



CAMBRIA COMMUNITY SERVICES DISTRICT

Thursday, March 9, 2023 - 1:00 PM

1000 Main Street Cambria, CA 93428

AGENDA

REGULAR MEETING OF THE CAMBRIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

In person at:

Cambria Veterans' Memorial Hall
1000 Main Street, Cambria, CA 93428

AND via Zoom at:

Please click the link below to join the webinar:

<https://us06web.zoom.us/j/82602291818?pwd=R2NoY2srcG4vaVpCOEpoS09EMGhnQT09>

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Webinar ID: 826 0229 1818

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1. OPENING

- A. Call to Order
- B. Pledge of Allegiance
- C. Establishment of Quorum
- D. President's Report
- E. Agenda Review

2. BOARD MEMBER COMMUNICATIONS

Any Board Member may make an announcement, report briefly on his or her activities, or ask a question for clarification.

3. COMMISSION REPORT

- A. PROS Chairman's Report

4. PUBLIC COMMENT

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. Future agenda items can be suggested at this time. 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.

5. REGULAR BUSINESS

- A. Discussion and Consideration of Strategic Plan Status Report
- B. Discussion and Approval of Neptune Technology Group for Procurement of Advanced Metering Infrastructure (AMI)
- C. Discussion and Consideration to Approve Draft Policy 1030: Code of Ethics Policy
- D. Receive and File the Independent Auditor's Report for Fiscal Year 2021/22 and Internal Control Letter

6. BOARD MEMBER, COMMITTEE AND LIAISON REPORTS

- A. Finance Committee's Report
- B. Policy Committee's Report
- C. Resources and Infrastructure Committee's Report
- D. Other Liaison Reports and Ad Hoc Committee Reports

7. FUTURE AGENDA ITEM(S)

This is an opportunity to request a formal agenda report be prepared and the item placed on a future agenda. No formal action can be taken except to direct the General Manager to place a matter of business on a future agenda by majority vote

8. ADJOURN

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **5.A.**

FROM: Ray Dienzo, Acting General Manager

Meeting Date: March 9, 2023

Subject: Discussion and Consideration of
Strategic Plan Ad Hoc Committee
Report

RECOMMENDATIONS:

Staff recommends that the Board of Directors discuss and consider the monthly updates to the Strategic Plan.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

DISCUSSION:

The Board held a special meeting on January 30th and adjourned to January 31st to update the Strategic Plan, then adopted the updated plan on February 16th. This effort included a review of underlying objectives to be largely accomplished over the next six months. The Mission Statement and Three-year Goals will not be updated since these were developed on June 28, 2022 with the intention that they would not be re-evaluated until June 2025. But the Objectives within each Goal will be discussed and updated as needed. Staff recommends that the Board discuss and consider a status report from the Strategic Plan Ad Hoc Committee and update the Strategic Plan as necessary.

Staff recommends the Board review, discuss, and consider the monthly updates to the Strategic Plan Objectives.

CAMBRIA COMMUNITY SERVICES DISTRICT SIX-MONTH STRATEGIC GOALS & OBJECTIVES STATUS REPORT

June 28, 2022 – March 15, 2023

Updated January 31, 2023

CORE AREA: WATER SERVICES - GENERAL						
STRATEGIC GOAL: MEET THE ONGOING CHALLENGES OF EFFECTIVELY AND RELIABLY MANAGING WATER RESOURCES IN OUR SENSITIVE ECOSYSTEM						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the August 18, 2022 Board meeting	Utilities Mgr. – lead, R and I Committee, Melissa Bland	Clarify with the community the monitoring and evaluating drought stages.	X			Completed at R&I Committee meetings and with Board at its 8/18 meeting, as part of implementation of Stage 3 water conservation condition
2. At a March 2023 Board meeting	Utilities Mgr.	Implement the Water Meter Replacement Program <ul style="list-style-type: none"> Present to the Board the implementation plan for the previously-approved Water Meter Replacement Program. 			X	
3. First quarter 2023 at a Board meeting	Utilities Mgr.	Complete the Stuart Street Tank Construction <ul style="list-style-type: none"> Present to the Board the implementation plan for the Stuart Street tank construction (dependent upon receipt of appropriations monies). 			X	
4. Summer 2023	Utilities Mgr.	Permanent replacement of San Simeon water line and effluent line <ul style="list-style-type: none"> Present to the Board of the Results of the RFP. 				
5. April 2023	Utilities Mgr. working with the R&I Committee	Research long-term water storage solutions <ul style="list-style-type: none"> To revitalize the R&I Ad Hoc Committee concerning long-term storage. 				

CORE AREA: WATER SERVICES – WATER RECLAMATION FACILITY
STRATEGIC GOAL: ADVANCE COASTAL DEVELOPMENT PERMIT (CDP)
TO ACHIEVE COUNTY AND COASTAL COMMISSION APPROVAL

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. Future Objective	Utilities Mgr., working with the ad hoc committee of the R and I Committee	Resolve the Brine Waste Disposal Issue <ul style="list-style-type: none"> Investigate and complete study for new cost-effective options and technologies for reduction/disposal of brine waste, including costs. Present a report to the Board upon conclusion of the study. 			X	Pilot program update tentatively scheduled for R&I early 2023.
2. Second quarter 2023 Board meeting or earlier.	Utilities Mgr.	Complete the Task 1 In-Stream Flow Study <ul style="list-style-type: none"> Report results to the Board. 			X	
3. Second quarter 2023	Utilities Mgr.	Complete the CDP Application <ul style="list-style-type: none"> Revisit the CDP project description to our CDP application. Submit the data needed to complete the CDP application for the County. 			X	In-Stream Flow Study Task 1 information to be included in the data set to the County.

CORE AREA: WASTEWATER SERVICES						
STRATEGIC GOAL: EXECUTE PHASED REPAIRS AND UPGRADES FOR THE WASTEWATER TREATMENT SYSTEM						
WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the Aug. 18, 2022 Board meeting	General Mgr. – lead, Utilities Mgr., Finance Mgr., CCSD Counsel	Present to the Board for review and consideration the agreement with PGE to move forward with the work on the wastewater treatment system.	X			Completed at August 31, 2022 Special Board meeting.
2. At the Sept. 8, 2022 Board meeting	General Mgr. – lead, Utilities Mgr., Finance Mgr., CCSD Counsel	Complete the financing package for the wastewater treatment system's PGE/IGA projects and present the results to the Board for consideration	X			Completed at August 31, 2022 Special Board meeting
3. First Quarter 2023	WWTP Financing Working Group - President Dean (Lead), VP Gray, General Mgr, Admin Dept Mgr, Finance Mgr	<p>Define methodology for identification of required reporting to dissemination agent</p> <ul style="list-style-type: none"> Hold initial meeting of WWTP Financing Working Group to determine methodology for review and identification of reporting documentation and agreements related to CSDA, Trustee and Underwriter. Establish a reporting system. Conduct Working Group review of contractual documents and formally document required actions, timelines and recommended internal processes. 			X	Draft for Board consideration
4. Quarterly report supplement to Board of Directors	Utilities Mgr and Finance Mgr.	<p>Monitor project expenditures and performance during the construction phase</p> <ul style="list-style-type: none"> Quarterly report supplement to Finance and Resources & Infrastructure Committees 				
5. FUTURE OBJECTIVE	TBD	Revise any District Policies or Procedures to incorporate findings, as appropriate based on learnings from tracking project			X	
6. FUTURE OBJECTIVE	Utilities Mgr.	Establish priorities and an implementation plan for CIP wastewater projects not in the SST.				

CORE AREA: FIRE PROTECTION AND EMERGENCY SERVICES

**STRATEGIC GOAL: PROVIDE OPTIMAL FIRE PROTECTION, WATER RESCUE,
AND EMERGENCY MEDICAL SERVICES ON A 24/7 BASIS**

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the October 20, 2022 Board meeting or earlier	General Mgr.	Hire the replacement for the retiring Fire Chief and report to the Board.	X			Recruitment process complete. Fire chief started work on 11/2.
2. Second Quarter 2023	Fire Chief and CCHD Ops Dir.	Update Multijurisdictional Hazard Mitigation Plan for Cambria. <ul style="list-style-type: none"> • Review and update the adopted Multi-Jurisdictional Hazard Mitigation Plan for Cambria. • Report results to CCSD Board for consideration and approval. 			X	
3. Quarterly report	CCSD Directors Tom Gray and Karen Dean (co-leads), working with the Fire Chief and the coordinator of the Fire Safe Focus Group	Update the CCSD Board to any and all changes to evacuation planning within the District. <ul style="list-style-type: none"> • • Report on development of procedures for evacuation of residents needing extra help. • Report on development of evacuation routes. • Report on progress of safe haven locations. 		X		Report to the Board by committee report
4. Third Quarter 2023	Fire Chief, working with the General Mgr, District Counsel and Fire Safe Focus Group	Prepare and provide to the Board a Fire Prevention Plan for Cambria for Board consideration <ul style="list-style-type: none"> • Provide organizational chart. • Provide defensible space ordinance. • Provide budget and funding alternatives for the plan. 				
5. Second Quarter 2023	Fire Chief	Report on the progress of implementing the Zonehaven System and the emergency alert system.			X	Early 2023

6. First Quarter 2023	Finance Committee	Present report to the Board regarding the allocation of the general fund for services that are funded through the general fund. <ul style="list-style-type: none">• Review of Budget Policy.				
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CORE AREA: FACILITIES AND RESOURCES

**STRATEGIC GOAL: MANAGE AND PROVIDE STEWARDSHIP OF DISTRICT ASSETS,
PARKS, RECREATION, AND OPEN SPACE IN A TIMELY, COST-EFFECTIVE,
AND ENVIRONMENTALLY SENSITIVE MANNER**

WHEN	WHO	WHAT	STATUS			COMMENTS
			DONE	ON TARGET	REVISED	
1. At the July 21, 2022 Board meeting	General Mgr.	Request the Board to appoint a Cambria Veterans' Memorial Hall ad hoc committee.	X			Completed at the 8/11 Board meeting.
2. At the October 20, 2022 Board meeting	Facilities and Resources Mgr. – lead, General Mgr, Finance Mgr.	Pursue identified and potential grant funding sources for Veterans' Hall capital improvement projects and report results to the Board.	X			Identified and applied for grant through T-Mobile - This T-Mobile grant was rejected
3. At the October 13, 2022 Board meeting	Facilities and Resources Mgr – lead, PROS Commission	Present to the Board for review and consideration the PROS Commission's recommended options for East Ranch recreational expansion.	X			
4. Second Quarter 2023	General Mgr., Facilities and Resource Mgr., working with a Board ad hoc committee	Define future use and funding for the Veterans' Hall <ul style="list-style-type: none"> • Seeking non-CCSD funding sources for maintenance and operations • Improving outreach to promote more community use • Identifying potential improvements or amenities to increase the functionality of the Veterans' Hall • Review of rental rates 			X	Ad hoc committee assisting

5. Third quarter 2023	District Engineer	Complete Skatepark project <ul style="list-style-type: none"> • Present an update to the Board for consideration on the final design, engineering estimate, and status of fundraising for the Skatepark (completed 11.17.2022). • Present final construction estimate to Board for consideration and status of funding to determine whether the project can proceed. 			X	
6. First quarter 2023	District Engineer	Complete the East Ranch Restroom project <ul style="list-style-type: none"> • Obtain construction permit and present to the Board for consideration the construction RFP for the East Ranch restrooms. • Construct the restroom. 			X	Addressing SLO County comments. Require soils report.
7. Third quarter 2023	PROS Commission	Present options and estimated construction and maintenance costs and possible funding sources for future Community Park projects to the Board <ul style="list-style-type: none"> • Frisbee golf • Exercise circuit • Multi-use trail • Picnic tables 				Address at next strategic planning update
8. First Quarter 2023	Finance Committee	Present report to the Board regarding the allocation of the general fund for services that are funded through the general fund <ul style="list-style-type: none"> • Review of Budget Policy. 				

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **5.B.**

FROM: Ray Dienzo, Acting General Manager

Meeting Date: March 9, 2023 Subject: Discussion and Approval of Neptune Technology Group for Procurement of Advanced Metering Infrastructure (AMI)

RECOMMENDATIONS

Staff recommends that the Board of Directors discuss and approve Neptune Technology Group as the Advanced Meter Infrastructure (AMI) supplier for the meter upgrade project, review the two available financing options and direct staff return to the Board in April with a presentation on financing terms and the Request for Proposals (RFP) for meter installation.

FISCAL IMPACT:

There is no fiscal impact for this agenda item. Future budgetary actions will be needed, which is dependent on the Board's direction to staff regarding selecting meter procurement financing terms. Currently the Board has \$526,000 approved budget to be spent towards the meter replacement project. This is thought to be enough to cover the installation costs of the new meters and costs associated with integrating the new meters with Tyler Technologies software. The procurement of the meters will need to be financed. Two financing options are available, either through Neptune (distributed through Ferguson Waterworks) or through California Special District Association (CSDA). Financing terms will be brought before the Board during an April Board meeting for a final decision. Below is a table with current financing scenarios which will be updated for the April Board meeting.

Amt	Term	Ferguson			CSDA*		
		Int Rate %	Pri/Int yr	Int Total	Pri/Int yr	Int Rate %	Int Total
2.0M	10yrs	4.99%	258,883	588,834	253,390	4.50%	528,895
2.0M	5yrs	4.98%	461,694	308,470	454,815	4.35%	269,074
1.5M	10yrs				190,200	4.50%	397,001
1.5M	5yrs				341,395	4.35%	201,973
1.0M	10yrs				127,011	4.50%	265,107
1.0M	5yrs				227,975	4.35%	134,873
					*plus 5K documentation fee		

DISCUSSION:

During the August 12, 2021, Board Meeting, staff presented two different meter infrastructure options for upgrading the current water meter system: Automated Meter Reading (AMR) and Advanced Metering Infrastructure (AMI). The Board approved choosing AMI as the meter replacement option.

Staff received proposals for the upgraded water meter infrastructure from multiple vendors and recommends Neptune Infrastructure Group as the preferred supplier. Neptune is the only vendor that offers a hybrid data communication option. Fixed based collectors will provide radio transmission across a sizable portion of the District's service area, however, due to the topography, one hundred percent coverage is not obtainable. Neptune offers cellular

transmission to augment the fixed-based collectors to achieve approximately 98.5% coverage. Only four collectors would be necessary and due to their small size (9"x10") the power required is minimal and can be run via solar panels. This is especially significant as there is only solar power available at the Fiscalini Tank site. The four collectors will be located at Fiscalini Storage Tank site, Leimert Tank site, Pine Knolls Tank site and the CCSD Fire Station.

Maintenance of the system is predicted to be minimal. Radio battery life is twenty years. If a battery fails, the signal receiving and transmitter assembly (end point) is replaced, an action that can be performed by our water staff. All parts have a twenty-year guarantee with 100% replacement for the first ten years and a pro-rated replacement cost thereafter (i.e., 90% replacement with 9 years left, etc.).

Replacement of commercial meters will be performed as well. The commercial meters will be replaced with ultrasonic meters which have a more accurate low-flow range for superior leak detection. They are corrosion resistant, lead free and have no degradation of accuracy over time.

Neptune is currently rolling out their proprietary customer portal which will be less costly than other AMI customer portals. As all the account holders in our service area may not choose to use the portal, if the CCSD moves forward with subscribing, the reduced cost minimizes investment in a product that may not be adopted one hundred percent.

Neptune is also a re-seller with HGAC-Buy, a joint purchasing agency of which the CCSD is a member. This allows the CCSD to enter a purchasing agreement with Neptune without performing the formal bid RFP process. This will significantly reduce the time to receive the meters in-house. However, the installation of the meters is considered a public works project and is required to go through the formal bidding process. The RFP specifications for installation will be brought to the Board during an April Board meeting.

Staff recommends the Board receive this presentation and approve Neptune as the AMI supplier for the CCSD water system meter upgrade.

Attachment 1: Neptune Product Sheets and Specifications

Attachment 2: Cost Estimate

Attachment 3: Coverage Map

Positive Displacement Residential Meter

PRODUCT SHEET



A PRODUCT SHEET OF NEPTUNE TECHNOLOGY GROUP

T-10 Meter

SIZES 5/8", 3/4", AND 1"

Every T-10® water meter meets or exceeds the latest AWWA C700 Standard. Its nutating disc, positive displacement principle has been time-proven for accuracy and dependability since 1892, ensuring maximum utility revenue.

Construction

The T-10 water meter consists of three major assemblies: a register, a lead free, high-copper alloy maincase, and a nutating disc measuring chamber.

The T-10 meter is available with a variety of register types. For reading convenience, the register can be mounted in one of four positions on the meter.

The corrosion-resistant maincase will withstand most service conditions; internal water pressure, rough handling, and in-line piping stress.

The innovative floating chamber design of the nutating disc measuring element is unaffected by meter position or in-line piping stresses while the unique chamber seal extends the low-flow accuracy by sealing the chamber outlet port to the maincase outlet port. The nutating disc measuring element utilizes corrosion-resistant materials throughout and a thrust roller to minimize wear.

Warranty

Neptune® provides a limited warranty for performance, materials, and workmanship. See warranty statement for details.

Guaranteed Systems Compatibility

All T-10 water meters are guaranteed adaptable to our ProRead™, AutoDetect, ProCoder™, E-CODER®, E-CODER®)R900i™, E-CODER®)R450i™, ProCoder™)R900i™, TRICON®/S, TRICON/E®3, and Neptune meter reading systems without removing the meter from service.



