



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156  
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCSO.COM

# BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

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**NOTICE IS HEREBY GIVEN** that the Board of Directors of the Channel Islands Beach Community Services District will hold a Regular Board Meeting beginning at 5:00 P.M. on Tuesday June 11, 2024. **The meeting will be held at the Temporary District Office Conference Room, 2300 Roosevelt Blvd., Channel Islands Beach, CA 93035.**

The agenda is as follows:

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

**B. PUBLIC COMMENTS:**

1. Opportunity for members of the public to address the Board on matters under the purview of the District and which are not on the agenda. (Time limit 3 minutes per speaker)

**C. CONSENT CALENDAR:**

1. Approve the Agenda Order
2. Financial Reports:
  - a. Cash Disbursal & Receipt Report – May 2024
3. Minutes:
  - a. May 14, 2024, Finance Committee Meeting
  - b. May 14, 2024, Regular Board Meeting
  - c. June 4, 2024, Special Board Meeting

4. Authorize customer request for relief from water charges due to leaks on the property consistent with Resolution 16-06:

	<b>Account Number</b>	<b>Water Relief</b>	<b>Sewer Relief</b>	<b>Total Relief</b>
<b>a.</b>	10480-02	\$15.04	\$26.86	\$41.90
<b>b.</b>	00860-02	\$6.37	\$33.57	\$39.94
<b>c.</b>	09870-03	\$38.16	\$107.43	\$145.59
				\$227.43

**D. PUBLIC HEARINGS:**

**5:01 P.M.**

**1. FINAL PROPOSED FY 2024-2025 BUDGET**

Recommendation:

- 1) Conduct public hearing, receive staff report, public testimony and close the public hearing
- 2) Adopt Final Proposed FY 2024-2025 Operating and Capital Budget

**2. PUBLIC HEARING ON WATER, SEWER, AND REFUSE COLLECTION SERVICES PURSUANT to PROPOSITION 218 (CALIFORNIA CONSTITUTION, ARTICLE XIID). ORDINANCE 98 OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT RATES AND REGULATIONS FOR WATER, SEWER, AND REFUSE COLLECTION SERVICES**

Recommendation:

- 1) Conduct public hearing, receive staff report, public testimony and close the public hearing
- 2) Perform reading in title only and adoption of Ordinance 98 effective July 1, 2024

**E. ACTION CALENDAR:**

**1. FY 2022 – 2023 ANNUAL AUDIT REPORT**

Recommendation: The following recommendations must be approved in the order presented below in 3 separate motions.

- 1) Approve Allocations of Reserves for June 30, 2023.
- 2) Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2023.
- 3) Authorize staff to present a Final Audit Report.

**2. ENGAGEMENT LETTER BETWEEN CHANNEL ISLANDS BEACH CSD AND BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDITING SERVICES**

Recommendation:

1) Approve the engagement letter with Brown Armstrong for a 3-year term for financial auditing for an amount not to exceed \$75,000.

**3. DISTRICT ADMINISTRATION AND OPERATIONS FACILITY CONSTRUCTION UPDATE**

Recommendation:

1) Receive and File.

**F. INFORMATION CALENDAR:**

1. Report from Board Members of any meeting or conference where compensation for attendance was received.

**G. BOARD MEMBER COMMENTS:**


**H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

**AGENDA POSTING CERTIFICATION**

This agenda was posted Friday, June 6, 2024, by 5:00 PM. The agenda is posted at the District Office and two public notice bulletin boards, which are accessible 24 hours per day. The locations include:

- Hollywood Beach School, 4000 Sunset Lane
- Corner Store, 2425 Roosevelt Blvd.
- Temporary District Office, 2300 Roosevelt Blvd.

Agendas are also posted on the District's website at [www.cibcsd.com](http://www.cibcsd.com).

  
Peter Martinez  
General Manager

REQUESTS FOR DISABILITY-RELATED MODIFICATION OR ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, IN ORDER TO ATTEND OR PARTICIPATE IN A MEETING, SHOULD BE MADE TO THE SECRETARY OF THE BOARD IN ADVANCE OF THE MEETING TO ENSURE THE AVAILABILITY OF REQUESTED SERVICE OR ACCOMODATION. NOTICES, AGENDAS AND PUBLIC DOCUMENTS RELATED TO THE BOARD MEETINGS CAN BE MADE AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST.

Channel Islands Beach 2013

6/5/2024 5:17 PM

Register: 1002 · Checking Pacific Western

From 05/01/2024 through 05/31/2024

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
05/01/2024	ACH	Nationwide Retirement	-split-	pr pd 4-13-24 t...	2,676.98			273,654.38
05/01/2024	ACH	CalPERS	-split-	pr pd 4-13-24 t...	4,360.92			269,293.46
05/01/2024	8795	Amazon Capital Serv...	2000 - Accounts Payable		1,750.54			267,542.92
05/01/2024	8796	Employee Relations, ...	2000 - Accounts Payable		15.60			267,527.32
05/01/2024	8797	Standard Plumbing S...	2000 - Accounts Payable		39.96			267,487.36
05/01/2024	8798	Underground Service...	2000 - Accounts Payable		36.25			267,451.11
05/01/2024		QuickBooks Payroll ...	-split-	Created by Pay...	26,101.20			241,349.91
05/01/2024	To Print	Carol J Dillon	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	E.D. Brock	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	Erica M Pena	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	Jesus Navarro	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	Peter A. Martinez	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	Rick J Rivera	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	Chaz C Ryan	-split-	Direct Deposit				241,349.91
05/01/2024	To Print	Erika F Davis	-split-	Direct Deposit				241,349.91
05/02/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			1,357.56	242,707.47
05/02/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			2,517.61	245,225.08
05/02/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			512.90	245,737.98
05/03/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			1,356.34	247,094.32
05/03/2024	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	pr pd 4-13-24 t...	83.75			247,010.57
05/06/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,570.41	249,580.98
05/06/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			2,923.50	252,504.48
05/07/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			1,437.66	253,942.14
05/07/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,972.09	255,914.23
05/08/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 5/8/24			120.00	256,034.23
05/08/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 5/8/24			380.00	256,414.23
05/08/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/30/24			907.47	257,321.70
05/08/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 5/7/24			8,765.52	266,087.22
05/08/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/29/24			15,969.11	282,056.33
05/08/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit 4/9/24			720.00	282,776.33
05/08/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,138.61	283,914.94
05/08/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,559.12	287,474.06
05/09/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,058.93	288,532.99
05/09/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			5,773.17	294,306.16
05/09/2024	ACH	Arco	4 - Maintenance Expen...	5-3-24	127.50			294,178.66
05/09/2024	ACH	Tampa Hardware 2	-split-	4-30-24	406.47			293,772.19
05/09/2024	ACH	ACWA/JPIA Health ...	5 - Salaries & Benefits:...	0702683	899.17			292,873.02
05/09/2024	Dep	QB:DEPOSIT	1200 - Accounts Recei...	Dep. Correction	0.50			292,872.52
05/09/2024	8799	A to Z Law, LLP	2000 - Accounts Payable		600.00			292,272.52
05/09/2024	8801	Badger Meter	2000 - Accounts Payable		1,835.40			290,437.12

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From 05/01/2024 through 05/31/2024

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05/09/2024	8802	CIBCS-D-Petty Cash	2000 - Accounts Payable		78.52			290,358.60
05/09/2024	8803	CUSI	2000 - Accounts Payable		195.32			290,163.28
05/09/2024	8804	Diener's Electric, Inc.	2000 - Accounts Payable		982.98			289,180.30
05/09/2024	8805	Famcon Pipe and Su...	2000 - Accounts Payable		113.26			289,067.04
05/09/2024	8806	HACH Company	2000 - Accounts Payable		3,494.75			285,572.29
05/09/2024	8807	Michael K. Nunley ...	2000 - Accounts Payable		15,237.83			270,334.46
05/09/2024	8808	Miguel Zavalza	2000 - Accounts Payable		150.00			270,184.46
05/09/2024	8809	Pacific Couriers	2000 - Accounts Payable		316.75			269,867.71
05/09/2024	8810	S.L. Leonard & Asso...	2000 - Accounts Payable		1,861.78			268,005.93
05/09/2024	8811	Sam Hill & Sons, Inc.	2000 - Accounts Payable	Blue Fin Circle	4,114.10			263,891.83
05/09/2024	8812	SSBP	2000 - Accounts Payable		4,781.50			259,110.33
05/09/2024	8813	Ventura Urgent Care	2000 - Accounts Payable		139.00			258,971.33
05/09/2024	8814	WHITE CAP	2000 - Accounts Payable		193.68			258,777.65
05/09/2024	8815	805 Cleaning Services	2000 - Accounts Payable		300.00			258,477.65
05/09/2024	8816	FGL Environmental I...	2000 - Accounts Payable		662.00			257,815.65
05/10/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/9			4,512.98	262,328.63
05/10/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,340.18	263,668.81
05/10/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			5,484.39	269,153.20
05/13/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			505.27	269,658.47
05/13/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,388.10	272,046.57
05/14/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			719.80	272,766.37
05/14/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,153.78	276,920.15
05/14/2024	8817	City of Oxnard	2000 - Accounts Payable		8,715.02			268,205.13
05/14/2024	8818	Dave Brock	2000 - Accounts Payable	reimburse DB f...	163.81			268,041.32
05/14/2024	8819	Diener's Electric, Inc.	2000 - Accounts Payable		602.00			267,439.32
05/14/2024	8820	Famcon Pipe and Su...	2000 - Accounts Payable		1,111.00			266,328.32
05/14/2024	8821	Grainger	2000 - Accounts Payable		247.83			266,080.49
05/14/2024	8822	Great American Fina...	2000 - Accounts Payable		163.82			265,916.67
05/14/2024	8823	WHITE CAP	2000 - Accounts Payable		4,113.83			261,802.84
05/14/2024	8824	Famcon Pipe and Su...	2000 - Accounts Payable		354.89			261,447.95
05/15/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			2,206.84	263,654.79
05/15/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,074.08	266,728.87
05/15/2024	ACH	Aflac	*2020 - Payroll Liabilit...	750015	210.74			266,518.13
05/15/2024	ACH	Spectrum	6 - Administrative Exp...	5-1-24	418.14			266,099.99
05/15/2024	ACH	AT & T	6 - Administrative Exp...	5-1-24	1,016.53			265,083.46
05/15/2024	ACH	CalPERS	-split-	py pd 4-27-24 t...	4,360.92			260,722.54
05/15/2024	ACH	Nationwide Retirement	-split-	py pd 4-27-24 t...	2,367.86			258,354.68
05/15/2024	ACH	Pacific Western	6 - Administrative Exp...	Bank Fee	160.08			258,194.60
05/15/2024	ACH	Vanco Chrg	6 - Administrative Exp...	Vanco Fee	89.20			258,105.40
05/15/2024	8825	CUSI	2000 - Accounts Payable	CUSI Training-...	4,000.00			254,105.40

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From 05/01/2024 through 05/31/2024

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
05/15/2024	8826	net2phone	2000 - Accounts Payable		349.06			253,756.34
05/15/2024	8827	Proven Print Services	2000 - Accounts Payable		1,619.48			252,136.86
05/15/2024	8828	WHITE CAP	2000 - Accounts Payable		204.71			251,932.15
05/15/2024	8829	PHWA	2000 - Accounts Payable		69,553.44			182,378.71
05/15/2024	8830	Wex Bank	2000 - Accounts Payable		1,209.60			181,169.11
05/15/2024		QuickBooks Payroll ...	-split-	Created by Pay...	26,118.02			155,051.09
05/15/2024	To Print	Carol J Dillon	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	E.D. Brock	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	Erica M Pena	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	Erika F Davis	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	Jesus Navarro	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	Peter A. Martinez	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	Rick J Rivera	-split-	Direct Deposit				155,051.09
05/15/2024	To Print	Chaz C Ryan	-split-	Direct Deposit				155,051.09
05/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Monthly Draft			92,772.82	247,823.91
05/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			613.31	248,437.22
05/16/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,612.17	251,049.39
05/16/2024	EDEP	QB:DEPOSIT	8000 - Suspense	Savings Transfer			333,786.56	584,835.95
05/16/2024	ACH	So. California Edison...	2 - Sewer System Expe...	5-14-24	589.04			584,246.91
05/16/2024	ACH	So. California Edison...	2 - Sewer System Expe...	5-14-24	1,101.71			583,145.20
05/16/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Ackerman	106.19			583,039.01
05/16/2024	8831	AWA	2000 - Accounts Payable	5-29-24 Lunch...	160.00			582,879.01
05/16/2024	8832	EJ Harrison & Sons, ...	2000 - Accounts Payable	4-1-24 to 4-30-...	51,372.78			531,506.23
05/17/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/16			7,409.18	538,915.41
05/17/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/14			10,650.83	549,566.24
05/17/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/13			433.41	549,999.65
05/17/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/13			13,503.90	563,503.55
05/17/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/13			13,671.10	577,174.65
05/17/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			33,732.84	610,907.49
05/17/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			914.51	611,822.00
05/17/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			33,732.84	645,554.84
05/17/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Fowle	102.68			645,452.16
05/17/2024	8833	McGillivray Constr...	2000 - Accounts Payable	Payment # 6	107,993.01			537,459.15
05/17/2024	8834	McGillivray Constr...	2000 - Accounts Payable	Payment # 7	333,786.56			203,672.59
05/20/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,430.15	205,102.74
05/20/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,598.09	208,700.83
05/20/2024	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	5-15-24 Py Pr	83.75			208,617.08
05/20/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Deposit Correc...	0.68			208,616.40
05/20/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Ibarra	202.11			208,414.29
05/20/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Huston	235.27			208,179.02

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From 05/01/2024 through 05/31/2024

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
05/20/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Bustos	176.68			208,002.34
05/21/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			568.47	208,570.81
05/21/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,274.61	210,845.42
05/21/2024	ACH	CalPERS	-split-		18,120.94			192,724.48
05/21/2024	ACH	So. California Edison...	2 - Sewer System Expe...	5-15-24	353.12			192,371.36
05/21/2024	8835	Urban Futures, Inc.	2000 - Accounts Payable	FY Year 2023 r...	1,412.00			190,959.36
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/21			707.00	191,666.36
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/21			8,517.26	200,183.62
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/20			18,489.85	218,673.47
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/20			4,902.00	223,575.47
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/22			3,397.14	226,972.61
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/22			630.64	227,603.25
05/22/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/22			552.33	228,155.58
05/22/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,303.09	229,458.67
05/22/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,483.30	231,941.97
05/22/2024	8836	Grainger	2000 - Accounts Payable		317.96			231,624.01
05/23/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			187.00	231,811.01
05/23/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			664.08	232,475.09
05/23/2024	8837	CUSI	2000 - Accounts Payable	CUSI UMS wo...	3,000.00			229,475.09
05/23/2024	8838	Famcon Pipe and Su...	2000 - Accounts Payable		1,024.24			228,450.85
05/23/2024	8839	FGL Environmental I...	2000 - Accounts Payable		596.00			227,854.85
05/24/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			219.79	228,074.64
05/24/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,892.45	230,967.09
05/28/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			354.52	231,321.61
05/28/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,203.56	235,525.17
05/28/2024	ACH	Nationwide Retirement	-split-	5-11-24 to 5-24...	2,652.80			232,872.37
05/28/2024	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	5-11-24 to 5-24...	83.75			232,788.62
05/28/2024	RETCK	QB:Returned Item	1200 - Accounts Recei...	Lee	140.85			232,647.77
05/28/2024	8840	Erika Davis	2000 - Accounts Payable	Wellness Progr...	218.00			232,429.77
05/29/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			772.69	233,202.46
05/29/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			946.90	234,149.36
05/29/2024	ACH	CalPERS	-split-	5-11-24 to 5-24...	4,360.92			229,788.44
05/29/2024	ACH	Deluxe	6 - Administrative Exp...	Check service	706.30			229,082.14
05/29/2024	8841	Channel Islands Yac...	2000 - Accounts Payable	VOID: Deposit		X		229,082.14
05/29/2024		Erika F Davis	-split-	VOID: Direct ...				229,082.14
05/29/2024		QuickBooks Payroll ...	-split-	Adjusted for vo...	23,226.78			205,855.36
05/29/2024		QuickBooks Payroll ...	-split-	Created by Pay...	2,762.23			203,093.13
05/29/2024	To Print	Carol J Dillon	-split-	Direct Deposit				203,093.13
05/29/2024	To Print	Chaz C Ryan	-split-	Direct Deposit				203,093.13
05/29/2024	To Print	E.D. Brock	-split-	Direct Deposit				203,093.13

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Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
05/29/2024	To Print	Erica M Pena	-split-	Direct Deposit			203,093.13
05/29/2024	To Print	Jesus Navarro	-split-	Direct Deposit			203,093.13
05/29/2024	To Print	Peter A. Martinez	-split-	Direct Deposit			203,093.13
05/29/2024	To Print	Rick J Rivera	-split-	Direct Deposit			203,093.13
05/29/2024	To Print	Erika F Davis	-split-	Direct Deposit			203,093.13
05/30/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		776.57	203,869.70
05/30/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		5,587.87	209,457.57
05/30/2024	8842	Badger Meter	2000 - Accounts Payable		1,835.40		207,622.17
05/30/2024	8843	CHRIS RASMUSSEN	2000 - Accounts Payable	CUSTOMER ...	68.01		207,554.16
05/30/2024	8844	CINDY CROCKET	2000 - Accounts Payable	CUSTOMER ...	161.03		207,393.13
05/30/2024	8845	FGL Environmental I...	2000 - Accounts Payable		241.00		207,152.13
05/30/2024	8846	JAMES KRAUSKOPF	2000 - Accounts Payable	CUSTOMER ...	45.36		207,106.77
05/30/2024	8847	ROBERT CROWN	2000 - Accounts Payable	CUSTOMER ...	43.81		207,062.96
05/30/2024	8848	Robert Lostutter	2000 - Accounts Payable	June 2024 Rent...	3,223.32		203,839.64
05/30/2024	8849	County of Ventura - ...	2000 - Accounts Payable	Building	706.64		203,133.00
05/31/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/28		26,681.92	229,814.92
05/31/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/28		155.00	229,969.92
05/31/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/28		20,219.19	250,189.11
05/31/2024	DEP	QB:DEPOSIT	*2020 - Payroll Liabilit...	Refund from A...		32.92	250,222.03
05/31/2024	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 5/30		1,300.00	251,522.03
05/31/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		790.38	252,312.41
05/31/2024	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		813.30	253,125.71



MINUTES OF THE  
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
FINANCE COMMITTEE MEETING, May 14, 2024

**A. APPROVE THE FINANCE COMMITTEE MEETING AGENDA:**

The Finance Committee Agenda was approved, and the meeting was called to order at 4:00 P.M. In attendance Director Bouchard, Director Nast, General Manager, Peter Martinez, Office Manager, CJ Dillon, Operations Manager, Jesus (Chuy) Navarro, Clerk of the Board, Erika Davis, Partner CPA Richard Teaman, Audit Manager Rick Gallo and District Accountant- CPA, MBA Rajju Bajaracharya.

**B. REVIEW AND DISCUSS FY 2022-2023 AUDIT:**

Auditors Teaman and Gallo presented the 2022-2023 Annual Audit Report Draft Copy and stated that the outcome was unmodified, a clean opinion. Finance Committee members asked questions. The Finance Committee asked that before they make their recommendations to the entire Board the District accountant return to the Finance Committee before the June 2024 Regular Board meeting with answers to questions regarding the Reserve and Allocations (transfers) for June 30, 2023. The Finance Committee members asked the Auditors to bring the 2022-2023 Annual Audit Report Draft Copy back to the June Regular Board meeting and agreed that the recommendation will be to pull the item from the May 14, 2024, Regular Board meeting agenda.

**C. REVIEW PROFESSIONAL SERVICES AGREEMENT BETWEEN CHANNEL ISLANDS BEACH CSD AND BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDITING SERVICES:**

General Manager Martinez explained that Brown and Armstrong Accountancy Corporation had additional modifications and requested that the item be brought back to the June 2024 Regular Board Meeting. The Finance Committee members agreed and will recommend that the item be pulled from the May 14, 2024, Regular Board Meeting agenda.

The Board Meeting adjourned at 4:55 P.M.

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Jared Bouchard, Director

MINUTES OF THE  
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING, May 14, 2024

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

President Brewer called the meeting to order at 5:00 P.M. In attendance, Director Bouchard, Director Debley, Director Nast, General Manager, Peter Martinez, General Counsel, Dennis McNulty, Clerk of the Board, Erika Davis, Office Manager, CJ Dillon, and Operations Manager Jesus (Chuy) Navarro.

**Michael Lebow was absent.**

**B. PUBLIC COMMENTS:**

Revisited after D3 when there was public attendance.

**C. CONSENT CALENDAR:**

Director Bouchard made the motion to approve the Consent Calendar with two modifications to the agenda – remove items D1 and D2. Director Debley seconded the motion. The motion passed.

Brewer, Bouchard, Debley, Nast 4 - Yes 0 -No

**D. ACTION CALENDAR:**

**3. CONSIDERATION OF RESOLUTION 24-01 REQUESTING CONSOLIDATION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ELECTION WITH THE NOVEMBER 05, 2024, GENERAL ELECTION**

Staff recommended adopting Resolution 24-01 and approving the Elective Office to be filled form. There was no public comment. Director Bouchard moved to approve Staff's recommendations. President Brewer seconded the motion. The motion passed.

**ROLL CALL VOTE:**

Brewer: YES, Bouchard: YES, Debley: YES, Nast: YES 4 - Yes 0 -No

**B. PUBLIC COMMENTS:**

Senior Deputy Sheriff Cameron Simpkins introduced himself and said he was the assigned beat coordinator for this area.

Senior Deputy Sheriff Cameron Simpkins said that mail thefts are on the rise in the area.

**5:03 pm. Michael Lebow joined the meeting.**

Senior Deputy Sheriff Cameron Simpkins suggested that residents use locked mailboxes.

Senior Deputy Sheriff Cameron cautioned that summer is the time where crimes of opportunity typically take place.

**D. ACTION CALENDAR:**

**4. DISTRICT ADMINISTRATION AND OPERATIONS FACILITY CONSTRUCTION UPDATE**

General Manager Martinez updated the Board on the District and Administration Facility Construction progress. General Manager Martinez said the project was at 42% completion with the scheduled completion date of September 30, 2024. He reported that the District has made 7 monthly progress payments for a total of \$1,379,179.81. The rough plumbing, electrical, mechanical, HVAC and fire sprinklers in the Administration building are near completion. The reframing of the Operations building is complete. To date there are 2 change orders. There was no public comment.

**E. INFORMATION CALENDAR:**

1. Report from Board Members for any meeting or conference where compensation for attendance was received.

Director Bouchard and Vice President Lebow both attended the Port Hueneme Agency Meeting (PHWA) on April 15, 2024. Two items in Closed Session were addressed, the update on the OPV litigation which Director Bouchard excused himself due to possible conflict of interest and the other Closed Session item was the potential issue related to the land lease credit issues. The general calendar item was the PHWA Operations and Maintenance Report. There were no other reportable items.

**F. BOARD MEMBER COMMENTS:**

President Brewer said the County of Ventura is enforcing the removal of the ocean front decks.

Director Debley asked if the District collects any portion of the property tax from boats in the District area.

**G. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

General Counsel had no comment.

General Manager Martinez said that both the Budget and the Audit will be presented at the June board meeting.

The Board Meeting adjourned at 5:38 p.m.

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Kristina Brewer, President

MINUTES OF THE  
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
SPECIAL BOARD MEETING, June 4, 2024

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

The Special Board Meeting was called to order at 8:30 a.m. In attendance Director Debley, Director Bouchard, Director Nast, General Manager, Peter Martinez, Operations Manager Jesus “Chuy” Navarro and Clerk of the Board, Erika Davis.

**President Brewer and Vice President Lebow were absent.**

**B. PUBLIC COMMENTS:**

None.

**C. CONSENT CALENDAR:**

Director Debley made the motion to approve the Consent Calendar. Director Nast seconded the motion. The motion passed.

Debley: YES, Bouchard: YES, Nast: YES      3 - Yes 0 – No

**D. SPECIAL PRESENTATION: UNITED WATER CONSERVATION DISTRICT**

Using a PowerPoint presentation, John Lindquist Water Resources Supervisor, United Water Conservation District, Brian H. Zahn Chief Financial Officer, United Water Conservation District, and Maryam Bral Chief Engineer, United Water Conservation District explained the United Water Conservation District FY 2024-25 Budget (see attached).

**E. BOARD MEMBER COMMENTS:**

None.

**F. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

General Manager Martinez announced the Ventura County Planning Division is conducting a community meeting regarding Draft Sea Level Rise and Coastal Hazards Local Coastal Program Updates on June 11, 2024, at 6:30 p.m. at the Hollywood Beach Elementary School Cafeteria.

The Board Meeting adjourned at 9:51 a.m.

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Jared Bouchard, Director



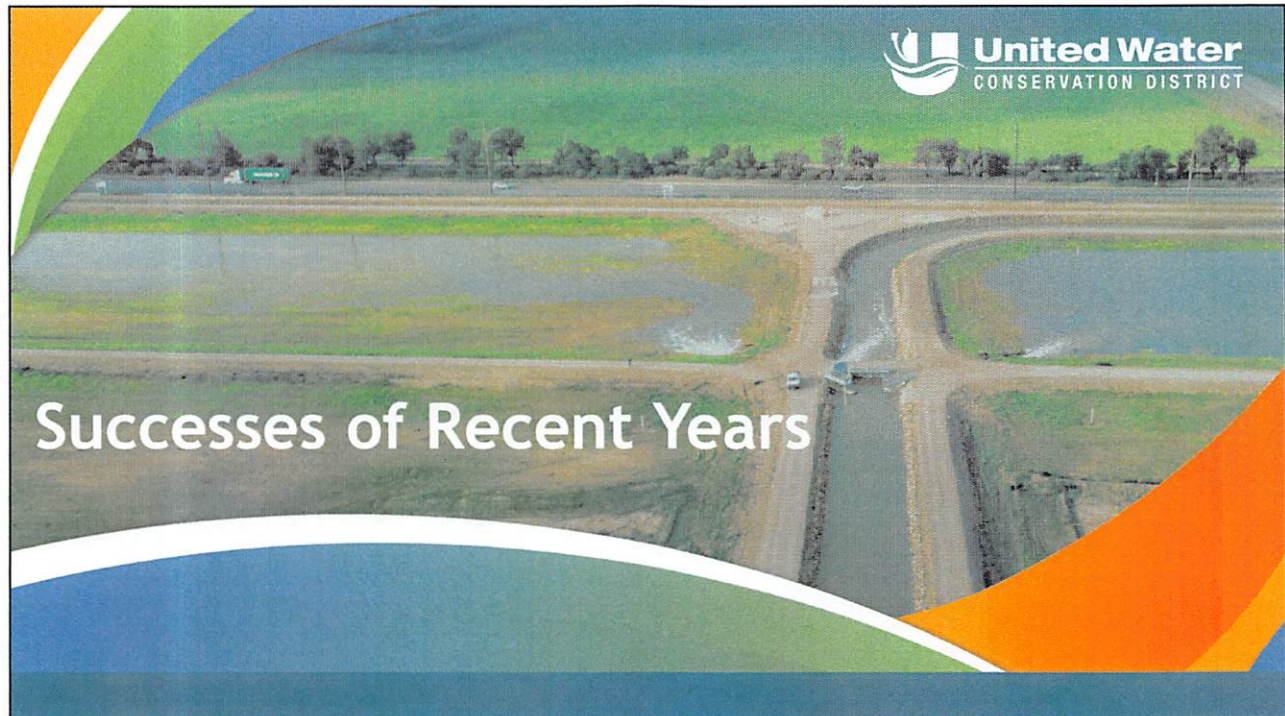
 **United Water**  
CONSERVATION DISTRICT


# Channel Islands Beach Community Services District UWCD FY 2024-25 Budget

John Lindquist, Water Resources Supervisor  
Brian H. Zahn, Chief Financial Officer  
Maryam Bral, Chief Engineer

June 4, 2024

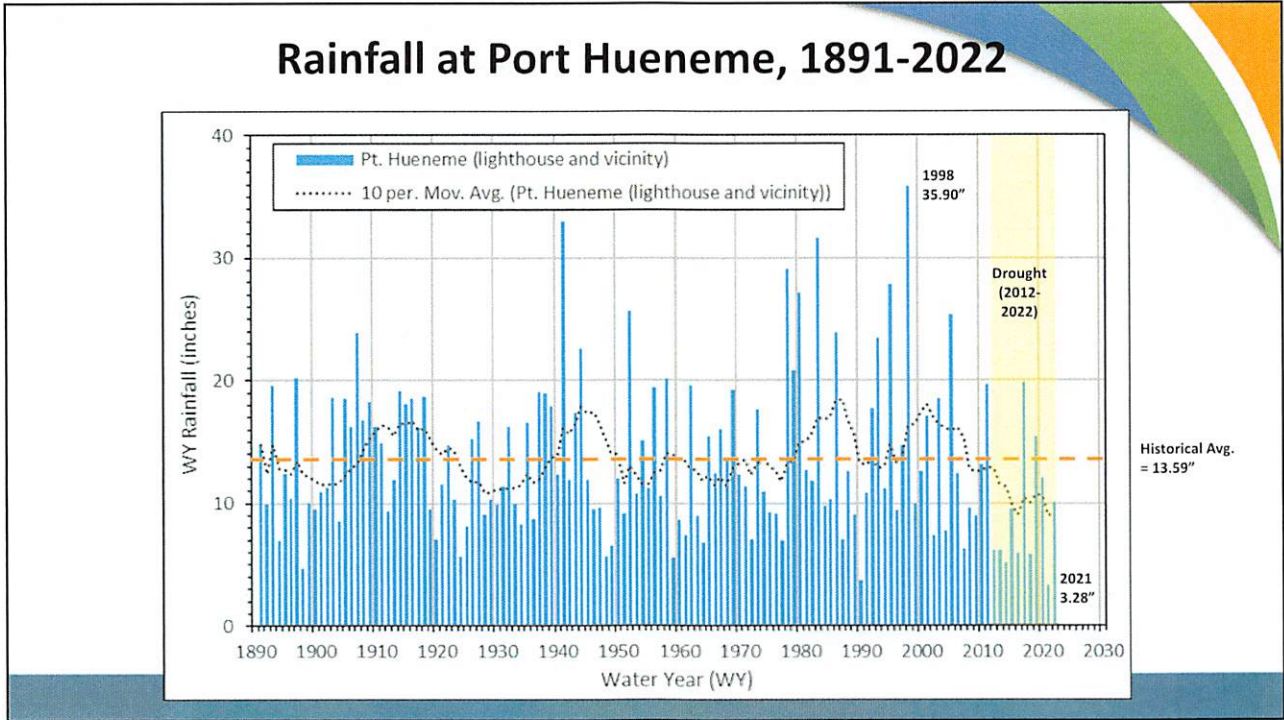
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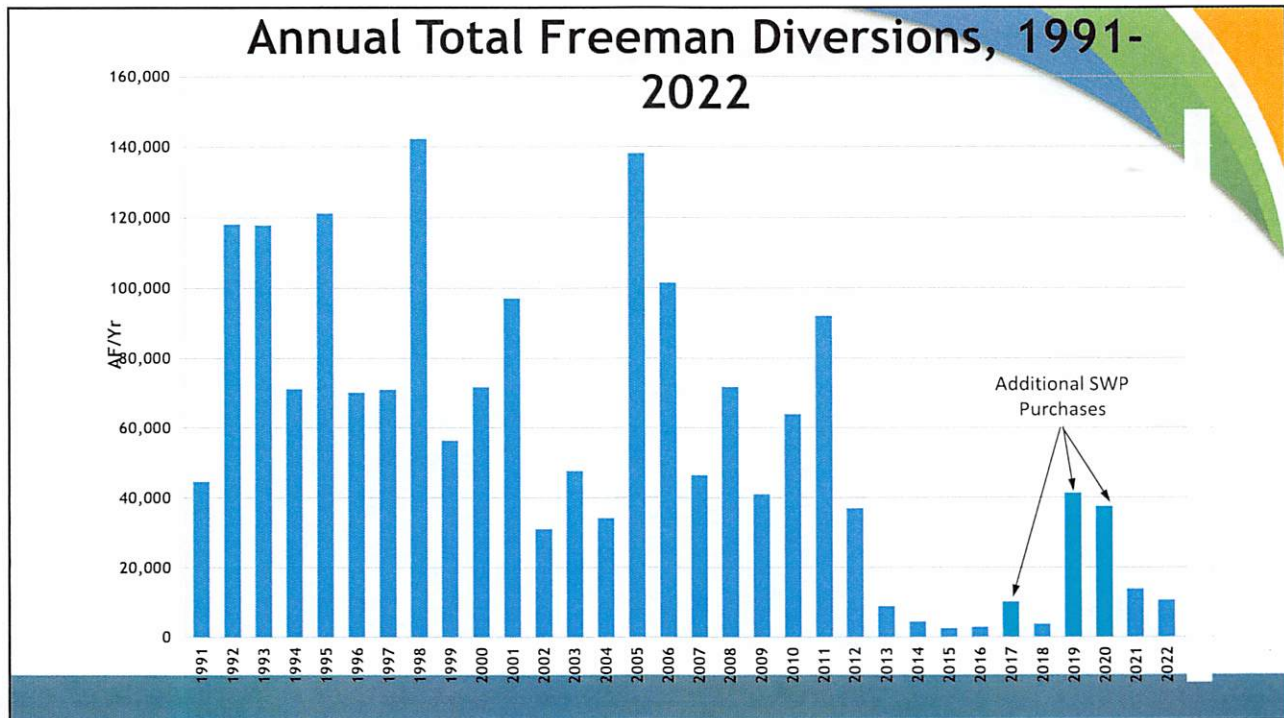
 **United Water**  
CONSERVATION DISTRICT

# Successes of Recent Years

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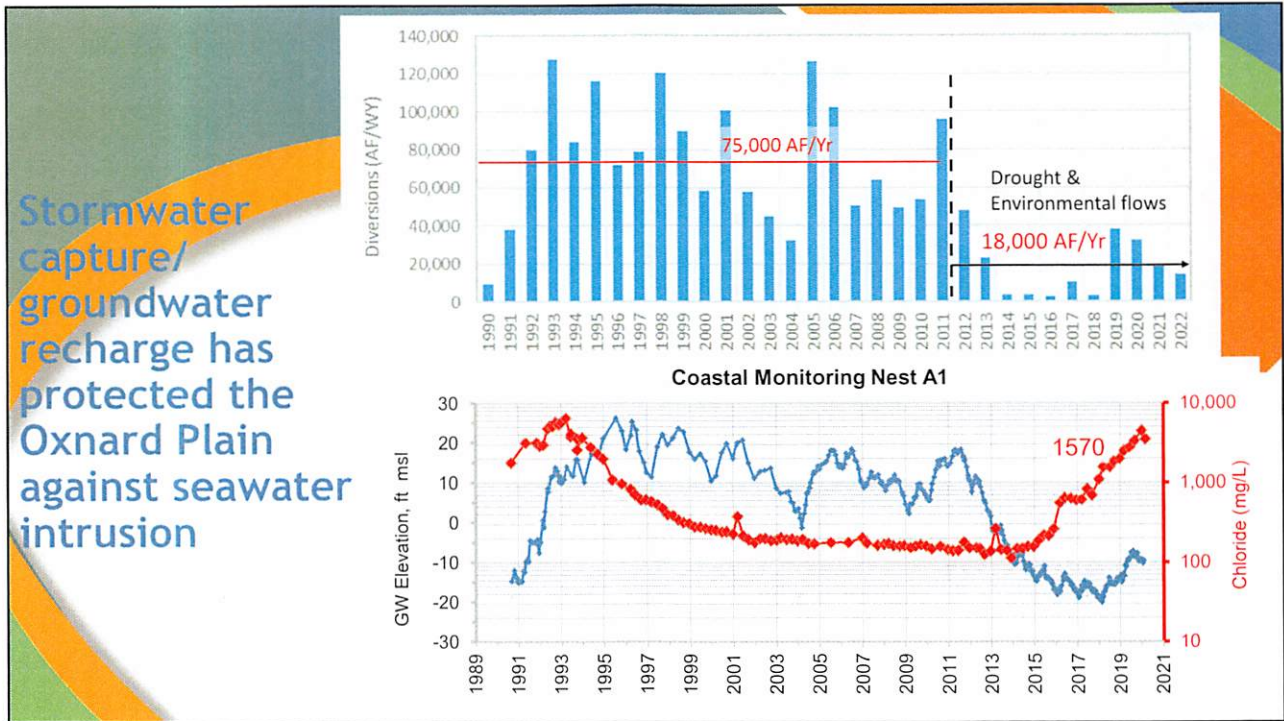


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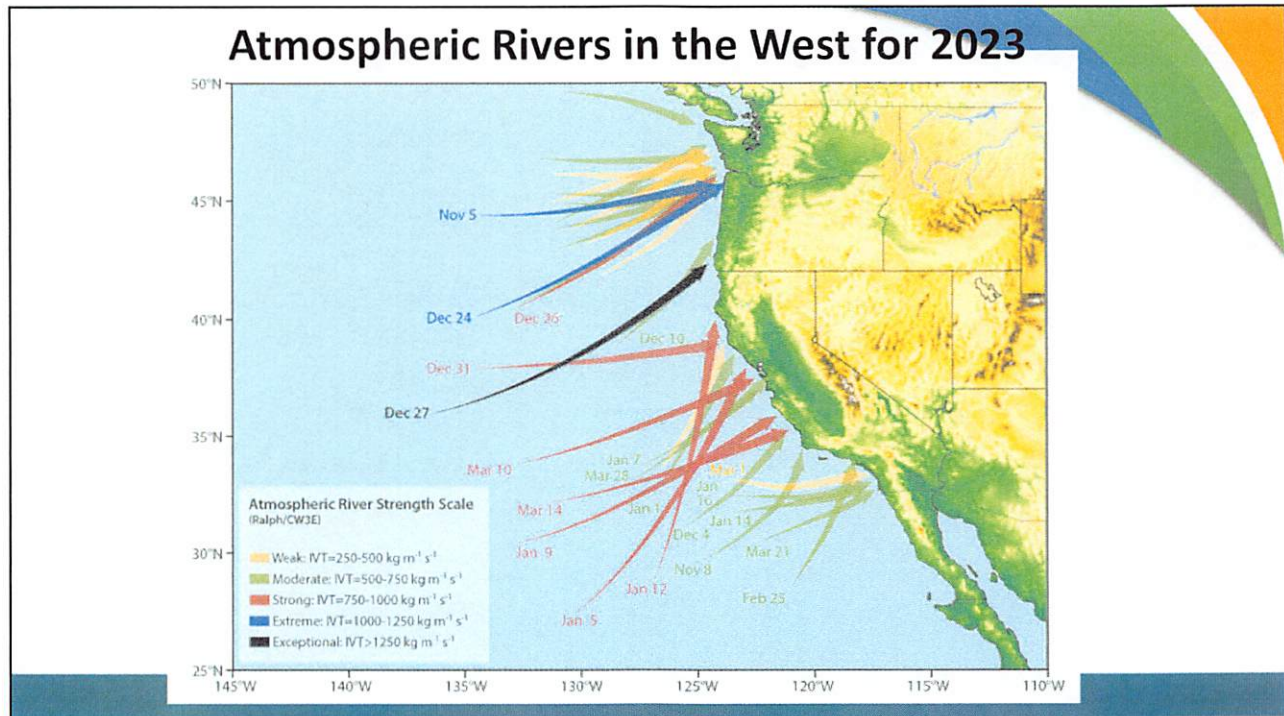


