45.35	51.55	52.59	40.45	33.03	40.15	47.57	47.24	41.53	21.47	25.41	489.69	2008
	TOTAL	45.68	46.02	52.26	54.79	65.14	66.58	73.09	72.44	65.50	62.56	53.68	49.87	707.61	
2009	S.S.	28.17	37.57	50.95	58.52	48.56	37.47	48.80	40.69	31.99	44.62	53.05	46.55	526.94	2009
	TOTAL	53.00	41.38	50.95	58.52	62.09	63.53	74.01	74.79	64.63	55.64	53.05	47.89	699.48	
2010	S.S.	45.44	40.48	47.48	48.39	56.26	55.29	50.73	44.58	35.05	37.61	36.14	36.45	533.90	2010
	TOTAL	45.44	40.48	48.25	49.01	56.94	64.03	72.69	71.88	67.57	59.32	50.62	46.18	672.41	
2011	S.S.	48.05	43.36	45.17	52.11	53.94	49.27	60.52	55.52	45.40	45.67	46.28	51.87	597.16	2011
	TOTAL	48.05	44.06	45.17	52.87	60.59	60.30	73.49	70.34	64.85	59.82	51.47	51.87	682.88	
2012	S.S.	50.12	48.09	52.60	50.52	60.06	56.53	48.17	41.12	36.72	42.22	48.70	50.88	585.73	2012
	TOTAL	53.66	48.88	52.60	51.18	61.50	67.67	76.12	74.34	66.70	63.65	57.56	50.88	724.74	
2013	S.S.	51.09	47.40	54.72	55.27	63.18	46.01	60.82	72.32	57.73	29.84	26.72	28.61	593.70	2013
	TOTAL	51.09	47.40	54.72	59.54	68.45	73.58	75.82	75.82	65.41	52.40	52.11	54.22	733.61	
2014	S.S.	22.93	16.97	24.90	25.03	19.39	14.40	11.94	0.00	0.76	24.32	13.74	23.81	198.17	2014
	TOTAL	57.62	36.82	34.90	35.04	38.27	41.02	42.82	43.09	37.01	36.37	32.36	33.44	466.76	
2015	S.S.	19.95	16.65	17.16	17.79	16.18	14.14	15.14	17.39	20.36	26.17	23.74	21.23	225.89	2015
	TOTAL	34.72	31.55	37.69	38.47	37.17	40.65	44.65	45.17	42.30	42.22	37.31	35.13	467.02	
2016	S.S.	16.43	9.51	19.84	21.88	24.30	30.90							122.85	2016
	TOTAL	34.30	36.86	36.55	37.47	40.04	44.76							229.98	
DIFFERENCE		-0.41	5.31	-1.13	-0.99	2.87	4.12	1.83	2.08	5.29	5.85	4.95	1.70	0.25	