KEY FEATURES

REGISTER

Magnetic-driven, low-torque registration ensures accuracy

Impact-resistant register

High-resolution, low-flow leak detection

Bayonet-style register mount allows in-line serviceability

Tamperproof seal pin deters theft

Date of manufacture, size, and model stamped on dial face

LEAD FREE MAINCASE

NSF/ANSI 372, NSF/ANSI 61

Lifetime guarantee

Resists internal pressure stresses and external damage

Handles in-line piping variations and stresses

Provides residual value vs. plastic or composite

Electrical grounding continuity

NUTATING DISC MEASURING CHAMBER

Positive displacement

Widest effective flow range for maximum revenue

Proprietary polymer materials maximize long-term accuracy

Floating chamber design is unaffected by meter position or in-line piping stresses

Specifications

- NSF/ANSI 372, NSF/ANSI 61
- National Type Evaluation Program (NTEP) certification

Application

- Cold water measurement of flow in one direction in residential service applications

Maximum Operating Water Pressure

- 150 psi (1034 kPa)

Maximum Operating Water Temperature

- 80°F

Measuring Chamber

- Nutating disc technology design made from proprietary synthetic polymer

Options

Sizes

- 5/8", 5/8" x 3/4"
- 3/4", 3/4" SL, 3/4" x 1"
- 1", 1" x 1 1/4"

Units of Measure:

- U.S. gallons, imperial gallons, cubic feet, cubic metres

Register Types

- Direct reading: bronze box and cover (standard)

Remote Reading:

- ProRead, ProCoder, E-CODER, E-CODER)R900i, E-CODER)R450i, ProCoder™)R900i™, TRICON/S, TRICON/E3

- Reclaim

Bottom Caps

- Synthetic polymer (5/8" only)
- Cast iron
- Lead free, high-copper alloy

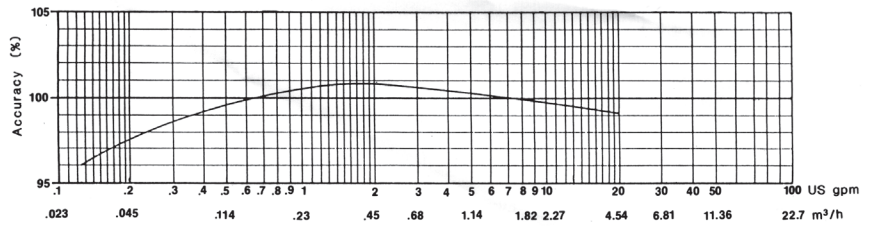
Connections

- Lead free, high-copper alloy, straight or bent

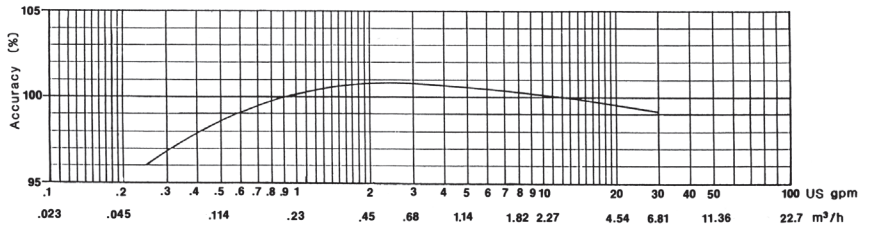
Environmental Conditions

- Operating temperature: +33° F to +149° F (0° C to +65° C)
- Storage temperature: +33° F to +158° F (0° C to +70° C)

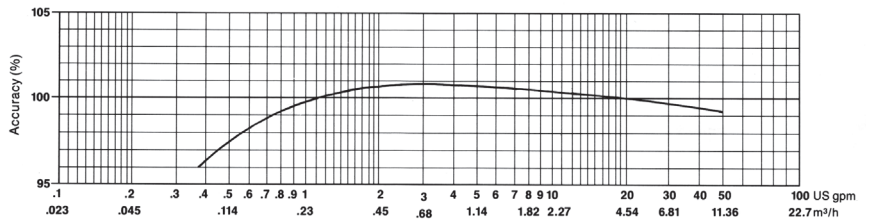
5/8" ACCURACY



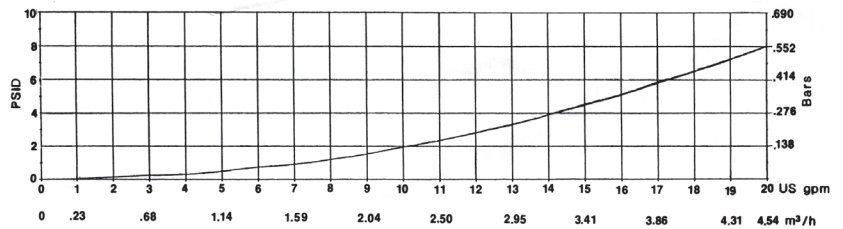
3/4" ACCURACY



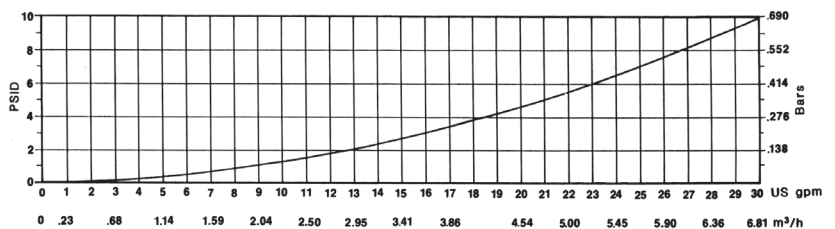
1" ACCURACY



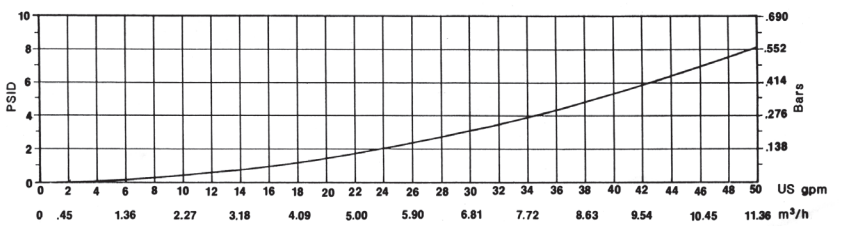
5/8" PRESSURE LOSS



3/4" PRESSURE LOSS



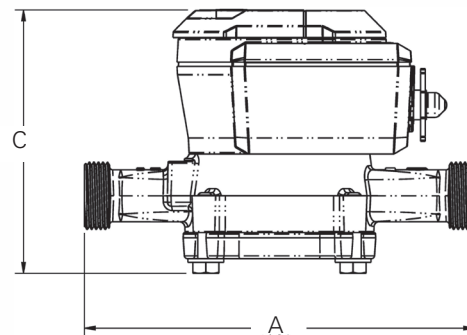
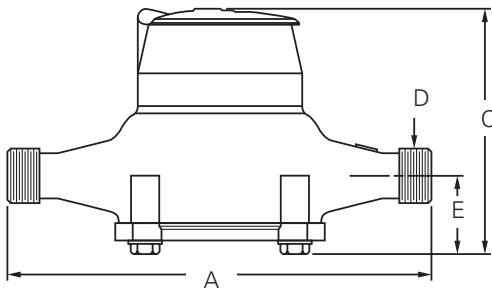
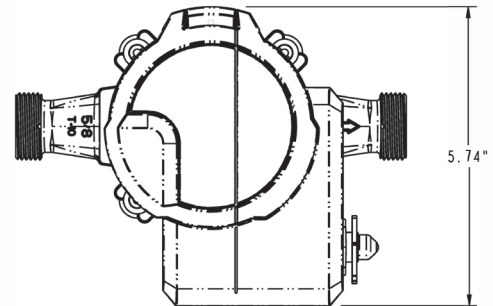
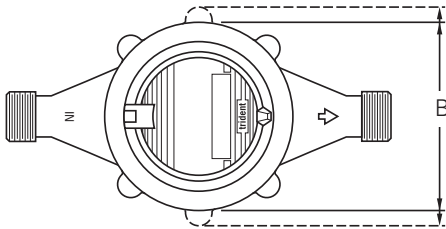
1" PRESSURE LOSS



These charts show typical meter performance. Individual results may vary.

Dimensions

Meter Size	A	B	C					D-	E-	Weight lbs/kg
	in/mm	in/mm	Std. in/mm	ARB in/mm	ProCoder™ or E-CODER®	ProCoder™) R900i™ or ProCoder™) R450i™	E-CODER®) R900i™ or E-CODER®) R450i™	NPSM Thread	in/mm	
5/8"	7½ 191	3⅝ 92	4⅜ 111	5¼ 133	5¼ 133	5¼ 133	5¼ 133	¾" - 14"	1½ 38	3¼ 1.4
5/8" x ¾"	7½ 191	3⅝ 92	4⅜ 111	5¼ 133	5¼ 133	5¼ 133	5¼ 133	1" - 11½"	1½ 38	3⅝ 1.5
Pre 2011 5/8"	7½ 191	3⅝ 92	4⅞ 124	5½ 146	5½ 139	5½ 139	5½ 139	¾" - 14"	1⅝ 41	3¾ 1.7
Pre 2011 5/8" x ¾"	7½ 191	3⅝ 92	4⅞ 124	5½ 146	5½ 139	5½ 139	5½ 139	1" - 11½"	1⅝ 41	4 1.8
¾"	9 229	4⅜ 111	5½ 140	6¼ 159	6¼ 159	6¼ 159	6¼ 159	1" - 11½"	1⅞ 48	6 2.7
¾" SL	7½ 191	4⅜ 111	5½ 140	6¼ 159	6¼ 159	6¼ 159	6¼ 159	1" - 11½"	1⅞ 48	5½ 2.5
¾" x 1"	9 229	4⅜ 111	5½ 140	6¼ 159	6¼ 159	6¼ 159	6¼ 159	1¼" - 11½"	1⅞ 48	6½ 2.9
1"	10¾ 273	6½ 165	6⅝ 162	7 178	7 178	7 178	7 178	1¼" - 11½"	2⅞ 54	9¾ 4.4
1" x 1¼"	10¾ 273	6½ 165	6⅝ 162	7 178	7 178	7 178	7 178	1½" - 11½"	2⅞ 54	10¼ 4.6



Operating Characteristics

Meter Size	Normal Operating Range @ 100% Accuracy (+/- 1.5%)	AWWA Standard	Low Flow @ 95% Accuracy
5/8"	1/2 to 20 US gpm 0.11 to 4.55 m ³ /h	1 to 20 US gpm 0.23 to 4.5 m ³ /h	1/8 US gpm 0.03 m ³ /h
3/4"	3/4 to 30 US gpm 0.17 to 6.82 m ³ /h	2 to 30 US gpm 0.45 to 6.8 m ³ /h	1/4 US gpm 0.06 m ³ /h
1"	1 to 50 US gpm 0.23 to 11.36 m ³ /h	3 to 50 US gpm 0.68 to 11.4 m ³ /h	3/8 US gpm 0.09 m ³ /h

Registration

ProRead Registration (per sweep hand revolution)		5/8"	3/4" & 1"
10	US Gallons	√	√
10	Imperial Gallons	√	√
1	Cubic Foot	√	√
0.1	Cubic Metre	√	√
Register Capacity ProRead, ProCoder, and E-CODER		5/8"	3/4" & 1"
10,000,000	US Gallons	√	√
10,000,000	Imperial Gallons	√	√
1,000,000	Cubic Feet	√	√
100,000	Cubic Metres	√	√
ProCoder and E-CODER High Resolution (8-digit reading)		5/8"	3/4" & 1"
0.1	US Gallons	√	√
0.1	Imperial Gallons	√	√
0.01	Cubic Feet	√	√
0.001	Cubic Metres	√	√



#winyourday
neptunetg.com

Neptune Technology Group
1600 Alabama Highway 229
Tallahassee, AL 36078
800-633-8754 f 334-283-7293

Ultrasonic Meter for 1.5" & 2" Size Meters

Be Confident with Sustained Accuracy Over Time

Neptune® MACH 10® Ultrasonic Meter



The MACH 10® ultrasonic water meter features solid state metrology with no degradation of accuracy over time. Combined with a corrosion-resistant, lead free, high-copper alloy maincase, the MACH 10 is built to withstand demanding service conditions and deliver sustained accuracy over the life of the meter.

- Sizes 1½" and 2"
- Extended low-flow range for superior leak detection
- Accuracy sustained over meter life
- Can be installed in both horizontal and vertical applications
- Advanced ultrasonic technology
- Lead free, high-copper alloy maincase
- Certified to UL 327B (1½", 2") for residential fire service applications
- No maintenance

Specifications

AWWA C715 Compliant

NSF/ANSI 61 Certified

UL 327B Certified

(Optional for 1½", 2")

Application

- Cold water measurement of flow in potable, combination potable and fire service, and reclaim/secondary water applications.

Maximum Operating Water Pressure

- 175 psi

Operating Water Temperature Range

- +33°F to +122°F (+0.5°C to +50°C)

Environmental Conditions

- Operating temperature:
+14°F to +149°F (-10°C to +65°C)
- Storage temperature:
-40°F to +158°F (-40°C to +70°C)

Options

Sizes

- 1½"
- 2"

Meter Options

- Potable water
- Reclaim water
- Residential fire service (combo or standalone meter service lines)

Warranty

- Neptune provides a limited warranty for performance, materials, and workmanship. See warranty statement for details.

System Compatibility

- Compatible with all Neptune endpoints. Also available as MACH 10®)R900i™ for an integrated radio solution and MACH 10®)TC for Sensus Touch Coupler compatibility.

Operating Characteristics

Meter Size	Normal Operating Range @ 100% Accuracy (+/- 1.5%)	AWWA C715 Standard Type 1	Extended Low Flow @ 100% Accuracy (+/- 3.0%)
1½"	0.80 to 125 U.S. gpm	2.0 to 100 U.S. gpm	0.30 U.S. gpm
2"	1.50 to 160 U.S. gpm	2.5 to 160 U.S. gpm	0.50 U.S. gpm

Dimensions

Meter Size	Length	Height	Flanges
1½"	10"	6¼"	Oval
	13"	6¼"	Oval
	12⅝"	6¼"	Internal Thread
	12⅞"	6¼"	External Thread
2"	10"	6½"	Oval
	15¼"	6½"	Oval
	17"	6½"	Oval
	15¼"	6½"	Internal Thread
	15¼"	6½"	External Thread

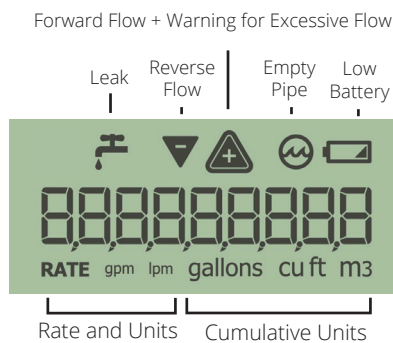
Available Units of Measure

Consumption	Rate
Gallons	GPM
Cubic Feet	GPM
Cubic Metres	LPM
Cubic Meters (International)	LPM
Imperial Gallons	GPM
Acre-Feet*	GPM
Litres*	LPM
Kilolitres*	LPM

*Unit cannot be displayed on LCD

LCD Display

9-digit display for extra resolution on manual reads.

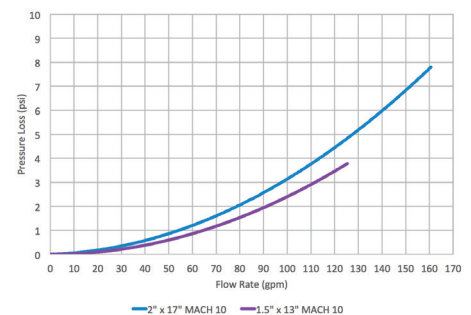


Registration

High Resolution (8-digit reading)		1½"	2"
1	U.S. Gallons	√	√
1	Imperial Gallons	√	√
0.1	Cubic Feet	√	√
0.01	Cubic Metres	√	√

Pressure Loss

Typical meter performance. Individual results may vary.



Commercial & Industrial Ultrasonic Meter for 3+" Meters

Superior Accuracy. Zero Maintenance.

Neptune® MACH 10® Ultrasonic Meter



The MACH 10® ultrasonic water meter features solid state ultrasonic technology including a factory-calibrated, replaceable unitized measuring element (UME) with no degradation of accuracy over time. Combined with a corrosion-resistant, lead free, high-copper alloy maincase, the MACH 10 is built to withstand demanding service conditions and deliver sustained accuracy over the life of the meter.

- Sizes 3" through 12"
- Extended low-flow range for superior leak detection
- Accuracy sustained over meter life
- Can be installed in both horizontal and vertical applications
- Open flow path design with low pressure loss
- Advanced ultrasonic technology with easily replaceable UME design
- Lead free, high-copper alloy maincase
- UL Listed and FM Approved (standard)
- Available in standard turbine and compound lay lengths
- No maintenance

Specifications

AWWA C715 Compliant
NSF/ANSI 61 Certified
UL Listed/FM Approved
(Standard)

Maximum Operating Water Pressure

- 175 psi

Operating Water Temperature Range

- +33°F to +122°F (+0.5°C to +50°C)

Environmental Conditions

- Operating temperature:
+14°F to +149°F (-10°C to +65°C)
- Storage temperature:
-40°F to +158°F (-40°C to +70°C)

Applications

- Potable water
- Fire service
- Reclaim water

Warranty

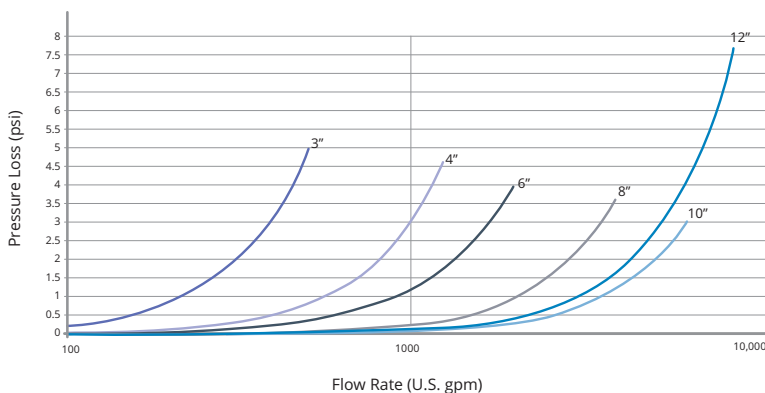
- Neptune provides a limited warranty for performance, materials, and workmanship. See warranty statement for details.

System Compatibility

- Compatible with Neptune R900® System. Also available as MACH 10®)R900i™ for an integrated radio solution and MACH 10®)TC for Sensus Touch Coupler compatibility.

Pressure Loss

This chart shows typical meter performance. Individual results may vary.



Operating Characteristics

Meter Size	Extended Low Flow @ 100% Accuracy (+/- 3.0%)	Normal Operating Range @ 100% Accuracy (+/- 1.5%)	Safe Maximum Operating Capacity	
			Normal Operation (Non Fire Service)	Fire Service
3"	0.50 U.S. gpm	0.75 to 500 U.S. gpm	500 U.S. gpm	420 U.S. gpm
4"	0.75 U.S. gpm	1.5 to 1250 U.S. gpm	1250 U.S. gpm	1100 U.S. gpm
6"	1.0 U.S. gpm	2.0 to 2000 U.S. gpm	2000 U.S. gpm	1800 U.S. gpm
8"	4.0 U.S. gpm	6.0 to 4000 U.S. gpm	4000 U.S. gpm	4000 U.S. gpm
10"	6.0 U.S. gpm	10.0 to 6500 U.S. gpm	6500 U.S. gpm	6500 U.S. gpm
12"	8.0 U.S. gpm	12.0 to 8000 U.S. gpm	8000 U.S. gpm	8000 U.S. gpm

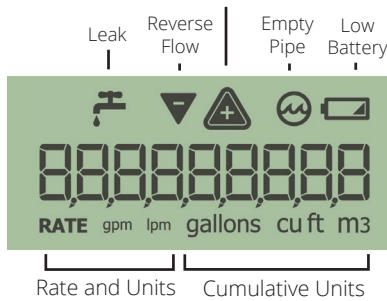
Registration

High Resolution (8-digit reading)		3"	4"	6" - 12"
1	U.S. Gallons	✓	✓	
10	U.S. Gallons			✓
0.1	Cubic Feet	✓	✓	
1	Cubic Feet			✓
0.01	Cubic Metres	✓	✓	
0.1	Cubic Metres			✓

LCD Display

9-digit display for extra resolution on manual reads.

Forward Flow + Warning for Excessive Flow

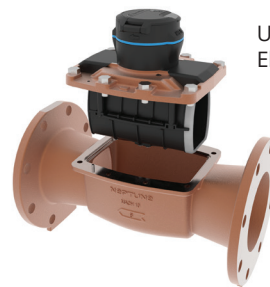


Dimensions

Meter Size	Length	Height	Weight
3"	12"	9½"	39 lbs
	17"	9½"	42 lbs
4"	14"	11"	51 lbs
	20"	11"	57 lbs
6"	18"	12¾"	79 lbs
	24"	12¾"	91 lbs
8"	20"	15 ⅜"	160 lbs
10"	26"	17 ⅞"	264 lbs
12"	19 ⅞"	20"	292 lbs

Available Units of Measure

Consumption	Rate
Gallons	GPM
Cubic Feet	GPM
Cubic Metres	LPM



Unitized Measuring Element (UME)



Neptune Technology Group
1600 Alabama Highway 229
Tallalsee, AL 36078
800-633-8754 f 334-283-7293

Fixed Base Gateway

Future-Proof Your AMI Data Collection

Neptune® R900® System: LoRaWAN® Gateway



Easily integrated into the Neptune R900® System, the LoRaWAN® gateway helps you to get the most value from your LoRaWAN endpoint infrastructure and allows you to migrate at your own pace from a walk-by or mobile Automatic Meter Reading (AMR) to an Advanced Metering Infrastructure (AMI).