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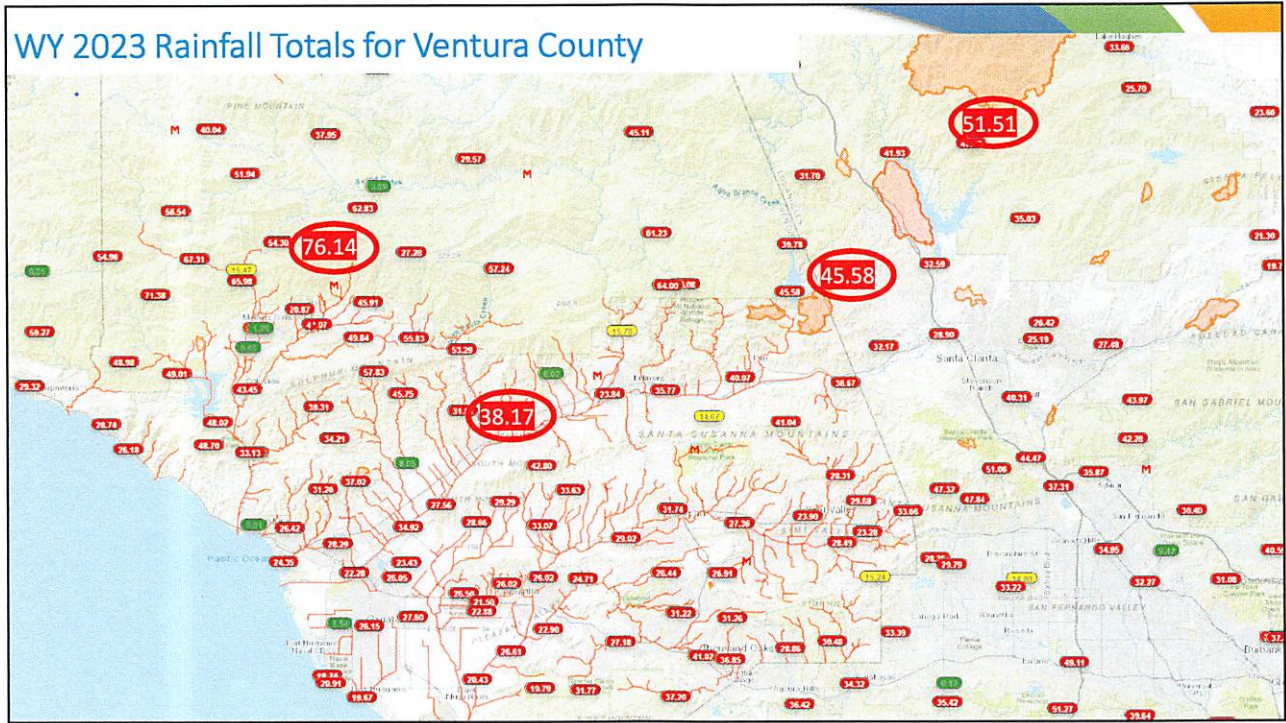




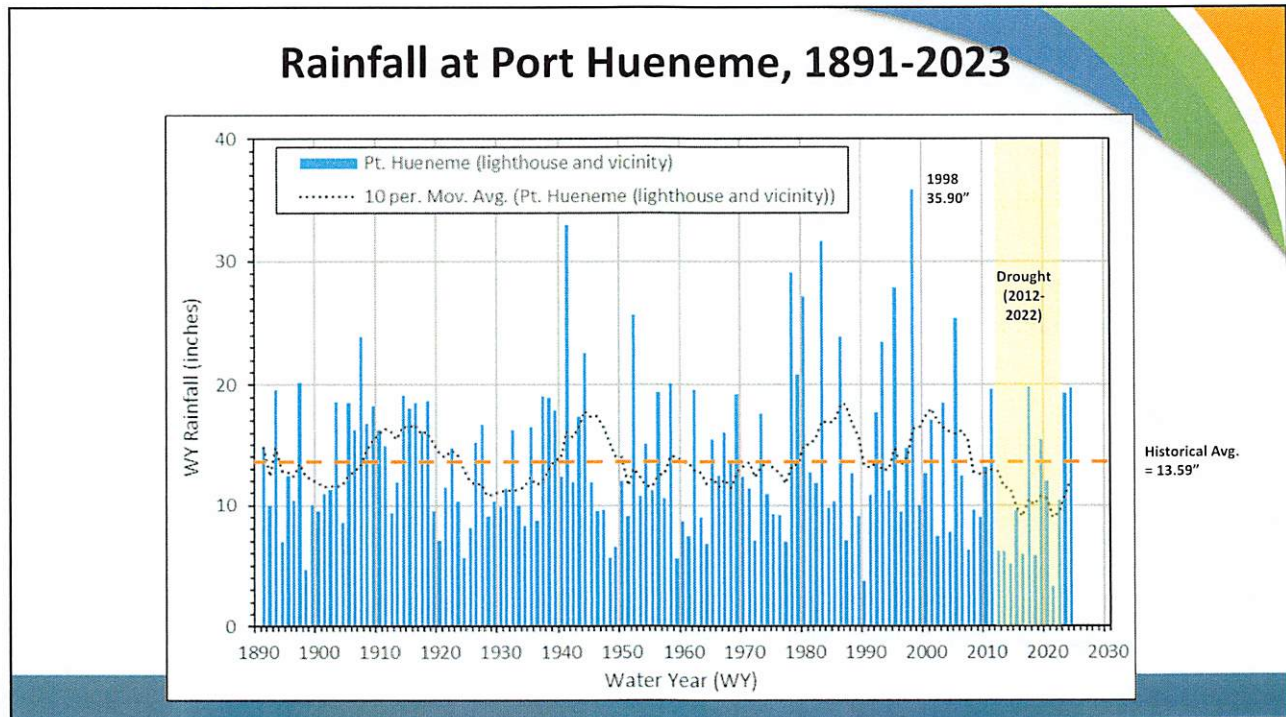
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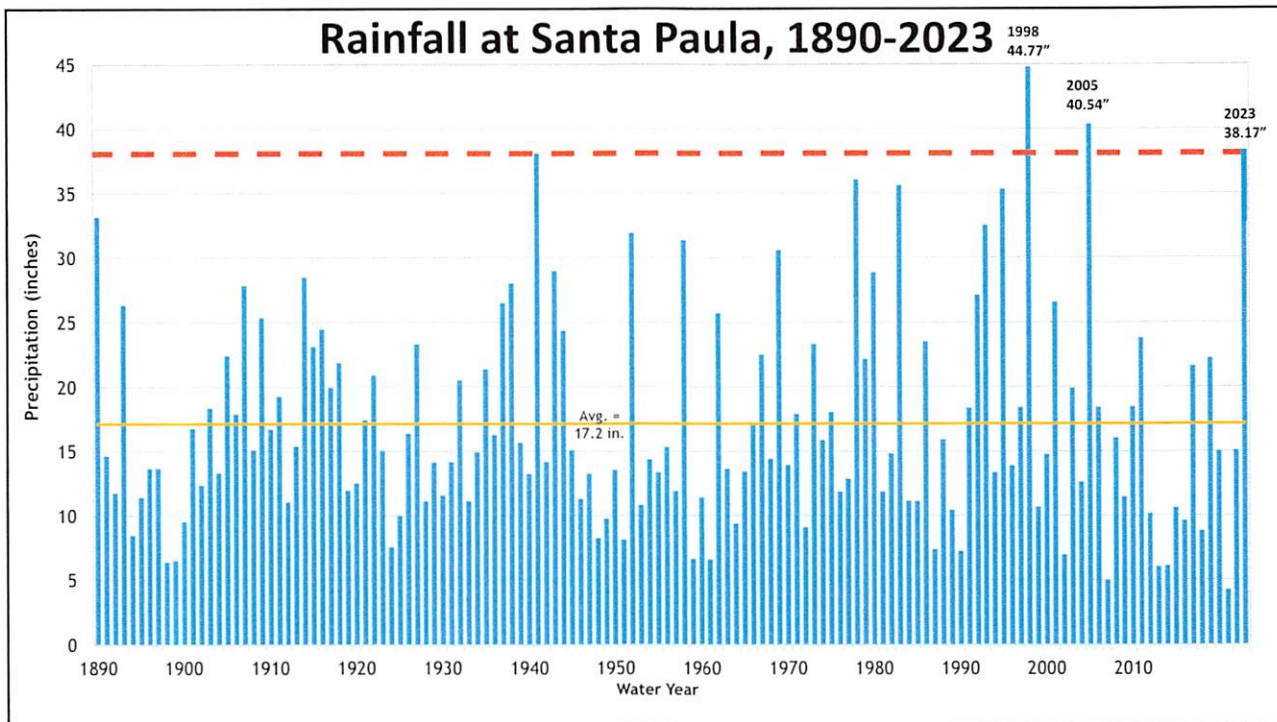
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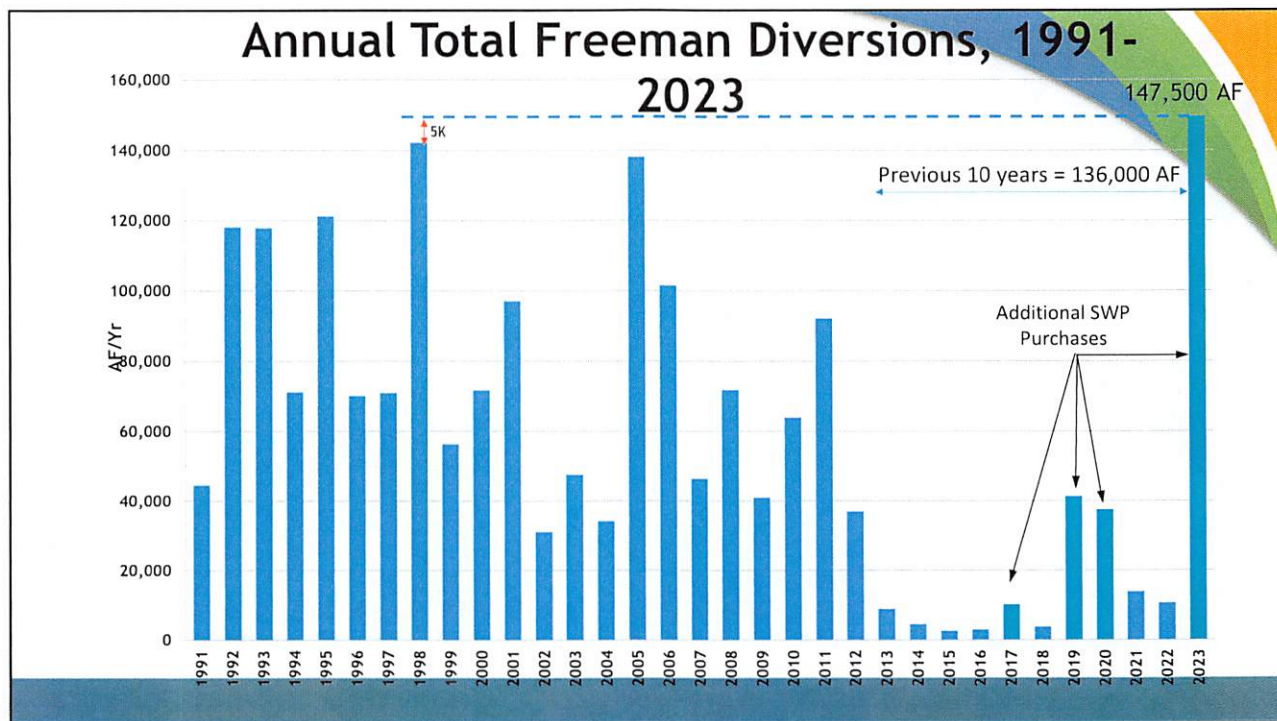
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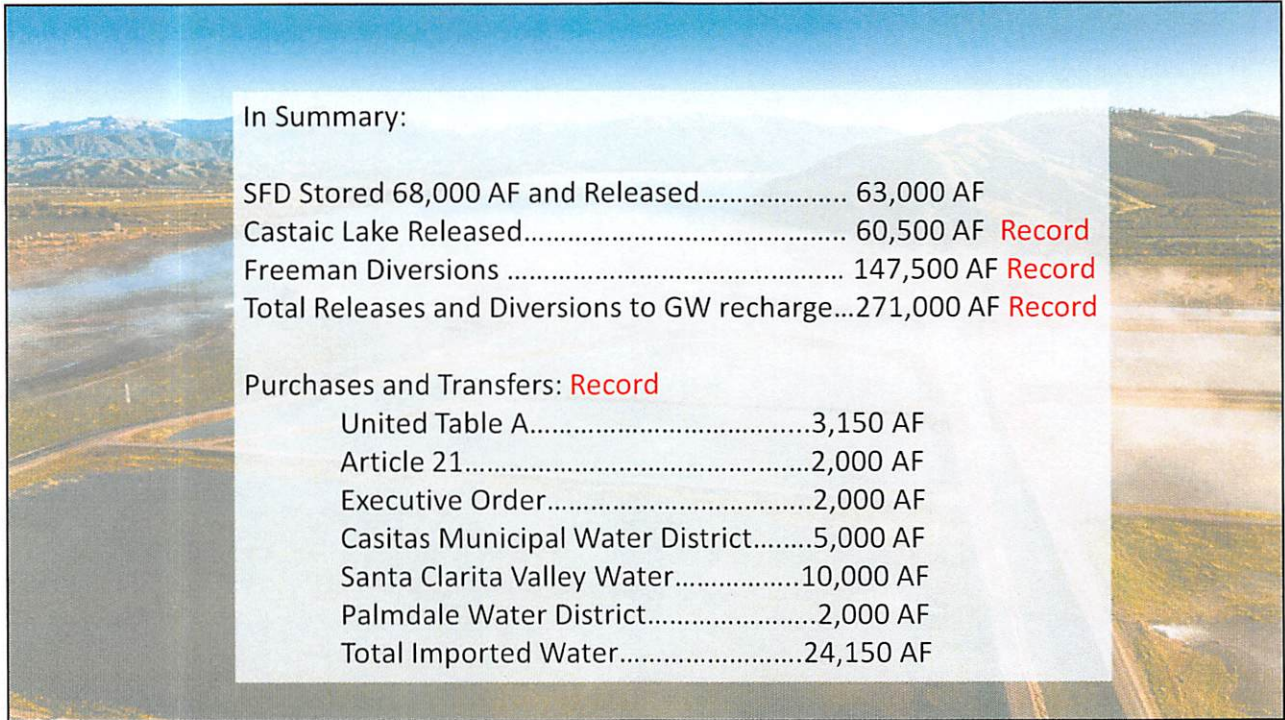
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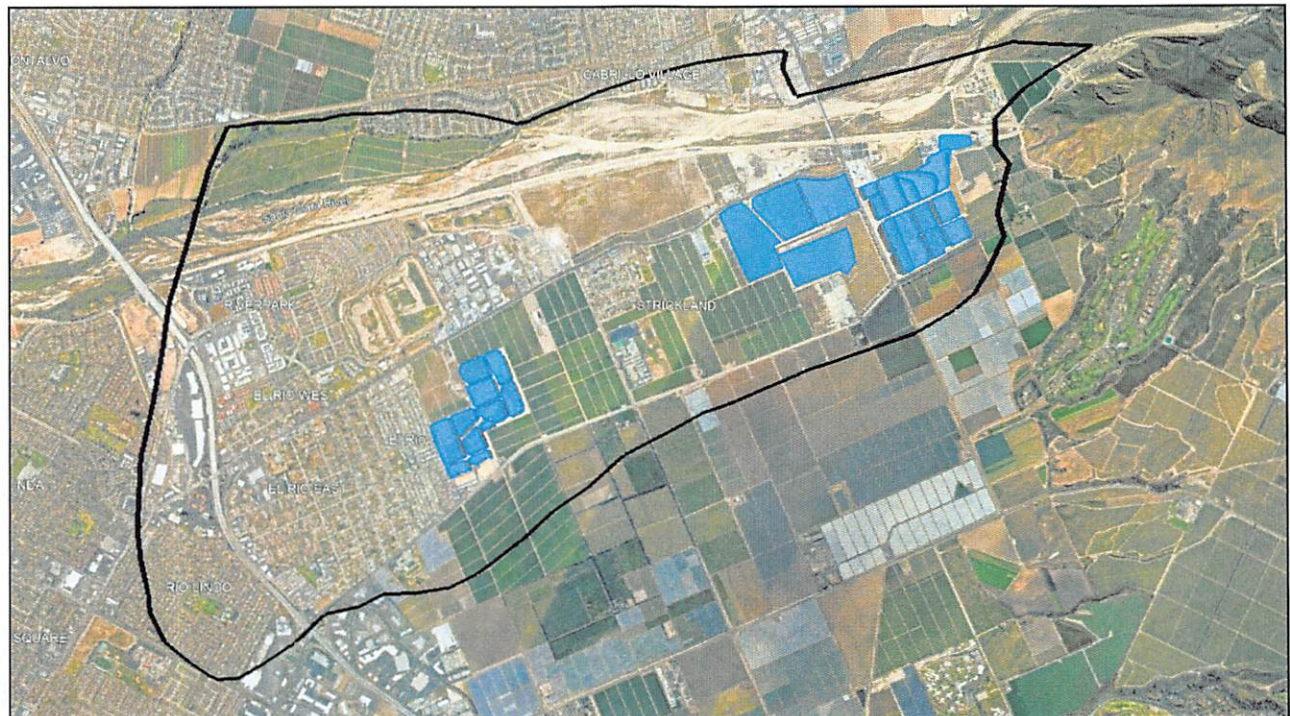
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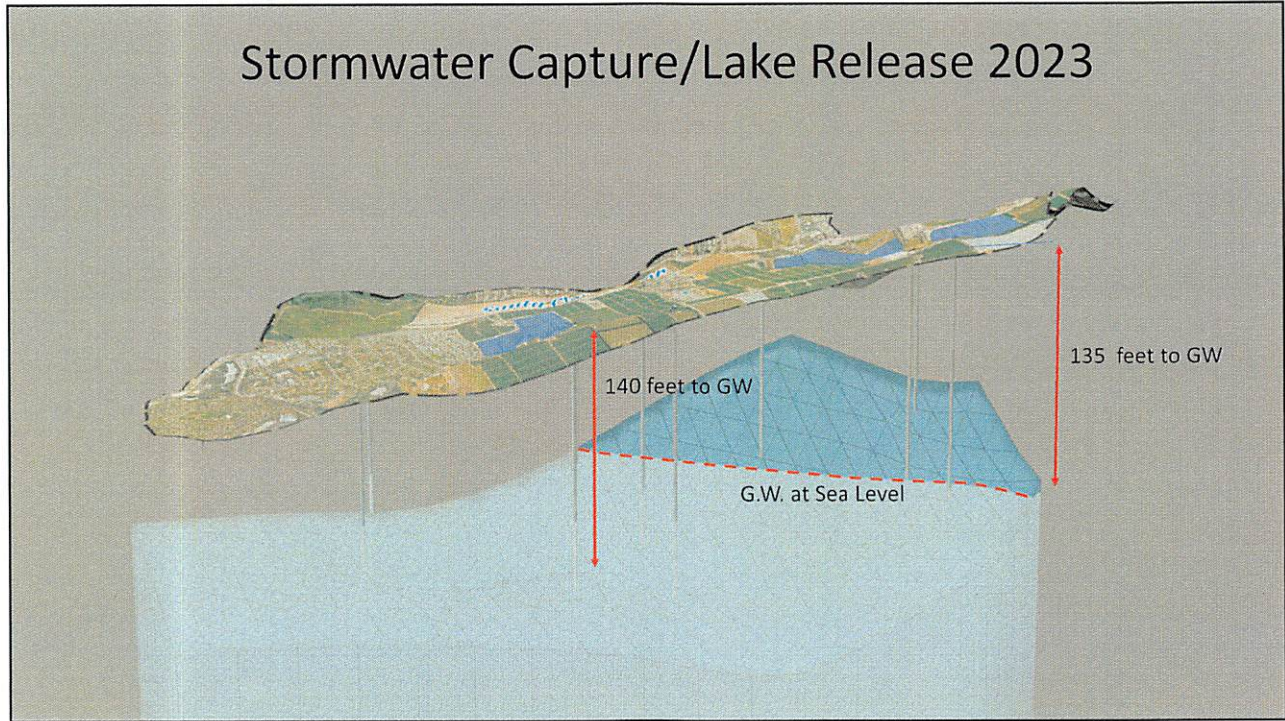
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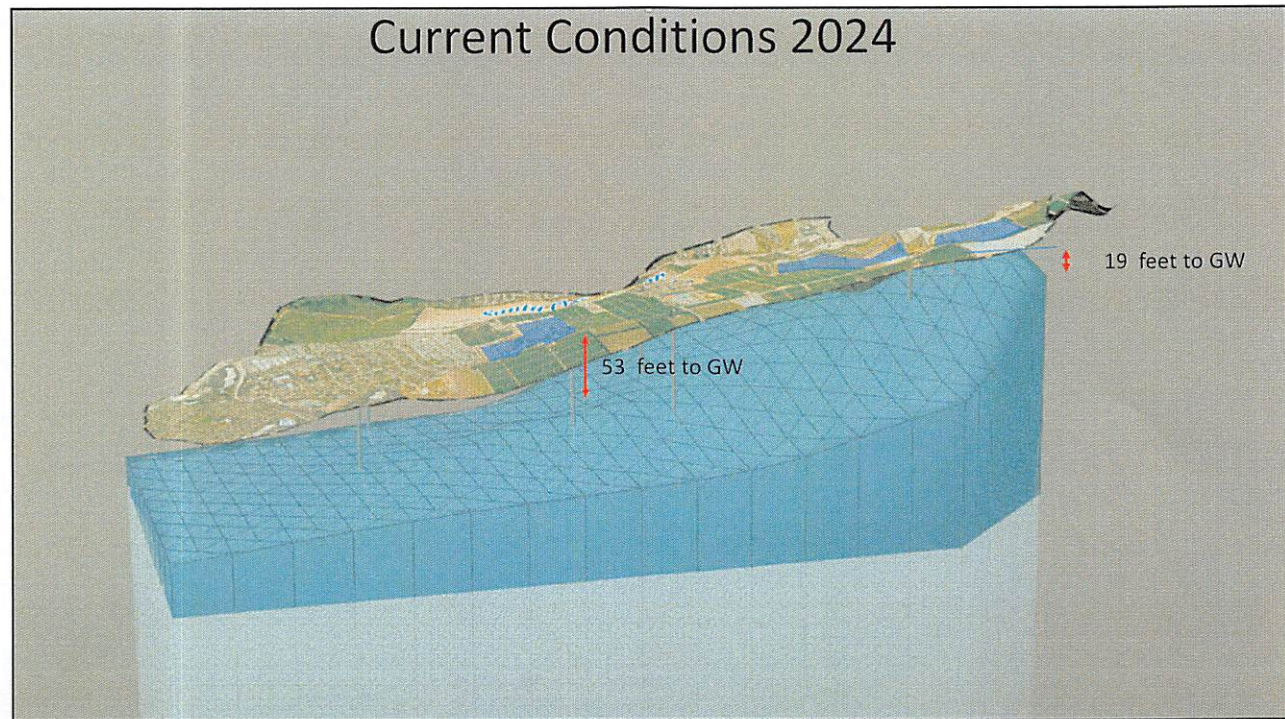
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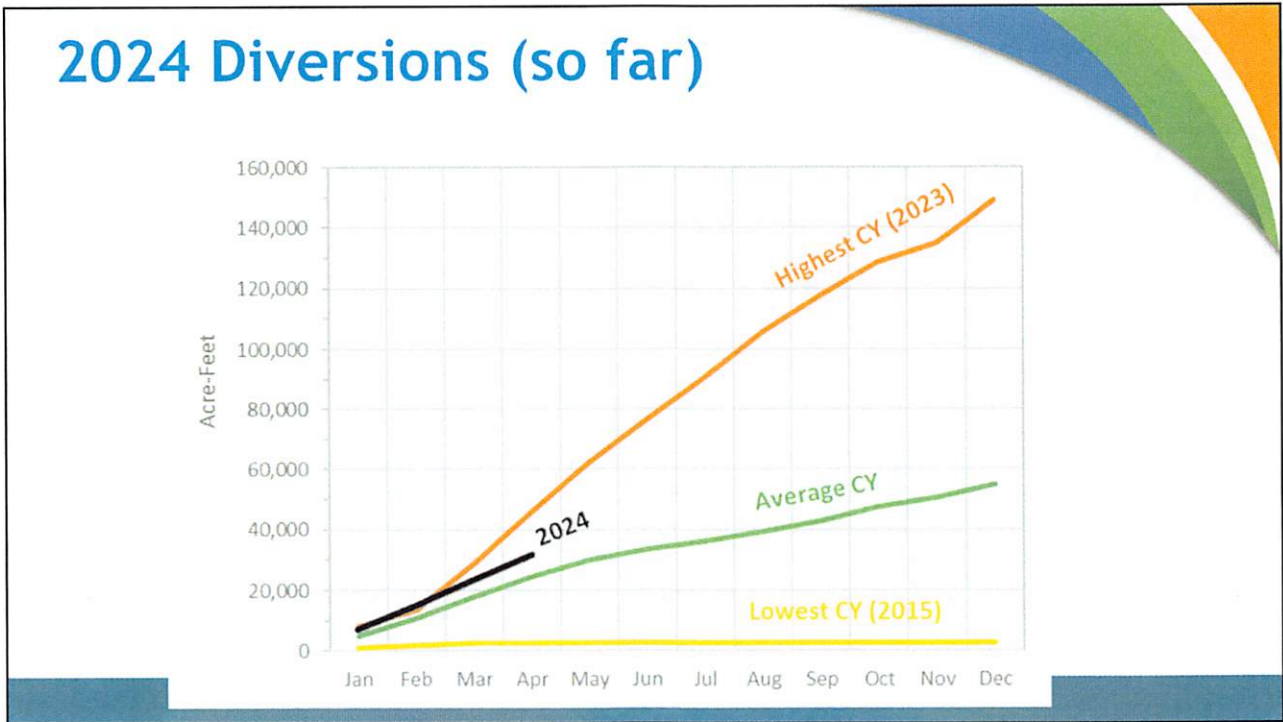
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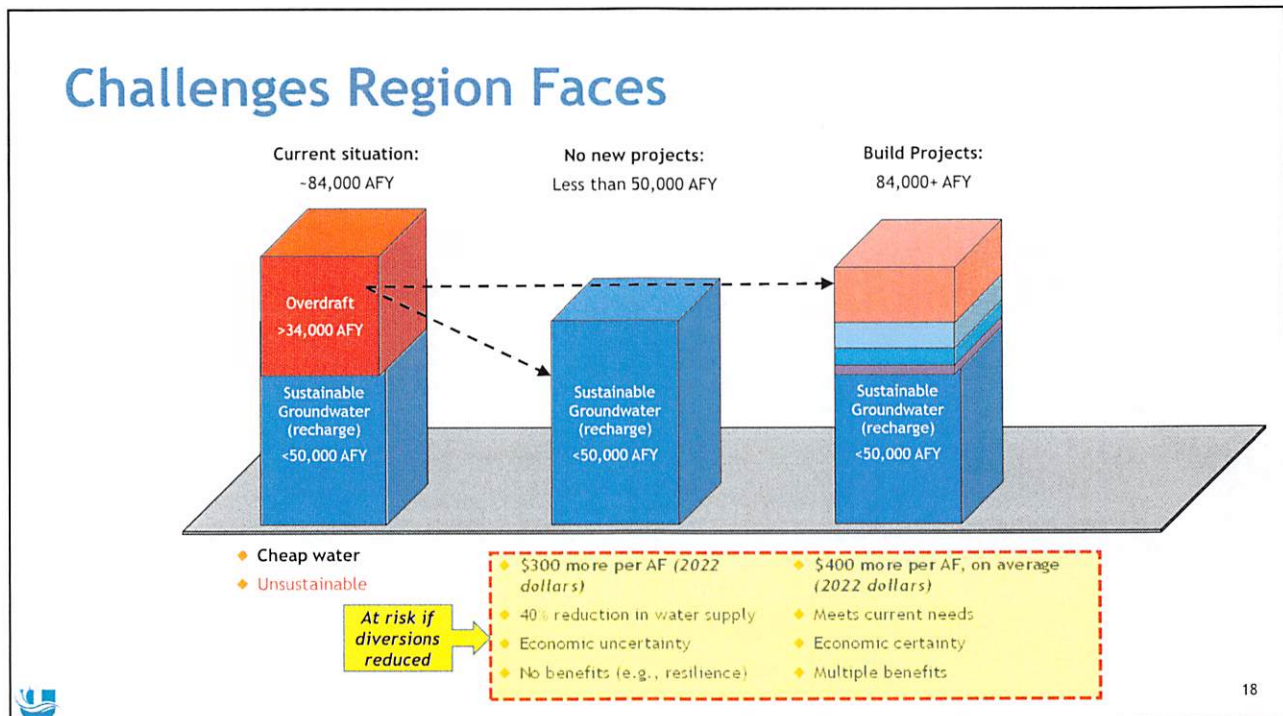
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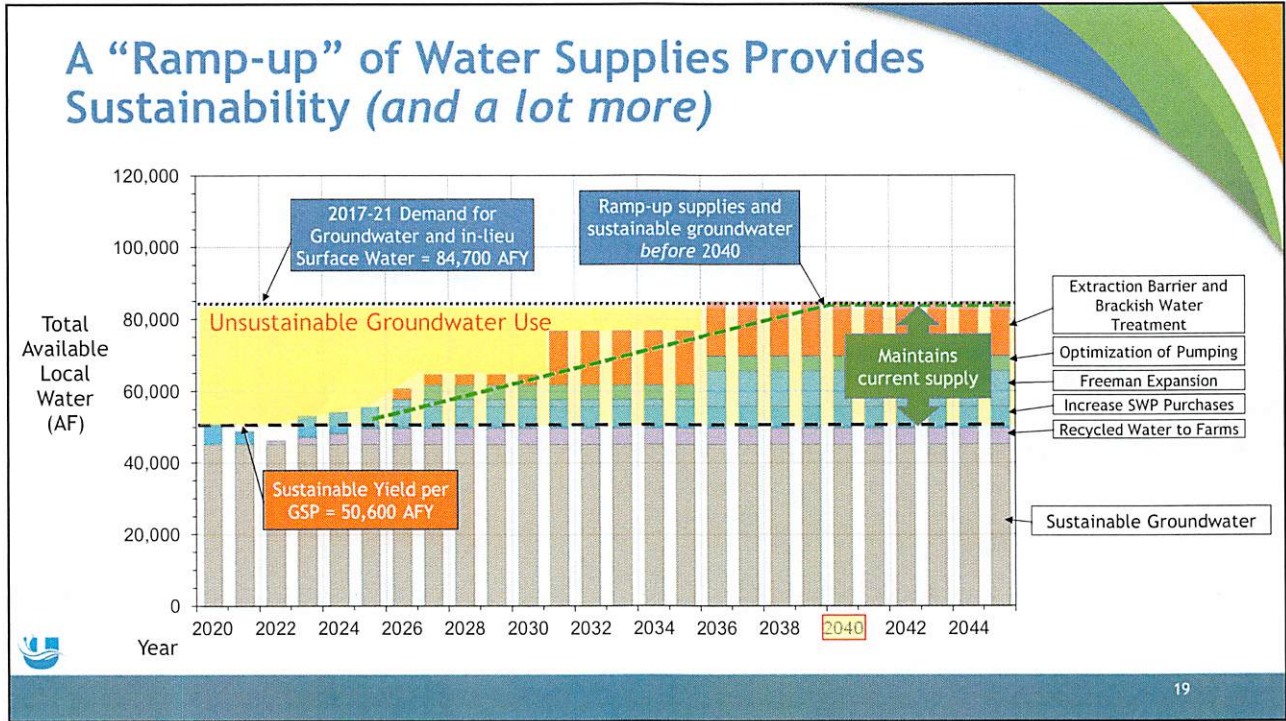
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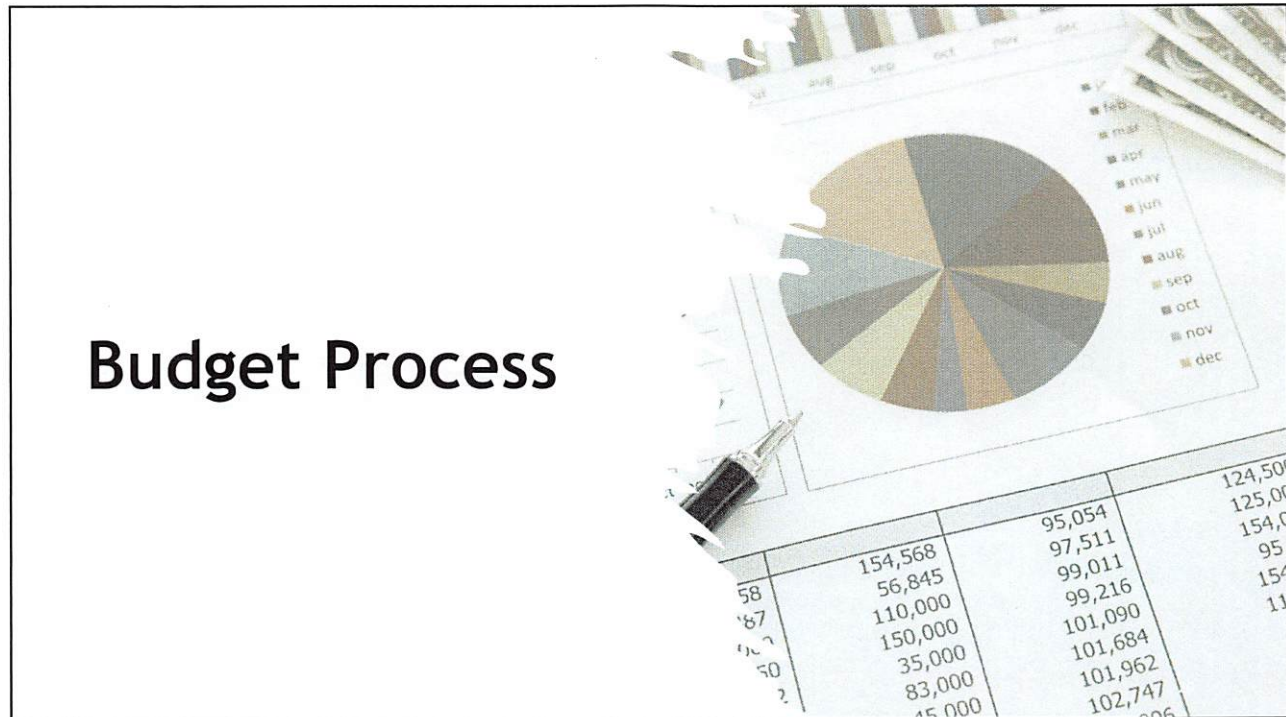
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## Budget Process

- December – Budget Templates delivered to Department Managers
- January – Leadership and Managers Budget Kick-Off meetings
- February – Collected Personnel, Supplies and Services, CIP, Capital costs and develop preliminary rates
- March – Reviewed budget with Leadership Team and then present to GM and AG. Revise as needed.
- April – Finalize headcount, all expenses and lock in Rates and Volumes. Present budget to Finance and Audit Committee and Publish Proposed Budget.
- May – OH, PTP and PV Contractor meetings, Pumper Associations meeting and the Board Budget Workshop
- June – Board Meeting – Public Hearing to Adopt Budget



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## UWCD Total Personnel Costs

( thousands)	Actual		Projected		Proposed		Variance	Variance %
	FY 2022-23	FY 2023/24	FY 2023/24	FY 2024-25	FY 2024-25	FY 2024-25		
Regular Salaries	\$ 8,407	\$ 5,417	\$ 5,417	\$ 5,698	\$ 281	5.2%		
Part-Time Salaries	\$ 268	\$ 341	\$ 269	\$ (72)	-21.2%			
Overtime Salaries	\$ 333	\$ 220	\$ 303	\$ 83	37.9%			
Employee Benefits	\$ 3,949	\$ 3,575	\$ 3,523	\$ (52)	-1.5%			
<b>Total Personnel Cost</b>	<b>\$ 12,957</b>	<b>\$ 9,552</b>	<b>\$ 9,792</b>	<b>\$ 240</b>	<b>2.5%</b>			
<b>Full-Time Equivalent</b>	<b>73</b>	<b>77</b>	<b>77</b>					