SANTA ROSA CREEK WELL LEVELS March 15th, 2016 - Current

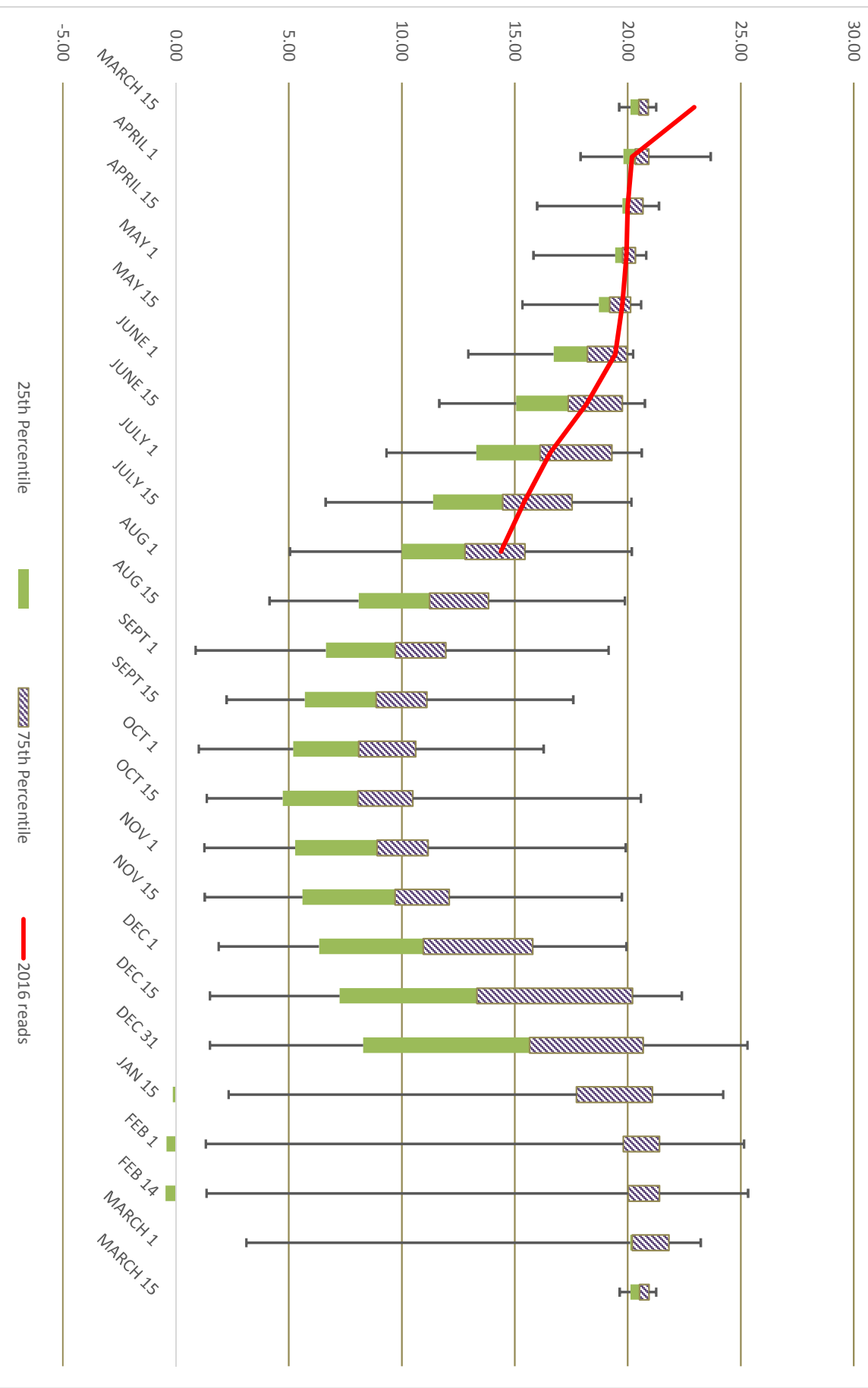








1988 to May 2016 Statistical San Simeon Well Level Summary by Month
 showing Minimums, Maximums, 25 % Percentile, 75% Percentile
 Average Level is the line between the Purple (hatched) and Green (solid) bars



CMB Fire Monthly Stats: Incidents

Categories	16-Jan	16-Feb	16-Mar	16-Apr	16-May	16-Jun	16-Jul	16-Aug	16-Sep	16-Oct	16-Nov	Dec-16	Totals
Fire	1	0	1	2	0	1							5
Hazardous Mat.	0	0	0	0	0	0							0
Medical	53	50	47	47	46	42							285
(Ocean Rescue)						0							0
(Cliffside Rescue)						0							0
Vehicle TC	1	2	1	0	0	1							5
Hazardous Situations	13	2	16	1	1	4							37
Public Service Assist	16	10	17	6	10	5							64
False Alarms	10	3	10	6	14	20							63
Agency Assist	0	0	0	0	0	0							0
Mutual Aid	0	0	0	0	0	2							2
(Structure Fire)						1							1
(Vegetation Fire - In County)						0							0
(Vegetation Fire - Out of County)						1							1
Auto Aid	1	0	0	3	3	2							9
(Structure Fire)						0							0
(Vegetation Fire)						1							1
(Vehicle Accident)						1							1
Fire Investigations	0	0	0	0	0	0							0
Monthly Response Totals	95	67	92	65	74	77	0	0		0	0	0	470

CMB Fire Monthly Stats: Incidents

Categories	16-Jan	16-Feb	16-Mar	16-Apr	16-May	16-Jun	16-Jul	16-Aug	16-Sep	16-Oct	16-Nov	Dec-16	Totals
Fire	1	0	1	2	0	1	0						5
Hazardous Mat.	0	0	0	0	0	0	0						0
Medical	53	50	47	47	46	42	46						331
(Ocean Rescue)						0	0						0
(Cliffside Rescue)						0	0						0
Vehicle TC	1	2	1	0	0	1	3						8
Hazardous Situations	13	2	16	1	1	4	0						37
Public Service Assist	16	10	17	6	10	5	7						71
False Alarms	10	3	10	6	14	20	10						73
Agency Assist	0	0	0	0	0	0	0						0
Mutual Aid	0	0	0	0	0	2	2						4
(Structure Fire)						1	0						1
(Vegetation Fire - In County)						0	2						2
(Vegetation Fire - Out of County)						1	0						1
Auto Aid	1	0	0	3	3	2	1						10
(Structure Fire)						0	0						0
(Vegetation Fire)						1	0						1
(Vehicle Accident)						1	1						2
Fire Investigations	0	0	0	0	0	0	0						0
Monthly Response Totals	95	67	92	65	74	77	69	0	0	0	0	0	539

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors AGENDA NO. **9.A.**

FROM: Jerry Gruber, General Manager
Monique Madrid, District Clerk
Haley Dodson, Administrative Assistant

Meeting Date: September 6, 2016

WATER EMERGENCY, MAY 22, 2014
ACTION SUSPENDING
OUTSTANDING INTENT TO SERVE
LETTERS AND CONSIDERATION OF
LIFTING THE SUSPENSION

RECOMMENDATIONS:

Staff recommends that the Board of Directors review the Stage 3 Water Emergency, as well as the suspension of outstanding Intent to Serve Letters established by Board action on May 22, 2014, consider allowing Assessor's Parcel No. 013-084-051 (660 Evelyn Court) to connect to the water system, and direct staff to bring back other parcels with suspended Intent to Serve Letters on a case by case basis when the underlying projects are ready to connect to the CCSD water and wastewater systems.

FISCAL IMPACT:

To the extent Intent to Serve Letters are suspended for projects that are ready to proceed, there will continue to be a delay in the payment of applicable connection fees. Only one project with a suspended Intent to Serve Letter is ready to connect to the CCSD water system. If allowed to connect, the CCSD would receive a connection fee of \$12,688.