The LoRaWAN® gateway allows you to quickly deploy your own LoRaWAN-based AMI Network that provides robust fixed network meter reading with the capability to support additional LoRaWAN Smart Water applications. LoRa's adaptive data rate (ADR) technology optimizes data rates, connectivity, and capacity of the network, providing a scalable AMI and Smart Water solution. Easily collect critical metering data to improve operations and customer support and optimize distribution system management.

- Deploy a LoRaWAN network with ease
- Reduce infrastructure with longer range LoRa® transmissions
- Ensure end-to-end security and confidentiality with 128-Bit AES encryption
- Eliminate the hassle associated with programming gateways and endpoints

Specifications

LoRa® Radio Parameters

- 902 - 915 MHz (Rx)
- 923 - 928 MHz (Tx)
- 72 channels
- 1W (Tx Power)

Installation Options

- Rooftop
- Pole 2" - 16" diameter (5cm - 40cm)
- Wall
- Water towers
- Street lights

Power Supplies

- 100 - 140 VAC
- Solar

Battery Backup

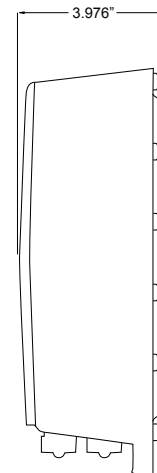
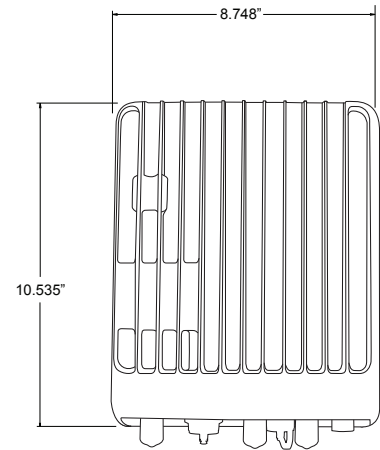
- UPS provides up to 18 hours of battery backup

Backhaul Options

- Multi-Carrier 4G LTE cellular modem
- Ethernet

Environmental

- IP67 enclosure
- Operating temperature: -40°F to +131°F (-40°C to +55°C)
- 10 - 100% condensing operational humidity
- Weight 11 lbs (5 Kg)



Cellular Endpoint

AMI Your Way

Neptune® R900® System: Cellular Endpoint



Neptune's cellular endpoint allows you to progress at your own pace to AMI when integrated into your Neptune® R900® System. Neptune's cellular endpoint provides all of the benefits of an advanced meter reading solution without the operational burden of network infrastructure while allowing you to protect existing asset investments. An easily deployable AMI solution, the cellular endpoint allows you to start collecting actionable meter data immediately. Powered by the FirstNet® cellular network, you are assured a reliable, highly secure, and easy-to-deploy AMI data solution for both current and future needs.

- No AMI fixed network infrastructure installation, maintenance, operations, or upgrade costs for the life of the deployment.
- Seamless integrations with existing R900 technology for a flexible AMI solution.
- Access all of your meter data from anywhere at any time with Neptune® 360™.
- Improve operations and customer service with real-time, high-resolution AMI data and advanced analytics.
- Automatically recover from network outages with 96 days of stored data.

FirstNet®, Built with AT&T

- Two-way solution using the FirstNet® LTE-M cellular technology helps ensure robust coverage.
- Prioritized connectivity, even during natural disasters, protects against commercial traffic congestion.
- Network resources and mobile cell sites can be dispatched during disaster recovery to support network connectivity.
- Sensitive information is highly secure on the FirstNet® network.

Specifications

Environmental Conditions

- Operating temperature:
-22°F to +149°F (-30°C to +65°C)
- Storage temperature:
-40°F to +158°F (-40°C to +70°C)
- Operating humidity:
100% condensing

Antennas

- Wall: standard internal antenna
- Pit: internal or external antenna

Encoded Register Compatibility

- Neptune® MACH 10®, ARB®V, ProRead™, E-CODER®, and ProCoder™
- Sensus ECR II, ICE, iPerl, Electronic Register and OMNI
- Hersey/Mueller Translator
- Badger ADE, HR E|LCD, E-Series
- Elster/AMCO InVision (Sensus protocol version)

Operation

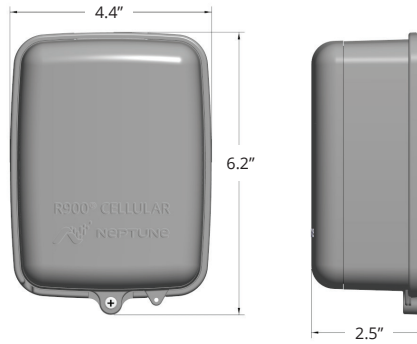
- Four cellular LTE-M transmissions per day
- Mobile 900 MHz backup transmissions
- Verify installation via the cellular endpoint manager tool
- 15-minute interval data with automatic back-fill
- Priority alerts
- Configurable transmission windows

Warranty

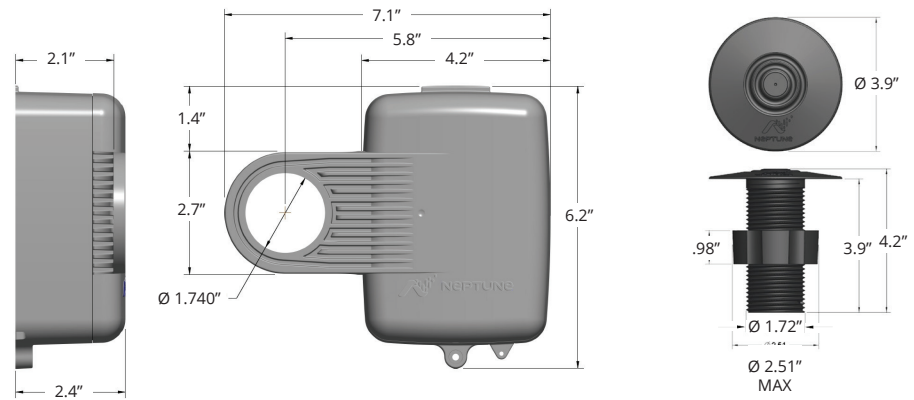
- Neptune provides a limited warranty for performance, materials, and workmanship. See warranty statement for details.

Dimensions

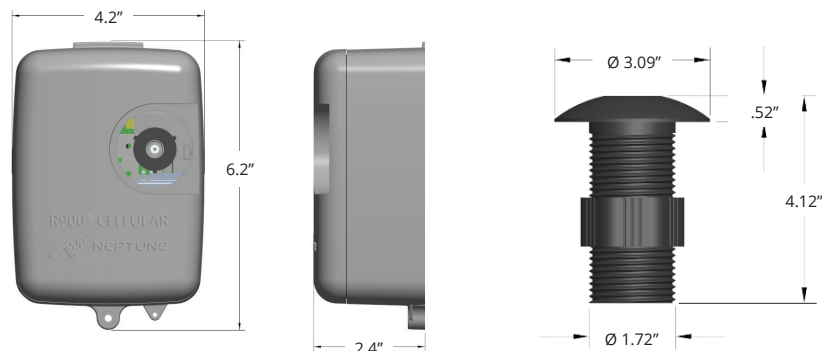
Wall Endpoint



Pit Endpoint (Internal Antenna)



Pit Endpoint with External Through-the-Lid Antenna



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Neptune Technology Group
1600 Alabama Highway 229
Tallahassee, AL 36078
800-633-8754 f 334-283-7293

AMI/AMR Radio Endpoint

Easy Installation, Seamless Integration

Neptune® ProCoder)R900i™



The Neptune® ProCoder)R900i™ is designed as an all-in-one package – pairing absolute encoder technology with the reliable connectivity of any Neptune R900® System endpoint. The ProCoder register provides an easy-to-read high resolution mechanical wheel bank combined with flexible AMR/AMI connectivity and is compatible with any Neptune mechanical meter. Integrated endpoints eliminate the hassle of wiring while reliably delivering accurate data to optimize system performance, improve customer service, and support water conservation initiatives.

- Eliminate the hassle of endpoint programming and wiring
- Flexible meter reading options with simultaneous AMR/AMI capabilities
- Peace of mind with access to 96 days of stored history
- Prevent tampering and environmental damage with no external wires
- Improve quality of service and billing accuracy with detailed consumption data
- Reduce inventory with an all-in-one register and endpoint package
- Pinpoint trouble areas quickly with flags that identify leaks, reverse flow, and tampering
- Streamline testing and onsite troubleshooting with an easy-to-read odometer and high-resolution sweep hand

Endpoint Specifications

Electrical Specifications

- Endpoint Power: Lithium battery with capacitor

Transmitter Specifications:

- Two-way endpoint
- Transmissions
 - Standard mobile message
 - Standard fixed network message
 - LoRa® fixed network message (only on LoRaWAN® model)
- Transmitter Channels:
 - 50 (R900 mobile and fixed network messages)
 - 64 (LoRa fixed network message)
- FCC Verification: Part 15.247
 - Channel Frequency:
 - 902 to 928 MHz
 - Frequency hopping, spread-spectrum
- Meter Reading & Flag Interval:
 - Every 15 minutes
 - Leak, Backflow, Tamper
- Data Logging Interval:
 - 96 days of hourly data

Environmental Conditions

- Operating Temperature:
 - 22°F to +149°F (-30°C to +65°C)
- Storage Temperature:
 - 40°F to +158°F (-40°C to +70°C)
- Operating Humidity:
 - 100% condensing, fully submersible (Pit Set version only)

Materials

- Register Housing:
 - Engineered polymer
 - Roll-sealed copper (Pit Set version only)
- Lens:
 - Tempered Glass (Pit Set)
 - Plastic (Inside Set)

Antennas

- Internal antenna (not available on LoRaWAN)
- Optional through-the-lid antenna
 - 18" coax
 - 6' coax
 - 20' coax

Resolution & Capacity

High Resolution (8-digit reading)

	Size	G	ft ³	m ³
T-10 (Includes disc side of TRU/FLO)	5/8", 3/4", 1"	0.1	0.01	0.001
T-10 (Includes disc side of HPPIII)	1 1/2", 2"	1	0.1	0.01
HP Turbine (Includes FS Turbine, HPPIII, Turbine Side of TRU/FLO)	1 1/2", 2", 3", 4"	1	0.1	0.01
HP Turbine (Includes FS Turbine, HPPIII, Turbine Side of TRU/FLO)	6", 8", 10"	10	1	0.1

Register Capacity

	Size	G	ft ³	m ³
T-10®(Includes disc side of TRU/FLO®)	5/8", 3/4", 1"	10,000,000	1,000,000	100,000
T-10 (Includes disc side of HPPIII)	1 1/2", 2"	100,000,000	10,000,000	1,000,000
HP Turbine (Includes FS Turbine, HPPIII, Turbine Side of TRU/FLO)	1 1/2", 2", 3", 4"	100,000,000	10,000,000	1,000,000
HP Turbine (Includes FS Turbine, HPPIII, Turbine Side of TRU/FLO)	6", 8", 10"	1,000,000,000	100,000,000	10,000,000

ProCoder Registration (Per Sweep Hand Revolution)

Type	Size	G	ft ³	m ³
T-10	5/8", 3/4", 1"	0.1	0.01	0.001
T-10 (Includes disc side of HPPIII)	1 1/2", 2"	1	0.1	0.01
HP Turbine (Includes FS Turbine, HPPIII, Turbine Side of TRU/FLO)	1 1/2", 2", 3", 4"	10	1	0.1
HP Turbine (Includes FS Turbine, HPPIII, Turbine Side of TRU/FLO)	6", 8", 10"	100	10	1

Options

Compatibility

- Available for every size Neptune mechanical meter
- Handhelds with belt clip transceiver – mobile RF
- Mobile data collector RF
- Gateway – fixed network RF
- LoRaWAN gateway – fixed network

Units of Measure

- U.S. Gallons, Cubic Feet, Imperial Gallons, Cubic Metres

Warranty

- Neptune provides a limited warranty for performance, materials, and workmanship. See warranty statement for details.



neptunetg.com
#winyourday

Neptune Technology Group
1600 Alabama Highway 229
Tallahassee, AL 36078
800-633-8754 f 334-283-7293



FERGUSON WW BAKERSFIELD #2777
 2900 FAIRHAVEN DRIVE
 BAKERSFIELD, CA 93308-6125

Phone: 661-396-3230
 Fax: 661-397-7429

Deliver To: From: Ryan Madrigal Comments:
--

14:11:37 FEB 24 2023

Page 1 of 2

FERGUSON WATERWORKS #1423

Price Quotation
 Phone: 661-396-3230
 Fax: 661-397-7429

Bid No: B479270
Bid Date: 02/24/23
Quoted By: RIM

Cust Phone:
Terms: CASH ON DEMAND

Customer: CAMBRIA COMMUNITY SERVICES
 1316 TAMSON DR
 CAMBRIA, CA 93428

Ship To: CAMBRIA COMMUNITY SERVICES
 1316 TAMSON DR
 CAMBRIA, CA 93428

Cust PO#:

Job Name:

Item	Description	Quantity	Net Price	UM	Total
METERS					
SP-NED2B22RPMF11SG	5/8X3/4 T10 P/C R900I V5 CF	2993	457.000	CF	1367801.00
NED2B22RPHF21	LF 5/8X3/4 T10 MTR P/C BRZ CF PIT	637	226.000	EA	143962.00
SP-NED2F22RPMF11SG	1 T10 P/C R900I CF V5 6' ANT	341	663.000	CF	226083.00
SP-NEU2A5F1SG89	1-1/2 MACH10 R900I V5 CF 6' ANT	3	1224.000	CF	3672.00
SP-NEU2E5F1SG89	2 MACH10 R900I CF V5 6' ANT	60	1440.000	CF	86400.00
SP-NEU3D5F1SG89	4 MACH10 V5 R900I CF 6' ANT	2	4901.000	CF	9802.00
SP-NEU3F5F1SG89	6 MACH10 CF V5 R900I 6' ANT	2	8169.000	CF	16338.00
SP-N13966200	R900C PIT W/ 6' WIRE INT ANT	637	207.000	EA	131859.00
HARDWARE					
N13791100	R900 GATEWAY V5 ETHERNET VERIZON	4	15000.000	EA	60000.00
SOFTWARE					
N13980002	360 AMI SET UP FEE	1	3615.000	EA	3615.00
N13980203	NEPTUNE 360 AMI - 1001-2500	1	10775.000	EA	10775.00
SP-N13980312	N360 CELL 501-1000 AMI	1	7644.000	CF	7644.00

Net Total: \$2067951.00
Tax: \$149926.47
Freight: \$0.00
Total: \$2217877.47



HOW ARE WE DOING? WE WANT YOUR FEEDBACK!

Scan the QR code or use the link below to complete a survey about your bids:

<https://survey.medallia.com/?bidsorder&fc=2777&on=450960>

FERGUSON WATERWORKS #1423
Price Quotation

Fax: 661-397-7429

14:11:37 FEB 24 2023

Reference No: B479270

Quoted prices are based upon receipt of the total quantity for immediate shipment (48 hours). SHIPMENTS BEYOND 48 HOURS SHALL BE AT THE PRICE IN EFFECT AT TIME OF SHIPMENT UNLESS NOTED OTHERWISE. QUOTES FOR PRODUCTS SHIPPED FOR RESALE ARE NOT FIRM UNLESS NOTED OTHERWISE.

CONTACT YOUR SALES REPRESENTATIVE IMMEDIATELY FOR ASSISTANCE WITH DBE/MBE/WBE/SMALL BUSINESS REQUIREMENTS.

Seller not responsible for delays, lack of product or increase of pricing due to causes beyond our control, and/or based upon Local, State and Federal laws governing type of products that can be sold or put into commerce. This Quote is offered contingent upon the Buyer's acceptance of Seller's terms and conditions, which are incorporated by reference and found either following this document, or on the web at <https://www.ferguson.com/content/website-info/terms-of-sale>
Govt Buyers: All items are open market unless noted otherwise.

LEAD LAW WARNING: It is illegal to install products that are not "lead free" in accordance with US Federal or other applicable law in potable water systems anticipated for human consumption. Products with *NP in the description are NOT lead free and can only be installed in non-potable applications. Buyer is solely responsible for product selection.

WATER FLOW RATE NOTICE: Lavatory Faucets with flow rates over 0.5 GPM are not allowed for 'public use' in California.

COVID-19 ORDER: ANY REFERENCE TO OR INCORPORATION OF EXECUTIVE ORDER 14042 AND/OR THE EO-IMPLEMENTING FEDERAL CLAUSES (FAR 52.223-99 AND/OR DFARS 252.223-7999) IS EXPRESSLY REJECTED BY SELLER AND SHALL NOT APPLY AS SELLER IS A MATERIALS SUPPLIER AND THEREFORE EXEMPT UNDER THE EXECUTIVE ORDER.

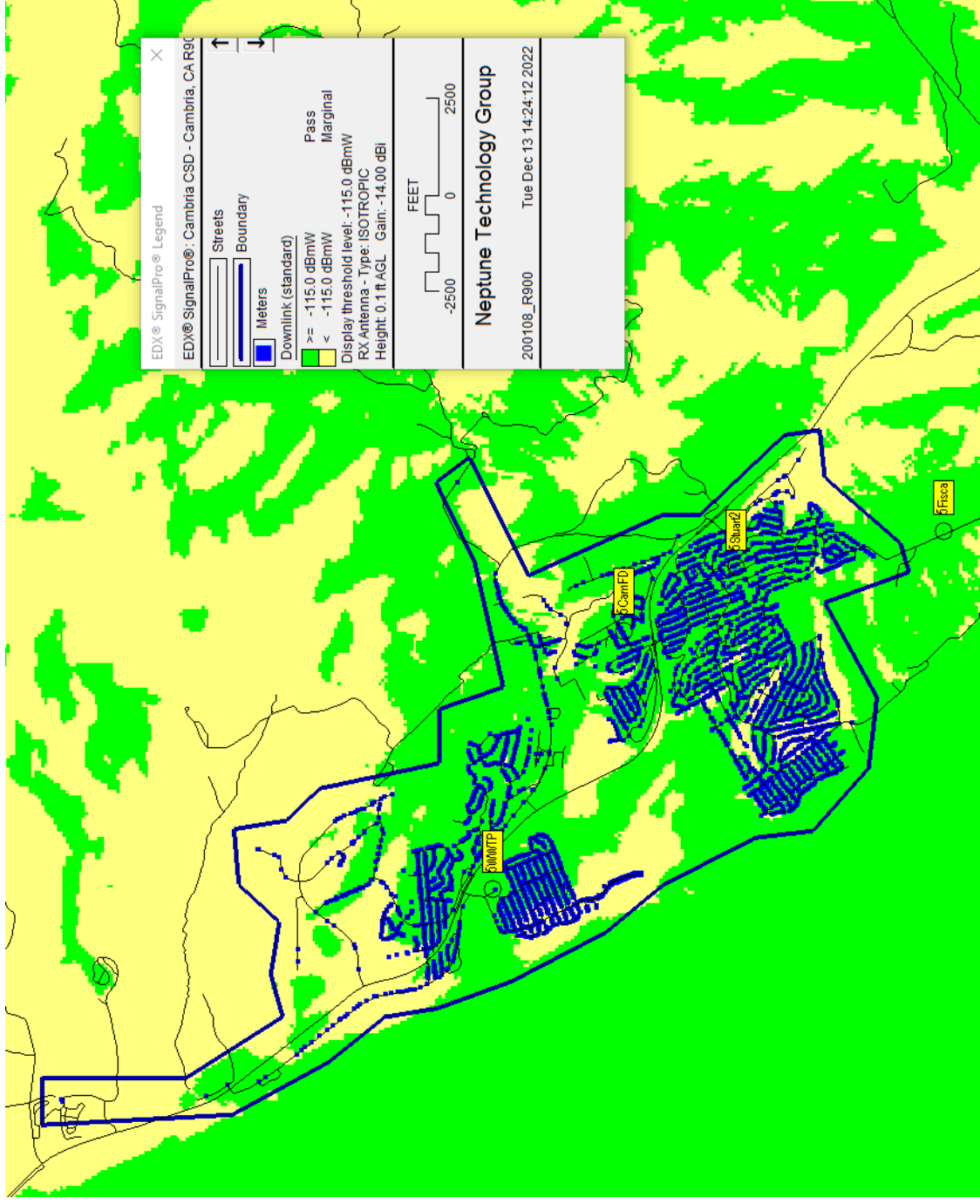


HOW ARE WE DOING? WE WANT YOUR FEEDBACK!