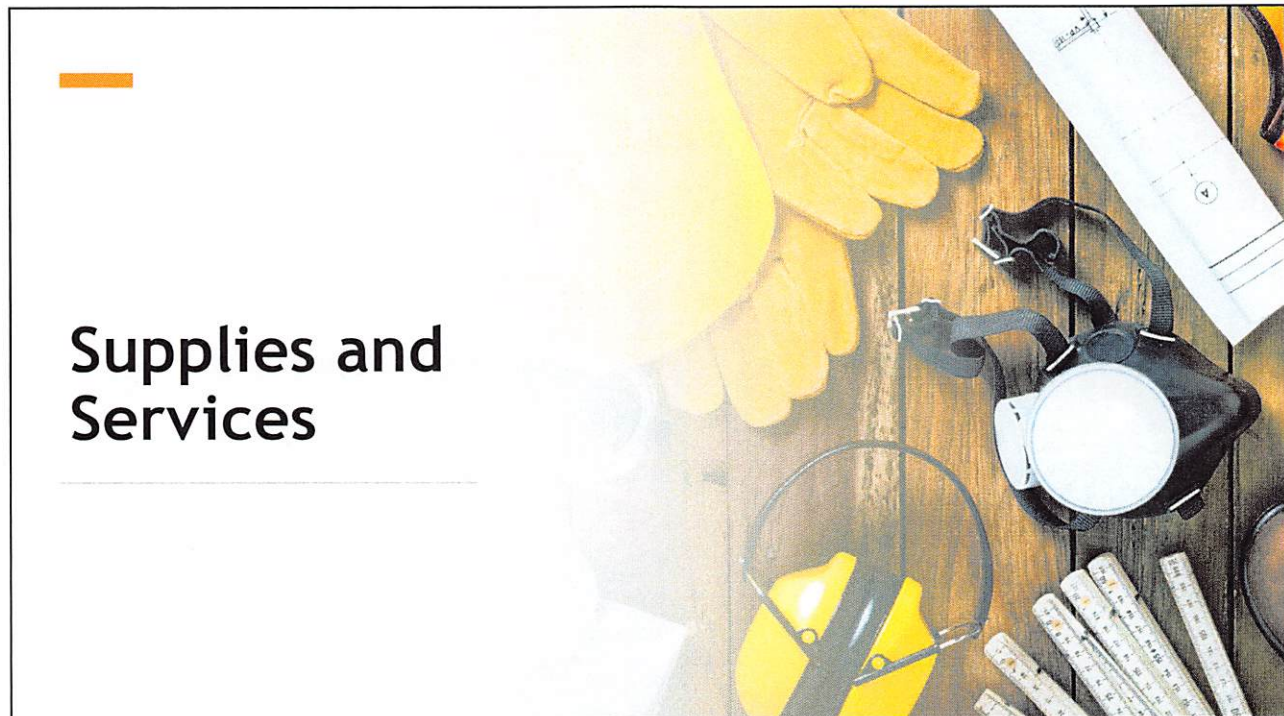
**Budget Assumptions 2024-25**

COLA 3%      \$273K      Medical 12.3% \$108K  
 Merit 5%      \$225K  
 Promotions    \$ 82K



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## UWCD Supplies and Services

( thousands)	Actual FY 2022-23	Projected FY 2023/24	Proposed Budget FY 2024-25	Variance	Variance %
Operating Expenditures	\$ 13,733	\$ 25,673	\$ 22,188	\$ (3,485)	-13.6%
Replacement/Depreciation	\$ 2,895	\$ 2,653	\$ 3,138	\$ 485	18.3%
Allocated Overhead	\$ 5,382	\$ 6,176	\$ 7,305	\$ 1,128	18.3%
Debt Service	\$ 5,394	\$ 2,614	\$ 2,833	\$ 219	8.4%
Capital Outlay	\$ 1,311	\$ 2,110	\$ 3,479	\$ 1,369	64.9%
<b>Total Costs</b>	<b>\$ 28,716</b>	<b>\$ 39,227</b>	<b>\$ 38,943</b>	<b>\$ (284)</b>	<b>-0.7%</b>



## Capital Improvement Projects

Major projects for 2024-25 include:

- EBB Water - \$0.5 million
- Santa Felicia Dam - \$7.2 million
- Freeman to Ferro Expansion - \$4.2 million
- PTP Recycled Water Connection - \$4.1 million
- Freeman Diversion Expansion - \$3.2 million

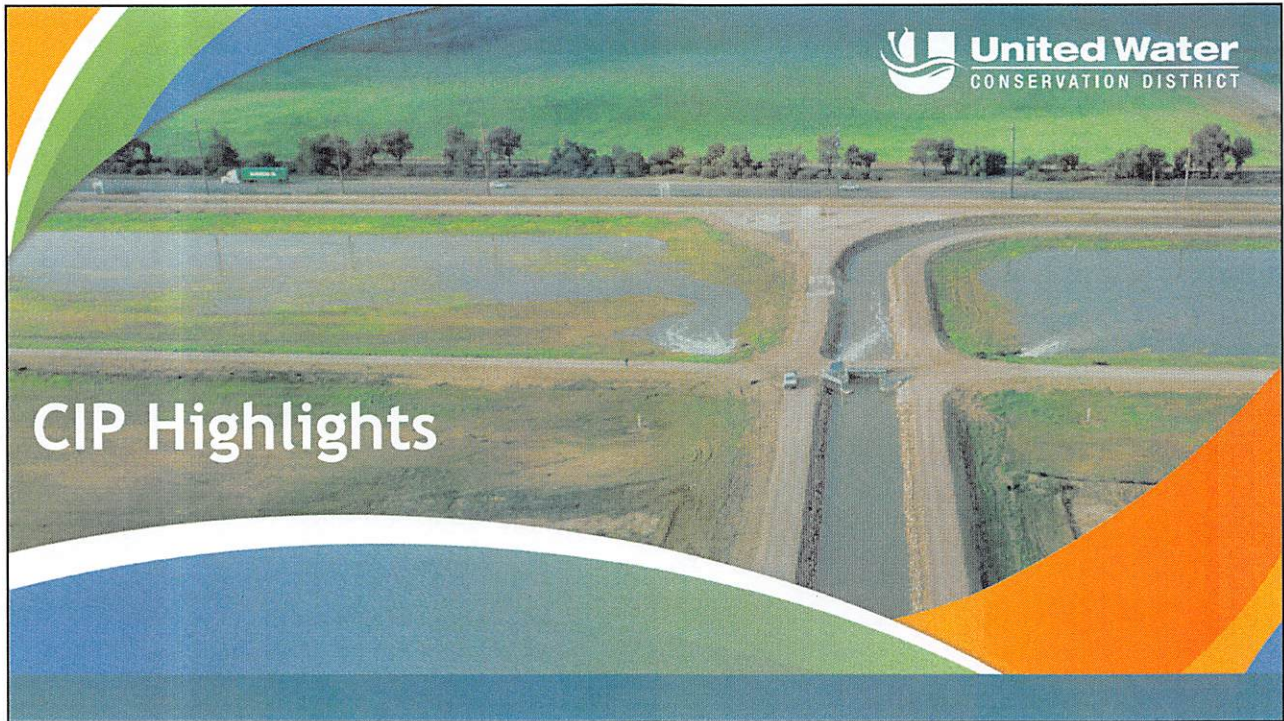
Capital Improvement Projects increased year-over-year from \$16.8 million to \$20.4 million; a 21.4% increase.



## Capital Improvement Project Costs

Project Name	CURRENT YEAR STATUS		FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29 and Beyond	Project Total
	Est Exp Thru End of Year	Est Balance to Carryover						
Well Replacement Program	2,433,894	285,289	20,496	1,170,000	-	-	-	3,909,679
Freeman Diversion Expansion	20,137,329	647,825	3,187,187	71,000,000	95,000,000	50,000,000	-	239,972,341
SFD Outlet Works Rehabilitation	12,773,862	756,288	4,008,221	35,605,480	36,520,600	20,653,100	626,000	110,943,551
SFD Probable Maximum Flood Containment	6,846,948	349,432	3,200,882	840,452	620,965	23,684,000	56,620,600	92,263,277
SFD Sediment Management	173,716	121,234	-	300,000	-	-	-	594,950
OHP Iron and Manganese Treatment Facility	14,276,302	(54,348)	22,049	-	-	-	-	14,244,003
Freeman Conveyance System Upgrade - Freeman to Ferro Basin	1,620,953	1,299,086	4,165,497	30,000	-	-	-	7,115,437
Extraction Barrier Brackish Water Treatment	3,762,910	6,704,944	498,205	40,607,055	6,191,350	26,803,841	324,932,181	409,500,387
Rice Avenue Overpass PTP	376,127	(181,687)	14,062	-	-	-	-	209,502
PTP Metering Improvement Project	1,321,430	445,168	85,407	-	-	-	-	1,852,004
State Water Interconnection Project	198,406	145,258	6,073	-	-	-	-	349,736
Replace El Rio Trailer	205,553	144,447	-	-	-	-	-	350,000
Asset Management/CMMS System	259,094	88,000	345,633	200,000	-	-	-	892,728
PTP Recycled Water Connection - Laguna Road Pipeline	644,984	163,495	4,142,234	2,825,000	-	-	-	7,775,713
SCADA Hardware Update	327,083	518,855	-	-	-	-	-	845,918
Lake Piru Recreation Area Pavement Maintenance Program	677,762	24,342	438	250,000	250,000	-	-	1,202,542
Condor Point Improvement Project	620,897	275,736	-	-	-	-	-	896,633
Main Supply Pipeline Sodium Hypochlorite Injection Facility	2,207	594,337	21,799	-	-	-	-	618,343
Lake Piru Campground and Recreation Area Renovations	231,910	932,313	368,862	328,200	-	-	-	1,861,285
OHP Low-Flow Upgrades	474	206,127	219	-	-	-	-	206,819
PTP Pump Drive Climate Control	-	125,000	-	-	-	-	-	375,000
Piru Early Warning System Replacement	97,500	-	97,500	-	-	-	-	195,000
OH Well 13 Rehabilitation	8,500	(8,500)	-	615,068	-	-	-	615,068
OH Well 14 Energy Efficiency Upgrades	382,610	(27,360)	67,010	2,197,000	-	-	-	2,619,260
El Rio Office Rehabilitation	-	-	95,000	330,000	-	-	-	425,000
<b>TOTAL</b>	<b>67,380,221</b>	<b>13,555,283</b>	<b>20,346,775</b>	<b>156,398,255</b>	<b>138,582,914</b>	<b>121,140,941</b>	<b>382,178,781</b>	<b>899,833,171</b>





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## United Water Conservation District since 1950

- ◆ Water resources management in all or part of seven groundwater basins in central Ventura County
- ◆ Groundwater recharge of local aquifers
- ◆ Surface water delivery to PTP and PV Pipelines
- ◆ Wholesale potable water delivery to Oxnard, PHWA, incl. NBVC, four Mutual Water Companies and El Rio School District
- ◆ Supports both Agriculture and M&I Industries

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**DESIGN & CONSTRUCTION**

## Santa Felicia Dam Outlet Works Improvement

**Regulatory Mandated**

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**DESIGN & CONSTRUCTION**

## Santa Felicia Dam Spillway Improvements

**Regulatory Mandated**

- New Slab downstream of Ogee Apron
- New Underdrain System
- Lowering Chute by 18.5 ft at 10% Slope
- Raising Dam Crest by 6.5 feet

32

RR0

**Regulatory Mandated**

**Freeman Diversion Expansion**

DESIGN & CONSTRUCTION

- New fish passage facility
- New diversion facility with integrated de-sanding capabilities
- Provides diversion capabilities over a broader range of river conditions
- Increases instantaneous diversion capacity

33

**Freeman Conveyance System Upgrade**

DESIGN & CONSTRUCTION

- Removing hydraulic bottlenecks
- Restore canal capacity to handle diversions of 375 cfs and 750 cfs
- Increase groundwater recharge system capacity

3) Ferro - Noble Connection  
 60% design completed  
 Construction in FY 2025/26

2) Inverted Siphon  
 Design completed  
 Construction in July 2024

1) Three Barrel Culvert  
 Design completed  
 Construction in November 2024

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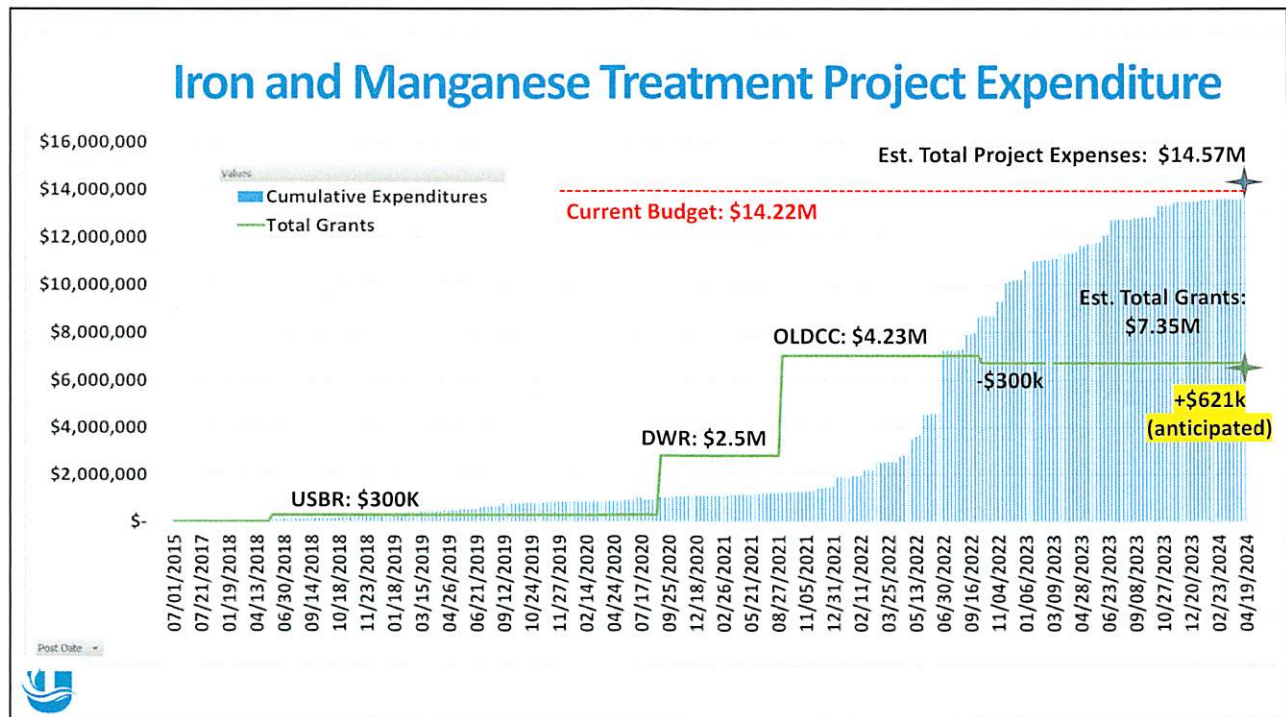
DESIGN & CONSTRUCTION

Regulatory Mandated

**Iron and Manganese Treatment Facility**

- Improved potable water quality (primary and secondary drinking water quality Stds)
- Increasing drought resiliency of the OH System.
- Water Quality Improvement benefits downstream users water treatment facilities

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**DESIGN & CONSTRUCTION**


## Well Replacement Program

Original Well No. 5 was replaced with New Well No. 20

- Replacement of original UAS Water Supply Wells from 1950s
- Reestablished original production rate
- Increased System Reliability

**Well No. 8 (last original well) replacement in FY 2025/26**

**Drilling Well No. 20**



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**DESIGN & CONSTRUCTION**

## Well No. 14 Energy Efficiency Upgrade

- Well System Upgrades
- Reduce headloss and energy demand at 3500 gpm supply

**Construction in FY 2025/26**



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**DESIGN & CONSTRUCTION**

## Well No. 13 Rehabilitation

Replacement of the 30+ year old column pipe, shaft tube and pump to improve Well No. 13 efficiency.

**Design and Construction in FY 2025/26**

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**DESIGN & CONSTRUCTION**

## PTP Recycled Water Connection - Laguna Road Pipeline Project

- Delivery of AWPf recycled water to PTP customers
- Operational flexibility
- Broader water supply portfolio
- Local agencies collaboration



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**DESIGN & CONSTRUCTION**

## Extraction Barrier and Water Treatment Project Phase 1

- United and US Navy MOA
- Construction of an Extraction Barrier
- Seawater Intrusion Mitigation
- State Grant Funding:
  - SWRCB Prop 1 Round 3 Grant: \$8,449,062



*Building an Extraction Barrier to combat seawater intrusion into Oxnard Basin.*


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**DESIGN & CONSTRUCTION**

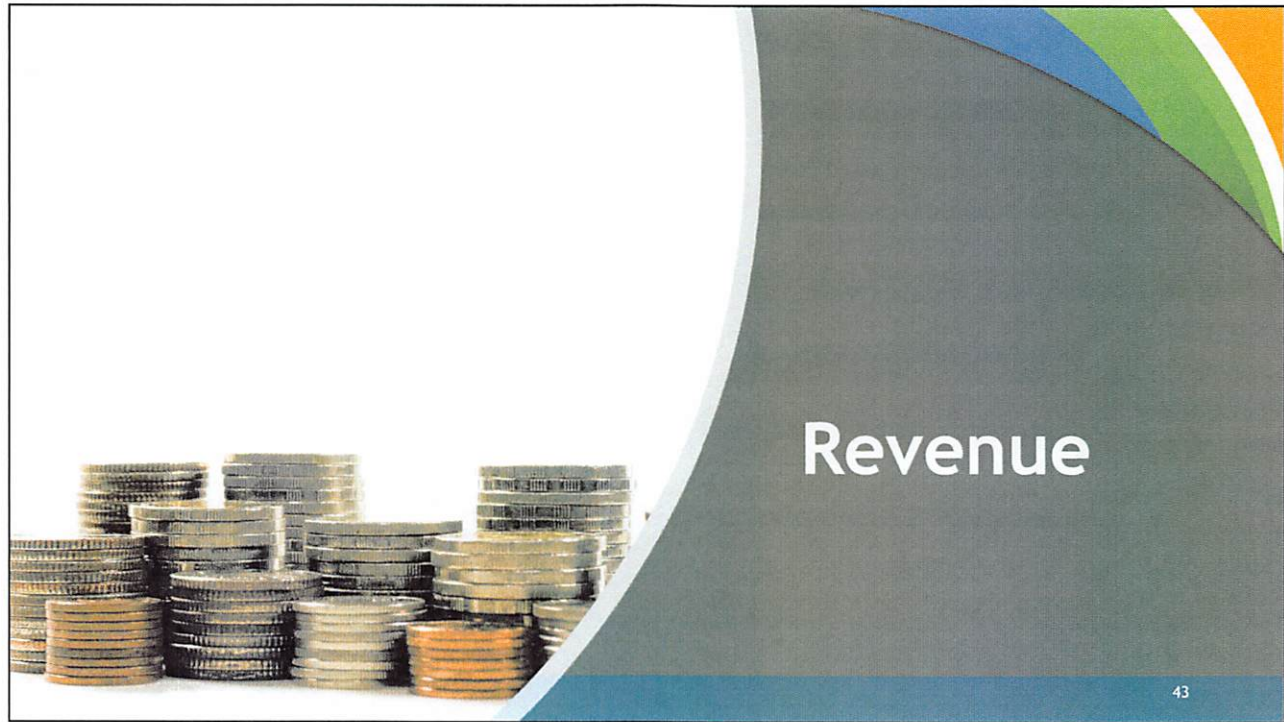
## EBB Water Phase 1 – Monitoring Wells

- Construction of new monitoring wells, and test/monitoring wells in support of EBB Water Phase 1
- State Grant Funding:
  - DWR SGM Phase1 grant: \$1,317,900



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## Revenue Grants Awarded

AWARDED - IN DESIGN OR CONSTRUCTION PHASE			
Award Name	Project	Amount	Notification
DWR Prop 1 Integrated Regional Water Management Grant Program Round 2 - Implementation	Groundwater Recharge Capacity Expansion Project (Ferro-Rose Recharge)	\$1,000,000	4/1/2023
SWRCB Prop 1 Groundwater Grant Program Round 3 - Implementation	Extraction Barrier and Brackish Water Treatment Project Phase 1B	\$8,449,062	3/6/2023
FY22 FEMA High Hazard Potential Dams Grant	Santa Felicia Dam Spillway Improvement Project – 60% Design Structural Analysis	\$113,750	12/12/2022
DWR SWRCB Sustainable Groundwater Grant Program Round 1 - Implementation	Freeman Conveyance System Upgrade - Freeman to Ferro Recharge Basin	\$2,510,300	5/3/2022
DWR SWRCB Sustainable Groundwater Grant Program Round 1 - Implementation	PTP Recycled Water Connection - Laguna Road Pipeline	\$2,651,500	5/3/2022
DWR SWRCB Sustainable Groundwater Grant Program Round 1 - Implementation	Extraction Barrier and Brackish Water Treatment Project Monitoring Well Construction and Data Collection	\$1,317,900	5/3/2022
DOD Defense Community Infrastructure Program	El Rio Iron and Manganese Treatment Project	\$4,230,133	9/21/2021
DWR Prop 1 Integrated Regional Water Management Grant Program Round 1 - Implementation	El Rio Iron and Manganese Treatment Project	\$2,500,000	9/29/2020
NRCS Conservation Innovation Grant	Recycled Water PTP-PV Interconnection	\$343,422	9/4/2020
DWR Prop 1 Water Use Efficiency Grant	Installation of SCADA Integrated Metering System at Turnouts of the PTP System	\$635,059	12/15/2016
CLOSED - PROJECT COMPLETED			
Award Name	Project	Amount	Award Date
CalOES Hazard Mitigation Grant Program Subrecipient Management Cost Funding	OH Backup Generator	\$26,581	3/8/2022
CalOES Community Power Resiliency to Special Districts Program	Emergency Power Supply for UWCD Drinking Water Treatment and Supply Facilities	\$198,612	3/12/2021
FEMA Hazard Mitigation Grant Program	OH Backup Generator	\$862,050	12/9/2020
USFS Southern California Forests and Watersheds	Special-status surveys, habitat mapping, and non-native cowbird removal in the Los Padres	\$154,440	9/2/2020
SWRCB Prop 1 Groundwater Grant Program Round 2 - Planning	Coastal Brackish Groundwater Extraction and Treatment Plant	\$122,563	10/18/2019
<b>Total Grants Awarded (2016-Current)</b>		<b>\$25,115,372</b>	

Last Updated 03/15/2024

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## Revenue Grants Pending Award

PENDING - APPLIED					
Funding	Project	Ask	Type	Submission Date	Latest Update
FY24 FEMA High Hazard Potential Dams Grant Program	Santa Felicia Dam	\$626K	SubApplication	2/14/2024	Letter of Interest Submitted* 02/14/2024
USBR DOI WaterSMART Aquatic Ecosystem Restoration Projects	Freeman Diversion Fish Passage Rehabilitation Project	\$20M	Application	1/23/2024	Full Application Submitted 01/23/2024
FY23 FEMA Flood Mitigation Assistant (FMA)	Santa Felicia Dam - Spillway Resiliency Project	\$54.154M	Sub-Application	12/12/2023	RFI submitted 01/17/2024
FY21 FEMA Hazard Mitigation Grant Program	Santa Felicia Dam Outlet Works Retrofit Project	\$51.225M	Application	2/15/2023	Waitlisted

- \$400 million in grants submitted and awaiting approval/award
- \$6.1 million in grants included in FY 2024-25 budget



## Revenue

	10 / 50	110	120	420	450	460	470	
	General/Water							
	Conservation	State Water	Water Purchase	Freeman	OH Pipeline	PV Pipeline	PT Pipeline	
in USD '000's	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Total
<b>Proposed Budget 2024-25</b>								
Property Tax	3,609	4,064	-	-	-	-	-	\$ 7,674
Water Deliveries	2,615	-	-	2,615	7,957	293	4,163	\$ 17,644
Groundwater	17,153	-	-	7,899	-	-	-	\$ 25,052
Other	12,705	87	1,932	128	707	18	3,354	\$ 18,931
<b>Revenue</b>	<b>\$ 36,083</b>	<b>\$ 4,152</b>	<b>\$ 1,932</b>	<b>\$ 10,642</b>	<b>\$ 8,664</b>	<b>\$ 311</b>	<b>\$ 7,518</b>	<b>\$ 69,300</b>
<b>Budget 2023-24</b>								
Property Tax	3,097	5,460	-	-	-	-	-	\$ 8,557
Water Deliveries	1,581	-	-	1,530	5,246	412	2,806	\$ 11,575
Groundwater	13,618	-	-	6,117	-	-	-	\$ 19,735
Other	8,378	67	2,146	655	1,082	22	419	\$ 12,769
<b>Revenue</b>	<b>\$ 26,674</b>	<b>\$ 5,527</b>	<b>\$ 2,146</b>	<b>\$ 8,302</b>	<b>\$ 6,328</b>	<b>\$ 433</b>	<b>\$ 3,225</b>	<b>\$ 52,635</b>
<b>Variance</b>								
Property Tax	513	(1,396)	-	-	-	-	-	\$ (883)
Water Deliveries	1,034	-	-	1,085	2,711	(119)	1,357	\$ 6,069
Groundwater	3,535	-	-	1,782	-	-	-	\$ 5,317
Other	4,327	20	(214)	(528)	(375)	(4)	2,936	\$ 6,162
<b>Revenue</b>	<b>\$ 9,408</b>	<b>\$ (1,375)</b>	<b>\$ (214)</b>	<b>\$ 2,340</b>	<b>\$ 2,336</b>	<b>\$ (122)</b>	<b>\$ 4,293</b>	<b>\$ 16,665</b>

## 2024-25 Groundwater Extraction Rates

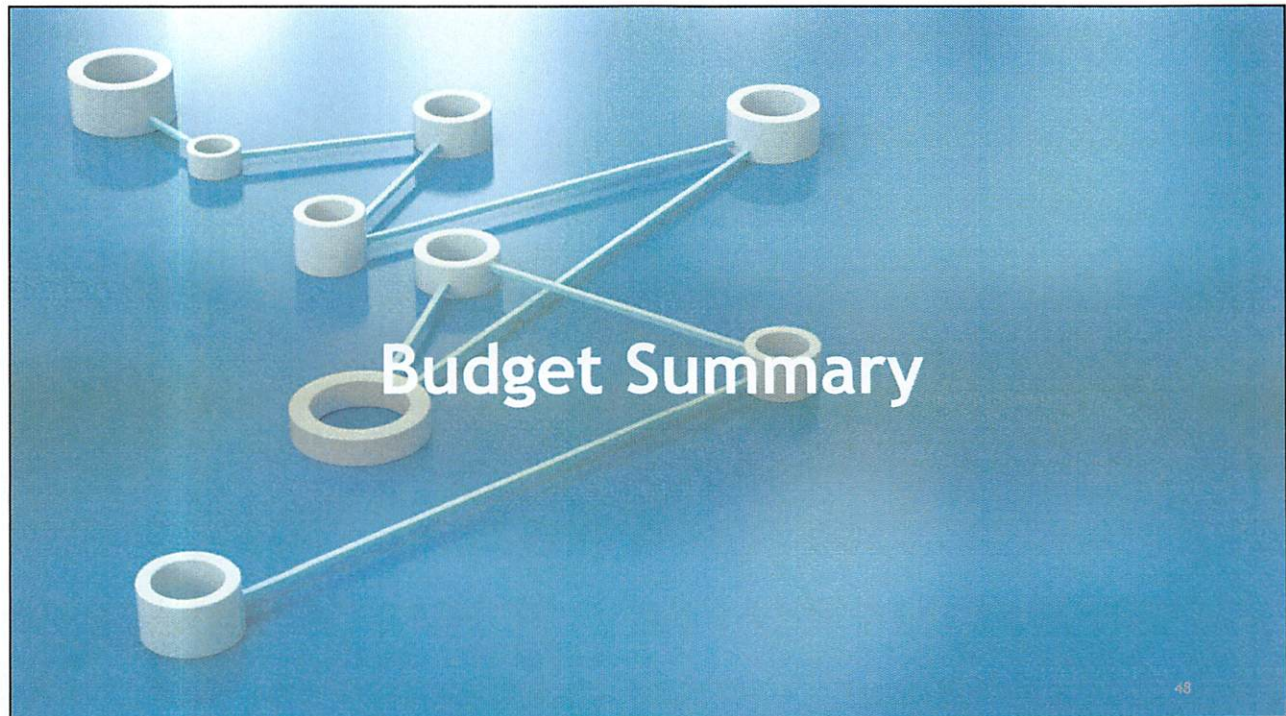
Groundwater Extraction Changes RATES	Current	Proposed	\$ Change	With 50% Grant Funding	
				Proposed	\$ Change
Extraction- Zone A - AG	\$ 89.75	\$ 135.07	\$ 45.32	\$ 112.64	\$ 22.89
Extraction- Zone A - M&I	\$ 100.52	\$ 151.28	\$ 50.76	\$ 126.16	\$ 25.64
Extraction- Zone B - AG	\$ 87.00	\$ 135.25	\$ 48.25	\$ 135.25	\$ 48.25
Extraction- Zone B - M&I	\$ 97.44	\$ 151.48	\$ 54.04	\$ 151.48	\$ 54.04
Water Purchase Surcharge - All Zones	\$ 10.00	\$ 10.00	\$ -	\$ 10.00	\$ -
Zone S Surcharge - AG	\$ 26.79	\$ 25.66	\$ (1.13)	\$ 25.66	\$ (1.13)
Zone S Surcharge - M&I	\$ 30.01	\$ 28.74	\$ (1.27)	\$ 28.74	\$ (1.27)

Zone	Cost/AF	W / Grants
Zone A AG	\$ 145.07	\$ 122.64
Zone B AG	\$ 280.32	\$ 257.89
Zone A M&I	\$ 161.28	\$ 136.16
Zone B M&I	\$ 312.76	\$ 287.64
Zone B&S AG	\$ 305.98	\$ 284.68
Zone B&S M&I	\$ 341.50	\$ 317.65



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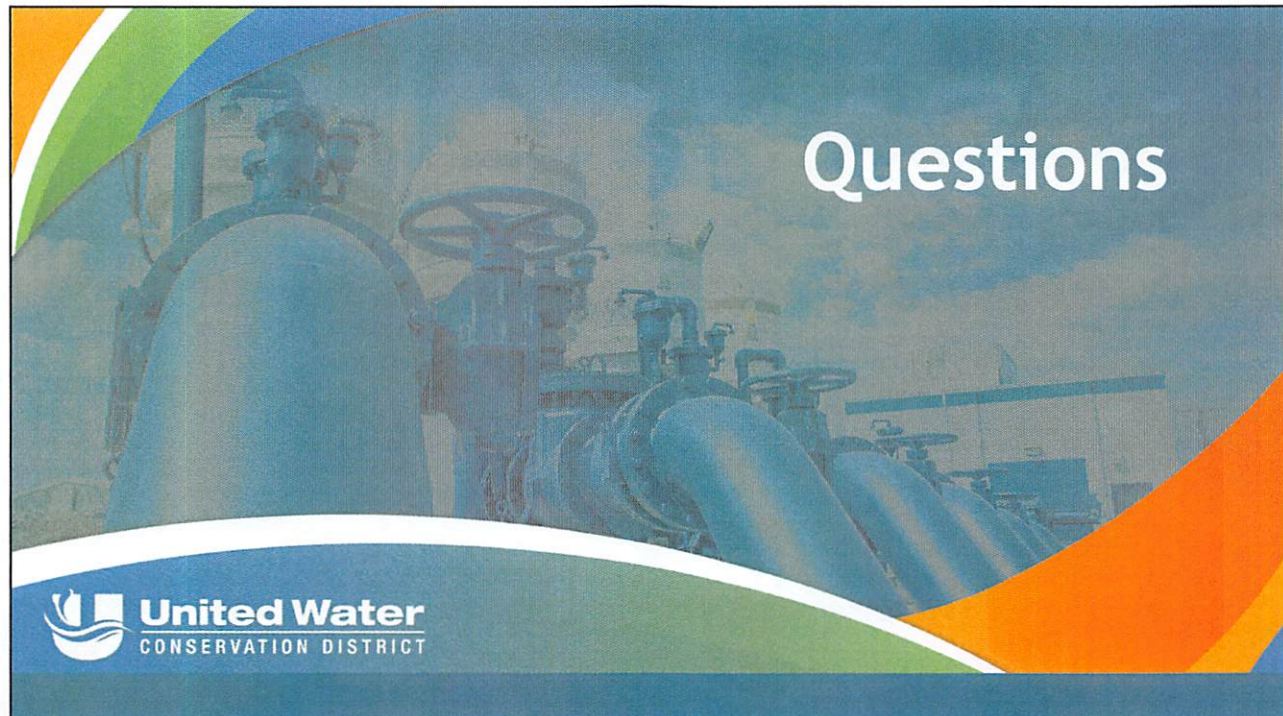
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## Adopted Operating Budget Summary FY 2024-25

(\$ thousands)	General Water Conservation Fund	Water Purchase Fund	State Water Fund	Freemnn Fund	O/H Pipeline Fund	PV Pipeline Fund	PTP Pipeline Fund	TOTAL
<b>CASH RESERVATIONS/WORKING CAPITAL</b>								
Projected Beginning Balance July 1, 2024	13,712	5,985	3,743	(721)	(313)	932	1,201	24,540
<b>REVENUES</b>								
Property Tax	3,609	-	4,064	-	-	-	-	7,674
Water Deliveries/Fixed Costs	2,615	-	-	2,615	7,957	293	4,163	17,644
Groundwater Revenue	17,153	-	-	7,899	-	-	-	25,052
Unrecovered Variable	-	-	-	-	-	-	-	-
Fox Canyon GMA	-	-	-	-	579	-	307	886
Recreation	1,000	-	-	-	-	-	-	1,000
Grant Revenue	3,183	-	-	-	22	-	2,995	6,200
Rents & Leases	235	-	-	22	32	5	15	310
Investment/ Interest Earnings	340	23	87	56	53	11	33	604
Repayment of Interfund Loan	523	-	-	-	-	-	-	523
Proceeds from Financing	7,209	-	-	-	-	-	-	7,209
Water Purchase Surcharge	-	1,908	-	-	-	-	-	1,908
Other	215	-	-	50	20	2	4	291
<b>Total Revenues</b>	<b>36,083</b>	<b>1,932</b>	<b>4,152</b>	<b>10,642</b>	<b>8,664</b>	<b>311</b>	<b>7,518</b>	<b>69,300</b>
<b>EXPENDITURES</b>								
Personnel Costs	6,762	-	-	1,329	884	215	602	9,792
Operating Expenditures	9,578	-	5,205	1,932	3,547	219	1,707	22,188
Replacement/Depreciation	1,155	-	-	412	810	74	687	3,138
Allocated Overhead	4,200	-	-	1,110	1,351	50	595	7,305
Debt Service	1,279	-	114	637	293	3	507	2,833
Capital Outlay	1,273	-	-	152	1,581	15	460	3,479
Transfers Out-CIP	12,592	-	-	3,249	176	13	4,296	20,326
<b>Total Expenditures</b>	<b>36,838</b>	<b>-</b>	<b>5,319</b>	<b>8,822</b>	<b>8,641</b>	<b>589</b>	<b>8,853</b>	<b>69,061</b>
Net Surplus/(Shortfall)	(755)	1,932	(1,167)	1,820	23	(277)	(1,335)	239
Reservations/Designations	(10,796)	-	-	-	-	-	-	(10,796)
Add back Depreciation	1,155	-	-	412	810	74	687	3,138
Projected Cash Reserves/Working Capital June 30, 2025	3,316	7,917	2,575	1,511	520	729	553	17,121
Reserve requirement	4,000	-	-	1,500	1,220	288	1,000	
Surplus/(Shortfall)	(684)	-	-	11	(700)	441	(447)	

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Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, June 11, 2024**

To: **Board of Directors**  
From: **Peter Martinez, General Manager**  
Subject: **FINAL PROPOSED BUDGET**  
Item No. **D-1**

**RECOMMENDATION:**

Adopt Final Proposed FY 2024-2025 Operating and Capital Budget.

**FINANCIAL IMPACT:**

Action provides guidance and spending limits for the District for operating and capital needs from July 1, 2024 through June 30, 2025.

**DISCUSSION/ANALYSIS:**

In review, the proposed Operating Budget represents a 1% increase from the FY 2023 –2024 Operating Budget. The table below illustrates the proposed operating budget for each cost category.

	FY 2023-2024	FY 2024-2025	% Change
Total Water System Expense	\$1,172,700	\$1,290,900	10%
Total Sewer System Expense	\$439,000	\$340,000	-22.5%
Total Trash Expense	\$631,000	\$663,000	5%
Total Maintenance Expense	\$73,600	\$87,500	18.8%
Total Salaries & Benefits	\$1,227,900	\$1,209,000	-1.53%
Total Admin Expense	\$721,400	\$709,500	-1.65%
<b>Total Operating Expense</b>	<b>\$4,265,600</b>	<b>\$4,300,100</b>	<b>1%</b>
<b>Total Rate Revenue</b>	<b>\$4,599,000</b>	<b>\$4,740,000</b>	<b>3%</b>



The proposed CIP Budget calls for \$3,038,132 in capital spending for FY 2024 – 2025, with \$1,177,066 assigned to the Water Enterprise, \$1,861,066 assigned to the Sewer Enterprise.

If approved, the adopted Budget would go into effect on July 1, 2024. Members of the public may access the full Budget document any time by visiting [www.cibcsd.com/budget](http://www.cibcsd.com/budget) or may request a copy from the Clerk of the Board.