DISCUSSION:

During its regular Board meeting on June 23, 2016, the Board directed staff to bring this item back and add a discussion item regarding lifting of the Stage 3 Water Emergency. Staff recommends that the Stage 3 Water Emergency not be lifted for the following reasons:

1. California remains in a severe prolonged drought with no immediate end in sight. It is important to note that the Central Coast area of California remains one the highest drought impacted areas in California.
2. As of August 1, 2016, the average well level for the San Simeon Wells was 14.39 feet. Historically well levels within the San Simeon Well Field drops as the summer continues. Operating protocol has been established to start the Sustainable Water Facility (SWF) when the well levels in San Simeon approach 10 feet. Based on historical data, it can be anticipated that the 10 foot trigger level for starting the SWF will occur soon.
3. As of August 1, 2016, the hydraulic gradient for the San Simeon Wastewater mound was at 1.76 feet. Operating protocol has been established to start the SWF when the hydraulic gradient reaches one foot. Historical data shows that as the summer progresses it is anticipated that the hydraulic gradient will continue to drop. A negative

gradient should always be avoided and proactive measures should be taken to avoid salt water intrusion into the San Simeon Well Field.

4. As of August 1, 2016, the WBE Monitoring Well level was at 4.09 feet. Historical data indicates that as the summer progresses the WBE will continue to drop. Due to current permit requirements, the Santa Rosa Wells cannot be operated once the WBE Monitoring Well drops to 3 feet.
5. The State is requiring the CCSD to conduct a second Tracer Study.

The Board also directed staff to bring back the item to review the May 22, 2014 Board action taken, based upon the Stage 3 Water Shortage Emergency, in which the Board suspended the ability to connect to the CCSD water and wastewater systems for the identified Intent to Serve Letters, which are listed below. With regard to the suspension of Intent to Serve Letters, Section 8.04.080(E)(1) of the CCSD Municipal Code provides as follows and all Intent to Serve Letters contain language in accordance with the requirements of that Section:

The intent to serve letter shall contain conditions reserving the right of the district to revoke the letter as a result of conditions imposed on the district by other governmental agencies, or by a change in availability of resources, or by a change in ordinance, resolutions, rules or regulations adopted by the board of directors for the protection of the health, safety and welfare of the district. The intent to serve letter shall also contain a condition that issuance of the actual connection permit shall be subject to all permit fees in force at the time of issuance of the connection permit. The intent to serve letter does not constitute a binding commitment to serve water or provide sewer service and such letters may be revoked or suspended by the district at any time. (Emphasis added.)

Based upon the foregoing, and given the “change in availability of resources” experienced by the CCSD, it is well within the Board’s authority to suspend previously issued Intent to Serve Letters. The specific action taken by the Board also included extending the outstanding Intent to Serve Letters for a period of six (6) months after termination of the Stage 3 Water Shortage Emergency or their current expiration date, whichever is later.

Staff has reviewed each of the suspended Intent to Serve Letters (“ITS”) listed below and offers the following updated information for the Board’s consideration.

Single Family Residential:

- Parcel No. 013.084.051 (Evelyn Ct.). Property Owner: Elijah Wogu. ITS issued 12/1/2001. Was due to expire 7/1/2014. MUP issued. Current Status: Building Permit Issued on 10/20/2014. Expires on 10/20/2017
- Parcel No. 024.331.032(Burton Dr.). Property Owner: Janine Settimi. ITS issued 12/1/2000. Was due to expire 6/1/2014. MUP pending. Current Status: Withdrawn

Multi Family Residential:

- Parcel No. 013.151.040 (Schoolhouse Ln.). Property Owner: Peoples Self Help Housing. ITS issued 2/21/2013. Was due to expire 8/21/2014. Current Status: On hold, pending the submittal of additional information to the County of SLO. All connection and in-lieu fees for this project have been paid.

- Parcel No. 024.191.061 (Green St. @ Londonderry). Property Owner: Joseph Lindsey. ITS issued 12/10/1998. This ITS was the subject of prolonged litigation. Current Status: Withdrawn
- Parcel No. 024.191.062 (Green St. @ Londonderry). Property Owner: Higuera Commons LLC. ITS issued 12/10/1998. This ITS was the subject of prolonged litigation. Was due to expire 5/27/2014.

Commercial:

- Parcel No. 022.123.003 (1.29 EDU) (Cornwall St.). Property Owner: SLO County. ITS issued 9/8/2000. Was due to expire 6/1/2017. Current Status: Withdrawn
- Parcel No. 022.381.002 (6.6 EDU) (6276 Moonstone Beach Dr.). Property Owner: Eady Properties. ITS issued 3/1/1999. Was due to expire 7/25/2015. Current Status: Expired
- Parcel No. 024.191.052 (11.78 EDU) (Londonderry Ln. @ Ardath). Property Owner: Kingston Bay. ITS issued 11/1/1998. Was due to expire 6/1/2015. Current Status: Withdrawn

There is only one project with a suspended Intent to Serve Letter that is ready to proceed to connect to the CCSD water system. That project is a single family residence located at 660 Evelyn Court (APN 013-084-051). According to Senior County Planner Airlin Singewald, a building permit was issued for a single family residence on October 20, 2014. This building permit has not been finalized yet and it expires on October 20, 2017. The subject property is located in the Leimert Tract and therefore is only required to connect to the water system. If allowed to proceed, a connection fee in the amount of \$12,688 would be due and payable prior to connection.