Scan the QR code or use the link below to
complete a survey about your bids:

<https://survey.medallia.com/?bidsorder&fc=2777&on=450960>

Attachment 3: Map 2b: R9000 Gateway Coverage



CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **5.C.**

FROM: Ray Dienzo, Acting General Manager

Meeting Date: March 9, 2023

Subject: Discussion and Consideration to
Approve Draft Policy 1030: Code of
Ethics Policy

RECOMMENDATIONS:

The Policy Committee (“Committee”) recommends the Board of Directors review draft Code of Ethics policy 1030 and consider adoption of same.

FISCAL IMPACT:

There are no fiscal impacts identified with the associated action.

DISCUSSION:

The Policy Committee met on January 26, 2023 to review and discuss approval of draft Code of Ethics policy 1030 (copy attached). The draft Code of Ethics policy is based upon the CSDA model Code of Ethics policy, a copy of which is also attached, with minor modification proposed by District Counsel. At that time, the Policy Committee unanimously recommended forwarding the draft policy to the Board for consideration.

Attachments: Draft Policy 1030: Code of Ethics Policy
CSDA Model Code of Ethics Policy



POLICY TITLE: Code of Ethics

POLICY NUMBER: 1030

1030.1 Background information:

Cambria Community Services District designed its Code of Ethics & Values (the “Code”) to provide clear, positive statements of ethical behavior reflecting the core values of the District and the communities it serves. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the District. The Code is developed to reflect the issues and concerns of today’s complex and diverse society.

1030.2 Goals of the code of ethics & values:

- a) To make Cambria Community Services District a better District built on mutual respect and trust.
- b) To promote and maintain the highest standards of personal and professional conduct among all involved in District government, District staff, volunteers and members of the District’s Board. All elected and appointed officials, officers, employees, members of advisory committees, and volunteers of the District, are herein called “Officials” for the purposes of this policy.
- c) The Code is a touchstone for members of District Board and staff in fulfilling their roles and responsibilities.

1030.3 Preamble:

- a) The proper operation of democratic government requires that decision-makers be independent, impartial and accountable to the people they serve. The Cambria Community Services District has adopted this Code to promote and maintain the highest standards of personal and professional conduct in the District’s government.
- b) All Officials, and others, who participate in the District’s government are required to subscribe to this Code, understand how it applies to their specific responsibilities and practice its eight core values in their work. Because we seek public confidence in the District’s services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Code.

1030.4 Applicability:

This Code shall apply to all District Officials as defined in 1030.2 b.

1030.5 Core Value:

As participatory Officials in the District’s government, we subscribe to the following Core Values:

1030.6 As a representative of Cambria Community Services District, I will be ethical.

In practice, this value looks like:

- a) I am trustworthy, acting with the utmost integrity and moral courage. I am truthful. I do what I say I will do. I am dependable.
- b) I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, financial, and other personal interests that impair my independence of judgment or action.
- c) I am fair, distributing benefits and burdens according to consistent and equitable criteria.

- d) I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions or any improper or unauthorized representations on behalf of the District.
- e) I show respect for persons, confidences, and information designated as "confidential."
- f) I use my title(s) only when conducting official District business for information purposes or as an indication of background and expertise carefully considering whether I am exceeding or appearing to exceed my authority.
- g) I will avoid actions that might cause the public or others to question my independent judgment.
- h) I maintain a constructive, creative, and practical attitude toward the District's affairs and a deep sense of social responsibility as a trusted public servant.

1030.7 As a representative of Cambria Community Services District, I will be professional.

In practice, this value looks like:

- a) I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent and productive manner.
- b) I approach my job and work-related relationships with a positive, collaborative attitude.
- c) I keep my professional education, knowledge, and skills current and growing.

1030.8 As a Representative of Cambria Community Services District, I will be service-oriented.

In practice, this value looks like:

- a) I provide friendly, receptive, courteous service to everyone.
- b) I attune to and care about the needs and issues of District residents, public Officials and District workers.
- c) In my interactions with constituents, I am interested, engaged and responsive.

1030.9 As a representative of Cambria Community Services District, I will be fiscally responsible.

In practice, this value looks like:

- a) I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the District, especially its financial stability.
- b) I demonstrate concern for the proper use of District assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
- c) I make good financial decisions that seek to preserve programs and services for District residents.
- d) I have knowledge of and adhere to the District's Purchasing and Contracting and Allocation of Funds Policies.

1030.10 As a representative of Cambria Community Services District, I will be organized.

In practice, this value looks like:

- a) I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
- b) I follow through in a responsible way, keeping others informed and responding in a timely fashion.
- c) I am respectful of established District processes and guidelines.

1030.11 As a representative of Cambria Community Services District, I will be communicative.

In practice, this value looks like:

- a) I positively convey the District's care for and commitment to its residents.

- b) I communicate in various ways, that I am approachable, open-minded, and willing to participate in dialog.
- c) I engage in effective two-way communication, by listening carefully, asking questions, and determining an appropriate response which adds value to conversations.

1030.12 As a representative of Cambria Community Services District, I will be collaborative.

In practice, this value looks like:

- a) I act in a cooperative manner with groups and other individuals, working together in a spirit of tolerance and understanding.
- b) I work towards consensus building and gain value from diverse opinions.
- c) I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d) I consider the broader regional and state-wide implications of the District's decisions and issues.

1030.13 As a representative of Cambria Community Services District, I will be progressive.

In practice, this value looks like:

- a) I exhibit a proactive, innovative approach to setting goals and conducting the District's business.
- b) I display a style that maintains consistent standards; but is also sensitive to the need for compromise, "thinking outside the box" and improving existing paradigms when necessary.
- c) I promote intelligent and thoughtful innovation in order to forward the District's policy agenda and District services.

1030.14 Enforcement:

Any Official found to be in violation of this Code may be subject to Censure by the District Board, subject to any required due process. Any member of any advisory Committee found in violation may be subject to dismissal from the Committee. In the case of an employee, appropriate action shall be taken by the General Manager or by an authorized designee.



POLICY TITLE: Code of Ethics
POLICY NUMBER: 1030

1030.1 Background information:

[District name] designed its Code of Ethics & Values (the “Code”) to provide clear, positive statements of ethical behavior reflecting the core values of the District and the communities it serves. The Code includes practical strategies for addressing ethical questions and a useful framework for decision-making and handling the day-to-day operations of the District. The Code is developed to reflect the issues and concerns of today’s complex and diverse society.

1030.2 Goals of the code of ethics & values:

- a) To make [District name] a better District built on mutual respect and trust.
- b) To promote and maintain the highest standards of personal and professional conduct among all involved in District government, District staff, volunteers and members of the District’s Board. All elected and appointed officials, officers, employees, members of advisory committees, and volunteers of the District, herein called “Officials” for the purposes of this policy.
- c) The Code is a touchstone for members of District Board and staff in fulfilling their roles and responsibilities.

1030.3 Preamble:

- a) The proper operation of democratic government requires that decision-makers be independent, impartial and accountable to the people they serve. The [District name] has adopted this Code to promote and maintain the highest standards of personal and professional conduct in the District’s government.
- b) All Officials, and others, who participate in the District’s government are required to subscribe to this Code, understand how it applies to their specific responsibilities and practice its eight core values in their work. Because we seek public confidence in the District’s services and public trust of its decision-makers, our decisions and our work must meet the most demanding ethical standards and demonstrate the highest levels of achievement in following this Code.

1030.4 Applicability:

This Code shall apply to all District Officials as defined in 1030.2 b.

1030.5 Core Value:

As participatory Officials in the District’s government, we subscribe to the following Core Values:

1030.6 As a representative of [District name], I will be ethical.

In practice, this value looks like:



-
- a) I am trustworthy, acting with the utmost integrity and moral courage. I am truthful. I do what I say I will do. I am dependable.
 - b) I make impartial decisions, free of bribes, unlawful gifts, narrow political interests, financial, and other personal interests that impair my independence of judgment or action.
 - c) I am fair, distributing benefits and burdens according to consistent and equitable criteria.
 - d) I extend equal opportunities and due process to all parties in matters under consideration. If I engage in unilateral meetings and discussions, I do so without making voting decisions or any improper or unauthorized representations on behalf of the District.
 - e) I show respect for persons, confidences, and information designated as "confidential."
 - f) I use my title(s) only when conducting official District business for information purposes or as an indication of background and expertise carefully considering whether I am exceeding or appearing to exceed my authority.
 - g) I will avoid actions that might cause the public or others to question my independent judgment.
 - h) I maintain a constructive, creative, and practical attitude toward the District's affairs and a deep sense of social responsibility as a trusted public servant.

1030.7 As a representative of [District name], I will be professional.

In practice, this value looks like:

- a) I apply my knowledge and expertise to my assigned activities and to the interpersonal relationships that are part of my job in a consistent, confident, competent and productive manner.
- b) I approach my job and work-related relationships with a positive, collaborative attitude.
- c) I keep my professional education, knowledge, and skills current and growing.

1030.8 As a Representative of [District name], I will be service-oriented.

In practice, this value looks like:

- a) I provide friendly, receptive, courteous service to everyone.
- b) I attune to and care about the needs and issues of citizens, public Officials and District workers.
- c) In my interactions with constituents, I am interested, engaged and responsive.

1030.9 As a representative of [District name], I will be fiscally responsible.

In practice, this value looks like:

- a) I make decisions after prudent consideration of their financial impact, taking into account the long-term financial needs of the District, especially its financial stability.
 - b) I demonstrate concern for the proper use of District assets (e.g., personnel, time, property, equipment, funds) and follow established procedures.
 - c) I make good financial decisions that seek to preserve programs and services for District residents.
 - d) I have knowledge of and adhere to the District's Purchasing and Contracting and Allocation of Funds Policies.
-



1030.10 As a representative of [District name], I will be organized.

In practice, this value looks like:

- a) I act in an efficient manner, making decisions and recommendations based upon research and facts, taking into consideration short and long term goals.
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- a) I positively convey the District's care for and commitment to its citizens.
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- c) I accomplish the goals and responsibilities of my individual position, while respecting my role as a member of a team.
- d) I consider the broader regional and state-wide implications of the District's decisions and issues.

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In practice, this value looks like:

- a) I exhibit a proactive, innovative approach to setting goals and conducting the District's business.
- b) I display a style that maintains consistent standards; but is also sensitive to the need for compromise, "thinking outside the box" and improving existing paradigms when necessary.
- c) I promote intelligent and thoughtful innovation in order to forward the District's policy agenda and District services.

1030.14 Enforcement:

Any Official found to be in violation of this Code may be subject to Censure by the District Board. Any member of any advisory Committee found in violation may be subject to dismissal from the Committee. In the case of an employee, appropriate action shall be taken by the General Manager or by an authorized designee.

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **5.D.**

FROM: Ray Dienzo, Acting General Manager
 Pamela Duffield, Administrative Department Manager
 Denise Fritz, Finance Manager

Meeting Date: March 9, 2023 Subject: Receive and File the Independent Auditor's Report for Fiscal Year 2021/22 and Internal Control Letter

RECOMMENDATIONS:

Staff recommends the Board receive and file the attached Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2022, and Internal Control Letter, presented by Moss, Levy & Hartzheim, LLP.

FISCAL IMPACT:

A third amendment to the Consultant Services Agreement was approved by the Board on September 28, 2022, for professional independent audit services to be provided by Moss, Levy & Hartheim LLP. This agreement includes \$18,750 for audit services of FY 2018/19, \$19,400 for FY 2019/20, \$20,045 for FY 2020/21 and \$20,715 for FY 2021/22 financial records.

The Finance Committee received the FY 2021/22 Independent Auditor's Report on February 28, 2023, at their regularly scheduled meeting.

DISCUSSION:

A draft of the Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2022 ("Audit Report") and Internal Control Letter ("Letter") are attached for review. Mr. Alex Hom, from Moss, Levy & Hartzheim, will be available via Zoom for a summary of the Audit Report and respond to questions and comments from the Board.

The Audit Report contains the auditor's opinion of the CCSD's financial statements and adequacy of internal controls. The auditor issued an unqualified opinion, which states that as of June 30, 2022, the financial statements present fairly, in all material respects, the financial position of the governmental and business-type activities of the CCSD.

As shown on page 16 of the Audit Report, the General Fund had revenues of \$5,501,631, expenditures of \$5,988,560, resulting in a decrease to fund balance of \$486,929.

As shown on page 19 of the Audit Report, the Water Fund had total operating and non-operating revenues of \$4,589,016 and expenditures of \$4,328,485, resulting in an increase in net position of \$260,531. It should be noted that these Water Fund revenues/expenses include both Water Operating, WRF Operating and WRF Capital funds.

As shown on page 19 of the Audit Report, the Wastewater Fund had total operating and non-operating revenues of \$3,285,232 and expenditures of \$3,170,372, resulting in an increase in net position of \$114,860.

As shown on page 11 of the Audit Report, the total of cash & investments for both governmental activities (General Fund) and business-type activities (Enterprise Funds) is \$9,044,035 on June 30, 2022. The cash & investments are distributed to the three funds as shown below:

CCSD FINANCIAL AUDIT JUNE 30, 2022	
FUND	CASH BALANCE
GENERAL FUND	\$3,456,653
WATER FUND	\$4,727,312
WASTEWATER FUND	<u>\$860,070</u>
TOTAL	\$9,044,035

Inter-Fund Loans due to the General Fund on June 30, 2022 are shown below:

WASTEWATER FUND	\$293,059
WATER FUND	\$157,726
TOTAL DUE TO GENERAL FUND	\$450,785

Attachment: Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2022
Independent Auditor's Internal Control Letter

CAMBRIA COMMUNITY SERVICES DISTRICT
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2022

CAMBRIA COMMUNITY SERVICES DISTRICT
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JUNE 30, 2022

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Board of Directors of Cambria Community Services District
Cambria, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Cambria Community Services District, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Cambria Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Cambria Community Services District, as of June 30, 2022, and the respective changes in financial position and cash flows where applicable thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cambria Community Services District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cambria Community Services District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10, the budgetary comparison information on page 43, the schedule of changes in OPEB liability and related ratios on page 44, the schedule of OPEB contributions on page 45, the schedule of proportionate share of net pension liability on page 46, and the schedule of pension contributions on page 47 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries of the basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2023, on our consideration of the Cambria Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Renz & Hurlbain LLP

Santa Maria, California
February 16, 2023

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

Our discussion and analysis of the Cambria Community Services District's (CCSD) financial performance provides an overview of the CCSD's financial activities for the fiscal year ended June 30, 2022. The Management's Discussion & Analysis is to be read in conjunction with the CCSD's financial statements, which follow this section.

The Cambria Community Services District is a multi-purpose special district formed on December 9, 1976. Formation took place under the Community Services District Law, Section 61000, et. seq. of the California Government Code. At the time of formation, it absorbed and combined the responsibilities of five existing special districts. These independently operated districts were as follows:

- The Cambria Community Services District - Moonstone Beach Drive area
- The Cambria County Water District
- The Cambria Fire Protection District
- The Cambria Garbage Disposal District
- San Luis Obispo County Service Area No. 6 - Street Lighting Service

The CCSD is a political subdivision of the State of California and operates under a Board of Directors-Manager form of government. A five-member Board of Directors governs it with each member serving a four-year term. The CCSD has a population of approximately 5,700 residents within its boundaries. Tourism in the summer months and on holiday weekends creates seasonal increases in the population. The CCSD provides the following services:

- Water
- Wastewater
- Fire Protection
- Facilities and Resources
- Parks and Recreation
- Resource Conservation
- Administration

Fund Financial Statements

The accounting system of the CCSD is organized and operated on a fund basis. A fund is considered a separate self-balancing entity with assets, liabilities, fund equity, revenues, and expenditures/expenses.

The basis of accounting depends on the fund. Basis of accounting refers to "when" revenues and expenses are recognized in the accounts and reported in the financial statements.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

Governmental funds use the modified-accrual basis of accounting. Revenues are recognized when measurable and available as net current assets. Measurable means the amounts can be estimated or determined. Available means the amounts were collected during the reporting period or soon enough to finance the expenditures accrued for the reporting period.

Enterprise or business-like funds use the accrual basis of accounting. Revenues, expenses, assets and liabilities are recognized when the event happens.

Financial Statements

There are two government-wide financial statements that include all the CCSD's funds:

- Statement of Net Position
- Statement of Activities

The Statement of Net Position provides the basis for computing rate of return, evaluating the capital structure of the CCSD and assessing the liquidity and financial flexibility of the CCSD.

The Statement of Activities includes all the CCSD's individual functions presented using the accrual basis of accounting. One objective of the Statement of Activities is to report the relative financial burden of each of the CCSD's functions.

The remainder of the CCSD's financial statements is grouped into 2 categories:

- Governmental Activities
- Business-Type Activities

Governmental Activities

Governmental activities include the following Fund:

- General Fund

The General Fund includes the following Departments:

- Fire Department
- Administration
- Facilities and Resources
- Parks and Recreation

The CCSD's financial statements for governmental activities include six components:

- Balance Sheet
- Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures and Changes in Fund Balance

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

- Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Notes to the Basic Financial Statements
- Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual-Governmental Funds (Shown as Required Supplemental Information)

The Balance Sheet-Governmental Funds first presents the CCSD's assets (resources it controls that enable it to provide services), liabilities (financial obligations) and fund balance (in essence, what would be left over if the assets were used to satisfy the liabilities). The assets and liabilities are current in nature. Notably absent are capital assets. This is due to the statement being presented using the modified accrual basis of accounting. Fund balance is the difference between assets and liabilities. Fund balance is reported in up to five classifications to clarify Fund Balance reported as well as to provide additional information, as follows:

- Nonspendable - amounts that are not in a spendable form, such as Prepaid Expenses or Deposits.
- Restricted - amounts constrained to specific purposes by their providers through constitutional provisions or legislation.
- Committed - amounts constrained to specific purposes by the government itself using its highest level of decision-making authority.
- Assigned - amounts a government intends to use for a specific purpose.
- Unassigned - amounts that are available for any purpose. These amounts are only found in the general fund.

The Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position is the final component of the Balance Sheet. The reconciling items explain the differences in the accounting bases (the presence of capital assets and long-term liabilities in the government-wide financial statements, but their absence in the governmental funds).

The Statement of Revenues, Expenditures, and Changes in Fund Balances is the governmental funds' income statement, tracking the flow of resources in as Revenues and out as Expenditures. Revenues and Expenditures are not the only resources that flow in and out. Other financing sources (uses) identify transfers in and out of the governmental funds. Besides the fact that transfers are neither revenues nor expenditures, they are shown separately to assist the statement reader in assessing the balance between ongoing revenues and expenditures related to the basic operations of the CCSD. For this same reason, special items such as prior period adjustments (corrections of material errors related to a prior period or periods) are shown separately.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

The Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities describes the differences between change in fund balance and change in governmental activities net position in the government-wide statement of activities. Items are individually described.