**ATTACHMENTS:**

1. FY 2024-2025 Final Proposed Budget

Draft

FY 2024 - 2025 OPERATING BUDGET

Sheet No.	Account	Adopted	Actual Through	Projected	Draft	Percent	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total	
		FY 2023 - 2024	3/31/2024	June 2024	FY 2024 - 2025	Expended	\$	%	\$	%	\$	%	\$	%		
<b>OPERATING REVENUES</b>																
<b>Rate Revenues</b>																
1	Water Revenue	3110	2,316,000	1,628,616	2,250,000	2,386,000	97%	2,386,000	100%	0	0%	0	0%	0	0%	2,386,000
2	Sewer Revenue	3120	1,470,000	1,077,251	1,436,334	1,520,000	98%	0	0%	1,520,000	100%	0	0%	0	0%	1,520,000
3	Solid Waste Revenue	3130	813,000	630,942	813,000	834,000	100%	0	0%	0	0%	834,000	100%	0	0%	834,000
	<b>Total Rate Revenues</b>		\$ 4,599,000	\$ 3,336,809	\$ 4,499,334	\$ 4,740,000	98%	\$ 2,386,000		\$ 1,520,000		\$ 834,000		\$ -		\$ 4,740,000
<b>OPERATING EXPENSES</b>																
<b>Water System Expense</b>																
4	PHWA Water Contract	4210	971,000	628,576	838,000	1,097,000	86%	1,097,000	100%	0	0%	0	0%	0	0%	1,097,000
5	Water Sampling	4215	16,000	9,231	13,491	16,000	84%	16,000	100%	0	0%	0	0%	0	0%	16,000
6	SWRCB Annual Admin Fee	4220	20,500	18,582	19,737	22,800	96%	22,800	100%	0	0%	0	0%	0	0%	22,800
7	Annual Water Quality Report	4225	1,500	0	1,500	1,500	100%	1,500	100%	0	0%	0	0%	0	0%	1,500
8	Cross Connect Contract Charge	4230	2,700	2,257	2,257	2,500	84%	2,500	100%	0	0%	0	0%	0	0%	2,500
9	Water Repair & Maintenance	4235	150,000	89,100	130,000	140,000	87%	140,000	100%	0	0%	0	0%	0	0%	140,000
10	Telemetry	4240	11,000	9,290	11,000	11,100	100%	11,100	100%	0	0%	0	0%	0	0%	11,100
	<b>Total Water System Expense</b>		\$ 1,172,700	\$ 757,036	\$ 1,015,985	\$ 1,290,900	87%	\$ 1,290,900		\$ -		\$ -		\$ -		\$ 1,290,900
<b>Sewer System Expense</b>																
11	Wastewater Transportation	4260	265,000	95,608	143,412	158,000	54%	0	0%	158,000	100%	0	0%	0	0%	158,000
12	Sewer Repair & Maintenance	4265	109,000	67,632	109,000	109,000	100%	0	0%	109,000	100%	0	0%	0	0%	109,000
13	Telemetry	4270	36,000	42,305	45,063	36,000	125%	0	0%	36,000	100%	0	0%	0	0%	36,000
14	Power	4275	29,000	25,613	31,000	37,000	107%	0	0%	37,000	100%	0	0%	0	0%	37,000
	<b>Total Sewer System Expense</b>		\$ 439,000	\$ 231,158	\$ 328,475	\$ 340,000	75%	\$ -		\$ 340,000		\$ -		\$ -		\$ 340,000
<b>Trash Expense</b>																
15	Contract Trash Services	4285	631,000	411,173	617,823	663,000	98%	0	0%	0	0%	663,000	100%	0	0%	663,000
	<b>Total Trash Expense</b>		\$ 631,000	\$ 411,173	\$ 617,823	\$ 663,000	98%	\$ -		\$ -		\$ 663,000		\$ -		\$ 663,000
<b>Maintenance Expenses</b>																
16	Gasoline	4310	24,000	10,965	14,565	24,000	61%	10,320	43%	9,840	41%	3,360	14%	480	2%	24,000
17	Vehicle Maintenance	4320	12,000	11,263	12,000	12,000	100%	5,160	43%	4,920	41%	1,680	14%	240	2%	12,000
18	Building Security	4330	200	492	492	20,000	246%	6,600	33%	6,800	34%	6,600	33%	0	0%	20,000
19	Building Maintenance	4340	17,000	5,000	6,000	15,000	35%	4,950	33%	5,100	34%	4,950	33%	0	0%	15,000
20	Signs & Banners	4350	10,000	481	500	5,000	5%	1,650	33%	1,700	34%	1,650	33%	0	0%	5,000
21	Public Landscaping	4360	3,400	2,860	2,000	5,500	59%	0	0%	0	0%	0	0%	5,500	100%	5,500
22	Employee Workplace Safety	4370	5,000	1,454	3,200	5,000	64%	2,150	43%	2,050	41%	700	14%	100	2%	5,000
23	Emergency Preparedness	4380	2,000	0	0	1,000	0%	0	0%	0	0%	0	0%	1,000	100%	1,000
	<b>Total Maintenance Expenses</b>		\$ 73,600	\$ 32,515	\$ 38,757	\$ 87,500	53%	\$ 30,830		\$ 30,410		\$ 18,940		\$ 7,320		\$ 87,500

Draft

FY 2024 - 2025 OPERATING BUDGET

Sheet No.	Account	Adopted	Actual Through	Projected	Draft	Percent	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total				
		FY 2023 - 2024	3/31/2024	June 2024	FY 2024 - 2025	Expended	\$	%	\$	%	\$	%	\$	%					
<b>Salaries &amp; Benefits</b>																			
24	Regular Salaries	4400	899,000	603,819	750,000	877,500	83%	342,225	39%	351,000	40%	166,725	19%	17,550	2%	877,500			
25	Payroll Taxes	4500	15,000	10,633	14,000	16,000	93%	6,240	39%	6,400	40%	3,040	19%	320	2%	16,000			
26	Group Insurance	4525	173,000	104,769	132,000	173,000	76%	67,470	39%	69,200	40%	32,870	19%	3,460	2%	173,000			
27	Retirement Benefits	4550	101,900	60,263	80,000	102,100	79%	39,819	39%	40,840	40%	19,399	19%	2,042	2%	102,100			
28	Uniforms	4575	5,500	2,282	5,500	7,100	100%	3,053	43%	2,911	41%	994	14%	142	2%	7,100			
29	Workers' Comp Insurance	4600	14,500	5,085	10,100	14,500	70%	5,655	39%	5,800	40%	2,755	19%	290	2%	14,500			
30	Employee Education & Wellness	4650	19,000	7,632	13,000	19,000	68%	7,410	39%	7,600	40%	3,610	19%	380	2%	19,000			
<b>Total Salaries &amp; Benefits</b>		\$	1,227,900	794,483	\$	1,004,600	\$	1,209,200	82%	\$	471,872	\$	483,751	\$	229,393	\$	24,184	\$	1,209,200
<b>Administrative Expenses</b>																			
31	Regular Board Payments	5010	9,500	3,876	7,000	9,500	74%	3,705	39%	3,800	40%	1,805	19%	190	2%	9,500			
32	Special Board Meetings	5020	4,000	0	1,000	4,000	25%	1,560	39%	1,600	40%	760	19%	80	2%	4,000			
33	Board/ Committee Expenses	5030	2,000	2,209	2,209	2,000	110%	780	39%	800	40%	380	19%	40	2%	2,000			
34	Board Conferences & Seminars	5040	5,000	0	1,000	5,000	20%	1,950	39%	2,000	40%	950	19%	100	2%	5,000			
35	Travel & Lodging	5050	10,000	6,023	8,000	10,000	80%	3,900	39%	4,000	40%	1,900	19%	200	2%	10,000			
36	District Dues & Memberships	5100	28,000	26,976	27,500	29,000	98%	10,502	36%	12,311	42%	5,952	21%	235	1%	29,000			
37	Office Supplies	5210	10,000	6,632	10,000	10,000	100%	3,300	33%	3,400	34%	3,300	33%	0	0%	10,000			
38	On-Line Bill Paying	5215	6,000	2,676	3,100	4,500	52%	1,845	41%	1,980	44%	675	15%	0	0%	4,500			
39	Communications	5220	25,000	21,548	26,500	28,000	106%	9,240	33%	9,520	34%	9,240	33%	0	0%	28,000			
40	Printing & Publications	5230	6,000	6,602	8,220	6,000	137%	1,980	33%	2,040	34%	1,980	33%	0	0%	6,000			
41	Postage & Shipping	5240	12,000	8,500	12,000	12,000	100%	3,960	33%	4,080	34%	3,960	33%	0	0%	12,000			
42	Miscellaneous Office Expense	5250	59,100	45,176	59,100	39,000	100%	15,826	41%	16,832	43%	6,178	16%	164	0%	39,000			
43	Office Utilities	5260	3,800	2,200	3,500	4,500	92%	1,485	33%	1,530	34%	1,485	33%	0	0%	4,500			
44	Office Equipment Maintenance	5290	11,000	4,654	8,000	11,000	73%	3,630	33%	3,740	34%	3,630	33%	0	0%	11,000			
45	Capital Replacement	5295	83,000	0	0	158,000	0%	74,270	47%	78,705	50%	5,026	3%	0	0%	158,000			
46	Insurance	5400	42,000	42,795	42,795	47,000	102%	19,270	41%	20,680	44%	7,050	15%	0	0%	47,000			
47	Legal Services	5510	60,000	48,648	60,000	70,000	100%	52,300	75%	13,200	19%	4,500	6%	0	0%	70,000			
48	Accounting Services	5520	50,000	12,859	39,000	50,000	78%	20,500	41%	22,000	44%	7,500	15%	0	0%	50,000			
49	Computer Services & Subscriptions	5530	57,000	46,392	82,000	55,000	144%	22,550	41%	24,200	44%	8,250	15%	0	0%	55,000			
50	Engineering Services	5540	75,000	63,811	75,000	75,000	100%	30,750	41%	33,000	44%	11,250	15%	0	0%	75,000			
51	Bank & Trustee Fees	5560	4,000	2,500	3,925	4,000	98%	1,640	41%	1,760	44%	600	15%	0	0%	4,000			
52	Other Professional Services	5565	145,000	112,215	140,000	60,000	97%	24,600	41%	26,400	44%	9,000	15%	0	0%	60,000			
53	Legal Notices Publication	5600	4,000	0	800	6,000	20%	1,980	33%	2,040	34%	1,980	33%	0	0%	6,000			
54	Public Information & Outreach	5650	10,000	4,447	4,500	10,000	45%	3,300	33%	3,400	34%	3,300	33%	0	0%	10,000			
<b>Total Administrative Expenses</b>		\$	721,400	470,739	\$	625,149	\$	709,500	87%	\$	314,823	\$	293,018	\$	100,651	\$	1,009	\$	709,500
<b>TOTAL OPERATING EXPENSES</b>		\$	4,265,600	\$	2,697,104	\$	3,630,789	\$	4,300,100	\$	2,108,425	\$	1,147,179	\$	1,011,984	\$	32,513	\$	4,300,100
<b>NET OPERATING INCOME</b>		\$	333,400		\$	868,545	\$	439,900	\$	277,575	\$	372,821	\$	(177,984)	\$	(32,513)	\$	439,900	

Draft

FY 2024 - 2025 OPERATING BUDGET

Sheet No.	Account	Adopted	Actual Through	Projected	Draft	Percent	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total	
		FY 2023 - 2024	3/31/2024	June 2024	FY 2024 - 2025	Expended	\$	%	\$	%	\$	%	\$	%		
<b>OTHER REVENUES</b>																
55	Interest Earnings	6100	380,000	440,588	496,145	300,000	131%	105,000	35%	165,000	55%	30,000	10%	0	0%	300,000
56	Penalty Revenue	6200	32,000	16,874	29,000	32,000	91%	3,200	10%	3,200	10%	3,200	10%	22,400	70%	32,000
57	Secured & Unsecured Taxes	6320	99,000	56,749	110,000	115,000	111%	0	0%	0	0%	0	0%	115,000	100%	115,000
<b>TOTAL OTHER REVENUES</b>			\$ 511,000	\$ 514,211	\$ 635,145	\$ 447,000	124%	\$ 108,200		\$ 168,200		\$ 33,200		\$ 137,400		\$ 447,000
<b>DEBT OBLIGATIONS</b>																
59	2016 Sewer Refunding Bonds	2855	217,000	150,365	217,000	215,000	100%	0	0%	215,000	100%	0	0%	0	0%	215,000
60	CSDA Loan - Smart Meter Project	2700	85,000	85,000	85,000	85,000		41,225	49%	43,775	52%	0	0%	0	0%	85,000
<b>TOTAL DEBT OBLIGATION</b>			\$ 217,000	\$ 235,365	\$ 217,000	\$ 300,010	100%	\$ 41,235		\$ 258,775		\$ -		\$ -		\$ 300,010
<b>OTHER BUDGET ITEMS</b>																
61	Allocation of Community Service	N/A	1,000	0	0	1,000	0%	485	49%	515	52%	0	0%	(1,000)	0%	0
<b>TOTAL OTHER BUDGET ITEMS</b>			\$ 1,000	\$ 0	\$ -	\$ 1,000		\$ 485		\$ 515		\$ -		\$ (1,000)		\$ -
<b>AVAILABLE FOR CAPITAL &amp; RESERVES</b>			\$ 626,400	\$ 278,846	\$ 1,286,690	\$ 585,890		\$ 344,055		\$ 281,731		\$ (144,784)		\$ 105,887		\$ 586,890
<b>RESERVE CONTRIBUTIONS</b>																
<b>Unrestricted</b>																
	Water							0		0		0		0		0
	Sewer							0		0		0		0		0
	Solid Waste							0		0		0		0		0
	Community Reserves							0		0		0		105,887		105,887
<b>Total Unrestricted Contributions</b>								\$ -		\$ -		\$ -		\$ 105,887		\$ 105,887
<b>Board Restricted</b>																
	Water Operations Reserve							0		0		0		0		0
	Water Rate Stabilization							0		0		0		0		0
	Water Capital Reserve							344,055		0		0		0		344,055
	Sewer Operations Reserve							0		0		0		0		0
	Sewer Rate Stabilization							0		0		0		0		0
	Sewer Capital Reserve							0		281,731		0		0		281,731
	Solid Waste Operations Reserve							0		0		0		0		0
	Solid Waste Rate Stabilization							0		0		(144,784)		0		(144,784)
	Solid Waste Capital Reserve							0		0		0		0		0
<b>Total Board Restricted Contributions</b>								\$ 344,055		\$ 281,731		\$ (144,784)		\$ -		\$ 481,003
<b>Outside Restricted</b>																
	Water							0		0		0		0		0
	Sewer							0		0		0		0		0
	Solid Waste							0		0		0		0		0
<b>Total Outside Restricted Contributions</b>								\$ -		\$ -		\$ -		\$ -		\$ -
<b>AVAILABLE AFTER RESERVE CONTRIBUTIONS</b>								\$0		\$0		\$0		\$0		\$0

**FY 2024-2025 CAPITAL IMPROVEMENT PROGRAM**

Line	Project No.	Capital Project	Water	Sewer	FYE 2022	FYE 2022 Actual	FYE 2023	FYE2023 Actual	FYE 2024	FYE2024 Actual	FYE 2025	FYE 2026	5-Year Total
1	CI 101	Easement Risk Mitigation Projects	100%		\$75,000	\$76,484	\$535,000	\$514,000	\$90,000	\$90,000	\$0	\$480,000	\$1,160,484
2	CI 102	Wharf Head Removal	100%		\$25,000	\$0	\$10,000	\$0	\$0	\$0	\$0	\$10,000	\$10,000
3	CI 103	PHWA Improvements	100%		\$65,000	\$0	\$117,000	\$0	\$118,000	\$0	\$121,000	\$149,000	\$388,000
4	CI 104	Water Distribution Improvements	100%		\$50,000	\$40,206	\$50,000	\$56,980	\$50,000	\$0	\$50,000	\$50,000	\$247,186
5	CI 105	Valve Replacement	100%		\$180,000	\$172,000	\$150,000	\$187,766	\$50,000	\$0	\$50,000	\$25,000	\$484,766
6	CI 106	Water Supply Upgrades	100%		\$25,000	\$0	\$25,000	\$0	\$0	\$0	\$25,000	\$100,000	\$125,000
7	CI 107	Long Term Water Supply Planning	100%		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
8	CI 108	Fire Flow Improvements	100%		\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$70,000	\$85,000
9	CI 109	Water Emergency Response Plan	100%		\$15,000	\$4,200	\$0	\$0	\$0	\$0	\$0	\$0	\$4,200
10	CI 201	I&I Reduction- Main & Manhole Impr.		100%	\$0	\$0	\$30,000	\$0	\$30,000	\$3,160	\$300,000	\$0	\$330,000
11	CI 202	Sewer Lift Station and PS Rehab		100%	\$120,000	\$65,803	\$120,000	\$109,973	\$50,000	\$0	\$30,000	\$110,000	\$365,776
12	CI 203	Sewer Improvement Projects		100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	CI 204	Pump Station B Replacement		100%	\$50,000	\$50,000	\$0	\$0	\$50,000	\$0	\$0	\$50,000	\$150,000
15	CI 205	Oxnard Wastewater Plant Impr.		100%	\$200,000	\$0	\$300,000	\$0	\$300,000	\$0	\$600,000	\$600,000	\$1,500,000
16	CI 206	CCTV Video Inspection Program		100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$85,000	\$85,000
17	CI 401	Yard and Building Improvements	50%	50%	\$1,450,000	\$85,875	\$1,480,000	\$103,166	\$3,222,327	\$1,665,195	\$1,782,132	\$0	\$3,636,368
18	CI 402	Asset Management Program	50%	50%	\$15,000	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$5,000	\$10,000
19	CI 403	Vehicle Replacement Program	50%	50%	\$0	\$0	\$100,000	\$25,247	\$75,000	\$0	\$80,000	\$75,000	\$180,247
20	MI 401	Water & Sewer Rate Study	50%	50%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$50,000	\$50,000
<b>Water</b>					\$1,167,500	\$338,328	\$1,679,500	\$822,953	\$1,971,664	\$922,598	\$1,177,066	\$949,000	\$4,209,944
<b>Sewer</b>					\$1,102,500	\$161,241	\$1,242,500	\$174,180	\$2,078,664	\$835,758	\$1,861,066	\$910,000	\$3,942,244
<b>Trash</b>					\$150,000	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0
<b>Total</b>					<b>\$2,420,000</b>	<b>\$499,568</b>	<b>\$2,922,000</b>	<b>\$997,132</b>	<b>\$4,200,327</b>	<b>\$1,758,355</b>	<b>\$3,038,132</b>	<b>\$1,859,000</b>	<b>\$8,152,187</b>

**Water Enterprise FYE 2025**

Beginning Capital Reserve Balance	\$2,190,672
Contributions for FYE 2025	\$299,055
Planned Capital Expenditures	-\$1,177,066
Ending Capital Reserve Balance	\$1,312,661

Minimum Capital Reserve Balance \$771,921

**Sewer Enterprise FYE 2025**

Beginning Capital Reserve Balance	\$4,161,717
Contributions for FYE 2025	\$281,731
Planned Capital Expenditures	-\$1,861,066
Ending Capital Reserve Balance	\$2,582,382

Minimum Capital Reserve Balance \$980,037



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, June 11, 2024**

**To:** Board of Directors  
**From:** CJ Dillon, *Office Manager*  
**Subject:** PUBLIC HEARING ON WATER, SEWER, AND REFUSE COLLECTION SERVICES PURSUANT to PROPOSITION 218 (CALIFORNIA CONSTITUTION, ARTICLE XIID). ORDINANCE 98 OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT RATES AND REGULATIONS FOR WATER, SEWER, AND REFUSE COLLECTION SERVICES  
**Item No.** D-2

**RECOMMENDATION:**

- 1) Conduct public hearing, receive staff report, public testimony and close the public hearing
- 2) Perform reading in title only and adoption of Ordinance 98 - effective July 1, 2024.

**FINANCIAL IMPACT:** Financial impacts are available in the August 3<sup>rd</sup>, 2021, Proposition 218 Notice and Ordinance No. 98 proposed to the Board on June 11, 2024.

**BACKGROUND/DISCUSSION:**

**Subject 1:** Reading and Adoption of Ordinance 98: CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT RATES AND REGULATIONS FOR WATER, SEWER, AND REFUSE COLLECTION SERVICES

If approved, the effective date for new rates to be implemented will be July 1, 2024.

**ATTACHMENTS:**

1. Ordinance 98 – District Rates and Regulations

**Draft Ordinance 98**

**CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
RATES AND REGULATIONS  
FOR WATER, SEWER, AND REFUSE COLLECTION SERVICES**

Adopted on June 11, 2024

Effective as of July 1, 2024

**Article I. Definitions**

Section 1.0 Unless the provision or context otherwise requires, the following definitions shall govern the construction of the District's Rate and Regulations:

- ( ) "Accessory Dwelling Unit" or "ADU" shall mean an attached or a detached residential dwelling unit that provides complete independent living facilities for one or more persons and is located on a lot with a proposed or existing primary residence. An accessory dwelling unit shall include permanent provisions for living, sleeping, eating, cooking, and sanitation on the same parcel as the single-family or multifamily dwelling is or will be situated.
- (a) "Billing Period" shall mean the following:
  - ( ) The period during which service is provided and for which the customer is billed.
  - (i) For water service, billing period means the period of time between meter readings for which a customer is billed.
  - (ii) All billing periods occur 12 times per calendar year and frequency of bills shall be one month (monthly).
- (b) "Board of Directors" shall mean the elected Board of Directors which is the governing body of the Channel Islands Beach Community Services District.
- (c) "Charge" or "Rate" shall mean the amount of money to be paid by the person liable to the District for water service, sewer service, or refuse collection service.
- (d) "Construction Site" shall mean real property undergoing construction or substantial repairs and/or reconstruction.
- (e) "Commercial Property" shall mean a site, building, or real property used for the exchange or buying and selling of material goods or services, including, but not limited to, offices, restaurants, and hotels or motels.
- (f) "Customer" or "Consumer" or "Constituent" means any person liable for a water service and/or sewer service connection and/or refuse collection services.
- (g) "Date of Demolition" or "Demolition" shall mean the sign-off date of an approved demolition permit from the County of Ventura.

- (h) “District” shall mean the Channel Islands Beach Community Services District and all territory now or hereafter included within the boundaries of the District.
- (i) “Employee” shall mean all persons engaged in the operation or conduct of any water, wastewater, garbage, trash or refuse contractor business
- (j) “Equivalent Residential Unit” or “ERU” shall mean:
  - ( ) One (1) freestanding single-family residence; or
  - (i) Any dwelling unit, attached or detached, designed to be an independent dwelling unit; or
  - (ii) Any independent dwelling unit that is part of an apartment complex, condominium development, mobile home, or duplex.
- (k) “Fire Line” shall include a fire sprinkler system and/or a UL fire water meter and manifold installed in a residential dwelling unit.
- (l) “General Manager” or “Manager” shall mean the General Manager of the Channel Islands Beach Community Services District or his/her assigned designee(s). The General Manager shall be appointed by the Board and shall be responsible for the daily oversight and management of operations performed by the District.
- (m) “Governmental Property” or “Public Entity Property” shall mean any site, structure, building, real property, or works which is owned or occupied by a public entity, including, but not limited to:
  - ( ) Property owned and/or occupied by the Hueneme School District; and
  - (i) Property owned and/or occupied by the County of Ventura.
- (n) “HCF” shall mean Hundred Cubic Feet of water. HCF is a standard unit of measurement for water consumption. One (1) HCF equals 748 gallons of water.
- (o) “Industrial Property” shall mean any site, structure, building, real property, or works which is, or which is designed to be, used for the manufacture, processing, or distribution of material, equipment, supplies, food, or commodities of any description or which used or designed to be used as a sanitarium, hospital, penal institution or charitable institution; together with all appurtenances thereto and the surrounding premises under the same ownership or control.
- (p) “Multi-Unit Residential Property” shall mean a residential property containing three (3) or more residential dwelling units including, but not limited to, a triplex with three (3) dwelling units, and an apartment complex or other multi-tenant building containing four (4) or more dwelling units
- (q) “Nuisance” shall mean anything which is injurious to health, including, but not limited to, anything that is indecent or offensive to the senses, an obstruction to the free use of property, so as to interfere with the comfortable enjoyment of life or property, or unlawfully obstructs the free passage or use, in the customary manner, of any public park, sidewalk, street, or highway.



- (r) “Occupant” shall mean every resident or possessor of improved real property within the District, including, but not limited to, residential property, commercial property, industrial property, and/or governmental property.
- (s) “Owner” shall mean the person holding title to real property within the District.
- (t) “Person” means an individual, firm, company, partnership, corporation, society, entity, municipality, quasi-municipality, or any commercial association or venture, however defined.
- (u) “Real Property,” “Property” or “Properties” shall mean all real property in the District, residential, commercial, governmental, and/or industrial, vacant or otherwise.
- (v) “Refuse Collection” shall mean the collection, disposal, and transport of solid waste and recyclable materials from properties within the District by the District or the District’s contractor.
- (w) “Residential Dwelling Unit” or “Dwelling Unit” shall mean an independent residential living space, with kitchen facilities, designed for use by one (1) or more persons. For purposes of this definition, a residential dwelling unit includes, without limitation, a single-family dwelling, one-half (1/2) of a duplex, and an apartment within a multi-unit residential building.
- (x) “Residential Property” shall mean any site, structure, building, or real property used for residential purposes and containing at least one (1) dwelling unit.
- (y) “Service” shall mean the furnishing of water, sewer, and/or refuse collection by the District.
- (z) “Single-Unit Residential Property” shall mean a residential property containing no more than one (1) dwelling unit and one (1) ADU, includes duplexes.
- (aa) “Street” shall mean any public or private street or right of way.

**Article II. General Provisions**

Section 2.0 *Title.* This document shall be known as the “Rate and Regulations for District Services” of the Channel Islands Beach Community Services District.

Section 2.1 *Applicability.* Except as otherwise provided herein, these rates and regulations apply to all properties, and the owners and/or occupants of such properties, within the District’s service area that receive any of services the District is authorized to provide pursuant to Government Code Section 61100. Unless otherwise approved by the Board of Directors, all services shall be made in accordance with these rates and regulations.

Section 2.2 *Eligibility for District Services.*

- ( ) All real property within the District shall be eligible to receive water, sewage, and refuse collection services by the District or the District’s Contractor on the condition that the real property is on the current property tax roll for the County of Ventura.

- (a) Provision of services may be subject to proof of legal occupancy and compliance with all terms and conditions of this Article, including timely payment of all service rates and charges.

Section 2.3 *Amendments.* Notwithstanding applicable provisions of state law, these rates and regulations may be amended by resolution or ordinance at any regular or special meeting of the Board of Directors.

Section 2.4 *Rate Setting.* Pursuant to Government Code Section 61115, the Board of Directors may, by resolution or ordinance, establish rates and other charges to cover the cost of providing any of the services the District is authorized to provide.

Section 2.5 *Billing.*

- ( ) The District shall levy and collect the service rates and charges for all properties within the District receiving water service, sewer service, and refuse collection service from the District or the District's Contractor. All charges shall be billed by the District. The District requires all properties within the District's service area desiring any one of the above services to obtain all three services with service connection to the District's water mains and pay all fixed charges for each service.
- (a) To the extent practicable, all such charges for District services shall be billed by the District in conjunction with its billings for all water, sewer, and refuse collection services.
- (b) Charges for a portion of a month shall be appropriately prorated.
- (c) The owner or occupant of the property receiving service shall make payment of the amount owed within twenty-one (21) days of the District's mailing of the billing statement.
- (d) *Late Fee.* In the event of past due payment of a billing statement, an owner or occupant shall be assessed a late fee of (10%) in accordance with the procedures established by the Board of Directors.
- (e) *Nonpayment.* Except as provided in Article III of these Rates and Regulations, in the event of nonpayment of a billing statement for service, the District may initiate proceedings to discontinue refuse service to the affected property or exercise any remedies available to the District pursuant to Government Code Section 61115.
- (f) *Returned Checks.*
  - ( ) Upon receipt of a returned check taken as payment on a delinquent account, the District may deem the account unpaid and the account will remain delinquent. The District shall make a reasonable, good-faith effort to notify the customer by phone or email of the returned check.
  - (i) If the account is more than 60 days delinquent at the time the District received a returned check, a Door Hanger Notice for discontinuation of service shall be placed at the service address notifying the customer that service will be discontinued in seven (7) business days.

- (ii) Services may be disconnected if the amount of the returned check and the returned check charge are not paid on or before the date specified in the Door Hanger Notice.
- (g) *Multiple Returned Checks.* After three returned checks on a single customer account, all amounts paid must be in money orders, cashier's check, or cash.

Section 2.6 *Disputes and Appeals.* If a customer wishes to dispute a charge on a bill, the customer has the right to appeal as follows:

- ( ) *Appeal to Office Manager.* The appeal must be in writing, legible, and received by the Office Manager within 15 calendar days of the date the bill the customer seeks to appeal was issued to the customer. The appeal shall include:
  - ( ) The basis for the appeal; and
  - (i) Evidence supporting the basis for the appeal; and
  - (ii) A suggestion for the resolution of the dispute, if any.
- (a) Upon receipt, the Office Manager shall notify the customer of confirmation of receipt of the appeal and, within fifteen (15) calendar days the Office Manager shall provide the customer an independent determination of the disputed bill, provided to the customer in writing.
- (b) *Appeal of Office Manager's Determination.* The Office Manager's determination may be appealed to the General Manager within fifteen (15) calendar days of the mailing date of the Office Manager's determination. The appeal of the Office Manager's determination shall be heard and considered by the General Manager within 30 calendar days from the General Manager's receipt of an appeal, but no public hearing is required. The General Manager shall provide the applicant notice of the time and place for the appeal hearing. The General Manager may, in his or her discretion, affirm, reverse, or modify the determination accordingly. The General Manager's decision shall be final.
- (c) *Pending Appeals.* The District may not disconnect a customer's residential water service while the customer has an appeal pending.

Section 2.7 *Severability.* In the event any section, clause, or portion of these rates and regulations is found to be invalid, the validity of the remaining sections of the rates and regulations shall not be affected.

Section 2.8 *Liability.* Nothing contained herein shall be deemed to constitute the assumption of any duty by the District not otherwise required of it by law.

Section 11.10 *Owner's Responsibility.* Ordinance 81, adopted July 12, 2011, remains in effect and all of its terms are incorporated herein by this reference. In Particular, Item 5.1 of Ordinance 81 provides that, pursuant to Government Code Section 61115, the Property Owner shall be responsible for the payment of all District service charges related to the subject property. A Property Owner's responsibility for District service charges is not relieved by either the fact that the charges were incurred and paid by a person of entity other than the Property Owner, or the fact that the services were instituted in the name of a person or entity other than the Property Owner.

**Article III. Water Service Fees and Charges**

Section 3.0 *Definitions.* For purposes of this Article, the following definitions shall apply:

- ( ) “Commercial” shall include the following:
  - ( ) any use that is not solely comprised of residential dwelling units including those where dwelling units and commercial uses are serviced by a single (1) metered water connection; and
  - (i) hotels or motels.
- (a) “Harbor Customers” shall mean those customers who are served water through a connection subject to the terms of the 1996 Water Service Agreement between the County of Ventura and the District. This includes those areas within the lands and water ways owned and operated by the Channel Islands Harbor Department.
- (b) “Industrial” shall include any use that is not solely comprised of residential dwelling units including those where dwelling units and industrial uses are serviced by a single (1) metered water connection.
- (c) “Multi-Family Residential” shall include the following:
  - ( ) Single-family residences with two (1) and (1) ADUs;
  - (i) Residential multiplexes with three (3) or more dwelling units serviced through a single (1) metered water connection; and
  - (ii) “Multi-Family Residential” shall not include any connection that services both a dwelling unit and another non-residential use simultaneously.
- (d) “Non-Harbor Customers” shall mean those customers who are served water through a connection *not* subject to the terms of the 1996 Water Service Agreement between the County of Ventura and the District. This includes the residential subdivisions commonly referred to as Hollywood Beach, Hollywood by the Sea, and Silver Stand.
- (e) “Single-Family Residential” shall include the following:
  - ( ) Single-family residences;
  - (i) Single-family residences with one (1) ADU; and
  - (ii) Residential duplexes serviced through a single (1) metered water connection
- (f) “Water System” shall mean the District infrastructure, facilities, and water rights that provide water service, including without limitation water treatment facilities, transmission lines, storage tanks, pumping stations, and production wells.

Section 3.1 *Intent.* Pursuant to the statutory authority provided in Government Code Sections 61060 and 61100(a), it is the declared intent of the District to provide water service to its constituents for any beneficial use.

Section 3.2 *Base Charges.*

- ( ) A fixed monthly service charge for water service is based upon the size and location of the water meter and are as follows for all water meters within the District's service area that are connected to the District's water system:
  - ( ) For Non-Harbor Customers
    - 0) ¾" meter: \$43.22/month
    - 1) 1" meter: \$68.62/month
    - 2) 1 ½" meter: \$132.12/month
    - 3) 2" meter: \$208.32/month
    - 4) 3" meter: \$449.63/month
    - 5) 4" meter: \$805.24/month
  - (i) For Harbor Customers
    - 0) ¾" meter: \$45.39/month
    - 1) 1" meter: \$72.25/month
    - 2) 1 ½" meter: \$139.39/month
    - 3) 2" meter: \$219.96/month
    - 4) 3" meter: \$475.10/month
    - 5) 4" meter: \$851.09/month
- (a) All customers with a water meter connected to the District's water system shall be liable for the applicable fixed monthly service charge as long as water service is immediately available to the customer.

Section 3.3 *Non-Harbor Residential Tiered Usage Rates.*

- ( ) In addition to the fixed monthly base charge, the following tiered usage rates apply to the water delivered through the District's water system to Non-Harbor Residential customers.:
  - ( ) For Non-Harbor, Single-Family Residential Customers
    - 0) Tier 1: \$4.99/HCF for 0-5 HCF
    - 1) Tier 2: \$6.19/HCF for 6-8 HCF
    - 2) Tier 3: \$7.96/HCF for each HCF beyond 8 HCF
  - (i) For Non-Harbor, Multi-Family Residential Customers
    - 0) Tier 1: \$4.99/HCF for 0-4 HCF
    - 1) Tier 2: \$6.19/HCF for 5-6 HCF
    - 2) Tier 3: \$7.96/HCF for each HCF beyond 6 HCF
- (a) HCF for tiered rates shall be based on the meter reading for the connection as recorded at the end of each billing period

Section 3.4 *Metered Rates.* In addition to the fixed monthly service charge, all Harbor Residential, Commercial, Governmental, and Industrial properties within the District with a water meter connected to the District's water system shall be subject to the following variable rates:

- ( ) Non-Harbor: \$5.37/HCF
- (a) Harbor: \$5.58/HCF

Section 3.5 *Construction Sites.*

- ( ) In addition to the fixed monthly service charge, all Construction Sites with a water meter connected to the District's water system shall be subject to the metered variable rates in Section 3.5 of this Article.
- (a) Notwithstanding the variable rates in paragraph (a), if a Construction Site requires a Fire Hydrant and a Fire Hydrant Meter, a Fire Hydrant Construction Meter deposit charge of \$1,000.00 shall apply. In addition, during the term of the hydrant meter rental, a fixed monthly service charge of \$50.00 per month and the commercial usage charges shall apply.

Section 3.6 *Connection Charges.*

- ( ) *Capacity Connection Charge.* Except for connection charges subject to the 1996 Water Service Agreement, any new development within the District's service area requiring a metered service connection to the District's water system shall be subject to a capacity-based connection fee as follows:

- ( ) ¾" connection: \$6,064.00 (based on equivalency factor:1)
- (i) 1" connection: \$12,128.00 (based on equivalency factor: 2),
- (ii) 1 ½" connection: \$24,252.00 (based on equivalency factor: 4)
- (iii) 2" connection: \$43,909.00 (based on equivalency factor:7)
- (iv) 3" connection: \$90,946.00 (based on equivalency factor:15)
- (v) 4" connection: \$181,893.00 (based on equivalency factor: 30)
- (vi) 6" connection: \$363,786.00 (based on equivalency factor: 60)

- (a) *Connection Charge for Delayed Construction on Vacant Parcels.*

- ( ) If a capacity connection charge has been paid for a vacant and unconnected parcel within the District within five (5) years of the date a request for a connection is received, the connection shall not be subject to an applicable connection charge.
- (i) If a capacity connection charge has been paid for a vacant and unconnected parcel within the District more than five (5) but less than ten (10) years of the date a request for a connection is received, the connection shall be subject to payment of fifty percent (50%) of the applicable connection charge.
- (ii) If a capacity connection charge has been paid for a vacant and unconnected parcel within the District over ten (10) years of the date a request for a connection is received, the connection shall be subject to full payment of the applicable connection charge.

- (b) *Connection Charge for Demolished and Replaced Structures.*

- ( ) Any structure within the District that is constructed to replace a demolished structure shall not be subject to the applicable connection charge if:
  - 0) The demolished structure was properly connected to the District's water service system as evidenced by past payment of an applicable connection charge; and

- 1) The replacement structure is constructed within five (5) years from the date of demolition.
- 2) The property owners bear the burden of proof.
  - (i) If a replacement structure is constructed more than (5) years but less than ten (10) years after the date of demolition, the connection shall be subject to payment of fifty percent (50%) of the applicable connection charge.
  - (ii) If a replacement structure is constructed more than ten (10) years after the date of demolition, the connection shall be subject to full payment of the applicable connection charge.
- (c) *Incremental Connection Charges.* Notwithstanding any other part of this Article, if any replacement structure requires a larger sized water meter, the property owner shall pay the difference between the applicable connection charges.
- (d) *Connection Charges for ADUs.*
  - ( ) Pursuant to Government Code Section 65852.2(f)(4), the District shall not assess a connection charge for water service to an ADU that meets the description of Government Code Section 65852.2(e)(1)(A).
  - (i) The District may assess connection charges for all ADUs that do not meet the description of Government Code Section 65852.2(e)(1)(A).
- (e) *Will Serve Letters.* A “Water Will Serve Letter” or “Water Availability Letter” shall be issued for sewer service upon request, but all applicable connection charges shall be paid in full before the construction and installation of a District water meter.

Section 3.7 *Relocation or Abandonment of Metered Service.*

- ( ) Charges for all meter relocation services shall be billed at the District’s actual cost to remove and relocate the meter, including, but not limited the costs of ordering, shipping, and handling all materials, all other costs incurred related to and/or in connection with the removal and relocation of the meter, plus an additional 15% administration fee.
- (a) The General Manager shall provide a cost estimate for relocation or abandonment upon request of a District customer.

Section 3.8 *Fire Lines*

- ( ) *Fire Line Service Charge.* In addition to fixed monthly service charge, there shall be a fixed monthly service charge for fire line protection services for fire lines connected to the District’s water system. The fixed monthly service charge for fire lines are based on the size of the connection:
  - ( ) ¾” connection: \$6.69/month
  - (i) 1” connection: \$10.10/month

- (a) *Dedicated Fire Protection Line.* If the connection to the District’s water system is dedicated solely for fire protection, the fixed monthly rate for the fire line shall be based on the diameter of the connection as follows:
  - ( ) 1” connection: \$6.30/month
  - (i) 2” connection: \$12.48/month
  - (ii) 3” connection: \$26.53/month
  - (iii) 4” connection: \$50.75/month
  - (iv) 6” connection: \$137.68/month
  - (v) 8” connection: \$287.63/month
- (b) *Capacity Connection Charge for Dedicated Fire Protection Lines.* Any new development within the District’s service area requiring a metered service connection to the District’s water system for a connection dedicated solely to fire protection shall be subject to a capacity-based connection fee as follows:
  - ( ) ¾” connection: \$800.00
  - (i) 1” connection: \$1,212.00
  - (ii) 2” connection: \$1,842.00
  - (iii) 3” connection: \$2,818.00
  - (iv) 4” connection: \$3860.00
  - (v) 6” connection: \$5,712.00
- (c) *Cost of Installation for Dedicated Fire Protection Line.* In addition to the connection fee described in paragraph (c), applicants seeking to install a connection for a dedicated fire protection line shall be billed at the District’s actual cost to install the connection, including, but not limited to, the costs of ordering, shipping, and handling all materials, and all other costs incurred related to and/or in connection to the installation of the meter, plus an additional 15% administration fee. The General Manager shall provide a cost estimate for the installation upon request.
- (d) *Ventura County Fire Protection District Ordinance 31.* Ordinance 31 requires new and/or remodeled homes to install fire sprinklers under certain specified conditions. All water service modifications required for fire sprinkler installations required under Ordinance 31 shall be billed at the District’s actual cost to modify the connection, including, but not limited to, the costs of ordering, shipping, and handling all materials, and all other costs incurred related to and/or in connection to the modification, plus an additional 15% administration fee. The General Manager shall provide a cost estimate for the installation upon request.
- (e) *Discontinuation of Service for Non-Compliant Backflow Devices.* In the event a Customer has received three (3) prior written notices for failing to comply with the testing of the Customer’s backflow device, the District may deliver a disconnection written notice to the Customer which provides that the District will discontinue water service if the testing compliance is not fulfilled within ten (10) days. If the Customer fails to comply with the testing of the backflow



device during such ten (10) day period, the District may disconnect water service by turning off, and in some cases locking off, the meter.

