



## CAMBRIA COMMUNITY SERVICES DISTRICT

I, Amanda Rice, President of the Cambria Community Services District Board of Directors, hereby call a Special Meeting of the Board of Directors pursuant to California Government Code Section 54956. The Special Meeting will be held: **Thursday, March 9, 2017, 3:00 PM, 1000 Main St. Cambria CA 93428**. The purpose of the special meeting is to discuss or transact the following business:

### **AGENDA**

#### **SPECIAL MEETING OF THE CAMBRIA COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS**

**Thursday, March 9, 2017, 3:00 PM  
1000 Main St. Cambria CA 93428**

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

#### **1. OPENING**

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

#### **2. PUBLIC COMMENT ON AGENDA ITEMS**

Members of the public wishing to address the Board on any item described in this Notice may do so when recognized by the Board President prior to Board consideration of each agenda item. Public Comment on this agenda will be limited to three (3) minutes per person

#### **3. REGULAR BUSINESS (Estimated time: 15 Minutes per item)**

- A. Discussion and Consideration to Receive the Comprehensive Annual Financial Report for Fiscal Year 2015/2016**
- B. Discussion and Consideration to Adopt Resolution 08-2017 Approving Amendments to the CCSD Budget for FY 2016/2017**

#### **4. ADJOURN**

## CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **3.A.**FROM: Jerry Gruber, General Manager  
Patrick O'Reilly, Finance Manager-----  
Meeting Date: March 9, 2017

Subject:

Discussion and Consideration to  
Receive the Comprehensive  
Annual Financial Report for  
Fiscal Year 2015/2016  
-----**RECOMMENDATIONS:**

Staff recommends the Board receive the Comprehensive Annual Financial Report (CAFR) for Fiscal Year 2015/2016 presented by Crosby Company, Certified Public Accountant.

Staff also recommends the Board approve a loan from the General Fund to the Wastewater Fund of \$466,777 effective June 30, 2016 to recognize the cash deficit in the Wastewater Fund on June 30, 2016. The loan should include interest at the rate earned by the District on LAIF investments.

**FISCAL IMPACT:**

An invoice for \$14,500 has been received from Crosby Company for this audit which is the amount specified in the contract. The contract allows for additional charges if the CCSD's records are not in good order and/or additional audit procedures other than as normally required are needed. \$15,000 was budgeted.

**DISCUSSION:**

A draft of the CCSD's CAFR for the fiscal year ended June 30, 2016 is attached for review. Bob Crosby, CPA, will present a brief summary of the audit and respond to questions and comments from the Board of Directors.

The fourth section of the Independent Auditors' Report is the auditors' opinion of the CCSD's financial statements and adequacy of internal controls. The auditors issued an unqualified opinion, which states that as of June 30, 2016, the financial statements present fairly, in all material respects, the financial position of the governmental and business-type activities of the CCSD.

The CCSD implemented the requirements of the Governmental Accounting Standards Board Statement (GASB) No. 34 as of the fiscal year ended June 30, 2004. A component of GASB 34 is a Management Discussion and Analysis (MD&A), which is incorporated in the CAFR. It is not a required component of the financial statements, but becomes supplemental information required by GASB. While the auditor is not responsible for the MD&A, he does apply certain limited procedures to it.

The CCSD implemented the requirements of the GASB No. 45 as of the fiscal year ended June 30, 2010, which required an Other Post Employment Benefits (OPEB) analysis.

As shown on page 6 of the audit, the General Fund had revenues of \$4,297,805 and expenditures of \$4,090,235 resulting in an increase to the fund balance of \$207,570.

As shown on page 9 of the audit, the Water Fund had total operating and non-operating revenues of \$7,742,267 and expenditures of \$3,049,366 resulting in an increase in net assets of \$4,692,901. It should be noted that \$4,411,388 of the revenue and increase in net assets was due to the receipt of a grant in that amount from the State of California for the Sustainable Water Facility.