There is no other project with a suspended Intent to Serve Letter that is ready to connect to the CCSD water and wastewater systems. It is recommended that the Board consider allowing other projects with suspended Intent to Serve Letters to connect on a case-by-case basis when they are ready to proceed.

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS ___ROBINETTE ___THOMPSON:___BAHRINGER ___RICE ___SANDERS

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **9.B.**

FROM: Jerry Gruber, General Manager

Meeting Date: September 6, 2016Subject: DISCUSSION AND CONSIDERATION
OF ADOPTION OF PROPOSED
FUND BALANCE CASH RESERVE
POLICY**RECOMMENDATIONS:**

Staff recommends that the Board of Directors adopt the attached Fund Balance Cash Reserve Policy (the "Policy") for the District.

FISCAL IMPACT:

No immediate impact.

DISCUSSION:

Staff provided a draft Fund Balance Cash Reserve Policy for discussion at the June meeting of the Board of Directors. The recommended Policy differs from the draft policy discussed in June in that staff is now recommending that the "Working Capital" component of the reserve in each fund be assigned as the first reserve to be funded. This will ensure funds are available to pay for normal operating expenditures throughout each year.

The following documents are attached to assist the Board in their discussion regarding development of a cash reserve policy.

- Government Finance Officers Association (GFOA) "Best Practice" entitled "Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund"
- GFOA "Best Practice" entitled "Replenishing General Fund Balance"

The Policy includes goals for all three major funds: General, Water and Wastewater. It is straightforward and similar to that adopted by the Town of Atherton. A copy of the "Fund Balance" Policy for the Town of Atherton is attached.

The Policy also contains a "rate stabilization" component. A copy of the reserve policy for the Utilities Department for the City of Stockton is attached, as it includes rate stabilization in utility funds.

The Policy further contains a "range" of funding for each reserve (e.g., 10–15% of general fund expenditures). Also attached is a spreadsheet showing the fiscal impacts based on the FY 2016/17 Budget, which contains the amount of reserves that would be provided for by the recommended Policy using the adopted budget for fiscal year 2016/17.

Attachments:

- Fund Balance Cash Reserve Policy for the CCSD
- GFOA “Best Practice” entitled “Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund”
- GFOA “Best Practice” entitled “Replenishing General Fund Balance”
- Town of Atherton Fund Balance Policy
- Reserve Policy for the City of Stockton
- Fiscal Impacts Based on FY 2016/17 Budget

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: ___ ROBINETTE ___ THOMPSON ___ BAHRINGER ___ RICE ___ SANDERS

CAMBRIA COMMUNITY SERVICES DISTRICT FUND BALANCE CASH RESERVE POLICY

PURPOSE

Cambria Community Services District provides public service through three independent financial funds:

- the General Fund,
- the Water Fund, and
- the Wastewater Fund.

Essential components of a prudent fiscal policy for the District include formal provisions for managing cash reserve policies and managing rate volatility. This policy is to allow the District to weather economic uncertainty and unexpected situations such as natural disasters, to provide sufficient cash flow to avoid the need for short-term borrowing, and to provide financial resources to minimize the impact on rates of significant capital projects. This policy establishes the appropriate level of reserves which the District will try to maintain in the General Fund, Water Fund and Wastewater Fund balances; how the target fund balances will be funded; and the conditions under which fund balances can be used.

For purposes of this Policy, the definition of “reserves” is limited to the portion of fund balance that is unreserved. Unreserved is to mean not set aside for existing legal obligations of the District.

AMOUNTS HELD IN RESERVE

General Fund Cash Balance. The District will strive to hold the amounts listed below in the General Fund Cash Balance. The amounts will be expressed as a percentage of the District’s annual operating expenditures of the General Fund using a three year trend to develop the actual amount. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of District government operations.

- Budget Stabilization Reserve 10-15% to provide for economic uncertainty where revenues are interrupted or otherwise insufficient to offset operating expenditures and to provide for known or unknown future obligations.
- Liability Contingency and Emergency Disaster Reserve 15-20% to provide for major unforeseen liabilities and events such as natural disasters and catastrophic events.
- Working Capital Reserve 10-15% to provide sufficient cash flow.

Water Fund Cash Balance. The District will strive to hold the amounts listed below in the Water Fund Cash Balance. The Budget Stabilization, Liability Contingency/Emergency Disaster and Working Capital Reserves will be expressed as a percentage of the annual operating expenditures of the Water Fund using a three year trend to develop the actual amount. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of District government operations.

The Rate Stabilization Reserve will be expressed as a fixed amount based on the projected costs of expected impacts that will be mitigated with these funds.

- Budget Stabilization Reserve: 10-15% for economic uncertainty where revenues are interrupted or otherwise insufficient to offset operating expenditures and to provide for known or unknown future obligations.
- Liability Contingency and Emergency Disaster Reserve 15-20% to provide for major unforeseen liabilities and events such as natural disasters and catastrophic events.
- Working Capital Reserve 10-15% to provide sufficient cash flow.
- Rate Stabilization Reserve: To help minimize the impact of potentially significant rate increases necessitated by the need to fund future planned capital improvement projects.