Section 3.9 *Delinquent Accounts.*

- ( ) Delinquent accounts are hereafter identified as any account that remains unpaid (and without having made payment arrangements or established an alternative payment schedule) by close of business 21 days after issuance of the water bill. The following rules apply to the collection of delinquent accounts.
- ( ) *Small Balance Accounts.* Any balance on a bill of \$15 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action. Failure to pay an amount of \$15 or less will not render an account “delinquent.”
- (i) *Late Fees.* If payment for a bill of more than \$15 is not received by close of business on the 21st day after the bill is issued, a late fee of 10% of the amount past due will be assessed onto the customer’s account. The due date and late fee will be displayed prominently on the customer’s subsequent service bill and appear on the Late Notice.
- (ii) *Waiver of Late Fees.* At the request of the customer, the District may waive a late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding 12 months. The District shall only waive one late fee in a 12-month period.
- (a) *Notice for Delinquent Accounts.*
  - ( ) *Late Notice for Delinquent Accounts.* The District shall provide the customer a “Late Notice” informing the customer that the account remains past due and is now deemed delinquent. The Late Notice shall also inform the customer that termination of service will be forthcoming if the bill remains delinquent for more than 60 days. A Late Notice shall be sent as soon as the customer’s account is deemed delinquent. The Late Notice shall include all the following:
    - 0) Customer’s name and address;
    - 1) Amount that is past due;
    - 2) Date by which payment arrangements are required to avoid discontinuation of service;
    - 3) Description of the process to apply for an amortization plan;
    - 4) Description of the process to dispute or appeal the bill and past due amount; and
    - 5) The District’s phone number and a web link to the District’s discontinuation of residential service policy.
  - (i) *When Service Address is Different than Customer’s Billing Address.* If the customer’s billing address for residential service is different than the service address, the District shall also send a Late Notice to the service address, addressed to “Occupant” or name of the occupants if known to the District.

- (ii) *When a Late Notice is Returned to District.* The District assumes no responsibility for phone or email contact information that has not been kept up to date by the customer. If the written notice is returned through mail, the District will make a reasonable, good faith effort to notify the customer by placing the Late Notice in a conspicuous place on the residential property.
- (iii) *Residential Service for Tenants with Delinquent Landlords.*
  - 0) For purposes of this subparagraph “residential service” includes water service to all single-family residential properties and multi-family residential properties in the District’s service area.
  - 1) If the “Occupant” of the service address is a tenant, and the customer of record is the tenant’s landlord, the tenant may opt to become the customer of record to whom service will then be billed. However, the tenant may only become the customer of record if the landlord’s account for the service address has been deemed delinquent.
  - 2) The tenant must agree to the terms and conditions of service and meet the requirements of service. The District may request proof of prompt payment of rent or other credit obligation that the District deems acceptable.
  - 3) If the tenant becomes the customer of record, the tenant is not required to pay any amount which may be due on the landlord’s account for the service address. However, the landlord is still liable for their past due amount and will be required to pay the amount past due in order to remain in good standing with the District.
- (b) *Alternative Payment Arrangements for Delinquent Accounts.* Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The District may consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.
- (c) *Amortization Plan.* Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer’s regular bill. The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan.
- (i) *Alternative Payments When Discontinuation Poses Serious Health & Safety Risk.* Residential service shall not be discontinued, and the customer shall be offered an alternative payment arrangement if one the following conditions (1,2, and 3) are met:

- 0) The customer provides certification by a Primary Care Provider (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination will be life-threatening or pose a serious threat to the health and safety of any resident of the premises where water is provided will obligate the District to enter an amortized repayment plan.;
- 1) The customer demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle. The customer is deemed financially unable to pay for service if:
  - ) Any member of the customer’s household is a recipient of:
    - ) CalWORKs;
    - i) Cal Fresh;
    - ii) General Assistance;
    - iii) Medi-Cal;
    - iv) Supplemental Security Income/State Supplementary Payment Program; or
    - v) California Special Supplemental Nutrition Program for Woman, Infants, and Children. Or,
  - a) The customer declares that the household annual income is less than 200 percent of the federal poverty level.
- 2) The customer is willing to enter into an amortization agreement, the alternative payment schedule, or a plan for a deferred or reduced payment.

(ii) *Default on Alternative Payment Arrangements.*

- 0) Failure to comply with the terms of an alternative payment or amortization plan within a billing cycle shall deem the account delinquent and result in the issuance of a Late Notice, pursuant to Section 3.11(b)(1).
- 1) Failure to comply with the terms of an alternative payment or amortization plan for more than 60 days may result in the issuance of a Door Hanger Notice, pursuant to Section 3.12.

Section 3.10 *Discontinuation of Service for Nonpayment.*

- ( ) *Written Notice of Discontinuation of Service.* The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for more than 60 days. The District shall contact the customer in writing, in the form of a door hanger tag (“Door Hanger Notice”) at least seven (7) business days before the discontinuation of water service for non-payment.
- (a) *Door Hanger Notice Fee.* When a Door Hanger Notice is delivered, an additional \$15.00 fee is applied to the customer’s account balance. All

applicable fees must be paid in order to avoid service disconnection and/or restore those services in the event they are disconnected.

- (b) *Disconnection Deadline.* All delinquent water service charges and associated fees must be received by the District by 4:30 p.m. on the day specified in the Late Notice, pursuant to Section 3.11(b)(1).
- (c) The District may disconnect water service by turning off, and in some cases locking off, the meter. Before service is disconnected, the customer shall be notified by a Door Hanger Notice at least 7 business days prior to termination of service, as provided in paragraph (a) of this section.
- (d) *Re-Establishment Notice.* At the time service is discontinued and terminated to the customer, the District shall place a “Reestablishment Notice” in a conspicuous place at the service address. The Reestablishment Notice shall provide the customer information on how to restore residential service.
- (e) *Reporting of Discontinuations of Residential Service.* The District shall report the number of annual discontinuations of residential service for inability to pay on the District’s website, pursuant to Health & Safety Code Section 116918.
- (f) *Flow Restrictor.* If a customer has been delinquent for more than sixty (60) days, the District may elect at its option, to install a flow restrictor at the District meter restricting the flow of water to the delinquent customer. The installation of flow restrictor shall not restrict the ability of the District to proceed with the discontinuation of service provide the requirements for discontinuation set forth in this Ordinance have been satisfied. If a flow restrictor is installed, the District shall endeavor to remove it as soon as practicable following payment of any past due amount.

Section 3.11 *Reestablishment of Water Service.*

- ( ) In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The District shall endeavor to reconnect service as soon as practicable but, at a minimum, shall restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.
- (a) *Re-establishment of Service During Business Hours.* If District water service has been disconnected, an additional re-establishment fee of \$50.00 and all outstanding balances shall be paid prior to service being restored.
- (b) *Re-establishment of Service After Business Hours.* Service restored after 5:00 p.m. Monday through Friday, weekends, or holidays shall be charged an after-hours re-establishment fee. Service may not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee and has signed an agreement acknowledging the fee and

agreeing to contact the District office no later than noon the following business day to pay the subject fee. If the customer requests re-establishment of water service outside of regular business hours, the fee to restore service shall be \$125.00, instead of the \$50.00 fee listed above, plus all other outstanding balances on the account.

**Article IV. Sewer Service Fees and Charges**

Section 4.0 *Definitions.* For purposes of this Article, the following definitions shall apply:

- ( ) “District Wastewater Collection System” shall mean the District’s sewer facilities, including, but not limited to, sewer mains, treatment plants, interceptors, lift stations, outfalls, and other sewer facilities, owned and/or controlled by the District.
- (a) “Single-Family Residential” shall mean one (1) Single-Family residence with one (1) ADU.
- (b) “Multi-Family Residential” shall mean any residential structure comprised of more than one (1) dwelling unit, including single-family residences *with more than (1) ADU, (3) or more units.*
- (c) “Sewer Service Only” shall mean those facilities known as the “Hollywood Beach Mobile Home Park” and the “Harbor Walk Condominiums.”
- (d) “Commercial I – Low” shall mean any premises used for general office functions, retail, and./or enterprise where it can be reasonably expected that the strength of sewerage generated and discharged will be generally low in TSS and BOD.
- (e) “Commercial III – High” shall mean any premises used for the purpose of food production, restaurant service, and/or where the sewerage generated and discharged can be reasonably expected to produce high volumes of flow, high TSS and high BOD.
- (f) “School” shall mean any premises owned and operated by the Port Hueneme School District.
- (g) “Return to Sewer” or “RTS” shall mean the amount of wastewater that flows through the District Wastewater Collection System. Because of technical limitations on accurately measuring the flows of sewage from individual connections, RTS is calculated based on industry-standard ratios that are a function of type of use and amount of water delivered. The RTS factor for Single-Family Residential and Multi-Family Residential is based on annualized FY 2015 winter usage.
- (h) “Lateral” shall mean those portions of sewer line necessary to connect any property to the District Wastewater Collection System including those portions in the public right of way up to and including the “Wye” connection to the District sewer main and those sections extending onto private property.

Section 4.1 *Intent.* Pursuant to the statutory authority provided in Government Code Sections 61060 and 61100(b), it is the declared intent of the District to provide its

constituents sewage and wastewater service, including the collection, treatment, and disposal of sewage and wastewater, for the welfare and public health and safety of the community, to prevent the introduction of pollutants not customarily found or that are incompatible with the District's Waste Water Collection System, to protect District personnel who may be affected by wastewater and sludge in the course of their employment, and enable sufficient control authority to the District in order to comply with local, state, and federal wastewater regulation.

Section 4.2 *Base Charges.*

- ( ) A fixed monthly service charge for sewer service is based upon the type of connection and are as follows for all properties within the District's service area that are connected to the District's Wastewater Collection System:
  - ( ) Single-Family Residential: \$30.74 per month per connection
  - (i) Multi-Family Residential: \$24.59 per month per connection
  - (ii) Sewer Service Only: \$24.59 per month per connection
  - (iii) School: \$215.18 per month per connection
  - (iv) Commercial I – Low: \$28.90 per month per connection
  - (v) Commercial II – High: \$87.29 per month per connection
  - (a) All customers with an active sewer service connection to the District's Wastewater Collection System shall be liable for the applicable fixed monthly service charge as long as sewer service is immediately available to the customer.

Section 4.3 *Variable Rates.* In addition to the fixed monthly base charge, the following variable rates are based on metered water consumption and listed RTS and apply for sewer service to all properties within the District's service area that are connected to the District's Wastewater Collection System as follows:

- ( ) Single-Family Residential: \$7.44 per HCF per month for each metered connection calculated at 93% RTS
- (a) Multi-Family Residential: \$7.44 per HCF per month for each metered connection calculated at 94% RTS
- (b) Sewer Service: \$7.44 per HCF per month for each metered connection calculated at 94% RTS
- (c) School: \$7.06 per HCF per month for each metered connection calculated at 100% RTS
- (d) Commercial I – Low: \$7.17 per HCF per month for each metered connection calculated at 100% RTS
- (e) Commercial III – High: \$8.95 per HCF per month for each metered connection calculated at 100% RTS

Section 4.4 *Sewer Connection Charges.*

- ( ) Each residential/commercial unit served by a 4-inch (4") or smaller lateral connected directly to the District Wastewater Collection System shall be assessed a Sewer Connection fee of \$8,656.00.

- (a) It is the sole responsibility of the parcel owner to install and maintain the sewer lateral connecting the subject property to the District Wastewater Collection System.
- (b) *Connection Charge for Delayed Construction on Vacant Parcels.*
  - (i) If a sewer connection charge has been paid for a vacant and unconnected parcel within the District within five (5) years of the date a request for a connection is received, the connection shall not be subject to an applicable sewer connection charge.
  - (ii) If a sewer connection charge has been paid for a vacant and unconnected parcel within the District more than five (5) but less than ten (10) years of the date a request for a connection is received, the connection shall be subject to payment of fifty percent (50%) of the applicable sewer connection charge.
  - (iii) If a sewer connection charge has been paid for a vacant and unconnected parcel within the District over ten (10) years of the date a request for a connection is received, the connection shall be subject to full payment of the applicable sewer connection charge.
- (c) *Connection Charges for Demolished and Replaced Structures.*
  - (i) Any structure within the District that is constructed to replace a demolished structure shall not be subject to the applicable sewer connection charge if:
    - 0) The demolished structure was properly connected to the District's water service system as evidenced by past payment of an applicable connection charge; and
    - 1) The replacement structure is constructed within five (5) years from the date of demolition.
    - 2) The property owners bear the burden of proof.
  - (ii) If a replacement structure is constructed more than (5) years but less than ten (10) years after the date of demolition, the connection shall be subject to payment of fifty percent (50%) of the applicable connection charge.
  - (iii) If a replacement structure is constructed more than ten (10) years after the date of demolition, the connection shall be subject to full payment of the applicable connection charge.
- (d) *Incremental Sewer Connection Charge.* Notwithstanding any other part of this Article, if any replacement structure requires a larger sized water meter or sewer connection, the property owner shall pay the difference between the applicable connection charges. Water service charges, including water connection charges and meter modifications are provided in Article 3.
- (e) *Connection Charges for ADUs.*
  - (i) Pursuant to Government Code Section 65852.2(f)(4), the District shall not assess a connection charge to connect an ADU that meets the description of

Government Code Section 65852.2(e)(1)(A) to the District's Wastewater Collection System.

- (i) The District may assess connection charges to connect an ADU that does not meet the description of Government Code Section 65852.2(e)(1)(A) to the District's Wastewater Collection System.
- (f) *Will Serve Letters.* A "Sewer Will Serve Letter" or "Sewer Availability Letter" shall be issued for sewer service upon request, but all applicable connection charges shall be paid in full before the construction and installation of a District water meter or lateral connection to the District's Waste Water Collection System.

Section 4.5 *Camera Sewer Lateral.*

- ( ) In the event that a parcel owner seeks a reconnection to the District Wastewater Collection System, the parcel owner shall arrange and pay for a video inspection of the sewer lateral.
- (a) The video inspection shall occur with an authorized agent of the District or a copy of the video inspection shall be provided to the District in DVD or other digital video format.
- (b) Upon review of the video inspection, the District may require the repair or replacement of any portion of the lateral shown to have the potential for excessive velocities, failures, infiltration of water, roots, soil, or the introduction of anything other than waste water into the District Waste Water Collection System.

Section 4.6 *Adoption of Certain Articles and Chapters of the City of Port Hueneme Municipal Code.*

- ( ) Pursuant to Government Code Section 61060, except those portions excluded under paragraph (b), the Board of Directors adopt by reference and make apart of these Rules and Regulations Article VII, Chapter 2 of the City of Port Hueneme Municipal Code provided that:
  - ( ) References to administrative authorities therein be construed, whenever applicable based on the context, to refer to the District;
  - (i) Reference to authorities therein designated to the Public Works Director be construed, whenever applicable based on the context, to refer to the General Manager;
- (a) The following portions of Article VII, Chapter 2 of the City of Port Hueneme Municipal Code are specifically not part of the referenced adoption in paragraph (a), and shall not be deemed adopted by the District:
  - ( ) Paragraph (2) of Section 7152G;
  - (i) Paragraphs (2) & (3) of Section 7152H;
  - (ii) Section 7154D;
  - (iii) Section 7155;



- (iv) Sections 7156A – 7156L in their entirety;
- (v) Sections 7157B & 7157C;
- (vi) Section 7159; and
- (vii) Section 7160.

**Article V. Refuse Collection Services**

Section 5.0 *Definitions.* For purposes of this Article, the following definitions shall apply:

- ( ) “Contractor” shall mean any person with whom the District may have a contract pursuant to Article VI for the collection and disposal of waste from any property within the District.
- (a) “Green Waste” shall mean tree trimmings, grass cuttings, dead plants, leaves, branches and dead trees, any type of non-chemically treated wood or lumber and similar materials.
- (b) “Independent Contractor” shall mean a person other than a “Contractor,” as herein defined, with whom an owner or occupant has a collection contract.
- (c) “Receptacle” shall mean a metal or plastic container for refuse, of substantial construction, with a tight-fitting lid, and provided with wheels or handles sufficient for safe and convenient handling for collection at curbside.
- (d) “Recyclable Materials” shall mean those materials designated by the District or the District’s refuse collection and disposal service Contractor which will be processed for marketing.
- (e) “Refuse Collection Service” shall mean the collection, transportation, and disposal, and all services ancillary to such collection, transportation, and disposal, of solid waste and recyclable materials by the District or the District’s Contractor within the District’s service area.
- (f) “Solid Waste” shall mean all putrescible and non-putrescible solids, semi-solids and liquid waste accumulated or delivered for collection and disposal within the District and includes, but are not limited to, construction, demolition, debris, and bulky waste.
- ( ) “Solid Waste” does not include:
  - 0) Hazardous waste regulated under Health & Safety Code § 25100 et seq. and Chapter 10 of Title 22 of the California Code of Regulations; and
  - 1) Low level radioactive waste regulated under Health & Safety Code § 114960 et seq. and Subchapter 4, Chapter 4, of Title 17 of the California Code of Regulations; and
  - 2) Medical waste regulated under the Medical Waste Management Act, Health & Safety Code § 117600 et seq., provided that the medical waste, whether treated or untreated, is not disposed at a solid waste

facility. Medical waste which has been treated and which is deemed to be solid waste shall be regulated pursuant to this Article; and

3) Recyclable materials.

- (g) “Prohibited Materials” shall mean all the following:
  - ( ) Bricks, stones, concrete, cement, plaster, asphalt and other debris incident to construction or demolition;
  - (i) Hot ashes;
  - (ii) Earth, sod, and sand other than minimal amounts accumulated in ordinary cleaning;
  - (iii) Any toxic or hazardous materials, chemicals, or waste, including flammable or explosive substances such as drain oil and paints;
  - (iv) Any medicines, drugs, and/or pills, unless securely enclosed in containers which do not in any way indicate the nature of the contents;
  - (v) Appliances and furniture which are bulky or unusually heavy, such as, but not limited to, couches, refrigerators, water heaters, and/or similar items.
  - (vi) Except where specified, such prohibited materials are specifically excluded from the definitions of “Garbage,” “Refuse,” and “Trash.”
- (h) “Waste,” “Trash,” “Garbage,” or “Refuse” shall mean solid waste and recyclable material accumulations consisting of, but not limited to, garbage, household trash, vegetative waste, yard trash and business trash which are subject to decomposition, decay, putrefaction or the generation of noxious or offensive gases or odors, or which during or after decay, may serve as breeding or feeding material for insects or animals.

Section 5.1 *Intent.* Pursuant to the statutory authority provided in Government Code Sections 61060 & 61100(c) and Public Resources Code Section 40059, it is the declared intent of the District to provide for the collection and removal of trash, garbage, and refuse from real property within the District in accordance with the provisions of this Article and the terms and conditions of any contract entered into between the District and Contractor(s) pursuant to Article VI.

Section 5.2 *Exclusive Right to Regulate Refuse Collection.*

- ( ) The collection, removal, and disposal of all refuse shall be performed by the District or its authorized Contractor, and no other person shall engage in the business of collection, removal and disposal of trash unless authorized to do so by the District.
- (a) The provisions of this section do not apply to any owner and/or occupant who has entered into a contract with an Independent Contractor to collect and dispose of refuse or prohibited materials from property for which such services are not provided by the District or its Contractor.
- (b) *Owners’ and Occupants’ Exemption.* The following shall be exempted from this provision: hauling of grass cuttings, prunings, manure or other refuse or

rubbish not containing garbage, by gardeners or gardening services working on such property.

Section 5.3 *Supervision of Collection.*

- ( ) The General Manager shall supervise the collection and removal of all garbage, refuse, waste, and trash within the District.
- (a) The Board of Directors may adopt by resolution and ordinance, adopt rules, regulations, terms and conditions for the administration, operation, and use and maintenance of facilities for or related to the collection, removal, and disposal of all garbage, refuse, waste, and trash within the District pursuant to Government Code Section 61060(b).

Section 5.4 *Prohibited Collection, Interference, or Deposit of Trash or Prohibited Materials on Streets.*

- ( ) It shall be prohibited for any person to deposit, or cause or permit to be deposited, any trash or prohibited materials upon or in any public sidewalk, street, road, highway, court, or alley within the District, or upon any property owned or leased by the District, except in receptacles or areas specifically designated or provided for that purpose.
- (a) It shall be prohibited for any person other than an owner, occupant, District staff, or District's Contractor and Contractor's employees to:
  - ( ) Interfere in any manner with any waste receptacle or the contents thereof, or place contents within or remove contents from any receptacle without consent of the owner or occupant;
  - (i) Remove or disturb any solid waste, green waste, or recyclable materials, as defined herein, from the place where the same has been placed for collection;
  - (ii) Collect or haul away any solid waste, green waste, or recyclable materials, as defined herein, from the place where the same has been placed for collection;
  - (iii) Transport any solid waste, green waste, or recyclable materials, as defined herein, from the place where the same has been placed for collection.
- (b) It shall be prohibited for any person, other than the District or the District's Contractor, or an Independent Contractor as specified herein, or an owner or occupant as specified in Section 5.3(c), to remove or convey, or cause or permit to be removed or conveyed, any solid waste, green waste, or recyclable materials, as defined herein, upon any public sidewalk, street, road, highway, court, or alley within the District, or engage in the business of trash collection, removal and disposal within the District, including the collection and disposal of solid waste, green waste, or recyclable materials, as defined herein.
- (c) It shall be prohibited for any person, other than the District or the District's Contractor, or an Independent Contractor as specified herein, or an owner or occupant as specified in Section 5.3(c), to place, store, dispose, deposit, or cause or permit to be placed, stored, disposed, or deposited, any solid waste, green waste, or recyclable materials, as defined herein, upon any public

sidewalk, street, road, highway, court, or alley within the District, or engage in the business of trash collection, removal and disposal within the District, including the collection and disposal of solid waste, green waste, or recyclable materials, as defined herein.

- (d) It shall be unlawful for any person to cause or permit the burning of refuse, garbage, trash, or waste of any kind.
- (e) A violation of this provision shall be a misdemeanor punishable by imprisonment in the county jail for not more than thirty (30) days, or by a fine of not more than five-hundred dollars (\$500.00), or by both such fine and imprisonment.
- (f) Where a District employee determines that a person is unlawfully collecting or interfering with the collection of solid waste or recyclables under these provisions, that employee may either notify the appropriate authorities or issue a warning to the offender on a form drafted and approved by the District. Such form shall notify the offender of the District's authority, the nature of the offense, and the possibility of future criminal prosecution.

**Section 5.5** *Accumulation of Trash or Prohibited Materials on Property.*

- ( ) Every owner or occupant of real property shall properly store accumulations of trash or prohibited materials such that they shall not be carried or deposited by the elements upon any public sidewalk, street, road, highway, court, alley, or public place within the District or upon the private property of another person.
  - (a) No person shall deposit, store, or cause or permit to be deposited or stored, any trash or prohibited materials upon any property owned or occupied by such person so that such trash or prohibited materials constitute a "nuisance," as defined in these Rates or Regulations.
  - (b) Every person owning or occupying property where there is any accumulation of garbage or refuse shall cause the same to be lawfully removed or disposed of at least once each calendar week.
  - (c) No person owning or occupying property shall set out or cause to be set out for collection during any week garbage or refuse for collection other than garbage or refuse originating on that same property.
  - (d) No person may discard prohibited materials through the weekly collection process described in this article. All persons in possession of such prohibited materials shall either lawfully dispose of such materials themselves or make arrangements with the District for the removal and disposal of such materials.

**Section 5.6** *Solid Waste & Recycle Receptacles.*

- ( ) *Registration.* All solid waste & recycle receptacles provided by the District or District's Contractor shall bear a registration number, be kept at their designated property address, and shall not be painted by the occupant.

- (a) *Single-Unit Residential Property.* Each single-unit residential property shall be provided with a solid waste, recycle, yard/organic waste receptacle(s), including lid, of a size and type approved by the District.
- (b) *Multi-Unit Residential, Commercial, and Public Entity Properties.*
  - (1) Each multi-unit residential, commercial, and/or public entity property shall be provided with one (1) or more three cubic yard (3 yd<sup>3</sup>) bin(s), including lid, and suitable for locks, of a type approved by the District.
  - (i) At the District’s discretion, commercial food service/restaurant establishments shall be liable for an additional surcharge for fly-tight lids for such bins.
- (c) *Construction Site Bins.* Upon the District’s request, a construction site shall maintain at least one (1) or more three cubic yard (3 yd<sup>3</sup>) bin(s), including lid, of a type approved by the District. Construction bin service shall be determined by the District upon processing a “Will Serve” letter or meter service request, or upon the District’s inspection of a construction site.
- (d) *Additional Receptacles.*
  - (1) Additional solid waste and/or recycle receptacles for a property are available upon request of either:
    - 0) The occupant or owner of the property; or
    - 1) The General Manager, upon evidence that the solid waste or recycle receptacle(s) placed on the property is generally insufficient to hold the accumulation of trash from the property, or that solid waste or recyclables needs to be collected more frequently.
  - (i) If the General Manger makes the request for additional receptacles, the General Manager shall notify the property’s occupant or owner in writing of the District’s intentions. A written notice of the placement of additional receptacle (s) with a schedule of service rates to be paid for the additional receptacle (s) shall be sent to the property owner or occupant of record.
- (e) *Maintenance of Receptacles.* Owners and occupants shall keep receptacles in a clean and sanitary condition.
- (f) *Non-Permitted Receptacles.* Apart for the exception of District-approved receptacles for recyclables, no other trash containers or receptacles other than those specifically authorized herein may be used to deposit trash for collection by the District or the District’s Contractor. Trash deposited in non-permitted receptacles (e.g., disposable plastic bags, refuse bundles, oil drums, wooden crates, waste baskets, cardboard boxes, and paper bags) shall not be collected.

Section 5.7 *Collection of Solid Waste and Recycling*

- (1) *Placement of Receptacles.* Owners or occupants must locate receptacles in a manner that fully complies with both District requirements and applicable Ventura County Housing Code provisions.
- (1) No owner or occupant or any other person shall place or cause to be placed any trash container or receptacles on any public sidewalk, street, road, highway,

court, alley, or public place within the District at any time other than on the days established for the collection of solid waste and recyclables.

- (i) Receptacles shall be placed for collection within two (2) feet of the curbside after 5 p.m. on the day immediately preceding a scheduled collection day.
- (ii) Receptacles shall be removed and returned after collection to an area within the property by 7 p.m., where such receptacles, if feasible, cannot be viewed from adjacent properties or from any street, road, or highway in front of or to the rear of said property.
- (iii) *Exceptions Due to Practical Difficulty.* The District may make exceptions where site conditions prevent an owner or occupant from complying with the above stated receptacle placement requirements. The District shall only grant exceptions where the owner or occupant:
  - 0) Demonstrates that there is no area on the site where the receptacles cannot be viewed from adjacent properties or from any street, road, or highway in front of or to the rear of said property; and
  - 1) Stipulates that receptacles shall be located in the most unobtrusive manner under the circumstances as determined by the District.
- (a) *Improper Storage.*
  - ( ) The General Manager may impose a surcharge or fine on any owner, occupant, or person who violates the provisions of this section according to the following schedule:
    - 0) First Offense: \$25.00
    - 1) Second Offense: \$50.00
    - 2) Third Offense: \$75.00
    - 3) Each additional Offense: \$100.00
  - (i) Prior to levying such surcharges, the District shall either personally deliver or send by first class mail at least (1) written notice to the owner or occupant warning of the potential surcharge in the event of future non-compliance
  - (b) *Walk-In Service.* Owners and occupants of residential property may request “walk-in” service from the District or the District’s Contractor at the rate specified by the District.
  - (c) *Limitations.* Each property shall be entitled to have collected and disposed of by the District or the District’s Contractor the amount of solid waste or recyclables equaling the volume of the receptacle(s) placed on the property, as provided in Section 5.8. Any solid waste or recyclables beyond this volume limitation shall not be part of the basic refuse collection service specified in this article and shall not be collected by the District or the District’s Contractor unless directed otherwise.
  - (d) *Holiday Collection.* There shall be no trash collection by the District or the District’s Contractor on the following holidays: New Year’s Day; Memorial

Day; Independence Day; Labor Day; Thanksgiving Day; Christmas Day; and any other holiday unspecified herein during which the landfill customarily used by the District or the District's Contractor is closed. If a weekly scheduled pick-up falls on any of these days, solid waste and recycling shall be placed for collection and picked up on the following business day.

Section 5.8 *Refuse Collection Rates.*

- ( ) *Findings.* The Board of Directors finds that the service rates provided herein are for the purpose of:
  - ( ) Meeting contractual operating expenses of the District's refuse collection services Contractor; and
  - (i) Meeting the District's general and administrative expenses in the administration and enforcement of the District's refuse collection and disposal rules, regulations, and agreements.
- (a) *Effective Date.* The following rates shall become effective July 1, 2023 and shall be subject to periodic adjustment by the Board of Directors.
- (b) *Customer Liability.* Every owner and/or occupant of a property in receipt of a District-approved receptacle and/or bin shall be liable for the collection rates for refuse collection services established by this article as long as such service is immediately available to the owner and/or occupant at said property.
- (c) *Collection Rates.*
  - ( ) *Single-Unit Residential and Commercial Standard Trash Collection.* Standard refuse service for single-unit residential and commercial properties includes a 64-gallon solid waste receptacle and a 64-gallon or 96-gallon recycle receptacle. Rates are as follows:
    - 0) Standard Service 64 gal. and one (1) collection per week:  
\$35.25/receptacle/month
    - 1) Standard Service 32 gal. and one (1) collection per week:  
\$31.65/receptacle/month
    - 2) Walk-In Service and one (1) collection per week:  
\$56.08/receptacle/month
    - 3) Walk-In Service and two (2) collections per week:  
\$112.16/receptacle/month
    - 4) Additional empties (barrels): \$12.37/receptacle
  - (i) *Multi-Unit Residential Property and Commercial Properties with Bins.* Standard refuse service for multi-unit residential and commercial properties with bins includes a three cubic yard (3 yd<sup>3</sup>) bin. Rates are as follows:
    - 0) Standard Service and one (1) collection per week:  
\$196.69/bin/month
    - 1) Standard Service and two (2) collections per week:  
\$307.61/bin/month
    - 2) Standard Service and three (3) collections per week:  
\$389.66/bin/month

- 3) Standard Service Organics 1.5 yd bin and one (1) collection per week: \$183.86/bin/month
  - 4) Standard Service Organics 32/64 gal and one (1) collection per week: \$60.41/receptacle/month
  - 5) One-time additional collections: \$82.88/bin/collection
  - 6) Locks for Commercial Bins: \$2.82
- (ii) *Additional Receptacles*
- 0) 64 gallon Solid Waste: \$18.21/receptacle/month
  - 1) 64 or 96 gallon Recycle: \$3.32/receptacle/month
  - 2) Additional Solid Waste for Walk-In Service: \$27.65/receptacle/month
  - 3) Additional Recycle for Walk-In Service: \$8.15/receptacle/month
- (iii) *Temporary Bins*
- 0) 3-Cubic Yard Bin: \$118.64/bin (includes delivery, initial load, and removal)
  - 1) Additional Bin Collections: \$118.64/bin
  - 2) Daily Rental Fee: \$2.88/day after seven (7) days.
- (d) *Construction Bin Services*. 20 or 40 Cubic Yard Construction Bin Service is available at rates and fees stipulated in the agreement for Refuse Collection Service between the District and the District's Contractor. Rates are subject to modification based on tipping, surcharge or other fee increases associated with the provision of service.
- (e) *Special Service Collections*. The District or the District's Contractor shall provide special service collection for those discarded appliances and furniture items whose size, bulk, volume, and/or composition prevents the discarded items from fitting within the provided receptacle. These items include, but are not limited to: mattresses; chairs, couches; stoves; refrigerators; and water heaters.
- ( ) Special Service Collection shall be available at the request of an owner or occupant and subject to the District's approval.
- (i) Charges for Special Service Collection shall be as follows:
- 0) \$3.00 for each miscellaneous trash bag (33 gallons)
  - 1) \$25.00 for each of the following items: televisions, mattress or box springs, couch/stuffed chairs, two burner stoves, washer/dryers
  - 2) \$30.00 for each of the following items: four burner stoves, 50-60-gallon water heaters
  - 3) \$30.00 for each dump truck or contractor load
  - 4) \$35.00 for each of the following items: 80-100-gallon water heaters, sleeper couches
  - 5) \$35.00 for each refrigerator (19 cubic ft or less)
  - 6) \$40.00 for each refrigerator (more than 19 cubic ft.)



Section 5.9 *Surcharges.*

- ( ) *Excess Solid Waste Surcharge.* The General Manager may impose an excessive solid waste volume surcharge upon any owner or occupant who repeatedly sets out for pick-up a volume of solid waste in excess of the weekly limits. The amount of the surcharge shall be:
  - ( ) \$35.00 for each additional full solid waste receptacle or container utilized to pick up the excess solid waste; or
  - (i) A pro-rated amount depending upon the volume of excess solid waste.
- (a) *Failure to Recycling Surcharge.* The General Manager may impose a Failure to Recycle Surcharge upon any owner or occupant that causes solid waste, hazardous waste, e-waste, or other non-recyclable materials to be placed in recycle receptacles or who repeatedly causes recyclable materials to be placed in solid waste receptacles. The amount of the surcharge shall be \$25.00 for each failure to recycle.
- (b) Prior to levying such surcharges, the District shall either personally deliver or send by first class mail at least (1) written notice to the owner or occupant warning of the potential surcharge in the event of future non-compliance

**Article VI. Contract for Refuse Collection Services**

Section 6.0 *Definitions.*

- ( ) “Contractor” shall mean any person with whom the District may have a contract pursuant to this article for the collection and disposal of waste from any property within the District.

Section 6.1 *Authority.* Pursuant to Government Code Section 61100(b) and Public Resources Code Section 40059, the District may enter into a contract with any person to provide trash collection and disposal services for real property within the District.

Section 6.2 *Award of Contract.*

- ( ) All decisions regarding the procurement of contractor services shall be within the discretion of the Board of Directors.
- (a) The District shall review all applications and requests received from prospective contractors to supply refuse collection services to the District and provide its recommendation to the Board of Directors.
- (b) Thereafter, the Board of Directors shall hold a public hearing, at which the award or renewal of an existing contract or contracts shall be made.
- (c) This provision shall not be construed to require the District to solicit applications, proposals, or bids from prospective contractors.

Section 6.3 *Compensation.* The terms of compensation to Contractor shall be specified in the District’s refuse collection services agreement.

Section 6.4 *Insurance.*

- ( ) No contract shall be awarded nor shall Contractor operate a refuse or garbage truck within the District's service area until Contractor files with the District a valid, unexpired certificate of liability insurance, evidencing insurance coverage with the following minimum limits:
  - ( ) Bodily Injury:
    - 0) \$3,000,000/person;
    - 1) \$3,000,000/accident; and
    - 2) \$3,000,000/aggregate products
  - (i) Property Damage:
    - 0) \$3,000,000/accident;
    - 1) \$3,000,000/aggregate operations;
    - 2) \$3,000,000/aggregate products; and
    - 3) \$3,000,000/aggregate contractual.
- (a) Contractor's insurance policy or policies shall be in a form and with a licensed insurance company authorized to do business within the State of California and approved by the District.
- (b) The insurance certificate shall provide that the insurance thereby evidenced shall not be cancelled, allowed to lapse or expire, or be reduced in amount during the term of any such refuse collection contract, unless the District is given at least a thirty (30) day notice, in writing, by the insurer prior to any such cancellation, lapse, expiration, or reduction in coverage.
- (c) A lapse of the minimum insurance required by this provision for any reason shall result in automatic termination of the District's agreement with Contractor.

Section 6.5 *Bonding*. Contractor shall be required to furnish a performance bond payable to the District in an amount sufficient to guarantee Contractor's performance. This bonding requirement shall be specified in the District's agreement with Contractor and shall be conditioned on the faithful performance of the duties imposed by this provision and the terms and agreements in the District's contract with Contractor.

Section 6.6 *Required Provisions*. The following performance specifications shall be included, at least by reference, in all refuse collection service contracts made by the District with a Contractor:

- ( ) *Office*. Contractor shall maintain an office readily accessible to District officers and owners and/or occupants of property receiving refuse collection service within the District. The office shall remain open from 8 a.m. to 5 p.m., Monday through Friday, except on holidays.
- (a) *Emergency Number*. Contractor shall have a telephone number listed under its name in the local telephone directory. During non-office hours, as specified herein, Contractor shall be available through said telephone number to provide emergency services.