The Notes to the Basic Financial Statements are disclosures presented to assist the reader in understanding the information found in the financial statements.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Governmental Funds compares the budgeted amounts to the actual amounts.

Business-Type Activities

Business-type activities include the following Funds:

- Water Fund
- Wastewater (Sewer) Fund

The Water Fund includes the following Departments:

- Water
- Resource Conservation
- Water Reclamation Facility

The CCSD's financial statements for business-type activities include four components:

- Statement of Net Position - Proprietary Funds
- Statement of Revenues, Expenditures and Changes in Net Position - Proprietary Funds
- Statement of Cash Flows - Proprietary Funds
- Notes to the Basic Financial Statements

The Statement of Net Position provides the basis for computing rate of return, evaluating the capital structure of the Water and Wastewater Funds and assessing their liquidity and financial flexibility.

The Statement of Revenues, Expenditures, and Changes in Net Position presents information which shows how the Water and Wastewater Fund's net assets changed during the year. All the current year's revenues and expenditures are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The Statement of Revenues, Expenditures, and Changes in Net Position also measures the success of the CCSD's operations over the past year and determines whether the CCSD has recovered its costs through user fees, property taxes and other changes.

The Statement of Cash Flows provides information regarding the Water and Wastewater Fund's cash receipts and cash disbursements during the fiscal year. The statement reports cash activity in three categories:

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

- Operating Activities
- Capital and Related Financing Activities
- Investing and Non-Operating Activities

Required Supplementary Information

This section contains the Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.

This section also contains the Schedule of Changes in the Other Post-Employment Benefits (OPEB) Liability and Related Ratios, Schedule of OPEB Contributions, Schedule of the Proportionate Share of the Net Pension Liability, and the Schedule of Pension Contributions, as required by Governmental Accounting Standards Board (GASB) 75.

Overview of Activities During Fiscal Year Ending June 30, 2022

The Fire Suppression Benefit Assessment is a parcel assessment, it is not impacted by property value fluctuations. If approved annually by the CCSD Board of Directors, it can increase by the annual increase in the consumer price index, up to a maximum of 5.4%. This parcel assessment increased by \$14,000 (2.9%) in fiscal year 2021-2022, as compared to fiscal year 2020-2021. This parcel assessment represents approximately 18% of the Fire Department's revenue in the CCSD's fiscal year 2021-2022 budget.

The Water and Wastewater Standby or Availability Charge is a parcel assessment, based on parcel size. If approved annually by the CCSD Board of Directors, this parcel assessment generates approximately \$178,000 for Water Fund and \$119,000 for Wastewater Fund in revenue. This revenue is used for capital outlay and major maintenance projects in both the Water and Wastewater Funds.

A rate analysis for Water, Water Reclamation Facility (WRF) and Wastewater user fees and charges was completed in July 2018, with a 3-year rate increase implementation plan. The final rate increase became effective September 1, 2020. An updated rate analysis for Water, Water WRF and Wastewater user fees and charges was completed in May and June 2022, respectively. The CCSD Board adopted a 3-year user fee & charges rate increase, for Water and Wastewater, with future annual inflationary rate adjustments to Water, WRF and Wastewater. The first increase is effective July 1, 2022, for only Water and Wastewater user fees and charges. The increase in user fees and charges are to provide adequate support of operations & maintenance costs, capital improvement funding for an aging infrastructure, along with current and future debt service obligations.

As of June 30, 2022, the balances of the advances from the General Fund to Water Fund total \$157,726 and Wastewater Fund total \$293,059 (see Note #3).

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

For active employees, there are two different employee represented groups, International Association of Firefighters (IAFF), Service Employees International Union (SEIU) and the non-represented Management/Confidential (MCE) employees.

The following table shows the year-to-year increases and decreases in total salaries and wages:

Fiscal Year	Wages and Salaries	Year-to-Year Increase / (Decrease)
2017-2018	\$ 3,363,441	
2018-2019	\$ 3,141,181	\$ (222,260)
2019-2020	\$ 3,126,247	\$ (14,934)
2020-2021	\$ 3,366,890	\$ 240,643
2021-2022	\$ 3,643,369	\$ 276,479

The employees in each of these groups are paying the full employee portion of their pension, based upon their CalPERS service history, and cost-sharing of medical and dental insurance premiums. During fiscal year 2019-2020 both the SEIU and IAFF employees negotiated updated memorandum of understandings (MOU) for a five-year period and during fiscal year 2020-2021 the MCE employees negotiated salary increases for a three-year period. These updates include various salary and benefit changes, dependent on the job classification grouping. In addition, CCSD received a Staffing for Adequate Fire and Emergency Response (SAFER) grant, adding three limited term fire department employees. This SAFER grant began on January 1, 2022 and will continue over a three year period.

Retirement is the most significant cost related to employee benefits at the CCSD. The annual pension cost increased from \$931,910 in fiscal year 2020-2021 to \$1,192,326 in fiscal year 2021-2022, including a pension audit adjustment. There are various factors that will impact the retirement rates and cost in the future. While such factors include total salaries, inflation rates, returns on investments and the three agreement tiers with employees. The reporting requirements for pension plan was amended by GASB No. 67 & 68. To comply with these changes, a current period adjustment is required in each reporting period (see Note 7 and 8).

Employee health insurance is another significant cost related to benefits at the CCSD. The annual employee medical insurance cost decreased from \$421,310 in fiscal year 2020-2021 to \$387,662 in fiscal year 2021-2022. This is an overall decrease of \$33,648 or 8%. Agreements with MCE, SEIU and IAFF employees have also provided for increased premium contributions made by employees.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

Retiree health insurance is also another significant cost related to employee benefits at the CCSD. These costs decreased from \$548,230 in fiscal year 2020-2021 to \$488,856 in fiscal year 2021-2022, including an Other Post-Employment Benefits (OPEB) audit adjustment. Agreements with MCE, SEIU and IAFF employees provide for increased premium contributions to be made by retirees and newly hired employees will receive a reduced health insurance premium benefit equal to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum, which was \$143, during calendar year 2021 and is currently \$149, for calendar year 2022. These changes are expected to result in a significant reduction of retiree health insurance costs in the future. The reporting requirements for OPEB were amended by GASB No. 75. To comply with these changes, a current period adjustment is required in each reporting period (see Note 8).

Personnel costs represent 54% of the CCSD's expenditures for fiscal year 2021-2022. Several steps, the most significant being discussed above, have been taken to control these costs.

Maintenance and repair costs increased from \$679,322 for fiscal year 2020-2021 to \$1,036,186 for fiscal year 2021-2022. These costs range from building repairs to vehicle repairs to pump repairs, the vast majority are related to maintenance and repair costs of the water and sewer infrastructure. Another factor contributing to the increased costs for FY 2021-2022 was the utility adjustment and manhole raising project in coordination with the County of San Luis Obispo's road overlay project.

The following table shows the year-to-year increases and decreases in the CCSD's total maintenance and repair costs:

Fiscal Year	Total Maintenance and Repair Costs	Year-to-Year Increase / (Decrease)
2017-2018	\$ 917,135	
2018-2019	\$ 620,496	\$ (296,639)
2019-2020	\$ 893,325	\$ 272,829
2020-2021	\$ 679,322	\$ (214,003)
2021-2022	\$ 1,036,186	\$ 356,864

There continues to be significant deferred maintenance in the Water and Wastewater Funds. The adopted 2018 and 2022 increases in user fees & charges will assist in funding the deferred maintenance in the Water and Wastewater Funds. CCSD continues to explore funding opportunities to address the General Fund's deferred maintenance of the Veteran's Hall and the ongoing maintenance of the Fiscalini Ranch and Open Space Lots.

**CAMBRIA COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2022**

The following table shows the year-to-year increases and decreases in the CCSD's total cash and investments:

Fiscal Year	Total Cash and Investments	Year-to-Year Increase / (Decrease)
2017-2018	\$ 3,756,352	
2018-2019	\$ 3,136,367	\$ (619,985)
2019-2020	\$ 4,675,532	\$ 1,539,165
2020-2021	\$ 8,658,134	\$ 3,982,602
2021-2022	\$ 9,044,035	\$ 385,901

The significant increase in CCSD's total cash & investments for fiscal year 2020-2021 is result of litigation proceeds received from the WRF settlement, and a minimal amount of capital project activity. During fiscal year 2021-2022, minimal capital project activity continued in the General, Water, WRF and Wastewater Funds, as much of this activity is for multi-year capital projects, scheduled to begin in fiscal year 2022-2023.

The Board of Directors approved the operating budget for fiscal year 2022-2023 on August 18, 2022. Projected activity for all funds is as follows:

- Water: a surplus of \$619,260
- Water Reclamation Facility: a surplus of \$19,772
- Wastewater (Sewer): a surplus of \$105,491
- General Fund (Governmental): a deficit of \$97,230, offset with unused surplus from previous fiscal year

CAMBRIA COMMUNITY SERVICES DISTRICT
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 3,456,653	\$ 5,587,382	\$ 9,044,035
Accounts receivable, net	185,051	1,351,318	1,536,369
Deposits		4,268	4,268
Prepaid expenses	268	6,422	6,690
Internal balances	450,785	(450,785)	
Capital assets:			
Non Depreciable	15,035,510	8,361,228	23,396,738
Depreciable	1,753,910	13,239,990	14,993,900
Intangible asset		644,518	644,518
Total assets	<u>20,882,177</u>	<u>28,744,341</u>	<u>49,626,518</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred pensions	1,065,730	549,214	1,614,944
Deferred OPEB	538,448	289,934	828,382
Total deferred outflow of resources	<u>1,604,178</u>	<u>839,148</u>	<u>2,443,326</u>
LIABILITIES			
Accounts payable	38,860	128,199	167,059
Accrued liabilities	89,983	72,651	162,634
Accrued interest payable	30	116,939	116,969
Deposits	6,138	95,498	101,636
Noncurrent liabilities:			
Due within one year	12,913	649,949	662,862
Due in more than one year	6,653,107	10,166,989	16,820,096
Total liabilities	<u>6,801,031</u>	<u>11,230,225</u>	<u>18,031,256</u>
DEFERRED INFLOW OF RESOURCES			
Deferred pensions	2,013,964	1,394,295	3,408,259
Deferred OPEB	909,812	489,899	1,399,711
Total deferred inflow of resources	<u>2,923,776</u>	<u>1,884,194</u>	<u>4,807,970</u>
NET POSITION			
Net investment in capital assets	16,753,061	15,243,579	31,996,640
Unrestricted	(3,991,513)	1,221,223	(2,770,290)
Total net position	<u>\$ 12,761,548</u>	<u>\$ 16,464,802</u>	<u>\$ 29,226,350</u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2022

	Expenses	Charges for Services	Program Revenues Operating Contributions and Grants
Governmental activities:			
Administration	\$ 2,692,862	\$ 1,844,203	\$ -
Fire	2,679,314	47,157	139,487
Parks and recreation	27,402		
Facilities and resources	819,775	16,102	
Interest on long-term debt	3,433		
Depreciation (unallocated)	188,691		
	6,411,477	1,907,462	139,487
Business-type activities:			
Water	4,597,317	4,681,818	
Wastewater	3,199,770	3,173,215	
	7,797,087	7,855,033	
Total governmental	\$ 14,208,564	\$ 9,762,495	\$ 139,487

General Revenues:

Taxes:

Property

Availability charges

Franchise fees

Investment income

Other general revenues

Total general revenues

Change in net position

Net position - beginning of fiscal year

Net position - end of fiscal year

The notes to basic financial statements are an integral part of this statement.

<u>Capital Contributions and Grants</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ -	\$ (848,659)	\$ -	\$ (848,659)
	(2,492,670)		(2,492,670)
	(27,402)		(27,402)
	(803,673)		(803,673)
	(3,433)		(3,433)
	(188,691)		(188,691)
	<u>(4,364,528)</u>		<u>(4,364,528)</u>
		84,501	84,501
		(26,555)	(26,555)
		<u>57,946</u>	<u>57,946</u>
<u>\$ -</u>	<u>(4,364,528)</u>	<u>57,946</u>	<u>(4,306,582)</u>
	3,221,215	16,881	3,238,096
		293,246	293,246
	112,486		112,486
	10,309	7,318	17,627
	<u>110,672</u>		<u>110,672</u>
	<u>3,454,682</u>	<u>317,445</u>	<u>3,772,127</u>
	(909,846)	375,391	(534,455)
	<u>13,671,394</u>	<u>16,089,411</u>	<u>29,760,805</u>
	<u>\$ 12,761,548</u>	<u>\$ 16,464,802</u>	<u>\$ 29,226,350</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUND
BALANCE SHEET
June 30, 2022

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 3,456,653
Accounts receivable	185,051
Prepaid expenditures	268
Advances receivable	<u>450,785</u>
Total assets	<u><u>\$ 4,092,757</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 38,860
Accrued liabilities	89,983
Deposits	<u>6,138</u>
Total liabilities	<u>134,981</u>
Fund Balances:	
Nonspendable	451,053
Assigned	<u>3,506,723</u>
Total fund balances	<u>3,957,776</u>
Total liabilities and fund balances	<u><u>\$ 4,092,757</u></u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND - BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds \$ 3,957,776

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

Capital assets at historical cost	\$	20,385,346
Accumulated depreciation		<u>(3,595,926)</u>

Net 16,789,420

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

Compensated absences payable	\$	239,312
Loans payable		36,359
Other post employment benefits obligation		4,033,229
Net pension liability		<u>2,357,120</u>

Total (6,666,020)

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In governmental-wide statement of activities, it is recognized in the period that it is incurred. (30)

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

Deferred inflows of resources relating to pensions	\$	(2,013,964)
Deferred outflows of resources relating to pensions		1,065,730
Deferred outflows of resources relating to OPEB		538,448
Deferred inflows of resources relating to OPEB		<u>(909,812)</u>

(1,319,598)

Total net position - governmental activities \$ 12,761,548

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>
Revenues:	
Property taxes and assessments	\$ 3,221,215
Weed abatement	47,157
Franchise fees	112,486
Intergovernmental	139,487
Use of money and property	26,411
Charges for administrative services	1,844,203
Miscellaneous income	110,672
	<hr/>
Total revenues	5,501,631
	<hr/>
Expenditures:	
Administration	2,412,650
Fire	2,547,400
Parks and recreation	27,402
Facilities and resources	728,550
Debt service:	
Principal	143,581
Interest	5,219
Capital outlay	123,758
	<hr/>
Total expenditures	5,988,560
	<hr/>
Excess of revenues over (under) expenditures	(486,929)
	<hr/>
Other Financing Sources	
Proceeds from loan payable	40,545
	<hr/>
Total other financing sources	40,545
	<hr/>
Change in fund balance	(446,384)
	<hr/>
Fund balance - July 1	4,404,160
	<hr/>
Fund balance - June 30	\$ 3,957,776
	<hr/> <hr/>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

Total net change in fund balances - governmental funds	\$ (446,384)
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of \$123,758 is less than depreciation expense \$(188,691) in the period.	(64,933)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used exceeded the amounts earned by \$34,687.	34,687
In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:	1,786
In governmental funds, repayments of long-term debt are reported as expenditures. In government-wide statements, repayments of long-term debt are reported as reductions of liabilities.	143,581
In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were:	(40,545)
In the statement of activities, postemployment benefits are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, the difference between accrual-basis postemployment benefit costs and actual employer contributions was:	(470,150)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	<u>(67,888)</u>
Change in net position - governmental activities	<u>\$ (909,846)</u>

The notes to basic financial statements are an integral part of this statement.

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CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2022

	Water Fund	Wastewater Fund	Totals
ASSETS			
Current assets:			
Cash and investments	\$ 4,727,312	\$ 860,070	\$ 5,587,382
Accounts receivable, net	789,078	557,972	1,347,050
Deposits	2,134	2,134	4,268
Prepaid expenses	6,422		6,422
Total current assets	<u>5,524,946</u>	<u>1,420,176</u>	<u>6,945,122</u>
Noncurrent assets:			
Nondepreciable	6,885,676	1,475,552	8,361,228
Capital assets, net of accumulated depreciation	10,855,130	2,384,860	13,239,990
Intangible - water master plan	644,518		644,518
Total noncurrent assets	<u>18,385,324</u>	<u>3,860,412</u>	<u>22,245,736</u>
Total assets	<u>23,910,270</u>	<u>5,280,588</u>	<u>29,190,858</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	308,870	240,344	549,214
Deferred OPEB	124,257	165,677	289,934
Total deferred outflows of resources	<u>433,127</u>	<u>406,021</u>	<u>839,148</u>
LIABILITIES			
Current liabilities:			
Accounts payable	77,885	50,314	128,199
Accrued liabilities	36,641	36,010	72,651
Accrued interest payable	108,196	8,743	116,939
Deposits payable	95,498		95,498
Loan payable - current portion	416,218	233,731	649,949
Total current liabilities	<u>734,438</u>	<u>328,798</u>	<u>1,063,236</u>
Noncurrent liabilities:			
Advances payable	157,726	293,059	450,785
Compensated absences	70,482	69,557	140,039
Loans payable	6,011,373	340,835	6,352,208
OPEB payable	930,746	1,240,991	2,171,737
Net pension liability	845,268	657,737	1,503,005
Total noncurrent liabilities	<u>8,015,595</u>	<u>2,602,179</u>	<u>10,617,774</u>
Total liabilities	<u>8,750,033</u>	<u>2,930,977</u>	<u>11,681,010</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	784,131	610,164	1,394,295
Deferred OPEB	209,956	279,943	489,899
Total deferred inflows of resources	<u>994,087</u>	<u>890,107</u>	<u>1,884,194</u>
NET POSITION			
Net investment in capital assets	11,957,733	3,285,846	15,243,579
Unrestricted (deficit)	2,641,544	(1,420,321)	1,221,223
Total net position	<u>\$ 14,599,277</u>	<u>\$ 1,865,525</u>	<u>\$ 16,464,802</u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2022

	Water Fund	Wastewater Fund	Totals
Operating Revenues:			
Utility	\$ 3,153,936	\$ 3,160,098	\$ 6,314,034
Service charges and fees	1,512,140		1,512,140
Miscellaneous	15,742	13,117	28,859
Total operating revenues	<u>4,681,818</u>	<u>3,173,215</u>	<u>7,855,033</u>
Operating Expenses:			
Salaries and wages	738,244	709,320	1,447,564
Payroll taxes and benefits	714,349	715,640	1,429,989
Maintenance and repairs	372,804	430,963	803,767
Office supplies, publications, and dues	34,619	14,956	49,575
Licenses and fees	62,119	119,338	181,457
Rent	43,717		43,717
Professional services	134,548	15,354	149,902
Operating supplies	158,663	56,577	215,240
Employee travel and training	6,206	2,975	9,181
Utilities	164,191	278,536	442,727
General and administrative overhead	886,346	468,502	1,354,848
Amortization	107,419		107,419
Depreciation	905,260	358,211	1,263,471
Total operating expenses	<u>4,328,485</u>	<u>3,170,372</u>	<u>7,498,857</u>
Operating income	<u>353,333</u>	<u>2,843</u>	<u>356,176</u>
Non-Operating Revenues (Expenses):			
Availability charges	169,658	123,588	293,246
Investment income	6,372	946	7,318
Property taxes		16,881	16,881
Interest expense	(268,832)	(29,398)	(298,230)
Total non-operating revenues (expenses)	<u>(92,802)</u>	<u>112,017</u>	<u>19,215</u>
Change in net position	260,531	114,860	375,391
Net position - July 1	<u>14,338,746</u>	<u>1,750,665</u>	<u>16,089,411</u>
Net position - June 30	<u>\$ 14,599,277</u>	<u>\$ 1,865,525</u>	<u>\$ 16,464,802</u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2022