Wastewater Fund Cash Balance. The District will strive to hold the amounts listed below in the Wastewater Fund Cash Balance. The Budget Stabilization, Liability Contingency/Emergency Disaster and Working Capital Reserves will be expressed as a percentage of the annual operating expenditures of the Wastewater Fund using a three year trend to develop the actual amount. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of District government operations.

The Rate Stabilization Reserve will be expressed as a fixed amount based on the projected costs of expected impacts that will be mitigated with these funds.

- Budget Stabilization Reserve: 10-15% for economic uncertainty where revenues are interrupted or otherwise insufficient to offset operating expenditures and to provide for known or unknown future obligations.
- Liability Contingency and Emergency Disaster Reserve 15-20% to provide for major unforeseen liabilities and events such as natural disasters and catastrophic events.
- Working Capital Reserve 10-15% to provide sufficient cash flow.
- Rate Stabilization Reserve: To help minimize the impact of potentially significant rate increases necessitated by the need to fund future planned capital improvement projects.

FUNDING TARGET FUND CASH BALANCES

General Fund. Funding of General Fund cash balance targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Working Capital Reserve
- Budget Stabilization Reserve
- Emergency Disaster Reserve
- GASB 45 unfunded post-employment benefits other than pensions (retiree health-care)

Water Fund. Funding of Water Fund Budget Stabilization, Liability Contingency/Emergency Disaster, and Working Capital Reserve targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Working Capital Reserve
- Budget Stabilization Reserve
- Emergency Disaster Reserve
- Rate Stabilization Reserves

The funding for Water Fund Rate Stabilization Reserves will come from Connection Fee Revenues and specifically designated fees included as part of the normal operating fees charged each bi-monthly billing period.

Wastewater Fund. Funding of Wastewater Fund Budget Stabilization, Liability Contingency/Emergency Disaster, and Working Capital Reserve targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Working Capital Reserve
- Budget Stabilization Reserve
- Emergency Disaster Reserve
- Rate Stabilization Reserves

The funding for Wastewater Fund Rate Stabilization Reserves will come from Connection Fee Revenues and specifically designated fees included as part of the normal operating fees charged each bi-monthly billing period.

CONDITIONS FOR USE OF RESERVES

The use of Budget Stabilization and Emergency Disaster reserves shall be limited to unanticipated, non-recurring needs, or anticipated future obligations. These Cash Reserves shall not be used for normal or recurring annual operating expenditures. The use of these reserves shall require approval by a majority of the CCSD board of Directors.

The Working Capital Reserve will be used to fund normal or recurring annual operating expenditures in the General Fund when budgeted taxes have not yet been received during a fiscal year. They will be replenished when the taxes are received. The use of these reserves can be authorized by the General Manager.

Rate Stabilization Reserves will be used to minimize the impact to citizens of potentially significant rate increases due to necessary expenditures on capital projects. The use of these reserves shall require approval by a majority of the CCSD board of Directors.

The District General Manager is authorized to make recommendations to the District Board of Directors for use of reserves. Any recommendation shall be accompanied by a proposal for the replenishment of the reserves.


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Determining the Appropriate Level of Unrestricted Fund Balance in the General Fund

Type: Best Practice

Approved by GFOA's Executive Board: October 2009

Background:

Accountants employ the term *fund balance* to describe the net assets of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net assets of governmental funds calculated on a government's budgetary basis.¹ In both cases, fund balance is intended to serve as a measure of the financial resources available in a governmental fund.

Accountants distinguish up to five separate categories of fund balance, based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts can be spent: *nonspendable fund balance*, *restricted fund balance*, *committed fund balance*, *assigned fund balance*, and *unassigned fund balance*.² The total of the last three categories, which include only resources without a constraint on spending or for which the constraint on spending is imposed by the government itself, is termed *unrestricted fund balance*.

It is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are a crucial consideration, too, in long-term financial planning.

In most cases, discussions of fund balance will properly focus on a government's general fund. Nonetheless, financial resources available in other funds should also be considered in assessing the adequacy of unrestricted fund balance (i.e., the total of the amounts reported as committed, assigned, and unassigned fund balance) in the general fund.

Credit rating agencies monitor levels of fund balance and unrestricted fund balance in a government's general fund to evaluate a government's continued creditworthiness. Likewise, laws and regulations often govern appropriate levels of fund balance and unrestricted fund balance for state and local governments.

Those interested primarily in a government's creditworthiness or economic condition (e.g., rating agencies) are likely to favor increased levels of fund balance. Opposing pressures often come from unions, taxpayers and citizens' groups, which may view high levels of fund balance as "excessive."

Recommendation:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund.³ Such a guideline should be set by the appropriate policy body and should provide both a temporal framework and specific plans for increasing or decreasing the level of unrestricted fund balance, if it is inconsistent with that policy.⁴

The adequacy of unrestricted fund balance in the general fund should be assessed based upon a government's own specific circumstances. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.⁵ The choice of revenues or expenditures as a basis of comparison may be dictated by what is more predictable in a government's particular circumstances.⁶ Furthermore, a government's particular situation often may require a level of unrestricted fund balance in the general fund significantly in excess of this recommended minimum level. In any case, such measures should be applied within the context of long-term forecasting, thereby avoiding the risk of placing too much emphasis upon the level of unrestricted fund balance in the general fund at any one time.