- (b) *Route Schedules.* Contractor shall file with the District a schedule and map showing its collection routes and the day or days on which each route is used. The collection schedule shall be subject to approval by the General Manager and shall be maintained unless a change therein is approved by the General Manager, in writing, not less than two (2) weeks prior to any and all changes. Contractor shall provide notice of any such changes to each property in the affected route.
- (c) *Notice.*
  - ( ) At Contractor's expense, Contractor shall distribute to all owners and occupants printed information and instructions relating to collection routes and schedules, handling requirements for types of refuse, service rates, District notices, and any other information relating to waste collection that the District may require from time to time.
  - (i) In the event of route change(s) or change(s) in scheduled collection days, Contractor shall provide occupants with at least two (2) weeks written notice, sent by prepaid US Mail or by personal service, notifying each owner and/or occupant of all the following:
    - 0) the day(s) of the week on which waste shall be collected if the change alters the existing schedule;
    - 1) that the change has been approved by the General Manager;
    - 2) the day(s) of the week upon which future collections will be made;
    - 3) the name, address, and telephone number of Contractors; and
    - 4) any other additional information deemed necessary by the General Manager.
  - (ii) All notices shall be prepared by the District or approved in advance by the General Manager.
  - (d) *Equipment Specifications.* Contractor's equipment shall meet the following specifications:
    - ( ) All trucks used for refuse collection services shall be metal-lined and non-leaking and shall be securely covered and closed, except during loading and unloading, to limit odors and prevent flies and insects from entering such trucks to the furthest extent possible.
    - (i) All trucks shall be cleansed daily and thoroughly disinfected at least once a week.
    - (ii) All trucks shall carry, at all times, at least:
      - 0) One (1) broom;
      - 1) One (1) shovel;
      - 2) One (1) five pound (5 lb.) dry chemical fire extinguisher classified ABC multi-purpose; and

- 3) An approved compound required to absorb and clean any liquid spills.
- (iii) All trucks shall have Contractor's firm or business name and telephone number painted in letters no less than three inches (3") in height on both sides of the truck.
- (iv) All trucks shall at all times be kept in good and safe operating condition and meet all equipment and mechanical operating requirements of state law, including, but not limited to, all requirements of the California Vehicle Code and the California Code of Regulations, as those requirements may apply to each truck.
- (v) All trucks shall be subject to inspection at any time by the General Manager to ensure compliance with these requirements.
- (e) *Receptacles and Bins.* Contractor shall provide receptacles and/or bins in the following manner:
  - ( ) Contractor shall assign each receptacle and/or bin a registration number.
  - (i) Contractor shall provide each residential property at least one (1) solid waste receptacle and one (1) recycle receptacle, (1) yard/organic waste receptacle, including lid, of a size and type approved by the District.
  - (ii) Contractor shall provide each multi-unit residential, commercial, and/or public entity property at least one (1) or more three-cubic yard (3 yd<sup>3</sup>) trash bin(s), including lid, and suitable locks, of a type approved by the District.
  - (iii) Contractor shall provide construction sites with bins, as necessary, of a type approved by the District.
  - (iv) Contractor shall provide additional solid waste and/or recycle receptacles and/or bins upon the request of:
    - 0) the District; or
    - 1) an owner and/or occupant, as communicated by the District.
- (f) *Collection.* Contractor shall adhere to the following:
  - ( ) Contractor shall faithfully and regularly collect and remove all garbage and refuse properly left for collection by property owners and/occupants within the District in a prompt, thorough, and workmanlike manner.
  - (i) Collection of waste within the District shall be confined to Monday through Friday between the hours of 7 a.m. and 6 p.m. Contractor may make collections on Saturdays if a holiday occurs within the preceding six (6) days.
    - 0) The General Manager may authorize collection of waste on such days and during such hours as the General Manager deems appropriate if, in the judgment of the General Manager, conditions warrant a temporary departure from the days and hours of collection.
  - (ii) To the extent feasible, collection on each route shall commence at the same point, at the same time, and follow the same route each time collections are made.

- (iii) Contractor shall immediately pick up and remove any and all trash or any other material which spilled or dropped on public or private property during collection, transportation, or disposal of waste.
  - 0) Any expense incurred by the District in the pick-up, removal, or disposal of any spilled or dropped waste or any other materials shall be immediately paid by Contractor upon presentation of a written statement by the District of the District's expenses incurred, or in the alternative may be offset against the amount owed to Contractor in Contractor's proceeding billing cycle.
- (iv) After collecting waste from receptacles and/or bins, Contractor shall return the receptacle and/or bin in an upright position where it was collected.
- (v) Contractor shall not place any receptacle and/or bin in the roadway portion of any street, nor on any public sidewalk to block the use of the sidewalk to pedestrians, or on private property other than that of the owner or occupant.
- (vi) Contractor shall not throw receptacles from its trucks to the ground, nor cause other unnecessary noise during the collection process.
- (vii) Should any trash not be collected by Contractor from a property on a regular collection day, Contractor shall attach a tag not less than three inches by five inches (3" x 5") in size to the property's receptacle(s) and shall state thereon the reasons for its refusal to collect such waste.
  - 0) After each day's collection, Contractor shall immediately advise the District, in writing, of all such notices given by Contractor.
- (viii) Contractor shall immediately notify the General Manager of any incident involving damage or potential damage to any person or property within the District caused or permitted by or involving Contractor. Contractor shall follow such notice by submitting a written report to the District of any such incident within five (5) days of the incident.
- (ix) Contractor shall report to the District in a timely manner any property or owner or occupant that routinely overfills their waste receptacle(s).
- (g) *Special Service Collections.* Contractor shall provide special service collection as provided in Section 5.10(e) of these Rates and Regulations at Contractor's sole expense.
- (h) *Complaints.*
- ( ) Contractor shall maintain a written record of all complaints received regarding Contractor's services, receptacles, bins, or any aspect of Contractor's performance, including the following:
  - 0) the name and address of the complaining party;
  - 1) a description of the complaint;
  - 2) the time the complaint was received;
  - 3) the action taken in response to the complaint; and

- 4) the time the responsive action was taken.
  - (i) The record shall be kept at Contractor's office and shall be available for inspection or duplication at all reasonable times by the General Manager or Board of Directors.
  - (ii) Should any owner or occupant report to the General Manager that a complaint has not been resolved to the complaining party's satisfaction, the General Manager may require the Contractor to present a detailed report outlining the nature of the complaint and the proposed remedies or actions taken to resolve said complaint.
  - (iii) If the General Manager determines that the Contractor's proposed remedies and/or actions taken to resolve the complaint are insufficient to adequately resolve the complaint, the General Manger may require Contractor to carry out an alternative remedy that the General Manager reasonably believes will resolve the complaint.
  - (iv) Any such remedies shall be performed by Contractor at no expense to the District unless otherwise specified by the General Manager.
    - (i) *Permits.*
      - ( ) Contractor shall obtain and maintain in full force and affect all permits and licenses required according to local, state, and/or federal law or any other governmental agency with jurisdiction over waste collection and disposal services described herein.
      - (i) Contractor shall immediately notify the District, in writing, of any proceeding or action to revoke, suspend, or materially affect Contractor's permits or licenses.
      - (j) *Compliance with Laws and Regulations.* Contractor shall comply with all local, state, and federal laws, regulations, and ordinances pertaining to Contractor's waste collection and disposal operation.
      - (k) *Reports and Financial Information.* Contractor shall provide the District such financial information concerning Contractor, and such periodic reports on its current collection services within District, as required by the refuse collection services agreement between the District and Contractor.

Section 6.7 *Assignment or Transfer.* No Contractor shall assign or transfer its rights within its contract with the District to any other person without the written consent of the General Manager.

Section 6.8 *Termination.* In the event a Contractor violates any of the specific terms, conditions, and/or requirements of its agreement with the District, or in violation of these Rules and Regulations, or any other local, state, or federal law, rule, or regulation, either now in effect or hereafter enacted relating to the collection, disposal, or transportation of waste, the District may be terminate its refuse collection contract with Contractor.

Section 6.9 *Reservation of Rights.* Nothing in these Rules and Regulations shall be interpreted as limiting the retained rights and powers of the District regarding regulating

or providing waste collection and disposal service within the District's service area pursuant to Government Code Sections 61060 and 61100 and Public Resources Code Section 40059. Each Contractor is put on notice and agrees by its execution of an agreement with the District that among the various rights and powers of the District, which the District reserves and may exercise, and which are not diminished or waived by the issuance of a collection contractor, is the District's right and power to:

- ( ) Repeal or amend the whole or any provision of these Rates and Regulations;
- (a) Exclusively undertake all waste collection and disposal services within the District;
- (b) To grant and contract with one or more persons for waste and disposal services within the District;
- (c) Require Contractor(s) to deposit refuse located within the District at a legal disposal site specified by the District and located outside District boundaries;
- (d) Require Contractor(s) to collect and dispose of waste collected within the District in a manner or according to methods prescribed by the District; and/or
- (e) Establish specific routes within the District for Contractor(s) and to limit Contractor's operations within the District to such routes.

#### **Article VII. Abatement of Nuisances**

Section 7.0 *Authority.* Pursuant to Government Code Section 61100, the District may exercise the power of a fire protection district to abate public nuisances.

Section 7.1 *Nuisances.* The accumulation on property of trash or prohibited materials, including but not limited to weeds, rubbish, brush, any grass, hay, straw, vines, stubble, construction materials or debris, litter, hazardous materials, waste petroleum, or any flammable or combustible materials, such that the accumulation represents a threat to the public health or safety, shall be deemed a public nuisance and may be abated by the District pursuant to Health and Safety Code Section 13879.

Section 7.2 *Procedure.* Any abatement efforts by the District shall be carried on pursuant to the procedures set forth in Health and Safety Code Section 14875 et seq.

Section 7.3 *Notice.* If the General Manager determines that a public nuisance exists as defined in Section 6.2, the General Manager shall notify the occupant and/or the owner of the affected property, if different from the occupant, of the existence of the nuisance.

Section 7.4 *Opportunity to Cure.* The District shall provide the parties an opportunity to abate or cause the nuisance to be abated within legal means as provided in this article within ten (10) calendar days after receipt of such notice from the General Manager. If the occupant or owner of the affected property does not abate or cause the nuisance to be abated within said ten (10)-day period, then the District shall follow the abatement procedures specified in Health amid Safety Code Section 14875 et seq.

Section 7.5 *Costs of Abatement.* The expenses of abatement shall be borne by the owners of the property on which the accumulation of materials constituting a nuisance has occurred, in accordance with Health amid Safety Code Section 14875 et seq.

*Section 7.6 Abandoned Vehicles.*

- ( ) Inoperative, unlicensed, or unregistered vehicles which are considered abandoned vehicles pursuant to the County Abandoned Vehicle Abatement Ordinance shall not be permitted on any vacant property within the District and any accumulation of a vehicle or vehicles on any vacant property shall be deemed a public nuisance.
- (a) The General Manager shall document the make; model, color, license number and vehicle identification number of the abandoned vehicle and report same to the County of Ventura for removal.





Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, June 11, 2024**

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** FY 2022 – 2023 Annual Audit Report  
**Item No.** E-1

**RECOMMENDATION:** The following recommendations must be approved in the order presented below in 3 separate motions.

1. Approve Allocations of Reserves for June 30, 2023.
2. Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2023.
3. Authorize staff to present a Final Audit Report.

**FINANCIAL IMPACT:** No impact to future budget. Board action validates the independent and professional review of the District’s financial statements to ensure the agency is compliant with all State reporting rules and guidelines.

**BACKGROUND/DISCUSSION:**

Attached for Board review is the Final FY 2022 – 2023 Audit Report prepared by Teaman, Ramirez, & Smith, Inc. Presented to the Board by Richard Teaman, Partner, CPA and Rick Gallo, Lead Field Manager.

There are no issues reported for the District’s financial statements, internal controls and compliance with fiscal policies set by the Board. The reports indicated the following breakdown of performance by enterprise and can be tied directly to the audit on the page indicated in the table below.

Enterprise/Account	Performance	Page
<b>Water Enterprise</b>	\$199,783	Page 56
<b>Sewer Enterprise</b>	\$446,234	Page 59
<b>Solid Waste Enterprise</b>	(66,241)	Page 61
<b>Community Service</b>	\$65,146	Page 63

Pages 4 through 8 of the Audit Report detail the Financial Highlights of the fiscal year. The conclusions represented in the audit are arrived at based on the following procedures auditors perform during the audit, but are not limited to:

- Review all bank statements and cancelled checks, including bank reconciliations.
- Review accounts receivable, analysis and sampling of customer pay histories and rates and confirm with the customer the actual amount paid during the year.
- Review procedures and policies of the District to ascertain the staff is in compliance.
- Review accounts payable, including verification of payments.
- Review payroll records for accuracy of pay rates, overtime, accrued vacation and sick time.
- Review contracts with vendors to ascertain the District is in compliance with the agreement.
- Prepare the audited financial statements in accordance with Government Auditing Standards and generally accepted accounting principal.

Prior to considering the Audit Report, the Board must approve the allocations, or transfer of funds, between the District's accounts. This is an annual exercise that shifts funds within each Enterprise to help meet the District's established reserve policies. The allocations are summarized in Attachment 1.

**ATTACHMENTS:**

1. Allocations and Reserves for June 30, 2023
2. Final 2023 Financial Statements
3. Final 2023 Internal Control Report
4. Final 2023 Governance Conclusion Communication Letter

**Channel Islands Beach Community Services District  
Cash and Investments Summary**

Description	6/30/2023	6/30/2022	Change
<b>Unrestricted:</b>			
Water	\$ 35,000	\$ 35,000	\$ -
Sewer	35,000	35,000	-
Trash	35,000	35,000	-
Total Unrestricted	<u>105,000</u>	<u>105,000</u>	<u>-</u>
<b>Restricted:</b>			
Water	37,433	34,727	2,706
Sewer	37,433	34,727	2,706
Trash	37,434	34,727	2,707
Total Restricted	<u>112,300</u>	<u>104,181</u>	<u>8,119</u>
<b>Board Restricted:</b>			
<i>Water:</i>			
Operating Reserve	462,614	379,614	83,000
Rate Stabilization Reserve	199,045	165,845	33,200
Capital Reserve	1,933,634	2,251,272	(317,638) <sup>(a)</sup>
Debt Service Reserve	85,000	398,000	(313,000) <sup>(b)</sup>
Subtotal	<u>2,680,293</u>	<u>3,194,731</u>	<u>(514,438) <sup>(a)</sup></u>
<i>Sewer:</i>			
Operating Reserve	281,903	330,769	(48,866)
Rate Stabilization Reserve	126,761	146,308	(19,547)
Capital Reserve	4,509,110	4,149,371	359,739
Debt Service Reserve	191,000	191,000	-
Subtotal	<u>5,108,774</u>	<u>4,817,448</u>	<u>291,326</u>
<i>Trash:</i>			
Operating Reserve	214,378	193,508	20,870
Rate Stabilization Reserve	99,751	91,403	8,348
Capital Reserve	18,000	17,999	1
Subtotal	<u>332,129</u>	<u>302,910</u>	<u>29,219</u>
<i>Community Service:</i>			
Operating Reserve	7,856	7,460	396
Capital Reserve	154,117	205,443	(51,326)
Subtotal	<u>161,973</u>	<u>212,903</u>	<u>(50,930)</u>
Total Board Restricted	<u>8,283,169</u>	<u>8,527,992</u>	<u>(244,823) <sup>(a)</sup></u>
Total Cash and Investments	<u>\$ 8,500,469</u>	<u>\$ 8,737,173</u>	<u>\$ (236,704)</u>

Notes:

- (a) Overall decrease due to the District's use of reserves on capital projects.  
(b) Decrease due to the Water Bond being paid off in the prior year.

**CHANNEL ISLANDS BEACH**  
**COMMUNITY SERVICES DISTRICT**  
**ANNUAL AUDIT REPORT**  
Years Ended June 30, 2023 and 2022



**Channel Islands Beach Community Services District**  
**Annual Audit Report**  
Years Ended June 30, 2023 and 2022

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Channel Islands Beach Community  
Services District  
Oxnard, CA

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the years ended June 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2023 and 2022, and the respective changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement



when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary section on pages 4 - 8 and 48 - 50 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 inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information section is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2024, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s 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.

Riverside, California  
\_\_\_\_\_, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### OVERVIEW

#### FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: 1) Statements of Net Position; 2) Statements of Revenues, Expenses and Changes in Net Position; 3) Statements of Cash Flows; and, 4) Notes to the Financial Statements. In addition to the basic financial statements, supplementary information is also presented.

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

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The Statement of Cash Flows presents information regarding the District's use of cash during the year. Cash flows will differ from revenues and expenses because the statement accounts only for transactions that resulted in the District's receipt or payment of cash during the year.

### FINANCIAL HIGHLIGHTS

#### SIGNIFICANT EVENTS AND TRANSACTIONS

**The Board of Directors restricted the following amounts to their respective utilities:**

- ◆ Water - \$1,933,634 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$462,614 operating reserve, \$85,000 for debt service and \$199,045 for rate stabilization.
- ◆ Sewer - \$4,509,110 for Capital and future unanticipated repairs and maintenance of sewer system, 281,903 operating reserve, \$191,000 for debt service and \$126,761 for rate stabilization.
- ◆ Trash - \$18,000 for Capital and future unanticipated repairs and maintenance, \$214,378 for operating reserve and \$99,751 for rate stabilization.
- ◆ Community service - \$154,117 for Capital and future unanticipated repairs and maintenance and \$7,856 for operating reserve.

- In 2021, the District hired an outside consultant to conduct a 5-year rate study to calculate the cost of providing services, cost of future maintenance requirements of the District's infrastructure and cost of future capital expenditures. The results of this study gave the District a 5-year rate adjustment schedule from 2021 through 2026 and was implemented via Proposition 218 hearing and notice. Based on the recommendation of the outside consultants, the board of directors has initiated a rate increase with effect from the billing period starting September 1, 2021. There was an increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate. The board of directors also initiated another rate increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 1, 2022. The board anticipates more changes in rate structure will take place in the near term to maintain the level of services provided by the District.
- The District amended its contract with the City of Oxnard regarding a shared sewer line. Effective January 1, 2023, the City will bill the District the estimated charges for the District's use of the shared sewer line rather than the full charges of the shared sewer line. In previous years, the District would pay for the full charges of the shared sewer line and the City would then reimburse the District for the City's estimated portion. This reduced the reimbursement revenue from the City of Oxnard and the related wastewater transportation costs by 50%.
- Investments were mostly moved to a new investment account with California CLASS which is expected to have a higher rate of return than the Ventura County Treasurer's Investment Pool. The District had approximately \$8,153,256 invested in the California CLASS investment pool at year end.
- For construction in progress, the District had approximately \$1 million in additions and \$834,050 in deletions. Most of this is related to a waterline relocation project that was capitalized for \$617,262 and a valve improvement project capitalized for \$216,788. The District also started on the construction of the new administrative building which required staff to move to a temporary office location.

## **FINANCIAL STATEMENTS**

### **NET POSITION**

The District's Net Position as of June 30, 2023, 2022 and 2021 totaled \$16,539,948, \$15,891,180 and \$15,141,538 respectively. At the end of the current year, the District is able to report positive balances in all categories of net position. The District's net position increased by \$648,768 from the prior year.

**FIGURE 1. NET POSITION**

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>	<u>As of June 30, 2021</u>
<b>Assets</b>			
Current Assets	\$ 8,910,715	\$ 9,368,653	\$ 9,164,935
Restricted Assets	112,300	104,181	94,455
Capital Assets, Net	7,943,184	7,181,254	6,899,050
Other Assets	<u>2,665,541</u>	<u>2,772,731</u>	<u>2,848,685</u>
TOTAL ASSETS	<u>\$ 19,631,740</u>	<u>\$ 19,426,819</u>	<u>\$ 19,007,125</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Items	\$ 122,529	\$ 139,436	\$ 103,388
Deferred Amount on Refunding	<u>33,339</u>	<u>36,042</u>	<u>50,544</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 155,868</u>	<u>\$ 175,478</u>	<u>\$ 153,932</u>
<b>Liabilities</b>			
Current Liabilities	\$ 619,704	\$ 934,660	\$ 1,298,941
Long-Term Debt	<u>2,612,433</u>	<u>2,774,044</u>	<u>2,720,540</u>
TOTAL LIABILITIES	<u>\$ 3,232,137</u>	<u>\$ 3,708,704</u>	<u>\$ 4,019,481</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Items	\$ 262	\$ 2,413	\$ 38
OPEB Related Items	<u>15,261</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 15,523</u>	<u>\$ 2,413</u>	<u>\$ 38</u>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 5,561,845	\$ 4,621,633	\$ 3,876,666
Unrestricted	<u>10,978,103</u>	<u>11,269,547</u>	<u>11,264,872</u>
TOTAL NET POSITION	<u>\$ 16,539,948</u>	<u>\$ 15,891,180</u>	<u>\$ 15,141,538</u>

Total assets increased by \$204,921. This is due to the net variances from current assets, capital assets and other assets.

Current assets decreased by \$457,938. This was due to other receivables decreasing by \$248,760 and Board restricted cash and cash equivalents decreasing by \$244,823. Other receivables decreased due to the new agreement with the City of Oxnard and cash and cash equivalents decreased due to the increased activity for constructions in progress.

Capital assets increased by \$761,930. The increase was due to additions in construction in progress of \$1 million, mostly related to water system improvements, a vehicle purchase of \$91,176 and deletion of \$419,176 for older assets including the demolition of the old administrative office.

Other assets related to the investment in the Port Hueneme Water Agency decreased by \$85,669 since there were no significant capital contributions from the member agencies and it had a decrease in net position of \$433,512.

Total liabilities decreased by \$476,567 which is due to a decrease in long-term debt due to principal payments made on outstanding sewer and water bonds, and a loan for the water meter project.

**REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Charges for operating services totaled \$4,718,457, \$5,292,413 and \$5,345,159, respectively for the years ended June 30, 2023, 2022, and 2021. The District is reporting operating income of \$450,564, \$798,810, and \$924,895, respectively for the years ended June 30, 2023, 2022 and 2021. Operating expenses before depreciation and amortization totaled \$3,903,358, \$4,137,222 and \$4,046,407, respectively for the years ended June 30, 2023, 2022 and 2021. Depreciation and amortization expenses totaled \$364,535, \$356,381 and \$373,857, respectively as of June 30, 2023, 2022 and 2021.

**FIGURE 2. REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30:**

	2023	2022	2021
<b>Revenues</b>			
Charges for Operating Services	\$ 4,718,457	\$ 5,292,413	\$ 5,345,159
Interest	226,753	29,265	43,093
Other Non-Operating Revenues*	50,004	6,249	8,074
Development impact fee	20,784	24,840	68,416
<b>TOTAL REVENUES</b>	<b>\$ 5,015,998</b>	<b>\$ 5,352,767</b>	<b>\$ 5,464,742</b>
<b>Expenses</b>			
Operating Expenses	\$ 4,267,893	\$ 4,493,603	\$ 4,420,264
Other Non-Operating Expenses	82,399	92,584	107,368
Depreciation on Contributed Assets	16,938	16,938	16,938
<b>TOTAL EXPENSES</b>	<b>\$ 4,367,230</b>	<b>\$ 4,603,125</b>	<b>\$ 4,544,570</b>
<b>Change in Net Position</b>	<b>\$ 648,768</b>	<b>\$ 749,642</b>	<b>\$ 920,172</b>
<b>Net Position at Beginning of Year</b>	<b>\$ 15,891,180</b>	<b>\$ 15,141,538</b>	<b>\$ 14,221,366</b>
<b>Net Position at End of Year</b>	<b>\$ 16,539,948</b>	<b>\$ 15,891,180</b>	<b>\$ 15,141,538</b>

\* Includes \$68,731, \$80,537 and \$88,169 loss from Joint Venture for years ended June 30, 2023, 2022 and 2021, respectively.

Total revenues decreased by \$336,769. This was mostly due to a decrease in charges for services by \$573,956 and an increase in investment earnings by \$197,488. Charges for services decreased due to a decrease of \$497,519 of sewer revenue from the City of Oxnard. This was due to the amended agreement with the City. Investment earnings increased due to better rates of return from transferring amounts to the California CLASS investment pool and generally overall the rates of return have improved over the prior year.

Total expenses decreased by \$235,895. Most of the decrease is due to the decrease in sewer system expenses by \$340,361. This was due to the decrease in wastewater transportation costs from the amended agreement with the City of Oxnard. Generally, most of the other expenses increased due to rising costs and administrative costs increased due to relocation costs for the temporary administrative office.

## CAPITAL ASSETS

The District's Capital Assets for 2021, 2022 and 2023 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2021	\$ 12,619,433	\$ (5,720,383)	\$ 6,899,050
2022	\$ 13,251,855	\$ (6,070,601)	\$ 7,181,254
2023	\$ 13,982,267	\$ (6,039,083)	\$ 7,943,184

During the current year, the District capitalized various operating assets totaling \$115,361. There is a construction in progress in the current year totaling \$1,034,227. \$834,050 completed construction is moved from construction in progress to capital assets. There is a deletion of \$419,176 capital assets. Please refer to Note 4, *Capital Assets*, presented in the Notes to Financial Statements for additional detail regarding the District's Capital Assets.

## LONG-TERM DEBT

At the end of the current fiscal year, the District had \$2,800,826 total long-term debt outstanding. For 2022 and 2021, the District had \$2,955,029 and \$3,197,805 total long-term debt outstanding. Please refer to Note 5, *Long-Term Debt*, presented in the Notes to Financial Statements for additional detail regarding the District's Long-Term Debt.

## ECONOMIC FACTORS AND BUDGET

The District does not anticipate any increase in business or water consumption within the Harbor for Fiscal Year 2023-24. However, when the economic climate improves, the District anticipates significant redevelopment or new development to occur within the Channel Islands Harbor resulting in increased consumption and revenues. The District will take that into consideration in future budget years.

Another factor affecting the District's operation is California's ongoing drought and state's mandated water conservation program. Although the District has ample water supplies to meet current customer demands, the District has implemented stage 1 water supply shortage regulations, which includes limits on outdoor watering and wasteful water practices. The District's efforts to comply with state mandated water conservation requirements has resulted in decreased water consumption by District's customers.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Board, the District's Member Agencies, taxpayers, and creditors with a general overview of the Channel Islands Beach Community Services District's accountability for the money it manages. If you have questions about this report or need additional financial information, contact the Channel Islands Beach Community Services District's Administration Department, 353 Santa Monica Drive Oxnard, California, 93035.

## **BASIC FINANCIAL STATEMENTS**





**Channel Islands Beach Community Services District**  
**Statements of Net Position**  
June 30, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	8,283,169	8,527,992
Accounts Receivable (Note 1)	381,530	398,375
Other Receivable (Note 1)	-	248,760
Interest Receivable	66,833	12,892
Prepaid Items (Note 1)	68,567	68,471
Inventory (Note 1)	5,616	7,163
Total Current Assets	8,910,715	9,368,653
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	112,300	104,181
Net Pension Asset	-	21,521
Land and Construction in Progress, Not Being Depreciated (Note 4)	911,354	711,177
Capital Assets, Net of Depreciation (Note 4)	7,031,830	6,470,077
Total Noncurrent Assets	8,055,484	7,306,956
<b>OTHER ASSETS</b>		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 12)	2,665,541	2,751,210
Total Other Assets	2,665,541	2,751,210
Total Assets	19,631,740	19,426,819
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding (Note 1)	33,339	36,042
Pension Related Items (Note 7)	122,529	139,436
Total Deferred Outflows of Resources	\$ 155,868	\$ 175,478

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Net Position - Continued**  
June 30, 2023 and 2022

	2023	2022
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 169,278	\$ 431,418
Other Liabilities (Note 1)	7,861	42,487
Current Portion of Long-term Debt (Note 5)	188,393	180,985
Accrued Payroll, Taxes and Benefits	119,253	148,116
Customer Deposits	112,300	104,181
Accrued Interest	22,619	27,473
Total Current Liabilities	619,704	934,660
Long-term Debt (Note 5):		
Wastewater Refunding Series 2016 Bond Payable, Net	2,067,847	2,191,186
Loan Payable	449,678	515,663
Net Pension Liability	19,484	-
Net OPEB Liability	263,817	248,180
Total Long-term Debt, Net of Unamortized Premium (Note 5)	2,800,826	2,955,029
Less Current Portion	(188,393)	(180,985)
Total Long-term Debt	2,612,433	2,774,044
Total Liabilities	3,232,137	3,708,704
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Items (Note 7)	262	2,413
OPEB Related Items (Note 8)	15,261	-
Total Deferred Inflows of Resources	15,523	2,413
<b>NET POSITION (Notes 1 and 6)</b>		
Net Investment in Capital Assets	5,561,845	4,621,633
Unrestricted	10,978,103	11,269,547
Total Net Position	\$ 16,539,948	\$ 15,891,180

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>OPERATING REVENUES</b>		
Water Revenue	\$ 2,026,885	\$ 2,086,617
Sewer Revenue	1,357,582	1,396,483
Sewer Revenue - Oxnard	497,520	995,039
Trash Revenue	836,470	814,274
Total Operating Revenues	4,718,457	5,292,413
<b>OPERATING EXPENSES</b>		
Water System Expenses:		
PHWA Water Expenses	805,104	754,937
Water Samples	14,137	11,264
SDHS Annual Administrative Fee	18,582	16,646
Cross Connect Contract Charges	2,650	1,500
Repairs and Maintenance - Distribution	143,345	109,509
Water Quality Report	-	1,354
Telemetry	10,422	10,310
Total Water System Expenses	994,240	905,520
Sewer System Expenses:		
Waste Water Transportation - Oxnard	506,089	905,371
Operations and Maintenance	95,673	36,291
Telemetry	32,021	32,805
Power	23,881	23,558
Total Sewer System Expenses	657,664	998,025
Trash Expenses:		
Trash Services	606,092	592,379
Total Trash Expenses	606,092	592,379
Maintenance Expenses:		
Vehicle Expenses	12,686	19,883
Building Maintenance and Security	8,708	17,405
Sign and Banner Expense	1,036	-
Public Landscape Project	4,099	5,181
Employee Workplace Safety	2,786	4,232
Gasoline Expenses	22,955	15,337
Total Maintenance Expenses	52,270	62,038
Salaries and Benefits:		
Regular Salaries	816,825	797,226
Retirement Benefits	170,701	263,417
Uniforms	4,257	6,181
Insurance	149,012	148,943
Payroll Taxes	14,154	12,325
Employee Educational Expense	15,774	15,111
Total Salaries and Benefits	\$ 1,170,723	\$ 1,243,203

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position - Continued**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>OPERATING EXPENSES (CONTINUED)</b>		
Administrative Expenses:		
Board Meetings	\$ 9,164	\$ 8,478
Board/Committee Expenses	1,973	1,264
Conferences and Seminars - Board	9,202	2,687
Dues/ Membership	26,036	24,873
Office Supplies	10,262	8,487
E-Pay Online	5,048	4,377
Communications	24,643	20,787
Printing and Publications	5,256	5,285
Postage and Shipping	10,818	12,305
Utilities	3,378	2,753
Miscellaneous Office Expense	36,943	10,249
Other Professional Services	11,196	25,392
Office Equipment Maintenance	9,907	7,343
Insurance	46,149	22,918
Accounting Services	43,857	35,995
Computer Services	66,369	52,869
Legal Services	46,697	29,146
Engineering Services	43,321	49,259
Bank and Trustee Fees	2,500	3,781
Legal Notices Publication Expense	1,305	958
Public Information	-	1,942
	414,024	331,148
Total Administrative Expenses		
Other Operating Expenses:		
Depreciation (Note 4)	370,171	350,218
Amortization (Note 1)	(5,636)	6,163
Bad Debt (Note 1)	8,345	4,909
	372,880	361,290
Total Other Operating Expenses		
	4,267,893	4,493,603
Total Operating Expenses		
<b>OPERATING INCOME</b>	<b>\$ 450,564</b>	<b>\$ 798,810</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position - Continued**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
Investment Earnings	\$ 226,753	\$ 29,265
Net Gain (Loss) from Joint Venture (Note 12)	(68,731)	(80,537)
Net Gain (Loss) on Sale of Capital Assets	(9,986)	-
County Tax Apportionment (Note 1)	94,095	86,786
Miscellaneous Revenues	34,626	-
Interest Expense	(82,399)	(92,584)
Total Non-Operating Revenues and Expenses	194,358	(57,070)
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>644,922</b>	<b>741,740</b>
<b>CAPITAL CONTRIBUTIONS (NOTE 1)</b>		
Developmental Impact Fee	20,784	24,840
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	3,846	7,902
<b>CHANGE IN NET POSITION</b>	648,768	749,642
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>15,891,180</b>	<b>15,141,538</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 16,539,948</b>	<b>\$ 15,891,180</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Cash Flows**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Water, Sewer and Trash Services	\$ 4,975,717	\$ 5,308,028
Other Cash Receipts	34,626	-
Cash Payments to Contract and Water System Services	(2,551,813)	(2,575,917)
Cash Payments to Maintenance and Administration Services	(459,673)	(400,964)
Cash Payments to Employees for Services	(1,112,927)	(1,048,601)
	885,930	1,282,546
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
County Tax Apportionment	94,095	86,786
	94,095	86,786
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(1,149,587)	(632,422)
Capital Contributions	20,784	24,840
Proceeds from Sale of Assets	7,500	-
Principal Paid on Debt	(180,985)	(477,265)
Interest Paid on Debt	(87,253)	(98,157)
	(1,389,541)	(1,183,004)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Earnings	172,812	22,385
	172,812	22,385
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(236,704)	208,713
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	8,737,173	8,528,460
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 8,500,469	\$ 8,737,173

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Cash Flows - Continued**  
Years Ended June 30, 2023 and 2022

	2023	2022
<b>RECONCILIATION OF OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Operating Income	\$ 450,564	\$ 798,810
<b>ADJUSTMENTS TO RECONCILE NET OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Miscellaneous Revenues	34,626	-
Depreciation and Amortization	364,535	356,381
Bad Debt Expense	8,345	4,909
(Increase) Decrease in Accounts and Other Receivables	257,260	15,615
(Increase) Decrease in Prepaid Items	(96)	(17,484)
(Increase) Decrease in Inventory	1,547	(891)
(Increase) Decrease in Net Pension Asset	21,521	(21,521)
(Increase) Decrease in Deferred Outflows - Pension Related Items	16,907	(33,635)
Increase (Decrease) in Accounts Payable and Other Liabilities	(296,766)	(79,122)
Increase (Decrease) in Accrued Payroll, Taxes and Benefits	(28,863)	6,968
Increase (Decrease) in Customer Deposits	8,119	9,726
Increase (Decrease) in Net Pension Liability	19,484	(5,352)
Increase (Decrease) in Net OPEB Liability	15,637	248,180
Increase (Decrease) in Deferred Inflows - Pension Related Items	(2,151)	(38)
Increase (Decrease) in Deferred Inflows - OPEB Related Items	15,261	-
<b>TOTAL ADJUSTMENTS</b>	<b>435,366</b>	<b>483,736</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 885,930</b>	<b>\$ 1,282,546</b>
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,283,169	8,527,992
Restricted Cash and Cash Equivalents	112,300	104,181
Total	<b>\$ 8,500,469</b>	<b>\$ 8,737,173</b>
Non-cash Investing and Financing Activities consisted of the following:		
Amortization Related to Long-term Debt	\$ (5,636)	\$ 6,163
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

The accompanying notes are an integral part of these statements.



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**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

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**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Reporting Entity**

The Channel Islands Beach Community Services District, a public agency, was created by election held on November 2, 1982 as the first such district in Ventura County. The District began operations December 13, 1982 pursuant to the Community Services District Law of the State of California, as amended, with authority under the Government Code, Section 61000 et. seq. The District's major utility operations include the provision of water, sewer and trash utility services.

The Channel Islands Beach Community Services District is a successor district to its first predecessor agency, the Oxnard Beach County Water District ("OBCWD"), which was organized on January 28, 1960. Its inception resulted from the merging of three mutual water companies for the purpose of more economically providing water services to the beach communities and County of Ventura Channel Islands Harbor facilities. The District's immediate predecessor agency, the Channel Islands County Water District, succeeded OBCWD in 1973, followed by the Channel Islands Beach Community Services Districts' succession by its formation in 1982.

The Channel Islands Beach Community Services District is located on the coastal plain of Ventura County. The District comprises an unincorporated total of 6,630 acres; however, the major portion of this acreage is in a seaward extension to the three-mile limit. The developed portion of the District, which is on the county assessment rolls, lies around the Channel Islands Harbor and comprises about 151 acres. The District is bound on the east by the United States Naval Base Ventura County, Port Hueneme, on the north and west by portions of the Cities of Oxnard and Port Hueneme, and on the south by the Pacific Ocean.

The Channel Islands Beach Community Services District serves the communities of Hollywood Beach, Hollywood by the Sea and Silver Strand. The District also serves an adjacent incorporated portion of the Channel Islands Harbor, which is outside the District's boundaries, pursuant to existing service agreements with the County of Ventura and the City of Oxnard.

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

**GASB Statements Implemented as of June 30, 2023**

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2021. This statement is required to be implemented in the 2023 fiscal year by the District. Currently, this statement has no effect on the financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

**GASB Statements Implemented as of June 30, 2023 - Continued**

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. Currently, this statement has no effect on the financial statements.

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. Currently, this statement has no effect on the financial statements.

**Pending Accounting Standards**

GASB has issued the following statements which impact the District's financial reporting requirements in the future:

Governmental Accounting Standard Board Statement No. 99

In April of 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Statement No. 99 is effective upon issuance except for requirements related to leases, PPPs, and SBITAs which is effective for fiscal years beginning after June 15, 2022, and requirements related to financial guarantees and the classification and reporting of derivative instructions within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. This statement is required to be implemented in the 2024 fiscal year by the District. The District has elected not to early implement GASB No. 99 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 100

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023. This statement is required to be implemented in the 2024 fiscal year by the District. The District has elected not to early implement GASB No. 100 and has not determined its effect on the District's financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

**Pending Accounting Standards - Continued**

Governmental Accounting Standard Board Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for fiscal years beginning after December 15, 2023. This statement is required to be implemented in the 2025 fiscal year by the District. The District has elected not to early implement GASB No. 101 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 102

In December of 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. If a government determines that the criteria for disclosure have been met for a concentration or constraint, it should disclose information in the notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact. This statement is required to be implemented in the 2025 fiscal year by the District. The District has elected not to early implement GASB No. 102 and has not determined its effect on the District's financial statements.

**C) Basis of Presentation**

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

**D) Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and services while operating expenses pertain directly the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and services.

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.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**E) Use of Estimates**

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

**F) Budgetary Data**

Formal budgetary accounting is employed as a management control for the District. Annual operating budgets are adopted each fiscal year on the budgetary basis in accordance with existing legal requirements. Budgetary control is exercised at the utility enterprise divisional program level. The District did not modify their adopted operating budget for the year ended June 30, 2023.

The encumbrance method of accounting for budget information is not employed by the District.

**G) Investments**

As a governmental entity other than an external investment pool in accordance with GASB, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

In applying GASB, the District utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
  - a) Items required to be reported at amortized cost,
  - b) Items in external pools that are not SEC registered,
  - c) Items subject to involuntary participation in an external pool,
  - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the Statement of Revenues and Expenses.

In accordance with GASB, for purposes of the statement of cash flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents.