	Water Fund	Wastewater Fund	Totals
Cash Flows From Operating Activities:			
Receipts from customers	\$ 4,809,647	\$ 3,214,668	\$ 8,024,315
Payments to suppliers	(1,924,301)	(1,348,844)	(3,273,145)
Payments to employees	(1,156,161)	(1,140,959)	(2,297,120)
Net cash provided by operating activities	<u>1,729,185</u>	<u>724,865</u>	<u>2,454,050</u>
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(624,405)	(113,159)	(737,564)
Principal paid on debt	(399,610)	(227,051)	(626,661)
Interest paid on debt	(276,751)	(32,711)	(309,462)
Net cash (used) by capital and related financing activities	<u>(1,300,766)</u>	<u>(372,921)</u>	<u>(1,673,687)</u>
Cash Flows from Noncapital Financing Activities:			
Availability charges	169,658	123,588	293,246
Property taxes		16,881	16,881
Principal paid on advances from General Fund		(98,753)	(98,753)
Net cash provided by noncapital financing activities	<u>169,658</u>	<u>41,716</u>	<u>211,374</u>
Cash Flows From Investing Activities:			
Interest income	6,372	946	7,318
Net cash provided by investing activities	<u>6,372</u>	<u>946</u>	<u>7,318</u>
Net increase in cash and cash equivalents	604,449	394,606	999,055
Cash and cash equivalents - July 1	4,122,863	465,464	4,588,327
Cash and cash equivalents - June 30	<u>\$ 4,727,312</u>	<u>\$ 860,070</u>	<u>\$ 5,587,382</u>
Reconciliation to Statement of Net Position:			
Cash and investments	<u>\$ 4,727,312</u>	<u>\$ 860,070</u>	<u>\$ 5,587,382</u>

(Continued)

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (Continued)
For the Fiscal Year Ended June 30, 2022

	Water Fund	Wastewater Fund	Totals
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 353,333	\$ 2,843	\$ 356,176
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	905,260	358,211	1,263,471
Amortization expense	107,419		107,419
Change in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:			
Receivables, net	150,907	41,453	192,360
Deposits	(534)	(534)	(1,068)
Prepaid expenses	(2,420)		(2,420)
Deferred outflows- pension	(8,912)	(6,934)	(15,846)
Deferred outflows- OPEB	116,078	154,770	270,848
Accounts payable	(58,134)	38,891	(19,243)
Accrued liabilities	5,354	5,070	10,424
Deposits payable	(23,078)		(23,078)
Compensated absences	17,211	5,586	22,797
OPEB payable	(217,538)	(290,050)	(507,588)
Net pension liability	(531,229)	(413,371)	(944,600)
Deferred inflows- pension	705,512	548,987	1,254,499
Deferred inflows- OPEB	209,956	279,943	489,899
Net cash provided by operating activities	<u>\$ 1,729,185</u>	<u>\$ 724,865</u>	<u>\$ 2,454,050</u>

The notes to basic financial statements are an integral part of this statement.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The Cambria Community Services District (District) is a multi-purpose special district established on December 9, 1976. The District is a political subdivision of the State of California and operates under a Board of Directors-Manager form of government. The District provides water, wastewater, fire protection, parks and recreation, open space, street lighting, conservation, and general administrative services.

There are no component units included in this report which meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

B. Basis of Presentation

Fund Financial Statements:

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

Major Funds

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

General Fund – The primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

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

Water Fund - This fund accounts for the operation and maintenance of the District's water distribution system.

Wastewater Fund – This fund accounts for the operation and maintenance of the District's wastewater system.

C. Measurement Focus and Basis of Accounting

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

Measurement Focus

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

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

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

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

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

D. Property Taxes

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

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

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

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

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments

The District pools the cash of all funds, except for monies that are reserved for specific purposes. The cash and investments balance in each fund represents that fund's equity share of the District's cash and investment pool.

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

The District's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from Securities and Exchange Commission (SEC) registered securities exchanges or NASDAQ dealers. Changes in fair value are allocated to each participating fund.

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

F. Accounts and Interest Receivable

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

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

G. Prepaid Items

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

H. Restricted Assets

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

I. Capital Assets

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

Government-Wide Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

Improvements other than buildings	5-20 years
Equipment and systems	3-10 years

Fund Financial Statements

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

J. Accumulated Compensated Absences

Compensated absences comprise unused vacation leave, sick leave, and compensatory time off, which are accrued as earned. Vacation can accrue no more than a maximum of two times their annual entitlement to vacation pay. Upon termination, all accumulated vacation hours can be paid for the regular employees. The District's liability for the current and long-term portions of compensated absences is shown in the government-wide Statement of Net Position for both governmental funds and proprietary funds. Only proprietary funds reflect the long-term portion in the fund financials report, the Statement of Net Position. The short-term portion is reflected for both governmental and proprietary funds in the fund financial statements. Computation was based on rates in effect as of the fiscal year-end.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing source, and the proprietary fund types report long-term debt and other long-term obligations as liabilities.

L. Deferred Outflows and Inflows of Resources

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

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

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

M. Interfund Transactions

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

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

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Equity Classifications

Government-Wide Statements

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

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

O. Fund Balances

Fund balance of the governmental fund is classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. Future Accounting Pronouncements

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

Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provisions of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 98	"The Annual Comprehensive Financial Report"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CALPERS) (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CALPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

R. Use of Estimates

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

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S. Other Postemployment Benefits (OPEB)

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

NOTE 2 – CASH AND INVESTMENTS

Investments are carried at fair value in accordance with GASB Statement No. 31. On June 30, 2022, the District had the following cash and investments on hand:

Cash on hand	\$ 600
Cash in checking accounts	1,778,982
Money market account	1,890,162
Local Agency Investment Fund (LAIF)	<u>5,374,291</u>
Total	<u>\$ 9,044,035</u>

Cash and investments listed above are presented on the accompanying basic financial statements, as follows:

Cash and investments	<u>\$ 9,044,035</u>
Total	<u>\$ 9,044,035</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the Local Agency Investment Fund which is measured under Level 2. The District had investments in a money market account which not measured under Level 1, 2 or 3.

Investments Authorized by the California Government Code

The table on the following page identifies the investment types the District has that are authorized for the District by the California Government Code or the District's investment policy, whichever more restrictive, that addresses interest rate risk, credit risk, and concentration of credit risk.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code (Continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	5 years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 75,000,000
State Registered Warrants, Notes, or Bonds	5 years	None	None
Notes and Bonds of other Local California Agencies	5 years	None	None

Disclosure Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the District's investments to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2022:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
State Investment Pool (LAIF)	\$ 5,374,291	\$ 5,374,291	\$ -	\$ -	\$ -
Money market account	1,890,162	1,890,162			
	<u>\$ 7,264,453</u>	<u>\$ 7,264,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by nationally recognized statistical rating organizations. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year ended June 30, 2022 for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Fiscal Year End</u>			<u>Not Rated</u>
			<u>AAA</u>	<u>AA+</u>	<u>AA-</u>	
			State Investment Pool (LAIF)	\$ 5,374,291	N/A	
Money market account	1,890,162					1,890,162
	<u>\$ 7,264,453</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,264,453</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 – CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

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

At June 30, 2022, none of the District's deposits with financial institutions in excess of Federal depository insurance limits were held in uncollateralized accounts.

Investment in State Pool (LAIF)

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

NOTE 3 – INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Advances receivable and payable

Advances receivable and payable constitute long-term borrowing between funds. Each advance carries a stated interest rate and has scheduled debt service payments. Interfund advances receivable and payable at June 30, 2022, are as follows:

<u>Fund</u>	<u>Advances Receivable</u>	<u>Advances Payable</u>
Major Governmental Fund:		
General Fund	\$ 450,785	\$ -
Proprietary Funds:		
Water Fund		157,726
Wastewater Fund		<u>293,059</u>
Totals	<u>\$ 450,785</u>	<u>\$ 450,785</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 – CAPITAL ASSETS

Governmental activities:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital assets not being depreciated					
Land	\$ 14,990,732	\$ -	\$ -	\$ -	\$ 14,990,732
Construction in progress	85,713	33,953		(74,888)	44,778
Total capital assets not being depreciated	<u>\$ 15,076,445</u>	<u>\$ 33,953</u>	<u>\$ -</u>	<u>\$ (74,888)</u>	<u>\$ 15,035,510</u>
Capital assets being depreciated					
Buildings, structures, and improvements	\$ 2,423,663	\$ 6,971	\$ -	\$ 74,888	\$ 2,505,522
Equipment	2,761,480	82,834			2,844,314
Total capital assets being depreciated	<u>5,185,143</u>	<u>89,805</u>		<u>74,888</u>	<u>5,349,836</u>
Less accumulated depreciation	<u>3,407,235</u>	<u>188,691</u>			<u>3,595,926</u>
Total capital assets being depreciated, net	<u>\$ 1,777,908</u>	<u>\$ (98,886)</u>	<u>\$ -</u>	<u>\$ 74,888</u>	<u>\$ 1,753,910</u>
Net capital assets	<u>\$ 16,854,353</u>	<u>\$ (64,933)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,789,420</u>

Business-type activities:

	Balance at July 1, 2021	Additions	Deletions	Transfers	Balance at June 30, 2022
Capital assets not being depreciated					
Land	\$ 1,821,427	\$ -	\$ -	\$ -	\$ 1,821,427
Construction in progress	6,453,575	110,849		(24,623)	6,539,801
Total capital assets not being depreciated	<u>\$ 8,275,002</u>	<u>\$ 110,849</u>	<u>\$ -</u>	<u>\$ (24,623)</u>	<u>\$ 8,361,228</u>
Capital assets being depreciated					
Building and improvements	\$ 54,127,801	\$ 598,679	\$ -	\$ 24,623	\$ 54,751,103
Plant and equipment	2,585,049	28,036			2,613,085
Total capital assets being depreciated	<u>56,712,850</u>	<u>626,715</u>			<u>57,364,188</u>
Less accumulated depreciation	<u>42,860,727</u>	<u>1,263,471</u>			<u>44,124,198</u>
Total capital assets being depreciated, net	<u>\$ 13,852,123</u>	<u>\$ (636,756)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,239,990</u>
Net capital assets	<u>\$ 22,127,125</u>	<u>\$ (525,907)</u>	<u>\$ -</u>	<u>\$ (24,623)</u>	<u>\$ 21,601,218</u>

Governmental Activities:

Unallocated \$ 188,691

Total governmental activities depreciation expense \$ 188,691

Business-type Activities:

Water services \$ 905,260

Wastewater services 358,211

Total business-type activities depreciation expense \$ 1,263,471

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 – LONG-TERM LIABILITIES

The following is a summary of changes in the District's long-term liabilities for the fiscal year ended June 30, 2022:

	Balance at July 1, 2021	Additions	Reductions	Balance at June 30, 2022	Current Portion
Governmental Activities:					
Compensated absences	\$ 273,999	\$ 165,023	\$ 199,710	\$ 239,312	\$ -
Loans payable	139,395	40,545	143,581	36,359	12,913
Other post employment benefits obligation	4,975,894		942,665	4,033,229	
Net pension liability	4,148,667		1,791,547	2,357,120	
Total Governmental Activities	\$ 9,537,955	\$ 205,568	\$ 3,077,503	\$ 6,666,020	\$ 12,913
Business-Type Activities:					
Compensated absences	\$ 117,242	\$ 95,735	\$ 72,938	\$ 140,039	\$ -
Loans payable	7,628,818		626,661	7,002,157	649,949
Other post employment benefits obligation	2,679,325		507,588	2,171,737	
Net pension liability	2,447,605		944,600	1,503,005	
Total Business-Type Activities	\$ 12,872,990	\$ 95,735	\$ 2,151,787	\$ 10,816,938	\$ 649,949

NOTE 6 – LOANS PAYABLE

Governmental Activities

Ford Motor Credit Company

On August 1, 2021, the District entered in a loan agreement for \$40,545 with Ford Motor Credit Company to purchase a 2021 Ford F-350. The interest rate on the loan is 5.35%. At June 30, 2022, the principal balance outstanding was \$31,067. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 8,971	\$ 1,325	\$ 10,296
2024	10,300	932	11,232
2025	10,865	367	11,232
2026	931	5	936
Total	\$ 31,067	\$ 2,629	\$ 33,696

Municipal Finance Corporation (Direct borrowing)

On August 25, 2016, the District entered into a loan agreement with the Municipal Finance Corporation to purchase a fire engine. The interest rate on the loan is 2.35%. In the event of default, all remaining principal becomes due. At June 30, 2022, the loan was fully paid.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LOANS PAYABLE (Continued)

Governmental Activities (Continued)

Western Financial Corporation

On November 1, 2018, the District entered into a loan agreement with Western Financial Corporation to purchase an utility vehicle. The interest rate on the loan is 3.90%. At June 30, 2022, the principal outstanding was \$5,292. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 3,942	\$ 136	\$ 4,078
2024	1,350	11	1,361
Total	<u>\$ 5,292</u>	<u>\$ 147</u>	<u>\$ 5,439</u>

Business Type Activities

Municipal Finance Corporation (Direct borrowing)

On November 15, 2018, the District entered into a loan agreement with Municipal Finance Corporation for \$74,871 to purchase a Ford 650 Dump Truck. The interest rate on the loan was 4.25%. In the event of default, all remaining principal becomes due. At June 30, 2022, the principal balance outstanding was \$31,830. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 15,584	\$ 1,352	\$ 16,936
2024	16,246	690	16,936
Total	<u>\$ 31,830</u>	<u>\$ 2,042</u>	<u>\$ 33,872</u>

City National Bank

On September 23, 2010, the District entered into a loan agreement with City National Bank for \$1,585,000 with an interest rate at 4.55% to refinance the 1999 Installment Purchase Agreement with the California Statewide Communities Development Authority. The amount is secured by the revenue of the wastewater system. At June 30, 2022, the principal balance outstanding was \$312,000. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 149,000	\$ 10,806	\$ 159,806
2024	163,000	3,708	166,708
Total	<u>\$ 312,000</u>	<u>\$ 14,514</u>	<u>\$ 326,514</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 – LOANS PAYABLE (Continued)

Business Type Activities (Continued)

TPB Investments, Inc.

On August 7, 2014, the District entered into a loan agreement with TPB Investments, Inc. for \$8,939,000 with an interest rate at 4.11% to finance improvements to the Water System. The amount is secured by the net revenues of the Water System. At June 30, 2022, the principal outstanding was \$6,395,761. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 400,634	\$ 258,791	\$ 659,425
2024	417,270	242,156	659,426
2025	434,595	224,830	659,425
2026	452,640	206,784	659,424
2027	471,436	187,990	659,426
2028-2032	2,667,576	629,552	3,297,128
2033-2035	1,551,610	96,954	1,648,564
Total	<u>\$ 6,395,761</u>	<u>\$ 1,847,057</u>	<u>\$ 8,242,818</u>

Municipal Finance Corporation (Direct borrowing)

On July 11, 2019, the District entered into a loan agreement with Municipal Finance Corporation for \$56,540 to purchase a Ford 350 Service Truck with Crane. The interest rate on the loan was 4.25%. In the event of default, all remaining principal becomes due. At June 30, 2022, the principal balance outstanding was \$35,325. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 11,288	\$ 1,502	\$ 12,790
2024	11,768	1,022	12,790
2025	12,269	521	12,790
Total	<u>\$ 35,325</u>	<u>\$ 3,045</u>	<u>\$ 38,370</u>

Municipal Finance Corporation (Direct borrowing)

On December 30, 2019, the District entered into a loan agreement with Municipal Finance Corporation for \$367,557 to purchase a Vac-Con Combination Sewer and Storm Drain Cleaner. The interest rate on the loan was 3.10%. In the event of default, all remaining principal becomes due. At June 30, 2022, the principal balance outstanding was \$227,241. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2023	\$ 73,443	\$ 7,044	\$ 80,487
2024	75,720	4,767	80,487
2025	78,078	2,408	80,486
Total	<u>\$ 227,241</u>	<u>\$ 14,219</u>	<u>\$ 241,460</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – PENSION PLANS

A. General Information about the Pension Plans

Plan Descriptions

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Pre-Retirement Option Settlement. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous		
	Classic	2nd Tier	PEPRA
Hire Date	Member Hired Prior to October 1, 2012	Hired from October 1, 2012 to December 28, 2012	New Member Hired On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Required employee contribution rates	8%	7%	6.75%
Required employer contribution rates	15.25% + \$371,752	8.65% + \$4,586	7.59% + \$22,960

	Safety		
	Classic	2nd Tier	PEPRA
Hire Date	Member Hired Prior to January 1, 2013	On or after December 28, 2012	New Member Hired On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	55	57
Required employee contribution rates	9%	9%	13%
Required employer contribution rates	23.71% + \$125,763	20.64%	13.13% + \$9,273

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$598,341 for the Miscellaneous Plan and \$299,932 for the Safety Plan for the fiscal year ended June 30, 2022.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – PENSION PLANS (Continued)

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

At June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net position liability was \$2,986,901 for the Miscellaneous Plan and \$873,224 for the Safety Plan. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2021 and 2020, the District's proportions were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion-June 30, 2020	0.11532%	0.02600%
Proportion-June 30, 2021	0.15730%	0.02488%
Change-Increase (Decrease)	<u>0.04198%</u>	<u>-0.00112%</u>

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$1,260,215. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
District contributions subsequent to the measurement date	\$ 898,273	\$ -
Changes in assumptions		
Differences between expected and actual experience	484,138	
Net difference between projected and actual earnings on retirement plan investments		3,127,143
Adjustment due to differences in proportion	232,533	28,084
Changes in proportion and differences between District contributions and proportionate share of contributions		253,032
	<u>\$ 1,614,944</u>	<u>\$ 3,408,259</u>

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

\$898,273 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

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

<u>Fiscal year ending June 30,</u>	<u>Amount</u>
2023	\$ (544,380)
2024	(590,542)
2025	(693,090)
2026	(863,576)
	<u>\$ (2,691,588)</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – PENSION PLANS (Continued)

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

Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous and Safety</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality (1)	Derived using CalPERS' Membership Data for all Funds

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2017 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB Statement No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2022. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB Statement Nos. 67 and No. 68 calculations through at least the 2021-22 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 – PENSION PLANS (Continued)

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

(a) An expected inflation of 2.00% was used for this period.

(b) An expected inflation of 2.92% was used for this period.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.15 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15 percent) or 1- percentage point higher (8.15 percent) than the current rate:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 5,478,131	\$ 1,945,073
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 2,986,901	\$ 873,224
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 927,436	\$ (7,167)

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2022, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2022.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS

Plan Description

Plan administration. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefits provided. Employees may retire directly from the District under CalPERS and receive a District contribution. The District contributes the PEMHCA minimum employer contribution. The contribution is \$143 per month for retirees in 2021 and \$149 per month for retirees in 2022. Survivor benefits are available.

Employees hired before October 1, 2012 are eligible for a supplemental benefit. The District contribution is limited to 85% of the lowest cost PERS health plan, including the PEMHCA minimum. The supplemental benefit includes dependents and will continue for the lifetime of the employee and, if eligible, the surviving spouse.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	28
Inactive employees or beneficiaries currently receiving benefits	33
Total	61

The District currently finances benefits on a pay-as-you-go basis.

OPEB Liability

The District's OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2021, standard actuarial update procedures were used to project/discount from the valuation date to the measurement date.