In establishing a policy governing the level of unrestricted fund balance in the general fund, a government should consider a variety of factors, including:

- The predictability of its revenues and the volatility of its expenditures (i.e., higher levels of unrestricted fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);
- Its perceived exposure to significant one-time outlays (e.g., disasters, immediate capital needs, state budget cuts);
- The potential drain upon general fund resources from other funds as well as the availability of resources in other funds (i.e., deficits in other funds may require that a higher level of unrestricted fund balance be maintained in the general fund, just as, the availability of resources in other funds may reduce the amount of unrestricted fund balance needed in the general fund);⁷
- Liquidity (i.e., a disparity between when financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained); and
- Commitments and assignments (i.e., governments may wish to maintain higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government for a specific purpose).

Furthermore, governments may deem it appropriate to exclude from consideration resources that have been committed or assigned to some other purpose and focus on unassigned fund balance rather than on unrestricted fund balance.

Naturally, any policy addressing desirable levels of unrestricted fund balance in the general fund should be in conformity with all applicable legal and regulatory constraints. In this case in particular, it is essential that differences between GAAP fund balance and budgetary fund balance be fully appreciated by all interested parties.

Committee: Accounting, Auditing, and Financial Reporting
Governmental Budgeting and Fiscal Policy

Notes:

¹ For the sake of clarity, this recommended practice uses the terms GAAP fund balance and budgetary fund balance to distinguish these two different uses of the same term.

² These categories are set forth in Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which must be implemented for financial statements for periods ended June 30, 2011 and later.

³ Sometimes restricted fund balance includes resources available to finance items that typically would require the use of unrestricted fund balance (e.g., a contingency reserve). In that case, such amounts should be included as part of unrestricted fund balance for purposes of analysis.

⁴ See Recommended Practice 4.1 of the National Advisory Council on State and Local Budgeting governments on the need to "maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures" (Recommended Practice 4.1).

⁵ In practice, a level of unrestricted fund balance significantly lower than the recommended minimum may be appropriate for states and America's largest governments (e.g., cities, counties, and school districts) because they often are in a better position to predict contingencies (for the same reason that an insurance company can more readily predict the number of accidents for a pool of 500,000 drivers than for a pool of fifty), and because their revenues and expenditures often are more diversified and thus potentially less subject to volatility.

⁶ In either case, unusual items that would distort trends (e.g., one-time revenues and expenditures) should be excluded, whereas recurring transfers should be included. Once the decision has been made to compare unrestricted fund balance to either revenues or expenditures, that decision should be followed consistently from period to period.

⁷ However, except as discussed in footnote 4, not to a level below the recommended minimum.

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Replenishing General Fund Balance

Type: Best Practice

Approved by GFOA's Executive Board: February 2011

Background:

It is essential that governments maintain adequate levels of fund balance to mitigate risks and provide a back-up for revenue shortfalls.

The adequacy of unrestricted fund balance¹ in the general fund should be assessed based upon a government's specific circumstances. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, incorporate in its financial policies that unrestricted fund balance in their general fund be no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

If fund balance falls below a government's policy level, then it is important to have a solid plan to replenish fund balance levels. Rating agencies consider the government's fund balance policy, history of use of fund balance, and policy and practice of replenishment of fund balance when assigning ratings. Thus, a well developed and transparent strategy to replenish fund balance may reduce the cost of borrowing. However, it can be challenging to build fund balances back up to the recommended levels because of other financial needs and various political considerations.

Recommendation:

GFOA recommends that governments adopt a formal fund balance policy that defines the appropriate level of fund balance target levels. Also, management should consider specifying the purposes for which various portions of the fund balances are intended. For example, one portion of the fund balance may be for working capital, one for budgetary stabilization, and one for responding to extreme events. This additional transparency helps decision makers understand the reason for maintaining the target levels described in the fund balance policy.

Governments should also consider providing broad guidance in their financial policies for how resources will be directed to fund balance replenishment. For example, a policy may define the revenue sources that would typically be looked to for replenishment of fund balance. This might include non-recurring revenues, budget surpluses, and excess resources in other funds (if legally permissible and if there is defensible rationale). Year-end surpluses are an especially appropriate source for replenishing fund balance.

Finally, a government should consider including in its financial policy a statement that establishes the broad strategic intent of replenishing fund balances as soon as economic conditions allow. This emphasizes fund balance replenishment as a financial management priority.

Governments are subject to a number of factors that could require the use of fund balances. It is therefore incumbent on jurisdictions to minimize the use of fund balance, except in very specific circumstances. Replenishment should take place in a prompt fashion with amounts that have been used to ensure that the jurisdiction is properly prepared for contingencies. With the foundation of a financial policy in place, governments should use their long-term financial planning and budget processes to develop a more detailed strategy for using and replenishing fund balance. With these criteria in mind, the government should develop a replenishment strategy and timeline for replenishing fund balances as soon as possible, and that is still appropriate to prevailing budgetary and economic conditions and that considers the following:

1. The policy should define the time period within which and contingencies for which fund balances will be used. This gives the public a sense for how fund balance is being used as a bridge to ensure stable cash flow and provide service continuity.
2. The policy should describe how the government's expenditure levels will be adjusted to match any new economic

realities that are behind the use of fund balance as a financing bridge.