**H) Accounts Receivable**

The District has established a reserve for doubtful accounts based on the prior three years of bad debts. The amount of the reserve for doubtful accounts at June 30, 2023 and 2022 was \$5,000 and \$5,000, respectively. The Bad Debt expense was \$8,345 and \$4,909 as of June 30, 2023 and 2022, respectively.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**I) Other Receivables and Other Liabilities**

Other receivables include \$0 and \$248,760 from the City of Oxnard as of June 30, 2023 and 2022. The District and the City of Oxnard share a pipeline for wastewater transportation and treatment in which the City of Oxnard reimburses the District for the estimated cost for their portion of the use of the pipeline. The agreement was amended in fiscal year 2023 and, effective January 2023, the City directly bills the District for the District's estimated actual costs of the shared sewer pipeline. Other liabilities include unearned COVID-19 relief funds of \$7,861 and \$42,487 as of June 30, 2023 and 2022.

**J) Inventory and Prepaid Items**

Inventory is valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items include \$14,057 for insurance and dues, and \$54,510 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2023. Prepaid items include \$19,131 for insurance and dues, and \$49,340 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2022.

**K) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has the following items that qualify for reporting in this category. The District has deferred charges on refunding reported in the statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also has deferred outflows related to pensions for pension contributions subsequent to the measurement date of the net pension liability, and other amounts (see Note 7), which are amortized by an actuarial determined period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pensions and other post-employment benefits (OPEB). These amounts (see Notes 7 and 8) are amortized by an actuarial determined period.

**L) Compensated Absences**

Employees are entitled to annual leave at a rate of 6.77 hours (1 to 4 years of service), 8.30 hours (5 to 9 years of service) and 9.84 hours (10 years or more of services) per pay period, depending on the number of years of service completed. The annual maximum accrued leave is limited to 500 hours. All hours over that will be paid out to the employee after the pay period in which it was earned. Upon termination, separation, or retirement, each employee is paid for all their annual leave hours at the hourly rate then in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes and benefits on the statement of net position and the current year allocation has been expensed.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**M) Bond Discounts and Premiums**

The District amortizes bond discounts and premiums using the straight-line method over the term of the related bond issue. The current related bond issue is the 2016 Wastewater Refunding Bond Series.

**N) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additional 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.

**O) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred 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 OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

**P) Net Position**

GASB requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them 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 investment in capital assets or restricted net position.

**Q) County Tax Apportionment**

Taxes are considered revenue in the year in which collections are made, as that is when they are both measurable and available.



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Q) County Tax Apportionment - Continued**

The District utilizes the services of Ventura County for the assessment and collection of taxes (special benefit assessments and general property taxes). These taxes are collected at the same time and on the same tax rolls as are county, cities, school districts and other special district taxes. Assessed valuations are the same for both District and County taxing purposes. The District receives an apportionment of the County's one percent (1%) maximum property tax levy. The percentage of tax that the District receives is determined by a formula prepared by the Ventura County Tax Assessor in accordance with State law. The valuation of property is determined as of March 1 of each year. Secured taxes are payable in two installments the first is due November 1, and the second due February 1. Such taxes are considered delinquent if not paid by December 10 and April 10 immediately following their respective due dates. Taxes on unsecured property are due March 1 and become delinquent August 31 and such taxes are levied at the prior years' secured tax rate. The county wide 1% levy has been pledged to debt service of the District.

**R) Contributed Capital**

Contributed capital represents cash or utility plant additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment. In accordance with GASB Statement 33 all such capital contributions are reflected as revenues.

**S) Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**2) CASH AND INVESTMENTS**

The District has defined cash for purposes of the statement of cash flows to include cash on hand, demand deposits and cash with the County Treasurer.

The District participates in the County Pool Investment Program with interest being allocated on the basis of deposit in the Treasury. Investment policies and associated risk factors applicable to District monies are those of the County of Ventura and are included in the County's Annual Financial Report. The carrying value and estimated market value of the County of Ventura Pool at June 30, 2023, were \$4,130,001,484 and \$4,091,859,832 respectively and at June 30, 2022, were \$3,784,920,807 and \$3,723,151,281. The District's share of the Pool at June 30, 2023 and 2022 was approximately 0.002 percent and 0.215 percent.

The District also participates in the California Cooperative Liquid Assets Securities System (California CLASS) which is organized as a Joint Powers Authority ("JPA") that was established by public agencies in California as a pooled investment option. Investments with California CLASS are highly liquid. California CLASS is governed by a Board of Trustees made up eligible participants of the program. The Board of Trustees sets overall policy for California CLASS. California CLASS offers the option of two accounts. The California CLASS Prime option is a stable \$1 net asset value (NAV) local government investment pool offering daily liquidity. The other option is California CLASS Enhanced Cash which is a next-day liquidity investment option that generates higher yields. As of June 30, 2023 and 2022, the District's investment in California Class is \$8,153,256 and \$0 in the California CLASS Prime account. The account offers daily liquidity and amounts withdrawn are based on the net asset value per share which is currently \$1 per share. California CLASS Prime funds have a weighted average maturity target portfolio of 60 days or less. On June 30, 2023, the weighted average maturity was 44 days for California CLASS Prime funds.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

The District utilized a commercial bank for all operational transactions. The District invests cash with the County Treasurer and in California CLASS. At June 30, 2023 and 2022 the carrying amount of the District’s petty cash, deposits and investments were \$8,500,469 and \$8,737,173 and are broken down as follows:

	2023	2022
Petty Cash	\$ 2,100	\$ 2,100
County Treasury	111,650	7,997,999
California CLASS	8,153,256	-
Pacific Western Bank	233,463	737,074
Total	\$ 8,500,469	\$ 8,737,173

The District has adopted an investment policy, which authorizes the District’s investment in local obligations, obligations of the United States Treasury and agencies, the County Pool Investment Program, savings and other investments. The District selects its investments based on safety, liquidity and yield.

Cash and Investments are classified in the accompanying financial statements as follows:

	2023	2022
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,283,169	8,527,992
Restricted Cash and Cash Equivalents	112,300	104,181
Total Cash and Investments	\$ 8,500,469	\$ 8,737,173

Cash and investments consist of the following:

	2023	2022
Cash on Hand	\$ 2,100	\$ 2,100
Deposits with Financial Institutions	233,463	737,074
Ventura County Treasurer’s Pooled Investments	111,650	7,997,999
California Class Investment Pool	8,153,256	-
Total Cash and Investments	\$ 8,500,469	\$ 8,737,173

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by the California Government Code and the District's Investment Policy**

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio <sup>(1)</sup>	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
Federal Agency Securities	5 years	None	None
Bankers' Acceptance	180 days	40%	30%
Commercial Paper	270 days	25% <sup>(3)</sup>	10%
Negotiable Certificates of Deposit	5 years	30%	10%
Non-negotiable Certificates of Deposit	5 years	20%	None
Placement Service Deposits and Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium Term Notes	5 years	30%	5%
Mutual Funds and Money Market Funds	N/A	20%	10% <sup>(4)</sup>
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass Through and Asset-Backed Securities	5 years	20%	5%
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool <sup>(5)</sup>	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None
Supranational Obligations	5 years	30%	None
Public Bank Obligations	5 years	None	None

<sup>(1)</sup> Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

<sup>(2)</sup> No more than 30% of the portfolio may be in Municipal Securities.

<sup>(3)</sup> Pooled funds can be 40% of the maximum percentage of the portfolio.

<sup>(4)</sup> The 10% limitation does not apply to money market funds.

**Channel Islands Beach Community Services District**  
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**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District’s investment policy.

**Disclosures 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, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates risk 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.

The District had the following investments:

	2023		2022	
	Amount	Maturity Date	Amount	Maturity Date
Ventura County Treasurer’s Pooled Investments	\$ 111,650	N/A	\$ 7,997,999	N/A
California CLASS	8,153,256		-	
Total	<u>\$ 8,264,906</u>		<u>\$ 7,997,999</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 a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code or the District’s investment policy, or debt agreements, and the actual rating as of year end for each investment type.

**June 30, 2023**

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer’s Pooled Investments	\$ 111,650	N/A	\$ -	\$ 111,650	\$ -	\$ -
California CLASS	<u>8,153,256</u>		<u>-</u>	<u>8,153,256</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,264,906</u>		<u>\$ -</u>	<u>\$ 8,264,906</u>	<u>\$ -</u>	<u>\$ -</u>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

**June 30, 2022**

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Ventura County Treasurer's Pooled Investments	\$ 7,997,999	N/A	\$ -	\$ 7,997,999	\$ -	\$ -
Total	<u>\$ 7,997,999</u>		<u>\$ -</u>	<u>\$ 7,997,999</u>	<u>\$ -</u>	<u>\$ -</u>

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

**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 Government Code. The District has no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total District's 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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Entity's 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 government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2023 and 2022, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**Cash and Investments with Fiscal Agent - Restricted Assets**

Cash and investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances and construction projects. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested. The investments predominately consist of Governments securities which are held in book entry form by the trustee.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**2) CASH AND INVESTMENTS - Continued**

**Board Restricted Cash**

Cash is Board restricted for the following:

	2023	2022
Capital and Unanticipated Repairs and Maintenance	\$ 6,614,861	\$ 6,624,085
Rate Stabilization	425,557	403,556
Reserved for Operations	966,751	911,351
Debt Service	276,000	589,000
Total	\$ 8,283,169	\$ 8,527,992

**Restricted Cash**

Cash is restricted for the following:

	2023	2022
Customer Deposits	\$ 112,300	\$ 104,181
Total	\$ 112,300	\$ 104,181

**3) FAIR VALUE MEASUREMENTS**

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

*Level 3* inputs are unobservable inputs for the asset or liability.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**3) FAIR VALUE MEASUREMENTS - Continued**

Fair value of assets measured on a recurring basis are as follows:

	2023		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer’s Pooled Investments	\$ 111,650	\$ -	\$ 111,650
California CLASS	8,153,256		8,153,256
Total Investments	<u>\$ 8,264,906</u>	<u>\$ -</u>	<u>\$ 8,264,906</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,665,541	\$ 2,665,541	\$ -
Total Other Assets	<u>\$ 2,665,541</u>	<u>\$ 2,665,541</u>	<u>\$ -</u>
	2022		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer’s Pooled Investments	\$ 7,997,999	\$ -	\$ 7,997,999
Total Investments	<u>\$ 7,997,999</u>	<u>\$ -</u>	<u>\$ 7,997,999</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,751,210	\$ 2,751,210	\$ -
Total Other Assets	<u>\$ 2,751,210</u>	<u>\$ 2,751,210</u>	<u>\$ -</u>

The Ventura County Treasurer’s Pooled Investments and California CLASS external investment pools are exempt under GASB No. 72 fair value measurements. The Investment in Water JPA, Net of Accumulated Depreciation, classified in Level 3 is valued using the equity method. See Note 12.

**4) CAPITAL ASSETS**

Minor expenditures for renewals and betterment are charged to expense. Major expenditures for renewals and betterment are capitalized. Costs of assets sold, retired or otherwise disposed of have been eliminated from accounts, and gains or losses on disposition are included in operations. Public domain (infrastructure) fixed assets are capitalized and include water distribution systems and sewer collection systems. Donated land or other donated capital assets are recorded at their estimated acquisition value rather than fair market value on the date contributed.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**4) CAPITAL ASSETS - Continued**

The cost of capital assets is depreciated over the estimated lives of the assets on the straight-line method of depreciation. Estimated useful lives are:

Category	Life in years
Office Furniture and Equipment	5 to 10
Mobile Equipment	3 to 5
Tools and Shop Equipment	10
Office Building	20
Water System/Plant	25 to 50
1911 Act Sewer Lines	40

A summary of changes in capital assets for the year is as follows:

	2023			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	669,117	1,034,227	834,050	869,294
Total Capital Assets, Not Depreciated	711,177	1,034,227	834,050	911,354
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	24,185	29,167	105,919
Vehicles	175,867	91,176	101,207	165,836
Tools and Shop Equipment	455,491	-	167,818	287,673
Office Building	109,056	-	62,714	46,342
1911 Act Sewer Line	7,626,074	-	-	7,626,074
Water Distribution System	4,063,289	834,050	58,270	4,839,069
Total Capital Assets, Being Depreciated	12,540,678	949,411	419,176	13,070,913
Less Accumulated Depreciation:				
Office Furniture and Equipment	(100,876)	(9,868)	(29,167)	(81,577)
Vehicles	(175,867)	(3,841)	(101,206)	(78,502)
Tools and Shop Equipment	(252,716)	(29,883)	(167,262)	(115,337)
Office Building	(90,837)	(1,482)	(46,706)	(45,613)
1911 Act Sewer Line	(2,594,232)	(182,901)	-	(2,777,133)
Water Distribution System	(2,856,073)	(142,196)	(57,348)	(2,940,921)
Total Accumulated Depreciation	(6,070,601)	(370,171)	(401,689)	(6,039,083)
Total Capital Assets, Being Depreciated, Net	6,470,077	579,240	17,487	7,031,830
Capital Assets, Net of Depreciation	\$ 7,181,254	\$ 1,613,467	\$ 851,537	\$ 7,943,184



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**4) CAPITAL ASSETS - Continued**

	2022			Ending Balance
	Beginning Balance	Additions	Deletions	
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	440,467	228,650	-	669,117
Total Capital Assets, Not Depreciated	<u>482,527</u>	<u>228,650</u>	<u>-</u>	<u>711,177</u>
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	-	-	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	301,996	153,495	-	455,491
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	7,576,306	49,768	-	7,626,074
Water Distribution System	3,862,780	200,509	-	4,063,289
Total Capital Assets, Being Depreciated	<u>12,136,906</u>	<u>403,772</u>	<u>-</u>	<u>12,540,678</u>
Less Accumulated Depreciation:				
Office Furniture and Equipment	(88,351)	(12,525)	-	(100,876)
Vehicles	(175,867)	-	-	(175,867)
Tools and Shop Equipment	(229,063)	(23,653)	-	(252,716)
Office Building	(89,332)	(1,505)	-	(90,837)
1911 Act Sewer Line	(2,413,542)	(180,690)	-	(2,594,232)
Water Distribution System	(2,724,228)	(131,845)	-	(2,856,073)
Total Accumulated Depreciation	<u>(5,720,383)</u>	<u>(350,218)</u>	<u>-</u>	<u>(6,070,601)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,416,523</u>	<u>53,554</u>	<u>-</u>	<u>6,470,077</u>
Capital Assets, Net of Depreciation	<u>\$ 6,899,050</u>	<u>\$ 282,204</u>	<u>\$ -</u>	<u>\$ 7,181,254</u>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**5) LONG-TERM DEBT**

The following is a summary of the changes in Long-Term Debt:

Changes in Long-Term Debt	2023				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2016 Wastewater Refunding Bonds Series	\$ 2,080,000	\$ -	\$ 115,000	\$ 1,965,000	\$ 120,000
Premiums on Bonds	111,186	-	8,339	102,847	-
Subtotal	<u>2,191,186</u>	<u>-</u>	<u>123,339</u>	<u>2,067,847</u>	<u>120,000</u>
Direct Borrowing - Loan Payable	515,663	-	65,985	449,678	68,393
Net Pension Liability	-	72,922	53,438	19,484	-
Net OPEB Liability	<u>248,180</u>	<u>15,637</u>	<u>-</u>	<u>263,817</u>	<u>-</u>
Total	<u>\$ 2,955,029</u>	<u>\$ 88,559</u>	<u>\$ 242,762</u>	<u>\$ 2,800,826</u>	<u>\$ 188,393</u>

Changes in Long-Term Debt	2022				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 303,604	\$ -	\$ 303,604	\$ -	\$ -
2016 Wastewater Refunding Bonds Series	2,190,000	-	110,000	2,080,000	115,000
Premiums on Bonds	119,525	-	8,339	111,186	-
Subtotal	<u>2,309,525</u>	<u>-</u>	<u>118,339</u>	<u>2,191,186</u>	<u>115,000</u>
Direct Borrowing - Loan Payable	579,324	-	63,661	515,663	65,985
Net Pension Liability	5,352	46,689	52,041	-	-
Net OPEB Liability	<u>-</u>	<u>248,180</u>	<u>-</u>	<u>248,180</u>	<u>-</u>
Total	<u>\$ 3,197,805</u>	<u>\$ 294,869</u>	<u>\$ 537,645</u>	<u>\$ 2,955,029</u>	<u>\$ 180,985</u>

**Bonds Payable**

In September 2016, the District issued \$2,605,000 in Wastewater Revenue Refunding Bonds Series 2016 to advance refund the 2005A Sewer Revenue Certificates of Participation. The bonds interest rates range from 2% to 4%. Interest on the bonds is payable November 1<sup>st</sup> and May 1<sup>st</sup> of each year. Principal on the bonds is payable in annual installments, ranging from \$95,000 to \$180,000, commencing November 1, 2017 through November 1, 2035.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**5) LONG-TERM DEBT - Continued**

Future debt requirements are as follows:

Year Ending June 30,	Wastewater Bond Series 2016	
	Principal	Interest
2024	\$ 120,000	\$ 63,731
2025	125,000	58,831
2026	130,000	53,731
2027	135,000	48,431
2028	140,000	42,931
2029-2033	785,000	134,791
2034-2036	530,000	23,782
<b>Total</b>	<b>\$ 1,965,000</b>	<b>\$ 426,228</b>

**Revenues Pledged**

The District has pledged a portion of future sewer revenues and a portion of investment earnings to repay the District’s Wastewater Revenue Refunding Bonds Series 2016. The District’s Wastewater Revenue Refunding Bonds are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Revenue Refunding Bonds are \$2,391,228, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$115,000 and \$68,431, respectively.

**Direct Borrowing - Loan Payable**

In August 2018, the District received a loan of \$700,000 from the California Special District Association (CSDA) Municipal Finance Corporation for a water meter project. The loan has a 3.4% interest rate with annual payments of \$84,807 per year for ten years. In the event of default, all remaining installments, including accrued interest, become immediately due and payable if the District does not remedy the event of default within 10 days of written notice. This agreement has no pledged collateral or acceleration clauses.

Year Ending June 30,	Loan Payable	
	Principal	Interest
2024	\$ 68,393	\$ 16,413
2025	70,890	13,917
2026	73,477	11,329
2027	76,159	8,648
2028	78,939	5,868
2029	81,820	2,986
<b>Total</b>	<b>\$ 449,678</b>	<b>\$ 59,161</b>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**6) NET POSITION**

Net position consisted of the following:

	2023	2022
Net Position:		
Net Investment in Capital Assets:		
Land and Construction in Progress, Not Being Depreciated	\$ 911,354	\$ 711,177
Capital Assets, Net of Depreciation	7,031,830	6,470,077
Capital Related Deferred Outflows:		
Deferred Charges on Refunding	33,339	36,042
Less Capital Related Debt:		
2016 Wastewater Refunding Bonds Series	(1,965,000)	(2,080,000)
Loan Payable	(449,678)	(515,663)
	5,561,845	4,621,633
Subtotal	10,978,103	11,269,547
Unrestricted Net Position	\$ 16,539,948	\$ 15,891,180
Total Net Position	\$ 16,539,948	\$ 15,891,180

<sup>(1)</sup> The bond premiums of the 2016 Wastewater Refunding Bonds series were excluded from the above calculation since the premiums were used for non-capital costs (debt issuance costs).

**7) CALPERS RETIREMENT PLAN**

**A) General Information about the Pension Plans**

***Plan Description***

The District entered into a retirement contract with CalPERS effective May 5, 2018. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

**A) General Information about the Pension Plans - Continued**

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2023 and 2022 are summarized as follows:

	Miscellaneous
	On or After
	January 1, 2013
Hire Date	2.0% at 62
Benefit Formulas	5 Years Service
Benefit Vesting Schedule	Monthly for Life
Benefit Payments	52 - 67+
Retirement Age	1.0% - 2.5%
Monthly Benefits, as a % of Eligible Compensation	6.75%
Required Employee Contribution Rates	7.47%
Required Employer Contribution Rates	7.59%
2023	
2022	

***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 are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District's contributions to the Plan for the years ended June 30, 2023 and 2022 were \$53,828 and \$53,438, respectively.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
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**7) CALPERS RETIREMENT PLAN - Continued**

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

As of June 30, 2023 and 2022, the District's net pension liability (asset) for its proportionate share of the net pension liability of the Plan was \$19,484 and \$(21,521).

The District's net pension liability (asset) for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022 for the 2023 fiscal year, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The net pension liability of the plan is measured as of June 30, 2021 for the 2022 fiscal year, and the total pension liability for the Plan 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 plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability (asset) for the Plan was as follows:

	2023		2022
Proportion - June 30, 2022	(0.00113)%	Proportion - June 30, 2021	0.00013%
Proportion - June 30, 2023	0.00042%	Proportion - June 30, 2022	(0.00113)%
Change - Increase (Decrease)	0.00155%	Change - Increase (Decrease)	(0.00126)%

For the years ended June 30, 2023 and 2022, the District recognized pension expense(credit) of \$109,588 and \$(7,108), respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2023	2022	2023	2022
Pension contributions subsequent to measurement date	\$ 53,828	\$ 53,438	\$ -	\$ -
Differences between actual and expected experience	391	-	262	2,413
Changes in assumptions	1,996	-	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	62,745	67,211	-	-
Net differences between projected and actual earnings on plan investments	3,569	18,787	-	-
Total	\$ 122,529	\$ 139,436	\$ 262	\$ 2,413

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
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**7) CALPERS RETIREMENT PLAN - Continued**

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

The District reported \$53,828 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2024	\$ 35,345
2025	22,497
2026	8,414
2027	2,183
Total	\$ 68,439

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2021 and 2020 actuarial valuations were determined using the following actuarial assumptions:

	2022	2021
Valuation Date	June 30, 2021	June 30, 2020
Measurement Date	June 30, 2022	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	7.15%
Inflation	2.3%	2.5%
Salaries Increases	Varies <sup>(1)</sup>	Varies <sup>(1)</sup>
Mortality Rate Table	CalPERS Membership Data <sup>(2)</sup>	CalPERS Membership Data <sup>(3)</sup>
Post Retirement Benefit Increase	See Footnote <sup>(4)</sup>	See Footnote <sup>(5)</sup>

- (1) Depending on age, service and type of employment.
- (2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
- (3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.
- (4) Contract COLA up to 2.3% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.3% thereafter.
- (5) Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.5% thereafter.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

*Change of Assumptions*

In the 2022 measurement period, the accounting discount rate changed from 7.15 percent to 6.9 percent and a change in inflation from 2.5 percent to 2.3 percent.

*Discount Rate*

The discount rate used to measure the total pension liability at June 30, 2022 and 2021 measurement dates was 6.9% and 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Long-term Expected Rate of Return*

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. For the 2022 measurement period, using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account assumed administrative expenses of 10 Basis points. For the 2021 measurement period, using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

***Long-term Expected Rate of Return - Continued***

The table below reflects the expected real rates of return by asset class.

2022 Measurement Period		
Asset Class <sup>(a)</sup>	Assumed Asset Allocation	Real Return <sup>(a),(b)</sup>
Global Equity - Cap-weighted	30%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84%
Private Equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed Securities	5%	0.50%
Investment Grade Corporates	10%	1.56%
High Yield	5%	2.27%
Emerging Market Debt	5%	2.48%
Private Debt	5%	3.57%
Real Assets	15%	3.21%
Leverage	(5)%	(0.59)%
Total	<u>100%</u>	

<sup>(a)</sup> An expected inflation of 2.3% used for this period.

<sup>(b)</sup> Figures based on the 2021 Asset Liability Management study.

2021 Measurement Period			
Asset Class <sup>(1)</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>(2)</sup>	Real Return Years 11+ <sup>(3)</sup>
Public Equity	50.0%	4.8%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	-0.92%
Total	<u>100%</u>		

<sup>(1)</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(2)</sup> An expected inflation of 2.0% used for this period.

<sup>(3)</sup> An expected inflation of 2.92% used for this period.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**7) CALPERS RETIREMENT PLAN - Continued**

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

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

The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, 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 or 1-percentage point higher than the current rate:

	2023	2022
1% Decrease	5.90%	6.15%
Net Pension Liability (Asset)	\$ 73,577	\$ 8,792
Current Discount Rate	6.90%	7.15%
Net Pension Liability (Asset)	\$ 19,483	\$ (21,521)
1% Increase	7.90%	8.15%
Net Pension Liability (Asset)	\$ (25,023)	\$ (46,581)

*Pension Plan Fiduciary Net Position*

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

*Payable to the Pension Plan*

At June 30, 2023 and 2022, the District reported, in accrued payroll, taxes and benefits, a payable of \$118 and \$400, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2023 and 2022.

**8) OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The District’s defined benefit postemployment healthcare plan, (District Retiree Healthcare Plan, DRHP), provides medical benefits to eligible retired employees. Effective January 1, 2022, the District began sponsoring 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. Participation in PEMHCA is financed in part by the District contributing the statutory minimum (PEMHCA Minimum) for each covered employee. The statutory minimum is \$149 per month for 2022 and \$151 per month for 2023 and will be indexed with medical inflation (CPI) for years 2024 and thereafter.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Funding Policy**

The District offers lifetime PEMHCA coverage to individuals who retire under the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan administered by the California Public Employees' Retirement System (CalPERS). The employer contribution for each annuitant is the amount necessary to pay the full cost of his/her enrollment (including the enrollment of family members) up to a maximum of the PEMHCA Minimum (\$149 per month for 2022 and \$151 per month for 2023). The District also pays PEMHCA an administrative fee of percent-of-premium for all active employees and retirees.

**Employees Covered**

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

Active employees	8
Inactive employees or beneficiaries currently receiving benefits	-
<b>Total</b>	8

**Contributions**

Currently, the District is under a pay-as-you-go method under which contributions to the plan are generally made the same time and in the same amount as retiree benefits and expenses come due. For the fiscal year ended June 30, 2023, the District was not required to make any cash contributions.

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022 based on the following actuarial methods and assumptions:

**Actuarial Assumptions**

Valuation Date	June 30, 2022
Valuation of Fiduciary Net Position	No assets held in an irrevocable trust as of the measurement date.
Actuarial Cost Method	Entry Age, Level Percentage of Pay
Amortization Method	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB.
Salary Increases	3.00%
Inflation Rate	3.00%
Healthcare Cost Trend Rate	6.00% for 2022-2023, 5.20 percent for 2024-2069, and 4.50 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.
Pre-retirement Mortality	Pre-retirement Mortality Rates from CalPERS Experience Study (2000-2019).
Post-retirement Mortality	Post-retirement Mortality Rates for Health Recipients from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the June 30, 2022 valuation were based on a review of plan experience during the period January 1, 2022 to June 30, 2022.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Discount Rate**

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

<u>Reporting Date</u>	<u>Measurement Date</u>	Fidelity GO AA 20 Years <u>Municipal Index</u>	<u>Discount Rate</u>
June 30, 2022	June 30, 2022	3.69%	3.69%
June 30, 2023	June 30, 2023	3.86%	3.86%

**Changes in the OPEB Liability**

The changes in the net OPEB liability for CBRHP are as follows:

	2023		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	\$ 248,180	\$ -	\$ 248,180
Changes Recognized for the Measurement Period:			
Service Cost	22,213	-	22,213
Interest	9,978	-	9,978
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	(16,554)	-	(16,554)
Benefit Payments	-	-	-
Net Changes	15,637	-	15,637
Balance at June 30, 2023 <i>(Measurement Date June 30, 2023)</i>	\$ 263,817	\$ -	\$ 263,817

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

	2022		
	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at January 1, 2022 <sup>(1)</sup> <i>(Measurement Date June 30, 2022)</i>	\$ 232,941	\$ -	\$ 232,941
Changes Recognized for the Measurement Period:			
Service Cost	10,783	-	10,783
Interest	4,456	-	4,456
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Benefit Payments	-	-	-
Net Changes	15,239	-	15,239
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	\$ 248,180	\$ -	\$ 248,180

<sup>(1)</sup> The District entered into the plan effective January 1, 2022. This is the estimated beginning balance measured by the actuarial valuation as of effective date of the plan.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2023 and 2022:

	2023	2022
1% Decrease	2.86%	2.69%
Net OPEB Liability	\$ 384,064	\$ 365,239
Current Discount Rate	3.86%	3.69%
Net OPEB Liability	\$ 263,817	\$ 248,180
1% Increase	4.86%	4.69%
Net OPEB Liability	\$ 188,933	\$ 175,738

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement periods ended June 30, 2023 and 2022:

	Net OPEB Liability	
	2023	2022
1% Decrease	\$ 178,982	\$ 167,342
Current Healthcare Cost Trend Rates	\$ 263,817	\$ 248,180
1% Increase	\$ 405,384	\$ 383,382

**OPEB Plan Fiduciary Net Position**

Currently, the City is under a pay-as-you-go method, and the CBRHP has no fiduciary net position.

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. Currently the District does not have any deferred outflows or inflows of resources related to OPEB.

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

For the fiscal years ended June 30, 2023 and 2022, the City recognized OPEB expense (credit) of \$30,898 and \$248,180. As of the fiscal years ended June 30, 2023 and 2022, the District reported deferred outflows or inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2023	2022	2023	2022
Differences between actual and expected experience	\$ -	\$ -	\$ -	\$ -
Changes in assumptions	-	-	15,261	-
Total	\$ -	\$ -	\$ 15,261	\$ -

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

Year Ended June 30	Deferred Outflows/Inflows of Resources
2024	\$ (1,293)
2025	(1,293)
2026	(1,293)
2027	(1,293)
2028	(1,293)
Thereafter	(8,796)
Total	\$ (15,261)

**9) DEFERRED COMPENSATION**

The District established a retirement plan for all eligible District employees during the year ended June 30, 1986. All full time, classified employees qualify. The plan is an Internal Revenue Service Code Section 457, Public Employees Deferred Compensation Plan. Contributions by employees are voluntary, and may be in any fixed amount, with modifications available at fixed intervals. The District contributes up to 10% of gross pay, with all contributions being currently funded. The District begins to deposit its contributions to the employee’s annuity account upon successful completion of the employee’s initial six (6) month probationary period. Vesting of the District’s contributions begins at the end of the first year of employment. Thirty three and one third percent (33.3%) vests at the end of the first year, sixty-six and two thirds percent (66.6%) vests at the end of the second year, and one-hundred percent (100%) or full vesting occurs at the end of the third year of service, as measured from the date of initial hire of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions for the fiscal years ended June 30, 2023 and 2022 were \$28,368 and \$26,879, respectively.

Participants may select from various investment fund options for the investment of their contributions and matching employer contributions. Employees may also select retirement benefit options ranging from lump sum distributions to life annuities upon separation from service.

The Deferred Compensation Plan is administered by Nationwide Retirement Solutions, Inc.

As a result of legislative changes, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to the legislative changes, these amounts were solely the property and rights of the District subject only to the claims of the District’s general creditors. As a result, as of June 30, 1999, the deferred compensation investments are no longer reported in the District’s financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**10) INCOME TAX**

The District is exempt from income taxes.

**11) JOINT POWERS AGENCY (ACWAJPIA)**

The District is a member of the Association of California Water Agency Joint Powers Insurance Authority (ACWAJPIA). The District receives the benefits of the pooled insurance risk program, but not as an equity member of the authority. Total insurance payments for the year ended June 30, 2023 and 2022 were \$46,149 and \$22,918, respectively.

**12) PORT HUENEME WATER AGENCY/JOINT VENTURE**

In 1994, the CIBCSD entered into a Joint Powers Agency Agreement (JPA) with the City of Port Hueneme (COPH) to create the Port Hueneme Water Agency (PHWA). The JPA was formed in order to develop a subregional Water Quality Improvement Program to address the need for area-wide planning, coordination, development, financing, constructions and operation of a water desalination plant and the necessary transport facilities to service the water need of CIBCSD, COPH, the US Navy installations at the Naval Base Ventura County, Port Hueneme. The PHWA is responsible to design, construct and operate facilities necessary to deliver a combination of ground water and imported water.

Financial statements for the PHWA can be obtained through the COPH.

CIBCSD's percentage share in PHWA's cost of the improvements and related liabilities varies from 0% to 86%, based on each party's share of the facilities - overall the total cost of improvements through June 30, 2023 was \$11,854,130, of which CIBCSD's share was \$2,342,548 and through June 30, 2022 was \$12,436,844, of which CIBCSD's share was \$2,457,701. CIBCSD's share in ongoing operating costs vary from 12% to 16% for certain fixed costs; other variable operating costs are allocated based on the volume of water delivered to each party.

CIBCSD uses the equity method to account for its share of the JPA according to the joint venture agreement. The initial investment was recorded at cost.

CIBCSD's share of joint venture's net income is reported in CIBCSD's operating statement as a profit or loss in the joint venture. Nonoperating transactions between CIBCSD and the joint venture increase or decrease the equity interest.



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2023 and 2022

**12) PORT HUENEME WATER AGENCY/JOINT VENTURE - Continued**

A summary of the assets, liabilities and results of operations of PHWA are as follows.

	<u>2023</u>	<u>2022</u>
Total Assets	\$ 16,304,808	\$ 15,519,519
Total Liabilities	<u>2,816,216</u>	<u>1,597,415</u>
Net Position		
Net Investment in Capital Assets	11,446,720	11,974,913
Restricted for Operations	457,707	461,933
Unrestricted	<u>1,584,165</u>	<u>1,485,258</u>
Total Net Position	<u>\$ 13,488,592</u>	<u>\$ 13,922,104</u>
Total Revenues	\$ 5,758,678	\$ 5,343,355
Total Expenses	<u>(6,192,190)</u>	<u>(5,836,613)</u>
Net Increase (Decrease) in Net Position	<u>\$ (433,512)</u>	<u>\$ (493,258)</u>
CIBCSD's report its share of the PHWA as follows:		
Investment in PHWA	\$ 2,665,541	\$ 2,751,210
Profit (Loss) in PHWA Joint Venture	\$ (68,731)	\$ (80,537)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

## **REQUIRED SUPPLEMENTARY INFORMATION**



**Channel Islands Beach Community Services District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
As of June 30, 2023

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018*	0.00000%	\$ -	\$ -	N/A	N/A
2019*	0.00000%	\$ -	\$ 91,605	N/A	N/A
2020	0.00001%	\$ 408	\$ 603,461	0.07%	97.17%
2021	0.00013%	\$ 5,352	\$ 569,126	0.94%	95.12%
2022	0.00113%	\$ (21,521)	\$ 673,063	(3.20)%	109.37%
2023	0.00042%	\$ 19,483	\$ 704,053	2.77%	95.09%

**Notes to Schedule:**

**Benefit Changes.** On May 5, 2018, the District entered into a retirement contract with CalPERS.

**Changes in Assumptions.** In 2018 (for the June 30, 2017 measurement period), the discount rate reduced from 7.65% to 7.15%. In 2023 (for the June 30, 2022 measurement period), the discount rate reduced from 7.15% to 6.9%.

**Plan's Fiduciary Net Position.** The Plan's Fiduciary Net Position is based on the District's proportionate share of the CalPERS Miscellaneous Risk Pool.

\* Fiscal year 2018 was the 1<sup>st</sup> year the District entered into a retirement contract with CalPERS. For fiscal years 2018 and 2019, the District has no net pension liability since its proportionate share was not included in the actuarial valuations related to those fiscal years. Future years' information will be displayed up to 10 years as information becomes available.

**Channel Islands Beach Community Services District**  
**Schedule of Contributions**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
As of June 30, 2023

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 5,985	\$ (5,985)	\$ -	\$ 91,605	6.53%
2019	\$ 43,807	\$ (43,807)	\$ -	\$ 603,461	7.26%
2020	\$ 39,754	\$ (39,754)	\$ -	\$ 569,126	6.99%
2021	\$ 52,041	\$ (52,041)	\$ -	\$ 673,063	7.73%
2022	\$ 53,438	\$ (53,438)	\$ -	\$ 704,053	7.59%
2023	\$ 53,828	\$ (53,828)	\$ -	\$ 720,585	7.47%

\* Fiscal year 2018 was the 1<sup>st</sup> year the District entered into a retirement contract with CalPERS. Future years' information will be displayed up to 10 years as information becomes available.

**Channel Islands Beach Community Services District**  
**Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios**  
For the Measurement Periods Ended June 30,

Measurement Period	2022	2023
<b>Total OPEB Liability</b>		
Service Cost	\$ 10,783	\$ 22,213
Interest on the Total OPEB Liability	4,456	9,978
Actual and Expected Experience Difference	-	-
Changes in Assumptions	-	(16,554)
Changes in Benefit Terms	-	-
Benefit Payments	-	-
<b>Net Change in Total OPEB Liability</b>	<b>15,239</b>	<b>15,637</b>
<b>Total OPEB Liability - Beginning<sup>(1)</sup></b>	<b>232,941</b>	<b>248,180</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 248,180</b>	<b>\$ 263,817</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ -	\$ -
Net Investment Income	-	-
Benefit Payments	-	-
Administrative Expense	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB Liability (Asset) - Ending (a)-(b)</b>	<b>\$ 248,180</b>	<b>\$ 263,817</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%	0%
Covered-employee Payroll <sup>(2)</sup>	\$ 789,608	\$ 854,919
Net OPEB Liability as a Percentage of Covered-employee Payroll <sup>(2)</sup>	31.43%	30.86%

**Notes to Schedule:**

- <sup>(1)</sup> The District began sponsoring healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA") effective January 1, 2022. The beginning balance for the 2022 fiscal year total OPEB liability was measured as of January 1, 2022 by the actuary.
- <sup>(2)</sup> Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
- <sup>(3)</sup> Contributions are determined by an actuarial valuation based on eligible participants' estimated medical benefits. Currently, no amounts have been contributed to a trust requiring an actuarial valuation.