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

Salary increases	3.00%
Inflation rate	2.50%
Medical cost trend rate	5.20% for 2022 through 2034; 5.00% for 2035 through 2049; 4.50% for 2050 through 2064; and 4.00% for 2065 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 3.69 percent.

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Discount rate. GASB Statement No. 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Municipal 20 Year High Grade Rate Index	Discount Rate
June 30, 2021	June 30, 2021	1.92%	1.92%
June 30, 2022	June 30, 2022	3.69%	3.69%

Change of assumptions. For the June 30, 2022 measurement date, the discount rate was increased from 1.92% to 3.69% and the inflation rate decreased from 3.00% to 2.50%.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021 (Valuation Date June 30, 2021)	\$ 7,655,219
Changes recognized for the measurement period:	
Service cost	320,683
Interest	153,564
Difference between expected and actual experience	(406,932)
Changes of assumptions	(1,242,727)
Benefit payments	(274,841)
Net Changes	(1,450,253)
Balance at June 30, 2022 (Measurement Date June 30, 2022)	\$ 6,204,966

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

	1% Decrease 2.69%	Current Rate 3.69%	1% Increase 4.69%
OPEB Liability	\$ 7,138,096	\$ 6,204,966	\$ 5,450,348

CAMBRIA COMMUNITY SERVICES DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Sensitivity of the OPEB liability to changes in the healthcare trend rates. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current healthcare cost trend rates:

	1% Decrease (4.20%)	Healthcare Cost Trend Rate (5.20%)	1% Increase (6.20%)
OPEB Liability	\$ 5,329,842	\$ 6,204,966	\$ 7,312,736

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$998,150. As of the fiscal year ended June 30, 2022, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 112,333	\$ 345,276
Change in assumptions	716,049	1,054,435
	<u>\$ 828,382</u>	<u>\$ 1,399,711</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expenses as follows:

<u>Fiscal year Ending June 30,</u>	<u>Amount</u>
2023	\$ 374,312
2024	(59,260)
2025	(236,514)
2026	(249,948)
2027	(249,948)
2028	(149,971)
	<u>\$ (571,329)</u>

NOTE 9 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

There were no excess of expenditures over appropriations for the fiscal year ended June 30, 2022.

NOTE 10 – CONTINGENCIES AND COMMITMENTS

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

NOTE 11 – SUBSEQUENT EVENTS

On October 4, 2022, the District issued \$12,175,000 of Wasterwater Revenue Certificates of Participation Series 2022A with interest rates of 4.625% to 5.25%, and a final maturity in 2052.

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REQUIRED SUPPLEMENTARY INFORMATION

CAMBRIA COMMUNITY SERVICES DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
Revenues:				
Property taxes and assessments	\$ 3,152,851	\$ 3,152,851	\$ 3,221,215	\$ 68,364
Weed abatement	18,000	18,000	47,157	29,157
Franchise fees	118,000	118,000	112,486	(5,514)
Intergovernmental	70,000	440,740	139,487	(301,253)
Use of money and property	36,100	36,100	26,411	(9,689)
Charges for administrative services	2,252,394	2,252,394	1,844,203	(408,191)
Miscellaneous income	17,150	17,150	110,672	93,522
Total revenues	<u>5,664,495</u>	<u>6,035,235</u>	<u>5,501,631</u>	<u>(533,604)</u>
Expenditures:				
Administration	2,252,394	2,807,735	2,412,650	395,085
Fire	2,401,736	2,570,587	2,547,400	23,187
Parks and recreation	51,706	51,706	27,402	24,304
Facilities and resources	863,442	863,442	728,550	134,892
Debt service:				
Principal	134,102	142,786	143,581	(795)
Interest	3,349	4,961	5,219	(258)
Capital outlay	177,000	648,052	123,758	524,294
Total expenditures	<u>5,883,729</u>	<u>7,089,269</u>	<u>5,988,560</u>	<u>1,100,709</u>
Excess of revenues over (under) expenditures	<u>(219,234)</u>	<u>(1,054,034)</u>	<u>(486,929)</u>	<u>567,105</u>
Other Financing Sources (Uses):				
Proceeds from loan payable	50,000	50,000	40,545	(9,455)
Total other financing sources (uses)	<u>50,000</u>	<u>50,000</u>	<u>40,545</u>	<u>(9,455)</u>
Change in fund balance	(169,234)	(1,004,034)	(446,384)	557,650
Fund balance - July 1	4,404,160	4,404,160	4,404,160	
Fund balance - June 30	<u>\$ 4,234,926</u>	<u>\$ 3,400,126</u>	<u>\$ 3,957,776</u>	<u>\$ 557,650</u>

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
Last 10 Years*
As of June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability				
Service cost	\$ 320,683	\$ 195,757	\$ 162,484	\$ 95,650
Interest on the total OPEB liability	153,564	172,980	197,339	211,024
Actual and expected experience difference	(406,932)			754,233
Changes in assumptions	(1,242,727)	550,814	619,787	1,589,401
Benefit payments	<u>(274,841)</u>	<u>(256,433)</u>	<u>(257,572)</u>	<u>(239,592)</u>
Net change in total OPEB Liability	(1,450,253)	663,118	722,038	2,410,716
Total OPEB liability - beginning	<u>7,655,219</u>	<u>6,992,101</u>	<u>6,270,063</u>	<u>3,859,347</u>
Total OPEB liability - ending	<u>\$ 6,204,966</u>	<u>\$ 7,655,219</u>	<u>\$ 6,992,101</u>	<u>\$ 6,270,063</u>
Covered payroll:	\$ 951,393	\$ 945,482	\$ 977,879	\$ 1,030,435
Total OPEB Liability as a percentage of covered payroll:	652.20%	809.66%	715.03%	608.49%

*- Fiscal year 2019 was the 1st year of implementation, therefore only four years are shown.

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
Last 10 Years*
As of June 30, 2022

The District's contribution for the fiscal year ended June 30, 2022 was \$235,697. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2022, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2021 was \$238,077. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2020 was \$239,135. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2019 was \$222,442. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

*- Fiscal year 2019 was the 1st year of implementation, therefore only four years are shown.

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Last 10 Years*
 As of June 30, 2022

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability	0.07137%	0.06063%	0.05871%	0.05706%
Proportionate share of the net pension liability	\$ 3,860,125	\$ 6,596,272	\$ 6,016,139	\$ 5,498,358
Covered payroll	\$ 3,337,640	\$ 3,056,217	\$ 3,020,074	\$ 2,510,899
Proportionate share of the net pension liability as percentage of covered payroll	115.7%	215.8%	199.2%	219.0%
Plan's total pension liability	\$ 46,174,942,264	\$ 43,702,930,887	\$ 41,426,453,489	\$ 38,944,855,364
Plan's fiduciary net position	\$ 40,766,653,876	\$ 32,822,501,335	\$ 31,179,414,067	\$ 29,308,589,559
Plan fiduciary net position as a percentage of the total pension liability	88.29%	75.10%	75.26%	75.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.05791%	0.05925%	0.06100%	0.06198%
Proportionate share of the net pension liability	\$ 5,742,951	\$ 5,126,647	\$ 4,186,773	\$ 3,856,693
Covered payroll	\$ 2,067,201	\$ 2,122,598	\$ 1,979,000	\$ 2,097,466
Proportionate share of the net pension liability as percentage of covered payroll	277.8%	241.5%	211.6%	183.9%
Plan's total pension liability	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631
Plan's fiduciary net position	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%

*- Fiscal year 2015 was the 1st year of implementation, thus only eight years are shown.

CAMBRIA COMMUNITY SERVICES DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
 Last 10 Years*
 As of June 30, 2022

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

	2022	2021	2020	2019
Contractually required contribution (actuarially determined)	\$ 898,273	\$ 825,844	\$ 711,306	\$ 603,260
Contribution in relation to the actuarially determined contributions	898,273	825,844	711,306	603,260
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,609,221	\$ 3,337,640	\$ 3,056,217	\$ 3,020,074
Contributions as a percentage of covered payroll	24.89%	24.74%	23.27%	19.98%
	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 552,669	\$ 662,293	\$ 574,845	\$ 486,960
Contribution in relation to the actuarially determined contributions	552,669	662,293	574,845	486,960
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,510,899	\$ 2,067,201	\$ 2,122,598	\$ 1,979,000
Contributions as a percentage of covered payroll	22.01%	32.04%	27.08%	24.61%

*- Fiscal year 2015 was the 1st year of implementation, thus only eight years are shown.



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

Board of Directors
Cambria Community Services District
Cambria, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and the business-type activities and each major fund of the Cambria Community Services District (the District), as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 16, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Moss, Renz & Hartgen LLP

Santa Maria, CA
February 16, 2023

Report to CCSD Board of Directors on the February 28, 2023 Regular Meeting of the Finance Standing Committee

The Feb. 28, 2023, Regular Meeting of the CCSD Board of Directors Finance Standing Committee was called to order by Chairperson Tom Gray at 10:02 a.m. In attendance, along with Chairperson Gray, were Committee members Cindy Steidel, David Pierson, Karen Chrisman, Cheryl McDowell and Aimee Wyatt.

Present from CCSD Staff were Acting General Manager Ray Dienzo, Finance Manager Denise Fritz, Facilities & Resources Manager Carlos Mendoza, Fire Chief Justin Vincent and Administrative Department Manager Pamela Duffield.

The Committee members elected Cindy Steidel to serve Vice Chair and Aimee Wyatt to serve as Secretary.

In public comment, the Committee received three items of written comment, two from Linda Prentiss and one from Holly Ludwigson. The latter comment arrived after the regular Public Comment period, and Chairman Gray read it aloud at the end of this meeting.

The Committee's Regular Business consisted of the following items:

Report on FY 2021-22 Audit. The committee received the Audit report and heard a presentation by Alex Hom of Moss, Levy & Hartzheim L.L.P. Mr. Hom noted that the firm gave the CCSD an "unmodified clean" opinion for the 2021-22 Fiscal Year. He noted that a \$2.6 million reduction in net pension liabilities for the 2021-22 year was due largely to high stock market returns in that period and was likely to be largely reversed in the subsequent period.

There was no public comment on this item. Ms. Duffield addressed questions from Committee Member Pierson regarding the description of a budget deficit and the method of hiring and reviewing auditors.

Adoption of Meeting Schedule for 2023. The committee unanimously approved the proposed meeting schedule for 2023 as found in the Agenda.

There was no public comment on this item.

Consideration of a Grant Opportunity for Cambria Skate Park. The Committee discussed a Staff proposal to apply for a state Land and Water Conservation Fund (LWCF) grant for 50% matching funds to construct the Skate Park on Main Street. The proposal had previously been endorsed by the Parks, Recreation and Open Space (PROS) Commission on Feb. 14, 2023.

Facilities & Resources Manager Carlos Mendoza led the presentation of the proposal, which is based on a project cost of \$1,020,461 and would involve applying for a matching grant of about \$500,000. The grant program has an application deadline of June 1, 2023, with an approval and award process involving state and federal agencies and concluding in 2024 or early 2025. It was noted that the grant terms require the CCSD to assume responsibility for all project costs. The CCSD would receive reimbursement from the grant as the project is constructed

There was public comment on this item from Chelsie Foster, Margie Sesser and Suzanne Kennedy.

The Committee engaged in extensive discussion of fiscal aspects of the proposal, including the probable final cost of the project, the restrictions on CCSD funds committed under the grant, the level of funding currently available from the Cambria Community Council, and the appropriate grant amount to request. On the question of the proper grant amount, Mr. Dienzo suggested that the final cost estimate following approval of the County permit later this year might be about \$1.2 million, in which case an application for a 5050 grant with a \$600,000 match would be appropriate.

Because of the numerous questions raised on this topic, it was Committee's consensus that the item should be continued to the next regular meeting, on March 28, 2023, so that Staff can provide the information needed for a Committee recommendation to the Board of Directors.

Appointment of Ad Hoc Subcommittee for Budget Policy Review. This item is in response to actions assigned to the Finance Committee as part of the latest Strategic Plan Update. In that update, the Board of Directors identified the need to review policies that affect the distribution of revenue between the Fire and Facilities & Resources departments. Chairman Gray appointed Committee members David Pierson, Cheryl McDowell and Aimee Wyatt to the subcommittee, which will report back to the full Committee at the March 28 meeting.

Discussion of Process for Monitoring and Reporting Expenditures and Performance During Construction of PG&E/IGA Projects. Ms Duffield described the timing and content of upcoming reports on disbursement of funds and progress toward completion of the Wastewater projects funded by the Certificates of Participation issued by the CCSD in October 2022. The itemized data will appear starting with the February expenditure report in the March 16 Board Agenda.

In Future Agenda Items, Ms. Duffield indicated a need to address the status of interfund loans.

Chairman Gray adjourned the meeting at 12:25 p.m.

**Respectfully submitted by Tom Gray
March 1, 2023**

Policy Committee Meeting Summary for February 23, 2023

Due to the unanticipated tardiness of one of the committee members, the meeting was not called to order by Chair Harry Farmer until 3:37PM. In attendance were Vice Chair Gordon Heinrichs, members Claudia Harmon Worthen and Donn Howell, and committee Chair Harry Farmer. Absent were members Ted Key and James Townsend.

A quorum was established, followed by the election of officers. Gordon Heinrichs was unanimously elected to retain his position as Vice Chair, Former Committee Chair Donn Howell graciously volunteered to take on the role as Recording Secretary, and was likewise unanimously approved for this position as well. There were no Ad Hoc Committee Reports.

In the Chairman's Report, Chair Farmer encouraged members of the Committee and the public to look at the minutes of the recent Board of Directors Strategic Planning Meeting of January 31st located in the Board Agenda packet of February 16th. He emphasized that the new six month and beyond Goals and Objectives found therein are much more detailed and action oriented, a serious improvement from the past which would encourage improved oversight by the Board, staff, and the public. Under Committee Member Communications, Chair Farmer also informed everyone of the upcoming Pancake Breakfast on Saturday February 25th from 9-11AM at the Veteran's Hall. This would be a fundraiser for SkateCambria, the group that is supporting the construction of the Cambria Skate Park. The fee is a very reasonable \$5.

Under Public Comment, there was no in person public comment, but four written comments submitted by Linda Prentiss, Laurel Younger, Holly Ludwigson, and Jeff Wilson.

The Consent Agenda was the Minutes of the January 26, 2023 meeting. As only two committee members who attended that meeting were present, this vote was rescheduled for the March 23rd Policy Committee meeting.

The first Item on the Regular Business Agenda was Item 3.A. Discuss and Consider the Role of the Policy Committee as per Board ByLaw 1.7.3.

Initially it was pointed out by Chair Farmer that CCSD Board of Director ByLaws were included in the Agenda packet, when it should have been STANDING COMMITTEE ByLaws, an error that was made by himself. A very lengthy discussion then took place regarding the original Standing Committee ByLaw 1.7.3, and the revised version drawn up by Vice Chair Heinrichs which initially has been presented at the January 26th meeting. At first both versions were presented as a screen share. Substantial comments, observations and improvements were then recommended by all, including comparing Policies in the California Special Districts Association (CSDA) Sample Policy Handbook, the CCSD Policy Handbook and Board ByLaws, and the Standing Committee ByLaws. At times there was confusion regarding Policies versus ByLaws. Ultimately the consensus was that Vice Chair Heinrichs updated version was more specific and detailed while less wordy, both before and after added changes were incorporated by the Committee. Ultimately a motion was made and seconded to Approve the Revision of Standing Committee ByLaw 1.7.3. An additional motion was made to direct Chair Farmer to forward this approved revision to the Board Ad Hoc Committee on Policy and ByLaw modification.

The next Regular Business Item was 3.B. Discuss and Consider Requesting A Needs Assessment From the CCSD Board of Directors to Review the District Purchasing Policy 2135.

The discussion of the District's Purchasing Policy was initiated as a result of a recent CCSD Board Agenda Item regarding the purchase of emergency equipment for the Cambria Fire Department

requested by Chief Justin Vincent. However, it was then explained the concern was more about the fact that the needed monies were being taken from the District's General Fund Reserves, not about the purchase itself. However, it was then pointed out by Chair Farmer that Purchasing Policy 2135 and associated Policies were adopted on September 24, 2015, over seven years ago, and were certainly in need of review. After a bit of discussion, committee member Howell stated he and committee member Ted Key could create a needs assessment for updating the District's Purchasing Policy. Ultimately a motion was made and seconded for the Policy Committee to Form an Ad Hoc Committee to Develop a Needs Assessment to Review District Purchasing Policy 2135.

Regular Business Item 3.C. Discuss and Evaluate the CCSD Policy Handbook, and Especially Prioritize Items Were There IS "No Policy On Record".

A short discussion took place on this item, during which it was once again determined that there were not enough Committee members to have a thorough and broad based overview of the Handbook, and that we wait until our April monthly meeting when we would likely have all five members present. Committee member Howell, who was one of the CCSD Board members who initially developed the extensive speed sheet data base of the Handbook, offered to do spread sheet training with each of us prior to get us all up to speed on the process.

Regular Business Item 3.D. Discuss and Consider the Creation of an Ad Hoc Committee to Review the CCSD Policy Handbook.

Previously Committee members Howell and Key had offered to be this Ad Hoc Committee. However, with Mr Key not present today, this Item was tabled to our March 23rd meeting.

4. Future Agenda Items

Vice Chair Heinrichs again recommended that plans should be reviewed and a Policy implemented regarding Disaster Evacuation Plans for Cambria. He also suggested that Fire Chief Vincent and perhaps Fire Safe Focus Group Chair David Pierson participate in this process. Mr Howell suggested that the Committee discuss some of the issues brought up in written Public Comment by Ms Ludwigson and Mr Wilson, including Social Media Policy.

The meeting was adjourned at 5:21 PM

This summary written and submitted by Committee Chair and CCSD Board Director Harry Farmer

Resources & Infrastructure Committee Report for March 9, 2023 CCSD Meeting

The Standing Committee on Resources & Infrastructure held their regular meeting February 13, 2023 via Zoom. Committees members present were Chair Karen Dean, newly appointed Committee members Derrick Williams, Mark Meeks, Juli Amodei, and returning Committee members Steven Siebuhr and James Webb. Staff present were Acting GM/Utilities Manager/DE Ray Dienzo and Administrative Analyst HR&IT Haley Dodson. There were nineteen attendees via Zoom.

The meeting was called to order at 2:00pm. Introductions of all committee members was followed by election of officers. Steven Siebuhr was unanimously elected as Vice Chair, and Derrick Williams was unanimously elected as Secretary. Meeting dates were discussed and approved, all will be the second Monday of each month at 2:00 pm and will be held with committee members in person at the Vets Hall. Members of the public can attend in person or via Zoom.

During Committee member communications, James Webb gave a brief report on his participation with a group working towards adding marine protected areas off the California coast to the International Union for Conservation of Nature (IUCN).

Acting GM/Utilities Manager/DE Dienzo gave an update on the proposed Zero Liquid Discharge Pilot Program that is being looked at as a possible future brine waste disposal alternative for Cambria's Water Reclamation Facility. This proposed alternative would remove approximately 95% of the water from the brine waste effluent and reduce it to a mush that could be disposed of in a lined landfill rather than to an ocean outfall.

Mr Dienzo introduced Global Water Innovations CEO Clark Easter, who gave a very thorough presentation about the Zero Liquid Discharge process, the details of how the pilot project would work, and the next steps. It is anticipated that it would most likely be fall before this pilot project would take place, if it was approved, and after getting the necessary permits. Mr Easter also discussed the grants that could cover the majority of the pilot project, with Global Water Innovations covering the rest of the pilot cost.

An extensive question and answer period with Mr Easter followed with members of the public who were attending via Zoom. Written public comment and questions on the ZLD were addressed at this time as well. This discussion is 25 minutes into the meeting recording on the District website for the February 13, 2023 Resources & Infrastructure meeting.