3. The policy should describe the time period over which the components of fund balance will be replenished and the means by which they will be replenished. Frequently, a key part of the replenishment plan will be to control operating expenditures and use budget surpluses to replenish fund balance. The replenishment plan might also specify any particular revenue source that will aid in the replenishment of fund balances. For example, if the government has a volatile sales tax yield, it might specify that yields that are significantly above average would be used to replenish fund balances.

Generally, governments should seek to replenish their fund balances within one to three years of use. However, when developing the specifics of the replenishment plan, governments should consider a number of factors that influence the rate and time period over which fund balances will be replenished. Factors influencing the replenishment time horizon include:

1. *The budgetary reasons behind the fund balance targets.* The government should consider special conditions that may have caused it to set its fund balance target levels higher than the GFOA-recommended minimum level. For example, if targets are higher because the community has very volatile cash flows, then the government would want to build the fund balances back up more quickly compared to governments with more stable cash flows.
2. *Recovering from an extreme event.* An extreme event, such as a natural disaster, that has required the government to use a portion of its fund balance, may make it infeasible to replenish the fund balance as quickly as normal, depending upon the severity of the event.
3. *Political continuity.* Replenishing fund balance takes political will, and that will is often strengthened by the memory of the financial challenge that caused the use of fund balances in the first place. If the governing board and/or management are already committed to a particular financial policy, the replenishment strategy should be as consistent as possible with that policy in order to maximize political support.
4. *Financial planning time horizons.* Fund balances should typically be replenished within the time horizon covered by the organization's long-term financial plan. This puts the entire replenishment plan in context and shows the public and decision makers the expected positive outcome of the replenishment strategy.
5. *Long-term forecasts and economic conditions.* Expectations for poor economic conditions may delay the point at which fund balances can be replenished. However, in its replenishment plan the government should be sure to set a benchmark (e.g., after fund balances have dropped to a certain point below desired target levels) for when use of fund balance is no longer acceptable as a source of funds.
6. *Milestones for gradual replenishment.* A replenishment plan will likely be more successful if it establishes replenishment milestones at various time intervals. This is especially important if replenishment is expected to take place over multiple years (e.g., if you are starting from 75% of your target, set a goal to reach 80 percent of target in one year, 90 percent in two years, and 100 percent in three years).
7. *External financing expectations.* A replenishment plan that is not consistent with credit rating agency expectations may increase the government's cost of borrowing. It is important that the logic used by the government to develop the replenishment plan be communicated in an effective fashion to external lenders.

Committee: Accounting, Auditing, and Financial Reporting
Governmental Budgeting and Fiscal Policy

Notes: ¹ Unrestricted fund balance comprises the committed, assigned, and unassigned fund balance categories.

References:

- GFOA Best Practice Appropriate Level of Unrestricted Fund Balance in the General Fund, 2009.
- For a fuller explanation of the concept of "bridging" in financial distress, please visit GFOA's financial recovery website at www.gfoa.org/financialrecovery.

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Town of Atherton

Fund Balance Policy for the General Fund

Exhibit A

Purpose

To help the Town of Atherton provide quick response to weather economic uncertainty, unexpected situations such as natural disasters, provide sufficient cash flow to avoid the need for short-term borrowing. The policy establishes the appropriate level of reserves which the Town will strive to maintain in its General Fund balance; how the target fund balances will be funded; and the conditions under which fund balances can be used.

For purposes of this Policy, the definition of "reserves" is limited to the portion of fund balance that is *unreserved*. Unreserved is to mean not set aside for existing legal obligations of the Town.

1. Amounts Held in Reserve

The Town will strive to hold the amounts listed below in General Fund balance, expressed as a percentage of the Town's annual operating expenditures of the General Fund. These amounts are expressed as goal ranges to recognize that fund balance levels can fluctuate from year to year due to the normal course of Town government operations.

- 15-20% - Budget Stabilization Reserve for economic uncertainty, possible State borrowing of Town's fund, known or anticipated future obligations.
- 15-20% - Emergency Disaster Reserve for unforeseen events such as natural disasters, catastrophic accidents.
- 5-10% - Working Capital to provide sufficient cash flow.

2. Funding Target Fund Balance

Funding of General Fund balance targets will generally come from excess revenues over expenditures or one-time revenues. The reserves will be funded in the following priority order:

- Budget Stabilization
- Emergency Disaster

- Working Capital
- Self-insurance Reserve
- GASB 45 unfunded post-employment benefits other than pensions (retiree health-care)
- Capital improvement projects

3. Conditions for Use of Reserves

The use of reserves shall be limited to unanticipated, non-recurring needs, or anticipated future obligations. Fund balances shall not be used for normal or recurring annual operating expenditures.

The City Manager is authorized to make recommendations to the City Council for use of reserves. A majority vote of the City Council will be required to use reserves. Any recommendation shall be accompanied by a proposal for the replenishment of the reserves to the City Council.

In no circumstances shall the total General Fund reserve balance drop below 15% of the Town's annual operating expenditures for the General Fund.