As shown on page 9 of the audit, the Wastewater Fund had total operating and non-operating revenues of \$2,287,490 and expenditures of \$2,407,949 resulting in a decrease in net assets of \$120,459.

As shown on page 2 of the audit, the District had a total of \$4,858,234 in cash on hand on June 30, 2016. That cash is distributed to the three funds as shown in the following chart.

<b>CCSD FINANCIAL AUDIT JUNE 30, 2016</b>	
<u>FUND</u>	<u>CASH BALANCE</u>
GENERAL FUND	\$4,234,000
WASTEWATER FUND	(466,777)
WATER FUND	1,091,011
<b>TOTAL</b>	<b>\$4,858,234</b>

The actual cash position for each fund is shown in the following chart. This reflects that the Wastewater Fund has actually borrowed \$466,777 from the General Fund leaving the General Fund with an actual cash balance of \$3,767,223. It also reflects that Water Fund operations have borrowed \$540,380 from the cash available for the SWF project. When the SWF cash is required for the SWF project, any deficiencies in cash for Water operations will have to be borrowed from the General Fund.

<b>CCSD FINANCIAL AUDIT JUNE 30, 2016</b>			
<u>FUND</u>	<u>CASH BALANCE</u>	<u>INTERFUND LOAN</u>	<u>CASH POSITION</u>
GENERAL FUND	\$4,234,000	(\$466,777)	\$3,767,223
WASTEWATER FUND	(466,777)	466,777	-
WATER FUND (NON SWF)	(540,380)	540,380	-
WATER FUND (SWF)	1,631,391	(540,380)	1,091,011
<b>TOTAL</b>	<b>\$4,858,234</b>	<b>\$0</b>	<b>\$4,858,234</b>

Cash on hand increased by \$2,427,523 during the year. The following chart shows the major sources and uses of funds during the year.

<u>SOURCE OF FUNDS</u>	
SALES	8,149,459
SWF GRANT	4,163,142
<b>TOTAL SOURCES</b>	<b>12,312,601</b>
<u>USES OF FUNDS</u>	
PERSONNEL	2,947,012
MATL/SERVICES	3,301,987
ASSETS	39,900
WORK IN PROGRESS	1,795,970
ACCOUNTS RECEIVABLE (INCREASED)	309,287
LONG TERM DEBT PAID	822,411
ACCOUNTS PAYABLE (DECREASED)	668,511
<b>TOTAL USES</b>	<b>9,885,078</b>
<b>NET INCREASE IN CASH</b>	<b>2,427,523</b>

Attachment: FY 2015/2016 CAFR

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 BOARD ACTION:    Date \_\_\_\_\_    Approved: \_\_\_\_\_    Denied: \_\_\_\_\_

UNANIMOUS:    \_\_\_ RICE    \_\_\_ SANDERS    \_\_\_ BAHRINGER    \_\_\_ THOMPSON    \_\_\_ FARMER

**CAMBRIA  
COMMUNITY SERVICES DISTRICT**

Independent Auditor's Report  
and  
Financial Statements

For the Year Ended  
June 30, 2016

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2016

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## Independent Auditor's Report

To the Management of  
Cambria Community Services District  
Cambria, California 93428

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the Cambria Community Services District (CCSD), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the CCSD's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my 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 of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Opinion**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2016, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITOR'S REPORT**

(Continued)

**Emphasis of Matter*****Implementation of New Accounting Standards***

As disclosed in Note 1 to the financial statements, the District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No.68*, during the fiscal year 2015.

**Other Matters*****Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages i through xii, the Budgetary Comparison Information on page 31, and the Schedule of Funding Progress, Schedule of the District's Proportionate Share of the Net Pension Liability, and Schedule of Contributions, listed on pages 33 through 35, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I 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.