Agenda item 2 B, Review and update of R&I Ad Hoc Committee assignments, was tabled until the March 13, 2023 meeting.

The meeting was adjourned at 4:26pm.

Respectfully submitted,
Board President Karen Dean
Resources & Infrastructure Committee Chair

Friends of the Fiscalini Ranch Preserve Annual Meeting and January Monthly Meeting
January 28, 2023

The meeting was called to order at 10AM by Chair John Nixon. In attendance were Executive Director Kitty Connolly, Chair Nixon, Vice Chair Tom Loganbill, Board members Ted Siegler, Joyce Renshaw, Barbara Bueche, Dianne Anderson, Mary Maher, Mark Larsen, Ellie Etter, Bob Detweiler, and CCSD liaison Harry Farmer. Also attending were Jon and Judy Martinez. Joining the meeting after the election of new Board members were Barbara Bronson Gray and Jose Luis Sanchez.

The first order of business was approval of the Minutes from the January 2022 Annual Board meeting and Closed Session. The motion to approve was made by Director Renshaw and seconded by Director Loganbill. Vote for approval was unanimous.

There was no Public Comment.

A brief discussion took place regarding amending the FFRP Board ByLaws to allow for the Board Chair to serve three consecutive terms instead of just two. The motion to approve was made by Director Detweiler and seconded by Director Renshaw. The vote to approve was again unanimous.

Under Nomination and Election of new members, Barbara Bronson Gray and Jose Luis Sanchez were nominated . Ballots were filled out and the vote was unanimous for approval. At this point Ms Gray and Mr Sanchez joined the meeting. Under considering the status of incumbents, Mark Larsen, Mary Maher and Joyce Renshaw were unanimously reelected.

At this point Board member and former Treasurer Ted Siegler officially resigned and said goodbye after many years of service. His expertise and contributions will be missed!

This was followed by the Election of Officers. Chairman John Nixon, Vice Chair Tom Loganbill, Treasurer Mary Maher, and Secretary Mark Larsen were all unanimously reelected.

The next order of business was to Review and Renew the 2022 FFRP Goals and Objectives. Chair Nixon remarked the efforts the past year were "very productive". Ms Renshaw stated that all involved were "very busy and right on time". Director Detweiler made the motion to approve the 2023 Goals and Objectives, and seconded by Director Anderson.

A discussion then took place regarding this Item. New Director Gray recommended that, considering the number of animals that reside on the Ranch, that wildlife protection be encouraged, and a survey of the number of animals taken. Executive Director Connolly stated that FFRP regularly hires contractors to do these needed surveys. New Board member Sanchez suggested that FFRP connect with the birding community to provide information as to the population of our feathered friends. Director Renshaw remarked that this has been done in the past, resulting in a very accurate count of birds residing on the Ranch. Ms Connolly then stated this project could not be pursued this year , as the focus, financially and otherwise, was on construction of the Boardwalk linking the Fire Road with the Bluff Trail. She then recommended that Ms Gray follow up on this and report back next year.

At this point Chair Nixon called for a vote on the 2023 Goals and Objectives, which was met with unanimous approval by the Board.

The Annual Meeting was then adjourned at 10:38AM, and the January 2023 Monthly Meeting was called to order. The Minutes for both the Regular and Closed Session December 2022 meetings were then unanimously approved.

The Annual Budget was then presented by Treasurer Maher. She stated that investments mildly fluctuated throughout last year, and that Operations would remain relatively the same for 2023, and that endowment and grant monies available for the further design and construction of the Boardwalk would also remain the same. The motion for adoption of the proposed Annual Budget was made by Director Detweiler and seconded by Vice Chair Loganbill followed by unanimous approval by the Board.

The next order of business was discussion and consideration of the FFRP Fee Structure for membership, which is where much of FFRP income is derived. Executive Director Connolly recommended no changes be made. Director Renshaw made a motion to this effect, seconded by Chair Nixon. Director Gray suggested developing a child's donation level. ED Connolly stated there was already free membership available to all youth 18 and under, but so far no one has taken advantage of this opportunity. Nevertheless, Ms Gray's suggestion was supported by some Board members. Director Detweiler suggested the Development Committee discuss this idea. Ms Gray then requested that Board members send her their thoughts on this item in the coming month. The Fee Structure was then voted upon and unanimously approved by the Board.

Ellie Etter from the Outreach and Development Committee acknowledged that Jon and Judy Martinez have been very instrumental in recording interviews with donors to the Ranch that feature not just audio but video that highlights the beauty of the Ranch. A special video, titled "Our Stories", lasts about 15-20 minutes and features Sharky and Nancy Warrick, former FFRP Executive Director Jo Ellen Butter, current FFRP Board member Joyce Renshaw, and Leslie Manning describing events and experiences covering the past 30 years starting when the effort was being made by the then owners to develop the Ranch. Needless to say the video is very well done and quite heartwarming. Jon and Judy have also recorded several interviews with various individuals involved in a variety of activities having to do with the Ranch, including preventing development of the Ranch. Ellie suggested showing one video a month on the FFRP website. Jon Martinez elaborated on new video possibilities such as interviews regarding wildlife, benches, the recently instituted leash law, and a section titled, "meet your Board members". Barbara Gray recommended perhaps interviewing artists who paint on the Ranch as folks to be interviewed.

Executive Director Kitty Connolly began her report by thanking Carlos Mendoza and his crew at Facilities and Resources for their hard work during the recent storms, especially regarding fallen trees and needed trail work. She stated she still writes a regular column at CambriaCA, recently discussing dogs on leash on the Ranch. February Ranch activities will include a presentation before the Lions Club, a visit by teachers, parents and students from a high school in Colorado, a PopUp, and an engineering company doing exploratory drilling regarding the Boardwalk linking the Bluff Trail with the Fire Road.

Tom Loganbill remarked that poop bags, known as Mutt Mitts, were being heavily used at the Huntington Rd Ranch entrance, and that perhaps a second dispenser may be needed.

Carlos Mendoza began his Ranch Manager report by thanking Ellie Etter and Dianne Anderson for the excellent video. He stated that he and his crew did what they could to assess potential hazards before the storms, and then described how the multiple storms had affected the Ranch, including 70 fallen trees and multiple trail closures due to flooding. Much cleanup was done as a result, plus

much debris and fallen trees will be cleaned up during summer weed abatement work. He informed us that the Santa Rosa Creek Trail is still closed due to serious flooding, including from the creek itself, and serious flooding has also occurred on the Marine Terrace Trail (Fire Road). He then described the very careful cutting down process of a leaning tree in the Butterfly area. Carlos also reported on the removal of 10 homeless encampments on Ranch and open space property adjacent to Highway One.

Finally, Carlos thanked Brian Morgan and his trail volunteers for their hard work which helped open the trails sooner. Chair John Nixon then acknowledged there were many new hard working, enthusiastic volunteers caring for the Ranch.

Education Committee lead Sheryll Ebbs was unable to attend, but provided a written report describing her progress in working with groups, including students both local and out of the area.

Treasurer Mary Maher reported that withdrawal from the endowment for the Boardwalk linking trail will take place in mid year. Overall expenses on the Ranch would be about \$126,000. She also reported that long term investments had decreased, and assets were down about 13%. Also, there were \$688,000 in reserves that would help fund the 2023 budget.

Dianne Anderson and Ellie Etter from Outreach and Development reported that upcoming Objectives and Tactics would be provided in their monthly reports, including PopUps and increased office hours. A high priority is the upcoming New Volunteer Open House on Tuesday, February 28th from 2-4PM at the office on Main St. There will also be a Volunteer Thank You gathering on Wednesday, May 17th, as well as the large scale community event on Saturday, December 9th at Fogs End. Members Only activities will include concerts and a Summer Solstice happening. Finally, a newcomer strategy is being developed, such as contacting all new residents by gathering information from realtors.

Finally, Director Bob Detweiler expressed concern that the north end of the Bluff Trail was problematic due to erosion, and that barriers should be put up to prevent anything dangerous from taking place. ED Connolly stated that annual monitoring of this situation has occurred for many years.

Chair John Nixon adjourned the meeting at 12:27PM.

The next FFRP meeting will be on Tuesday, March 14th at 4PM via Zoom.

This summary written and submitted by CCSD Board Director and FFRP liaison Harry Farmer.

San Simeon Community Services District

Board of Directors Regular Board Meeting, Tuesday, February 14, 2023

The SSCSD Board meeting was held via Zoom only. All 5 Board Directors were present. Several community members were present to offer public comment. Chairperson Jacqueline Diamond called the meeting to order at 5:00 p.m. The Board went into Closed Session at 8:30 p.m.

Business Action Items of interest to the Cambria Community Services District (CCSD) were as follows:

5.B. Discussion, Review and Approval of the 2023 List of Goals and Priorities for the SSCSD

During this agenda item, several of the Board members suggested what the District's priorities should be for 2023. Cambria was part of the discussion of how some of their services might be addressed. There was a suggestion that SSCSD leadership should schedule a meeting with the leadership of CCSD to discuss having an emergency mutual aid agreement between the 2 communities, although no definite plan was made at the time of the meeting. Another Board member stated that there was already one in place.

5.C. Discussion and Direction from the Board of Directors Concerning Preparation of a Request for Proposals for General Manager and Operational Services

In 2016, Grace Environmental Services (GES) contracted with SSCSD to provide Professional Services defined as "the operation of the FACILITY and general management of the district...". The contract was amended in 2021 to address a situation where "certain ambiguities have arisen regarding the rights, roles, and obligations" of GES and SSCSD related to their previous agreement.

It was reported during the February 14th meeting that they are planning on looking for alternatives to perform the services that are currently provided by GES. The following are bullets outlining some of the issues discussed during their Board meeting that pertain to Cambria CSD.

- The need to "contact Cambria" to discuss formulating an "operations contract" between SSCSD and CCSD was recommended by more than one Board member.
- One of the Board members stated, "There are smart people over there..." (in Cambria).
- A statement was made that there may be "the potential to contract with Cambria" to address SSCSD's wastewater needs.

PUBLIC COMMENT

At the beginning and throughout the meeting, there were numerous comments from various stakeholders who attended the meeting. Concerns about the direction and internal workings of the District were voiced along with support for some of the actions that the Board is taking.

Thank you for this opportunity to become more familiar with how other Districts are handling some of the same challenges we face. A widening of perspective is always beneficial to doing the important work of serving our constituents.

Submitted by Debra Scott, CCSD Director

The NCAC held a meeting on February 15, 2023, via Zoom. Agendas with written reports are available at: <https://ncacslo.org/agenda/>, and minutes at: <https://ncacslo.org/minutes-of-meetings/>. This report summarizes some of the more salient points discussed.

John Nilon provided the **near-term action plan** for items from last month's Community Input on Issues which NCAC should address.

A discussion concluded that **paving and/or repairs to Rodeo Grounds Road** should be referred to SLO Public Works as a higher priority. SLO County Public Works Department has opened a job ticket to **grade the County-maintained portion of the road**.

Informative **public safety oral reports** by the County Sheriff's Department and Cambria Fire Department.

An informative discussion with **SLO County Supervisor Bruce Gibson** touched on several topics, including:

- The redistricting lawsuit,
- Ways constituents can contact him or schedule a meeting,
- Flood mitigation at the Pinedorado Grounds, and
- Steps residents can take to improve unpaved roads through the Cooperative Road Improvement Program.

SSCSD Board Member Daniel De La Rosa provided an oral report, including:

- Completion and approval of the Pico Creek instream flow management plan,
- Completion of the water rate study,
- Completion and approval of the Hearst encroachment agreement,
- Interruption of the water tank design process for financial reasons,
- Status of repair to beach access at Pico Ave., and
- Status of the process for lifting or changing the water moratorium.

Cambria Fire Safe Focus Group: David Pierson provided a written report.

- Mr. Pierson shared onscreen the link to the CalFire map that enables comparison of 2022 v. 2007 Fire Hazard Severity Zones: <https://calfire-forestry.maps.arcgis.com/apps/webappviewer/index.html?id=fd937aba2b044c3484a642ae03c35677>
- Fire suppression work continues near and on Covell Ranch and Rancho Marino. There was some discussion from the audience about the factors affecting the availability of fire insurance and the difficulty for many Cambria residents in obtaining it; Mr. Pierson said he hopes to have more information on that topic at a future meeting. He invited attendees to contact him with ideas for other topics for future meetings of the CFSFG.

SLO County Planning: Supervising Planner Schani Siong provided an oral report. This is her last meeting as Planning Department liaison for the NCAC. **Kip Morais is the new Planning Department liaison.**

A very informative presentation by Monica Stillman, Environmental Specialist with SLO County Public Works, on the **Santa Rosa Creek Road restoration**. Construction should start this summer and will take approximately 7-9 weeks to complete.

CCHD Board member John Nilon provided an oral report. The primary focus continues to be exploration of possible alternatives to address safety issues in the current facility.

Hispanic Community Liaison Lourdes Nilon provided an oral report;

- The **fire preparedness** subcommittee has arranged for a **town hall meeting** for our **Spanish-speaking** community **at Santa Rosa Catholic Church Sunday March 19, 7 pm.**
- Ms. Nilon plans for more town hall meetings to occur throughout the year.

Agricultural Liaison Beth Kendall reported there is currently not much farming activity apart from frost protection, that cold temperatures are expected for the coming week.

Corresponding Secretary Karen Dean reminded the Council that **tonight's meeting is her last** as part of the NCAC.

Land Use Committee Chair Jeff Kwasny provided a written report,

- C-DRC2023-00001, Minor Use Permit/Coastal Development Permit for 6470 Kathryn Drive, referral was approved.

Outreach Committee Chair Karen Chrisman provided an oral report

The next NCAC Meeting will be March 15, on the 3rd Wednesday of the month at 6:00 PM via Zoom.

Respectfully submitted,
Michael Thomas, CCSD Board of Directors

Summary of Cambria Forest Committee Meeting of February 10, 2023

The meeting was called to order just after 10AM by Committee Chair Crosby Swartz. In attendance were CFC treasurer Laura Swartz, FFRP Executive Director Kitty Connolly, Greenspace Executive Director Karin Argano, GS Board member Jeff Wilson, Rancho Marino Preserve Director Keith Seydel, Fire Safe Focus Group Chair David Pierson, Upper Salinas-Las Tablas Resource Conservation District Project Manager Spencer Gordon, US-LT RCD Project Assistant Eli Grinberg, and Cambria CSD Board Director Harry Farmer. Joining a bit later was CFC Board member Julie Jorgensen.

The meeting began with Spencer Gordon introducing recently hired Eli Grinberg. Eli is a Cal Poly graduate with a degree in Resource Management, with an emphasis On Wildlife Biology. He has a diverse background, including being employed by SLO County Parks and Rec, having once worked at Shamel Park here in Cambria. He's been an aide to Dr Sarah Bisbing, associate professor in the Dept of Natural Resources and Environmental Science at the Univ of Nevada Reno, and has assisted in developing the forestry plots at the Fiscalini Ranch and Rancho Marino, so is familiar with Cambria and various forestry projects taking place in our community.

Crosby then provided a report regarding tree planting at Camp Ocean Pines. As a result of a grant from the Cambria Community Council, and funding from Greenspace and the Forest Committee, many tree seedlings, as well as planting tools and potting materials, were gifted to COP. The plantings have been quite successful, and the plan is to show visiting campers how to plant and care for trees.

Next was a report from Mr Gordon regarding the recent Fire Safe Focus Group meeting. Forest Management consultant Steve Auten and Cal Fire's Randy McFarland provided a detailed summary of the drafting of a Project Specific Analysis for fuel reduction on the Hearst Ranch, especially the area known as the Point. Presently the project is going through the US-LT RCD environmental review process, with the final draft anticipated in the next couple of months. RCD Board approval is expected in the Spring, with the Project then being forwarded to the California Coastal Commission for further review around June 7th. Once approved the project will likely begin in Spring of 2024. In addition, the PSA for Rancho Marino and the Cambria Ecological Preserve is still being reviewed and on the same time line as the Hearst Ranch Projects, with approval by the CCC also anticipated on June 7th. Spencer also says he's working with Steve Auten on the environmental review for the Rancho Marino project.

Jeff Wilson questioned Spencer for a bit more detail as to how these projects were moving forward, and the various stakeholders involved. Spencer remarked that these situations could be a bit complicated, but would be similar to the Covell Ranch project. Jeff then asked about the specific role of a Forest Ecologist in the prescriptive planning process, and how the Forest Ecology perspective could be involved with the RCD in the coming years.

Crosby then added that the key player in these various projects is the California Coastal Commission and their staff, as all these Vegetative Treatment Projects are in the State coastal zone. Laura Swartz then expressed concern as to who will be monitoring the work being done, as this would be a critical part of the process. Spencer said that while moving forward had not been specifically determined, Auten Resource Consulting, Randy McFarland from Cal Fire, and himself, would be overseeing the project on Rancho Marino. He also commented that boots on the ground would be overseeing the daily operation so the work being done didn't stray from the original concept. Keith Seydel then added that he would also be overseeing what was taking place. Laura again expressed the need for all guidelines to be followed, referring in addition to the Covell Ranch as well as the Hearst project.

Karin Argano from Greenspace then addressed the issue, expressing the disappointment of herself and others as to the extensive number of trees that had been cut down on the Covell Ranch. In attending the FSFG meeting she was happy to hear that the emphasis would be on using hand crews as opposed to mastication at the Hearst Ranch and Pico Creek. She also expressed her appreciation that the various environmental interest groups would be kept up to speed as to what was happening. Spencer said every effort would be made to provide up to date information and allow for public comment on the projects.

Laura also commented on the serious need to remove French Broom, an invasive plant that grows throughout Cambria and can be problematic for the native vegetation in Cambria's forest. She said that removal of broom was often done after the seeds had germinated, and that it was most important to cut down and remove the broom before it went to seed or it would always continue to be a problem. This was especially the case when the plants are put into piles as they continue to spread the seeds. Even if the plan is to burn the piles, quite often the seeds get spread before the burning process is initiated.

Crosby then expressed his appreciation that most often the Executive Director or a Board member of Greenspace would be on the Board of the Cambria Forest Committee. Karin then stated that due to the recent resignation of former ED Rick Hawley and others, she was overwhelmed with responsibilities, and while she'd continue to attend monthly CFC meetings did not presently have the time to be further involved.

Laura again commented that Fern Canyon and other CCSD properties were briefly addressed at the FSFG meeting, and she wondered if more information could be provided in this area. Spencer remarked that these projects, while not being ignored, were part of the Cambria Forest Management Plan, and he was heavily involved with other projects and therefore unable to presently focus on our local FMP, but perhaps in Fall of this year. Crosby then asked about Camp Ocean Pines, and were the projects involved there still on the RCD agenda. Spencer said that COP was incorporated into the plan for Rancho Marino. However, an effort would be made to create a shaded fuel break up Randall Rd to Camp Ocean Pines to assist in fire suppression and fuel reduction not just in COP but ultimately in the residential area nearby. It should be noted that this plan is in the very early stages.

Under Future Agenda items, Crosby expressed the hope that Forest Manager Steve Auten would again be available to provide an updated presentation at a Forest Committee meeting.

Greenspace ED Argano then announced the GS Earth Day celebration that will be taking place at the Creekside Reserve on April 22nd. The theme for this year nationwide is, "Invest In Our Planet". This will be a very educational experience with many vendors, music, and a poster contest involving the youth from the grammar school.

The meeting was then adjourned at 10:37 AM.

The next Cambria Forest Committee meeting will be on Friday, March 10th, at 10AM via Zoom.

This summary written and submitted by CCSD Board member Harry Farmer.