**CITY OF STOCKTON, CALIFORNIA
CITY COUNCIL POLICY**

Subject:	Policy No. 700-5	Page No. 1 of 2
RESERVE POLICY – MUNICIPAL UTILITIES DEPARTMENT OPERATING FUNDS	Effective Date: 12/20/06	

BACKGROUND

Essential components of a prudent fiscal policy for the Municipal Utilities Department include formal provisions for operating reserve funds and the management of utility rate volatility. Documented operating reserve policies and rate stabilization accounts are standard industry practices that address these fiscal management needs.

As part of discussions over the past year with the three rating agencies, Standard & Poor's (S&P), Moody's and Fitch, it was noted that the City currently does not have a documented written reserve policy, or procedures for maintaining Rate Stabilization Accounts in the Water, Wastewater, and Storm Water Enterprise Funds.

Although the City has applied caution and diligence when arriving at budgetary decisions, in light of the above mentioned determinations, a written policy establishing target minimum reserve levels and procedures for establishing rate stabilization accounts, will assist both the Council and Management in managing these important fiscal considerations.

PURPOSE

The purpose of this Policy is to establish a Reserve Policy for the Water, Wastewater, and Storm Water Funds; and to outline procedures to maintain Rate Stabilization Accounts as part of the City's reserve policy.

The reserve policy will mitigate any future revenue fluctuations, where the revenues generated by Water, Wastewater, and Storm Water Funds are interrupted or otherwise insufficient to offset the operating expenditure for those accounts. The Rate Stabilization Accounts will help minimize the impact of potentially significant rate increases necessitated by the need to fund future planned capital improvement projects.

POLICY

To ensure sound fiscal management and preserve City Council discretion in its resource allocation decisions, and to minimize the impact to citizens of potentially significant rate increases, the City establishes the following Reserve Policy for Water, Wastewater, and Storm Water Funds.

1. Build a six-month reserve of the annual operating budget of the Municipal Utilities Department Water, Wastewater and Storm Water Funds using a three-

**CITY OF STOCKTON, CALIFORNIA
CITY COUNCIL POLICY**

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year trend to project the actual amount.

2. Transfer all revenue exceeding expenses, after the payment of debt service and on-going capital project costs, into the reserve account until the target is met.
3. Establish Rate Stabilization Accounts in the respective funds and transfer all remaining revenue exceeding expenses on an “as needed” basis; such as when an upcoming project is expected to significantly increase rates. The Rate Stabilization Accounts will help distribute any rate increase over a period of time in lieu of a one-time increase.

The recommended target amounts are based on advice from rating agencies and established best practices utilized by other State and local agencies.

PROCEDURE

1. A portion of fund balance is reserved as legally required by Generally Accepted Accounting Principles (GAAP). These funds are not available for appropriation due to legal obligations.
2. Unreserved fund balances available for appropriation can be reserved through Council action or designated by the City Council or City Manager. A designation is defined as a government’s self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds.
3. The City Council shall adopt a policy to establish the level of unreserved fund balance that should be maintained with the target level being six months of annual operating budget for the Municipal Utilities Department Water, Wastewater, and Storm Water Funds.
4. Amounts in the reserve may be contributed to a Rate Stabilization Account as deemed necessary at times of planned capital improvement projects with the potential of creating a significant rate increase.
5. This Reserve Policy and Rate Stabilization Account are to be reviewed annually by the City Council during the budget review and adoption process and adjusted accordingly.

Adopted by Resolution No. 06-0618 - 12/19/2006

CCSD RESERVE POLICY
FISCAL IMPACTS BASED ON FY 16-17 BUDGET

GENERAL FUND RESERVE

			BASIS	
	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>AMOUNT</u>	<u>BASIS CRITERIA</u>
Working Capital Reserve	393,729	590,594	3,937,294	10 TO 15 % of Annual Operating Expenditures
Budget Stabilization Reserve	393,729	590,594	3,937,294	10 TO 15 % of Annual Operating Expenditures
Liability/Emergency Reserve	590,594	787,459	3,937,294	15 TO 20 % of Annual Operating Expenditures
TOTAL GENERAL FUND RESERVES	<u>1,378,053</u>	<u>1,968,647</u>		

WATER FUND RESERVE

			BASIS	
	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>AMOUNT</u>	<u>BASIS CRITERIA</u>
Working Capital Reserve	187,811	281,716	1,878,109	10 TO 15 % of Annual Operating Expenditures
Budget Stabilization Reserve	187,811	281,716	1,878,109	10 TO 15 % of Annual Operating Expenditures
Liability/Emergency Reserve	281,716	375,622	1,878,109	15 TO 20 % of Annual Operating Expenditures
Rate Stabilization Reserve				
TOTAL GENERAL FUND RESERVES	<u>657,338</u>	<u>939,055</u>		

WASTEWATER FUND RESERVE

			BASIS	
	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>AMOUNT</u>	<u>BASIS CRITERIA</u>
Working Capital Reserve	155,123	232,685	1,551,232	10 TO 15 % of Annual Operating Expenditures
Budget Stabilization Reserve	155,123	232,685	1,551,232	10 TO 15 % of Annual Operating Expenditures
Liability/Emergency Reserve	232,685	310,246	1,551,232	15 TO 20 % of Annual Operating Expenditures
Rate Stabilization Reserve				
TOTAL GENERAL FUND RESERVES	<u>542,931</u>	<u>775,616</u>		