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## **SUPPLEMENTAL INFORMATION**





**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Revenue	\$ 2,316,000	\$ 2,026,885	\$ (289,115)
Sewer Revenue	1,520,000	1,357,582	(162,418)
Sewer Revenue - Oxnard	560,000	497,520	(62,480)
Trash Revenue	793,000	836,470	43,470
	<u>5,189,000</u>	<u>4,718,457</u>	<u>(470,543)</u>
<b>OPERATING EXPENSES</b>			
Water System Expenses:			
PHWA Water Expense	850,000	805,104	44,896
Water Samples	16,000	14,137	1,863
SDHS Annual Admin. Fee	18,000	18,582	(582)
Cross Connect Contract Charges	2,600	2,650	(50)
Repairs and Maintenance - Distribution	130,000	143,345	(13,345)
Water Quality Report	1,500	-	1,500
Telemetry	10,600	10,422	178
	<u>1,028,700</u>	<u>994,240</u>	<u>34,460</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	660,000	506,089	153,911
Operations and Maintenance	109,000	95,673	13,327
Telemetry	35,000	32,021	2,979
Power	29,000	23,881	5,119
	<u>833,000</u>	<u>657,664</u>	<u>175,336</u>
Trash Expenses:			
Trash Services	615,000	606,092	8,908
	<u>615,000</u>	<u>606,092</u>	<u>8,908</u>
Maintenance Expenses:			
Vehicle Expenses	12,000	12,686	(686)
Building Security	1,800	1,671	129
Building Maintenance	17,000	7,037	9,963
Sign and Banner Expense	1,500	1,036	464
Public Landscape Project	5,200	4,099	1,101
Employee Workplace Safety	5,000	2,786	2,214
Gasoline Expenses	20,000	22,955	(2,955)
Emergency Preparedness Expense	1,500	-	1,500
	<u>\$ 64,000</u>	<u>\$ 52,270</u>	<u>\$ 11,730</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Salaries and Benefits:			
Regular Salaries	\$ 769,000	\$ 816,825	\$ (47,825)
Retirement Benefits	104,000	170,701	(66,701)
Uniforms	5,500	4,257	1,243
Group Insurance	157,000	135,548	21,452
Worker's Compensation Insurance	13,500	13,464	36
Payroll Taxes	14,000	14,154	(154)
Employee Educational Expense	14,000	15,774	(1,774)
Total Salaries and Benefits	<u>1,077,000</u>	<u>1,170,723</u>	<u>(93,723)</u>
Administrative Expenses:			
Regular Board Payments	10,000	7,225	2,775
Special Board Meetings	3,000	1,939	1,061
Board/Committee Expenses	2,000	1,973	27
Conferences and Seminars - Board	5,000	1,013	3,987
Board Travel and Lodging	8,500	8,189	311
Dues/Membership - District	27,000	26,036	964
Office Supplies	8,000	10,262	(2,262)
E-Pay Online	6,000	5,048	952
Communications	25,000	24,643	357
Printing and Publications	6,000	5,256	744
Postage and Shipping	12,000	10,818	1,182
Utilities	3,800	3,378	422
Miscellaneous Office Expense	16,400	36,943	(20,543)
Other Professional Services	10,000	11,196	(1,196)
Office Equipment Maintenance	7,000	9,907	(2,907)
Equipment Purchases	8,000	-	8,000
Insurance	37,000	46,149	(9,149)
Accounting Services	50,000	43,857	6,143
Computer Services	47,000	66,369	(19,369)
Legal Services	60,000	46,697	13,303
Engineering Services	75,000	43,321	31,679
Bank and Trustee Fees	4,000	2,500	1,500
Legal Notices Publication Expense	7,000	1,305	5,695
Public Information Expense	10,000	-	10,000
Total Administrative Expenses	<u>\$ 447,700</u>	<u>\$ 414,024</u>	<u>\$ 33,676</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Other Operating Expenses:			
Depreciation	\$ -	\$ 370,171	\$ (370,171)
Amortization	-	(5,636)	5,636
Bad Debt	-	8,345	(8,345)
Total Other Operating Expenses	-	372,880	(372,880)
Total Operating Expenses	4,065,400	4,267,893	(202,493)
<b>OPERATING INCOME (LOSS)</b>	<b>1,123,600</b>	<b>450,564</b>	<b>(673,036)</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenue:			
Investment Earnings	90,000	226,753	136,753
Net Gain (Loss) from Joint Venture	-	(68,731)	(68,731)
Net Gain (Loss) on Sale of Capital Assets	-	(9,986)	(9,986)
County Tax Apportionment	105,000	94,095	(10,905)
Miscellaneous Revenues	-	34,626	34,626
Total Nonoperating Revenues	195,000	276,757	81,757
Nonoperating Expenses:			
Interest Expense	126,000	82,399	43,601
Total Nonoperating Expenses	126,000	82,399	43,601
Total Nonoperating Revenues and Expenses	69,000	194,358	125,358
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>\$ 1,192,600</b>	<b>\$ 644,922</b>	<b>\$ (547,678)</b>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water**  
**Year Ended June 30, 2023**

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Revenue	\$ 2,316,000	\$ 2,026,885	\$ (289,115)
Total Operating Revenues	<u>2,316,000</u>	<u>2,026,885</u>	<u>(289,115)</u>
<b>OPERATING EXPENSES</b>			
Water System Expenses:			
PHWA Water Expense	850,000	805,104	44,896
Water Samples	16,000	14,137	1,863
SDHS Annual Admin. Fee	18,000	18,582	(582)
Cross Connect Contract Charges	2,600	2,650	(50)
Repairs and Maintenance - Distribution	130,000	143,345	(13,345)
Water Quality Report	1,500	-	1,500
Telemetry	10,600	10,422	178
Total Water System Expenses	<u>1,028,700</u>	<u>994,240</u>	<u>34,460</u>
Maintenance Expenses:			
Vehicle Expenses	5,160	5,455	(295)
Building Security	594	552	42
Building Maintenance	5,610	2,322	3,288
Sign and Banner Expense	495	342	153
Employee Workplace Safety	2,150	1,198	952
Gasoline Expenses	8,600	9,870	(1,270)
Total Maintenance Expenses	<u>22,609</u>	<u>19,739</u>	<u>2,870</u>
Salaries and Benefits:			
Regular Salaries	299,910	318,561	(18,651)
Retirement Benefits	40,560	66,574	(26,014)
Uniforms	2,365	1,831	534
Group Insurance	61,230	52,864	8,366
Worker's Compensation Insurance	5,265	5,251	14
Payroll Taxes	5,460	5,520	(60)
Employee Educational Expense	5,460	6,152	(692)
Total Salaries and Benefits	<u>\$ 420,250</u>	<u>\$ 456,753</u>	<u>\$ (36,503)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses:			
Regular Board Payments	\$ 3,900	\$ 2,818	\$ 1,082
Special Board Meetings	1,170	756	414
Board/Committee Expenses	780	769	11
Conferences and Seminars - Board	1,950	395	1,555
Board Travel and Lodging	3,315	3,194	121
Dues/Membership - District	10,182	9,894	288
Office Supplies	2,640	3,387	(747)
E-Pay Online	2,460	2,070	390
Communications	8,250	8,132	118
Printing and Publications	1,980	1,734	246
Postage and Shipping	3,960	3,570	390
Utilities	1,254	1,115	139
Miscellaneous Office Expense	6,664	15,147	(8,483)
Other Professional Services	4,100	4,590	(490)
Office Equipment Maintenance	2,310	3,269	(959)
Equipment Purchases	2,640	-	2,640
Insurance	15,170	18,921	(3,751)
Accounting Services	20,500	17,981	2,519
Computer Services	19,270	27,212	(7,942)
Legal Services	36,400	28,485	7,915
Engineering Services	30,750	17,762	12,988
Bank and Trustee Fees	1,640	1,025	615
Legal Notices Publication Expense	2,310	431	1,879
Public Information Expense	3,300	-	3,300
	<u>186,895</u>	<u>172,657</u>	<u>14,238</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	188,787	(188,787)
Bad Debt	-	2,837	(2,837)
	<u>-</u>	<u>191,624</u>	<u>(191,624)</u>
Total Other Operating Expenses			
	<u>1,658,454</u>	<u>1,835,013</u>	<u>(176,559)</u>
Total Operating Expenses			
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 657,546</u>	<u>\$ 191,872</u>	<u>\$ (465,674)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenues:			
Investment Earnings	\$ 31,500	\$ 79,364	\$ 47,864
Net Gain (Loss) from Joint Venture	-	(68,731)	(68,731)
Net Gain (Loss) on Sale of Capital Assets	-	(5,092)	(5,092)
County Tax Apportionment	2,500	-	(2,500)
Miscellaneous Revenues	-	17,104	17,104
	<u>34,000</u>	<u>22,645</u>	<u>(11,355)</u>
Total Nonoperating Revenues			
Nonoperating Expenses:			
Interest Expense	19,000	14,734	4,266
	<u>19,000</u>	<u>14,734</u>	<u>4,266</u>
Total Nonoperating Expenses			
	<u>15,000</u>	<u>7,911</u>	<u>(7,089)</u>
Total Nonoperating Revenues and Expenses			
	<u>\$ 672,546</u>	<u>\$ 199,783</u>	<u>\$ (472,763)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>			

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Sewer Revenue	\$ 1,520,000	\$ 1,357,582	\$ (162,418)
Sewer Revenue - Oxnard	560,000	497,520	(62,480)
Total Operating Revenues	<u>2,080,000</u>	<u>1,855,102</u>	<u>(224,898)</u>
<b>OPERATING EXPENSES</b>			
Sewer System Expense:			
Waste Water Transportation - Oxnard	660,000	506,089	153,911
Operations and Maintenance	109,000	95,673	13,327
Telemetry	35,000	32,021	2,979
Power	29,000	23,881	5,119
Total Sewer System Expenses	<u>833,000</u>	<u>657,664</u>	<u>175,336</u>
Maintenance Expenses:			
Vehicle Expenses	4,920	5,201	(281)
Building Security	612	568	44
Building Maintenance	5,780	2,393	3,387
Sign and Banner Expense	510	352	158
Employee Workplace Safety	2,050	1,142	908
Gasoline Expenses	8,200	9,412	(1,212)
Total Maintenance Expenses	<u>22,072</u>	<u>19,068</u>	<u>3,004</u>
Salaries and Benefits:			
Regular Salaries	307,600	326,730	(19,130)
Retirement Benefits	41,600	68,280	(26,680)
Uniforms	2,255	1,745	510
Group Insurance	62,800	54,219	8,581
Worker's Compensation Insurance	5,400	5,386	14
Payroll Taxes	5,600	5,662	(62)
Employee Educational Expense	5,600	6,310	(710)
Total Salaries and Benefits	<u>\$ 430,855</u>	<u>\$ 468,332</u>	<u>\$ (37,477)</u>



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses:			
Regular Board Payments	\$ 4,000	\$ 2,889	\$ 1,111
Special Board Meetings	1,200	776	424
Board/Committee Expenses	800	790	10
Conferences and Seminars - Board	2,000	406	1,594
Board Travel and Lodging	3,400	3,275	125
Dues/Membership - District	10,781	10,414	367
Office Supplies	2,720	3,489	(769)
E-Pay Online	2,640	2,221	419
Communications	8,500	8,379	121
Printing and Publications	2,040	1,788	252
Postage and Shipping	4,080	3,678	402
Utilities	1,292	1,148	144
Miscellaneous Office Expense	7,096	15,885	(8,789)
Other Professional Services	4,400	4,927	(527)
Office Equipment Maintenance	2,380	3,368	(988)
Equipment Purchases	2,720	-	2,720
Insurance	16,280	20,306	(4,026)
Accounting Services	22,000	19,297	2,703
Computer Services	20,680	29,202	(8,522)
Legal Services	17,600	13,542	4,058
Engineering Services	33,000	19,061	13,939
Bank and Trustee Fees	1,760	1,100	660
Legal Notices Publication Expense	2,380	443	1,937
Public Information Expense	3,400	-	3,400
	<u>177,149</u>	<u>166,384</u>	<u>10,765</u>
Other Operating Expenses:			
Depreciation	-	170,279	(170,279)
Amortization	-	(5,636)	5,636
Bad Debt	-	2,754	(2,754)
	<u>-</u>	<u>167,397</u>	<u>(167,397)</u>
	<u>1,463,076</u>	<u>1,478,845</u>	<u>(15,769)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 616,924</u>	<u>\$ 376,257</u>	<u>\$ (240,667)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenues:			
Investment Earnings	\$ 49,500	\$ 124,714	\$ 75,214
Net Gain (Loss) on Sale of Capital Assets	-	(4,594)	(4,594)
County Tax Apportionment	2,500	-	(2,500)
Miscellaneous Revenues	-	17,522	17,522
	<u>52,000</u>	<u>137,642</u>	<u>85,642</u>
Nonoperating Expenses:			
Interest Expense	<u>107,000</u>	<u>67,665</u>	<u>39,335</u>
	<u>107,000</u>	<u>67,665</u>	<u>39,335</u>
	<u>(55,000)</u>	<u>69,977</u>	<u>124,977</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ 561,924</u>	<u>\$ 446,234</u>	<u>\$ (115,690)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Trash Revenue	\$ 793,000	\$ 836,470	\$ 43,470
Total Operating Revenues	<u>793,000</u>	<u>836,470</u>	<u>43,470</u>
<b>OPERATING EXPENSES</b>			
Trash Expense:			
Trash Service	615,000	606,092	8,908
Total Trash Expense	<u>615,000</u>	<u>606,092</u>	<u>8,908</u>
Maintenance Expenses:			
Vehicle Expenses	1,680	1,776	(96)
Building Security	594	551	43
Building Maintenance	5,610	2,322	3,288
Sign and Banner Expense	495	342	153
Employee Workplace Safety	700	390	310
Gasoline Expenses	2,800	3,214	(414)
Total Maintenance Expenses	<u>11,879</u>	<u>8,595</u>	<u>3,284</u>
Salaries and Benefits:			
Regular Salaries	146,110	155,197	(9,087)
Retirement Benefits	19,760	32,433	(12,673)
Uniforms	770	596	174
Group Insurance	29,830	25,754	4,076
Worker's Compensation Insurance	2,565	2,558	7
Payroll Taxes	2,660	2,689	(29)
Employee Educational Expense	2,660	2,997	(337)
Total Salaries and Benefits	<u>204,355</u>	<u>222,224</u>	<u>(17,869)</u>
Administrative Expenses:			
Regular Board Payments	\$ 1,900	\$ 1,373	\$ 527
Special Board Meetings	570	368	202
Board/Committee Expenses	380	375	5
Conferences and Seminars - Board	950	192	758
Board Travel and Lodging	1,615	1,556	59
Dues/Membership - District	5,809	5,468	341
Office Supplies	2,640	3,386	(746)
E-Pay Online	900	757	143

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses: (Continued)			
Communications	\$ 8,250	\$ 8,132	\$ 118
Printing and Publications	1,980	1,734	246
Postage and Shipping	3,960	3,570	390
Utilities	1,254	1,115	139
Miscellaneous Office Expense	2,580	5,911	(3,331)
Other Professional Services	1,500	1,679	(179)
Office Equipment Maintenance	2,310	3,270	(960)
Equipment Purchases	2,640	-	2,640
Insurance	5,550	6,922	(1,372)
Accounting Services	7,500	6,579	921
Computer Services	7,050	9,955	(2,905)
Legal Services	6,000	4,670	1,330
Engineering Services	11,250	6,498	4,752
Bank and Trustee Fees	600	375	225
Legal Notices Publication Expense	2,310	431	1,879
Public Information Expense	3,300	-	3,300
	<u>82,798</u>	<u>74,316</u>	<u>8,482</u>
Other Operating Expenses:			
Depreciation	-	11,105	(11,105)
Bad Debt	-	2,754	(2,754)
	<u>-</u>	<u>13,859</u>	<u>(13,859)</u>
	<u>914,032</u>	<u>925,086</u>	<u>(11,054)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(121,032)</u>	<u>(88,616)</u>	<u>32,416</u>
Nonoperating Revenues:			
Investment Earnings	9,000	22,675	13,675
Net Gain (Loss) on Sale of Capital Assets	-	(300)	(300)
County Tax Apportionment	2,500	-	(2,500)
	<u>11,500</u>	<u>22,375</u>	<u>10,875</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ (109,532)</u>	<u>\$ (66,241)</u>	<u>\$ 43,291</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Community Service**  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Maintenance Expenses:			
Vehicle Expenses	240	254	(14)
Public Landscape Project	5,200	4,099	1,101
Employee Workplace Safety	100	56	44
Gasoline Expenses	400	459	(59)
Emergency Preparedness Expense	1,500	-	1,500
Total Maintenance Expenses	<u>7,440</u>	<u>4,868</u>	<u>2,572</u>
Salaries and Benefits:			
Regular Salaries	15,380	16,337	(957)
Retirement Benefits	2,080	3,414	(1,334)
Uniforms	110	85	25
Group Insurance	3,140	2,711	429
Worker's Compensation Insurance	270	269	1
Payroll Taxes	280	283	(3)
Employee Educational Expense	280	315	(35)
Total Salaries and Benefits	<u>21,540</u>	<u>23,414</u>	<u>(1,874)</u>
Administrative Expenses:			
Regular Board Payments	200	145	55
Special Board Meetings	60	39	21
Board/Committee Expenses	40	39	1
Conferences and Seminars - Board	100	20	80
Board Travel and Lodging	170	164	6
Dues/Membership - District	228	260	(32)
Miscellaneous Office Expense	60	-	60
Total Administrative Expenses	<u>858</u>	<u>667</u>	<u>191</u>
Other Operating Expenses:			
Depreciation	-	-	-
Total Other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>29,838</u>	<u>28,949</u>	<u>889</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (29,838)</u>	<u>\$ (28,949)</u>	<u>\$ 889</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued**  
Year Ended June 30, 2023

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenue:			
County Tax Apportionment	\$ 97,500	\$ 94,095	\$ (3,405)
Total Nonoperating Revenues	<u>97,500</u>	<u>94,095</u>	<u>(3,405)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ 67,662</u>	<u>\$ 65,146</u>	<u>\$ (2,516)</u>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

### OVERVIEW

#### FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: 1) Statements of Net Position; 2) Statements of Revenues, Expenses and Changes in Net Position; 3) Statements of Cash Flows; and, 4) Notes to the Financial Statements. In addition to the basic financial statements, supplementary information is also presented.

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

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The Statement of Cash Flows presents information regarding the District's use of cash during the year. Cash flows will differ from revenues and expenses because the statement accounts only for transactions that resulted in the District's receipt or payment of cash during the year.

### FINANCIAL HIGHLIGHTS

#### SIGNIFICANT EVENTS AND TRANSACTIONS

**The Board of Directors restricted the following amounts to their respective utilities:**

- ◆ Water - \$1,933,634 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$462,614 operating reserve, \$85,000 for debt service and \$199,045 for rate stabilization.
- ◆ Sewer - \$4,509,110 for Capital and future unanticipated repairs and maintenance of sewer system, 281,903 operating reserve, \$191,000 for debt service and \$126,761 for rate stabilization.
- ◆ Trash - \$18,000 for Capital and future unanticipated repairs and maintenance, \$214,378 for operating reserve and \$99,751 for rate stabilization.
- ◆ Community service - \$154,117 for Capital and future unanticipated repairs and maintenance and \$7,856 for operating reserve.

- In 2021, the District hired an outside consultant to conduct a 5-year rate study to calculate the cost of providing services, cost of future maintenance requirements of the District's infrastructure and cost of future capital expenditures. The results of this study gave the District a 5-year rate adjustment schedule from 2021 through 2026 and was implemented via Proposition 218 hearing and notice. Based on the recommendation of the outside consultants, the board of directors has initiated a rate increase with effect from the billing period starting September 1, 2021. There was an increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate. The board of directors also initiated another rate increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 1, 2022. The board anticipates more changes in rate structure will take place in the near term to maintain the level of services provided by the District.
- The District amended its contract with the City of Oxnard regarding a shared sewer line. Effective January 1, 2023, the City will bill the District the estimated charges for the District's use of the shared sewer line rather than the full charges of the shared sewer line. In previous years, the District would pay for the full charges of the shared sewer line and the City would then reimburse the District for the City's estimated portion. This reduced the reimbursement revenue from the City of Oxnard and the related wastewater transportation costs by 50%.
- Investments were mostly moved to a new investment account with California CLASS which is expected to have a higher rate of return than the Ventura County Treasurer's Investment Pool. The District had approximately \$8,153,256 invested in the California CLASS investment pool at year end.
- For construction in progress, the District had approximately \$1 million in additions and \$834,050 in deletions. Most of this is related to a waterline relocation project that was capitalized for \$617,262 and a valve improvement project capitalized for \$216,788. The District also started on the construction of the new administrative building which required staff to move to a temporary office location.

## **FINANCIAL STATEMENTS**

### **NET POSITION**

The District's Net Position as of June 30, 2023, 2022 and 2021 totaled \$16,539,948, \$15,891,180 and \$15,141,538 respectively. At the end of the current year, the District is able to report positive balances in all categories of net position. The District's net position increased by \$648,768 from the prior year.



**FIGURE 1. NET POSITION**

	<u>As of June 30, 2023</u>	<u>As of June 30, 2022</u>	<u>As of June 30, 2021</u>
<b>Assets</b>			
Current Assets	\$ 8,910,715	\$ 9,368,653	\$ 9,164,935
Restricted Assets	112,300	104,181	94,455
Capital Assets, Net	7,943,184	7,181,254	6,899,050
Other Assets	<u>2,665,541</u>	<u>2,772,731</u>	<u>2,848,685</u>
TOTAL ASSETS	<u>\$ 19,631,740</u>	<u>\$ 19,426,819</u>	<u>\$ 19,007,125</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Items	\$ 122,529	\$ 139,436	\$ 103,388
Deferred Amount on Refunding	<u>33,339</u>	<u>36,042</u>	<u>50,544</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 155,868</u>	<u>\$ 175,478</u>	<u>\$ 153,932</u>
<b>Liabilities</b>			
Current Liabilities	\$ 619,704	\$ 934,660	\$ 1,298,941
Long-Term Debt	<u>2,612,433</u>	<u>2,774,044</u>	<u>2,720,540</u>
TOTAL LIABILITIES	<u>\$ 3,232,137</u>	<u>\$ 3,708,704</u>	<u>\$ 4,019,481</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Items	\$ 262	\$ 2,413	\$ 38
OPEB Related Items	<u>15,261</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 15,523</u>	<u>\$ 2,413</u>	<u>\$ 38</u>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 5,561,845	\$ 4,621,633	\$ 3,876,666
Unrestricted	<u>10,978,103</u>	<u>11,269,547</u>	<u>11,264,872</u>
TOTAL NET POSITION	<u>\$ 16,539,948</u>	<u>\$ 15,891,180</u>	<u>\$ 15,141,538</u>

Total assets increased by \$204,921. This is due to the net variances from current assets, capital assets and other assets.

Current assets decreased by \$457,938. This was due to other receivables decreasing by \$248,760 and Board restricted cash and cash equivalents decreasing by \$244,823. Other receivables decreased due to the new agreement with the City of Oxnard and cash and cash equivalents decreased due to the increased activity for constructions in progress.

Capital assets increased by \$761,930. The increase was due to additions in construction in progress of \$1 million, mostly related to water system improvements, a vehicle purchase of \$91,176 and deletion of \$419,176 for older assets including the demolition of the old administrative office.

Other assets related to the investment in the Port Hueneme Water Agency decreased by \$85,669 since there were no significant capital contributions from the member agencies and it had a decrease in net position of \$433,512.

Total liabilities decreased by \$476,567 which is due to a decrease in long-term debt due to principal payments made on outstanding sewer and water bonds, and a loan for the water meter project.

#### **REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Charges for operating services totaled \$4,718,457, \$5,292,413 and \$5,345,159, respectively for the years ended June 30, 2023, 2022, and 2021. The District is reporting operating income of \$450,564, \$798,810, and \$924,895, respectively for the years ended June 30, 2023, 2022 and 2021. Operating expenses before depreciation and amortization totaled \$3,903,358, \$4,137,222 and \$4,046,407, respectively for the years ended June 30, 2023, 2022 and 2021. Depreciation and amortization expenses totaled \$364,535, \$356,381 and \$373,857, respectively as of June 30, 2023, 2022 and 2021.

**FIGURE 2. REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30:**

	2023	2022	2021
<b>Revenues</b>			
Charges for Operating Services	\$ 4,718,457	\$ 5,292,413	\$ 5,345,159
Interest	226,753	29,265	43,093
Other Non-Operating Revenues*	50,004	6,249	8,074
Development impact fee	20,784	24,840	68,416
TOTAL REVENUES	<u>\$ 5,015,998</u>	<u>\$ 5,352,767</u>	<u>\$ 5,464,742</u>
<b>Expenses</b>			
Operating Expenses	\$ 4,267,893	\$ 4,493,603	\$ 4,420,264
Other Non-Operating Expenses	82,399	92,584	107,368
Depreciation on Contributed Assets	16,938	16,938	16,938
TOTAL EXPENSES	<u>\$ 4,367,230</u>	<u>\$ 4,603,125</u>	<u>\$ 4,544,570</u>
<b>Change in Net Position</b>	\$ 648,768	\$ 749,642	\$ 920,172
<b>Net Position at Beginning of Year</b>	<u>\$ 15,891,180</u>	<u>\$ 15,141,538</u>	<u>\$ 14,221,366</u>
<b>Net Position at End of Year</b>	<u><u>\$ 16,539,948</u></u>	<u><u>\$ 15,891,180</u></u>	<u><u>\$ 15,141,538</u></u>

\* Includes \$68,731, \$80,537 and \$88,169 loss from Joint Venture for years ended June 30, 2023, 2022 and 2021, respectively.

Total revenues decreased by \$336,769. This was mostly due to a decrease in charges for services by \$573,956 and an increase in investment earnings by \$197,488. Charges for services decreased due to a decrease of \$497,519 of sewer revenue from the City of Oxnard. This was due to the amended agreement with the City. Investment earnings increased due to better rates of return from transferring amounts to the California CLASS investment pool and generally overall the rates of return have improved over the prior year.

Total expenses decreased by \$235,895. Most of the decrease is due to the decrease in sewer system expenses by \$340,361. This was due to the decrease in wastewater transportation costs from the amended agreement with the City of Oxnard. Generally, most of the other expenses increased due to rising costs and administrative costs increased due to relocation costs for the temporary administrative office.

## CAPITAL ASSETS

The District's Capital Assets for 2021, 2022 and 2023 are as follows:

		Cost	Less Accumulated Depreciation		Net Depreciable Assets
2021	\$	12,619,433	\$	(5,720,383)	\$ 6,899,050
2022	\$	13,251,855	\$	(6,070,601)	\$ 7,181,254
2023	\$	13,982,267	\$	(6,039,083)	\$ 7,943,184

During the current year, the District capitalized various operating assets totaling \$115,361. There is a construction in progress in the current year totaling \$1,034,227. \$834,050 completed construction is moved from construction in progress to capital assets. There is a deletion of \$419,176 capital assets. Please refer to Note 4, *Capital Assets*, presented in the Notes to Financial Statements for additional detail regarding the District's Capital Assets.

**LONG-TERM DEBT**

At the end of the current fiscal year, the District had \$2,800,826 total long-term debt outstanding. For 2022 and 2021, the District had \$2,955,029 and \$3,197,805 total long-term debt outstanding. Please refer to Note 5, *Long-Term Debt*, presented in the Notes to Financial Statements for additional detail regarding the District's Long-Term Debt.

**ECONOMIC FACTORS AND BUDGET**

The District does not anticipate any increase in business or water consumption within the Harbor for Fiscal Year 2023-24. However, when the economic climate improves, the District anticipates significant redevelopment or new development to occur within the Channel Islands Harbor resulting in increased consumption and revenues. The District will take that into consideration in future budget years.

Another factor affecting the District's operation is California's ongoing drought and state's mandated water conservation program. Although the District has ample water supplies to meet current customer demands, the District has implemented stage 1 water supply shortage regulations, which includes limits on outdoor watering and wasteful water practices. The District's efforts to comply with state mandated water conservation requirements has resulted in decreased water consumption by District's customers.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Board, the District's Member Agencies, taxpayers, and creditors with a general overview of the Channel Islands Beach Community Services District's accountability for the money it manages. If you have questions about this report or need additional financial information, contact the Channel Islands Beach Community Services District's Administration Department, 353 Santa Monica Drive Oxnard, California, 93035.

\_\_\_\_\_, 2024

Board of Directors  
Channel Islands Beach Community  
Services District  
Oxnard, CA

We have audited the financial statements of the Channel Islands Beach Community Services District (the “District”) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 15, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1B to the financial statements, the District changed accounting policies related to leases and other matters by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 91, *Conduit Debt Obligations*, No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and No. 96, *Subscription-Based Information Technology Arrangements* in fiscal year 2023. These statements had no significant impact on the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management’s estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life. We evaluated the key factors and assumptions used to develop the capital assets depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the investment in the Port Hueneme Water Agency is based on a percentage from financial information provided by the Agency. We evaluated the key factors and assumptions used to develop the investment in the Port Hueneme Water Agency in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of debt related amortizations (premiums and on refunding) are based on the terms and amounts included in the debt documents. We evaluated the key factors and assumptions used to develop the debt related amortizations in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related pension deferred outflows and inflows of resources are based on an actuarial valuation and pension contributions made during the year. We evaluated the key factors and assumptions used to develop the net pension liability and related pension deferred outflows and inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of net other postemployment benefits (OPEB) liability and related OPEB deferred outflows and inflows of resources are based on an actuarial valuation and OPEB contributions made during the year. We evaluated the key factors and assumptions used to develop the net OPEB liability and related deferred outflows and inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Notes 2 and 3 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of capital assets in Note 4 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Port Hueneme Water Agency/Joint Venture in Note 12 to the financial statements is based on financial information provided by the agency which could differ from actual results.

The disclosure of debt related amortizations (premiums and on refundings) in Notes 1.K, 1.M, and 5 to the financial statements are based on the terms and amounts included in the related debt documents which could differ from actual results.

The disclosure of the employees' retirement, net pension liability and related pension deferred outflows and inflows of resources in Notes 1.K, 1.N and 7 to the financial statements represents management's estimate based on an actuarial valuation and pension contributions made during the year. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The disclosure of other postemployment benefits and the net OPEB liability and related OPEB deferred outflows and inflows of resources in Notes 1.K, 1.O and 8 to the financial statements represents management's estimate based on an actuarial valuation and OPEB contributions made during the year. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the audit was delayed in waiting for financial information from the Port Hueneme Water Agency and the availability of the outside financial consulting firm.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Reversal of a \$248,760 prior year other receivable from the City of Oxnard.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_, 2024.

### *Management Consultations with Other Independent Accountants*

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

### *Other Audit Findings or Issues*

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

### Other Matters

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

We were engaged to report on the supplemental information section, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

As part of the audit, we assisted with the preparation of the financial statements and related notes and the calculation of the investment in the Port Hueneme Water Agency. However, these services, does not constitute an audit under *Government Auditing Standards* and are considered nonaudit services. Management has reviewed, approved, and accepted responsibility for the results of these services.

Restrictions on Use

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

Very truly yours,

**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  
Channel Islands Beach Community  
Services District  
Oxnard, 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 Channel Islands Beach Community Services District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2024.

**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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been 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 District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Riverside, California  
\_\_\_\_\_, 2024



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156  
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCSD.COM

**Regular Board Meeting, May 14, 2024**

**To: Board of Directors**  
**From: CJ Dillon, Office Manager**  
**Subject: Engagement letter between Channel Islands Beach CSD and Brown Armstrong Accountancy Corporation for Financial Auditing Services**  
**Item: E-2**

**RECOMMENDATION:**

1. Approve the engagement letter with Brown Armstrong for a 3-year term for financial auditing in an amount not to exceed \$75,000.

**FINANCIAL IMPACT:** There is sufficient funding in line item 5520 (Accounting Services) of the Operating Budget to cover these costs.

**BACKGROUND:**

In 2001, the District contracted Teaman, Ramirez and Smith as our auditors. Through the years we have worked with many different field staff and partners. Fiscal year 2022-2023 will be their last year of government auditing due to shortages of CPA's working in that field. The District reached out to 13 auditing firms and received four proposals.

**DISCUSSION:**

Of the four proposals, Brown Armstrong came highly recommended by the District's CPA firm, Teaman, Ramirez and Smith, and other agencies we contacted. We are familiar with the firm from their work for PHWA. Although we will be sad to lose our current auditors, we feel Brown Armstrong will be a good fit for our District.

**ATTACHMENTS:** Engagement Letter, Brown Armstrong

June 5, 2024

Mr. Peter Martinez, General Manager  
Board of Directors  
Channel Islands Beach Community Services District  
353 Santa Monica Drive  
Channel Islands Beach, California 93035

Dear Mr. Martinez and Board of Directors:

We are pleased to confirm our understanding of the services we are to provide Channel Islands Beach Community Services District (the District) for the agreement period for the years ended June 30, 2024, 2025, and 2026.

### **Audit Scope and Objectives**

We will audit the Statements of Net Position; Revenues, Expenses, and Changes in Net Position; and Cash Flows, including the related notes to the financial statements, which collectively comprise the basic financial statements of the District as of and for the years ended June 30, 2024, 2025, and 2026. Accounting principles generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement the District’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District’s RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by accounting principles generally accepted in the United States of America and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis
- 2) Schedule of the District’s Proportionate Share of the Net Pension Liability – CalPERS Pension Plan
- 3) Schedule of Contributions – CalPERS Pension Plan
- 4) Schedule of Changes in the Net OPEB Liability and Related Ratios

We have also been engaged to report on supplementary information other than RSI that accompanies the District’s financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including

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**BAKERSFIELD**  
1200 Truman Avenue, Suite 300  
Bakersfield, CA 93309  
661-324-4971

**FRESNO**  
10 River Park Place East, Suite 208  
Fresno, CA 93720  
559-476-3592

**STOCKTON**  
2423 West March Lane, Suite 202  
Stockton, CA 95207  
209-451-4833

Mr. Peter Martinez, General Manager  
Board of Directors  
Channel Islands Beach Community Services District  
June 5, 2024  
Page Two

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements:

- 1) Schedule of Revenues and Expenses – Budget to Actual – All Activities
- 2) Schedule of Revenues and Expenses – Budget to Actual – Water
- 3) Schedule of Revenues and Expenses – Budget to Actual – Wastewater
- 4) Schedule of Revenues and Expenses – Budget to Actual – Solid Waste Disposal
- 5) Schedule of Revenues and Expenses – Budget to Actual – Community Service

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether the District's financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the District or to acts by management or employees acting on behalf of the District.

Mr. Peter Martinez, General Manager  
Board of Directors  
Channel Islands Beach Community Services District  
June 5, 2024  
Page Three

Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks. We have also identified the following additional risks of material misstatements:

- Management's estimate of CalPERS and OPEB liabilities
- Management's estimate of the useful lives of capital assets

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

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#### **Audit Procedures—Internal Control**

We will obtain an understanding of the District and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under American Institute of Certified Public Accountants (AICPA) professional standards and *Government Auditing Standards*.

#### **Audit Procedures—Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

#### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with GAAP, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known).

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You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with GAAP. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

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### **Other Services**

We will also assist in preparing the financial statements and related notes of the District in conformity with GAAP based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Brown Armstrong Accountancy Corporation and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Brown Armstrong Accountancy Corporation personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the State Controller's Office. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Brooke Baird is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit of the year ended June 30, 2024, on approximately August 12, 2024, and to issue our reports no later than December 31, 2024.



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Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our annual gross fee, including expenses, will not exceed \$25,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

The District may terminate this engagement at any time, with or without cause, upon delivery of written notice. Upon such termination the District shall not have any further liability under this engagement other than payment for all services rendered through the date of termination.

All disputes under this agreement shall be submitted to mediation. Each party shall designate an executive officer empowered to attempt to resolve the dispute. Should the designated representatives be unable to agree on a resolution, a competent and impartial third party acceptable to both parties shall be appointed to mediate. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

### **Reporting**

We will issue a written report upon completion of our audit of the District's financial statements. Our report will be addressed to the Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. The report will also state that the report is not suitable for any other purpose.

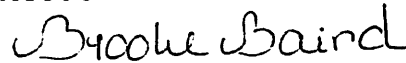
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If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Sincerely,

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



By: Brooke Baird, CPA

BNB:lpg:hfr  
Enclosure  
Pfx Engagement\16112 6/30/2024 Audit\PSR-02-1 Engagement Letter Draft

**RESPONSE:**

This letter correctly sets forth the understanding of Channel Islands Beach Community Services District.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Governance signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Board of Directors:

KRISTINA BREWER, President  
MICHAEL LEBOW, Vice President  
JARED BOUCHARD, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, June 11, 2024**

**To:** Board of Directors  
**From:** Pete Martinez, *General Manager*  
**Subject:** District Administration and Operations Facility Construction Update  
**Item:** E-3

**RECOMMENDATION:**

1. Receive and file.

**BACKGROUND/DISCUSSION:**

I am pleased to provide you with an update on the construction progress for the District Administration and Operations Facility. Here are the key highlights:

- 1. Current Progress and Timeline:** Construction began on October 2, 2023, and is 52% complete as of May 31, 2024.
- 2. Timeline:** Based on the General Contractor's (GC) baseline schedule and current critical path items the project is on schedule with a scheduled completion date of September 30, 2024.
- 3. Budget Status:** Through April the District has made 8 monthly progress payments for a total amount of \$1,719,927.86 of the awarded amount of \$3,222,327. In addition to the board approved contract amount, a 7% contingency of \$225,000 was approved. According to Gordian, change orders account for approximately 8-14% of all capital construction dollars. Gordian provides solutions tailored to public sector construction needs for fast and flexible procurement of construction services. For over 30 years they have been helping state, local, and federal government agencies effectively manage building projects.
- 4. Key Achievements:** McGillivray has recently completed the roofing, insulation, scratch and brown coats (stucco) on the Administrations and Operations buildings.
- 5. Change Orders:**
  - a. Change Order #1** \$52,148.08
    - i. COR01** Additional Concrete Paving
    - ii. COR02** Additional Grading
    - iii. COR4R1** Elevator Machine Room Concrete
    - iv. COR05** Builders Risk Insurance
    - v. COR06R1** Porous Concrete in lieu of Stormcrete Panels (Credit)
    - vi. COR07** Delta 7 Electrical Changes

- vii. COR09 Building 2 Unforeseen Slab Demo and Pour Back
- viii. COR10 Delta 7 Mechanical Changes
- ix. COR11 Elevator Machine Room Door #19

b. *Change Order #2* - \$42,399.83 – Operations Building (Reframing)

**6. Upcoming Milestones:** GC is currently working on completing all plumbing, electrical, mechanical in both buildings and will be starting the finish coat of the plastering process, installation of the windows, storefronts, and drywall.

**7. Construction Management and Architect Agreements:**

- a. S.L. Leonard & Associates – As of May 31, 2024, District has paid \$32,154 of the Board approved \$60,000 contract.
- b. Coastal Architects – As of May 31, 2024, District has paid \$59,792 of the Board approved amount of \$81,211.

It is important to note that District staff has self-performed various tasks onsite and will continue to self-perform necessary work to help keep project costs at bay. The estimated savings to the District at this time is approximately \$15,000-\$20,000.