**CROSBY COMPANY**  
**Certified Public Accountant**  
**San Luis Obispo, California**

November 28, 2016



**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

Our discussion and analysis of the Cambria Community Services District's (CCSD) financial performance provides an overview of the CCSD's financial activities for the fiscal year ended June 30, 2016. The Management's Discussion & Analysis is to be read in conjunction with the CCSD's financial statements, which follow this section.

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

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

The CCSD is a political subdivision of the State of California and operates under a Board of Directors-Manager form of government. A five-member Board of Directors governs it with each member serving a four-year term. The CCSD has a population of 6,400 residents within its boundaries. Tourism in the summer months and on holiday weekends creates seasonal increases in the population. The CCSD provides the following services:

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

**Fund Financial Statements**

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

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

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

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

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

**Financial Statements**

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

- STATEMENT OF NET POSITION
- STATEMENT OF ACTIVITIES

The Statement of Net Position was previously the Statement of Net Assets and includes all of the CCSD's assets and liabilities, with the difference between the two reported as net assets. (The governmental Accounting Standards Board (GASB) sets the standards for government entities' financial statement reporting. As stated in NOTE 6: STATEMENT OF NET POSITION, the CCSD adopted GASB 63 and GASB 65 as of June 30, 2013. One effect of adopting the new standards was to change the Statement of Net Assets to the Statement of Net Position.

The Net Position may be displayed in the following categories:

- Invested in Capital Assets, Net of Related Debt
- Restricted
- Unrestricted

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

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

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

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

- Governmental Activities
- Business-Type Activities

**Governmental Activities**

Governmental activities include the following fund:

- General Fund

The General Fund includes the following Departments:

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

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

- BALANCE SHEET
- RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
- STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
- RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
- NOTES TO THE FINANCIAL STATEMENTS
- STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - Budget and Actual-Governmental Funds (Shown as Other Required Supplemental Information)

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

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

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

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

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

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

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

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

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

**Business-Type Activities**

Business-type activities include the following funds:

- Water Fund
- Wastewater (Sewer) Fund

The Water Fund includes the following Departments:

- Water
- Resource Conservation
- Surface Water Facility Operations

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

- STATEMENT OF NET POSITION-Proprietary Funds
- STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION-Proprietary Funds
- STATEMENT OF CASH FLOWS-Proprietary Funds
- NOTES TO THE FINANCIAL STATEMENTS

The Statement of Net Position includes all of the proprietary funds' assets and liabilities, with the difference between the two reported as net assets. Net position may be displayed in the following categories:

- Invested in Capital Assets, Net of Related Debt
- Restricted
- Unrestricted

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

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

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

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

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

**Notes to the Financial Statements**

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

NOTE 1 is required in all financial statements, even in cases where only the minimum notes are given. It provides a brief description of the CCSD; which financial statements are provided; how activity is recorded/reported; the accounting basis on which the financial statements are presented; certain financial policies of the CCSD, such as its capitalization policy and some definition of terms.

NOTE 2 provides information related to the CCSD's cash and investments such as how much cash is on-hand, how much is in the CCSD's bank accounts and how much is held in the Local Agency Investment Fund (LAIF). LAIF is a voluntary program offered to California's local governments to allow them to participate in a major portfolio. It is administered by the California State Treasurer. It has the same objectives in its investment policy as does the CCSD (Safety, Liquidity and Yield, in that order). LAIF does not invest in securities or derivatives and no agency has ever lost funds invested in LAIF. It is not subject to seizure by the State of California. On June 30, 2016, the fair market value of LAIF's investments was slightly in excess of the cost plus accrued interest of those assets. 50% of LAIF's funds were invested in United States Treasury Bills/Notes.

NOTE 3 provides additional information on the CCSD's Property, Plant and Equipment (Fixed Assets). This is mainly in the form of showing the amounts added and deleted for a given fiscal year by type of asset.

NOTE 4 provides additional information on the CCSD's accrued liabilities.

NOTE 5 provides additional information on the CCSD's Long-Term Debt such as original balances, interest rates and annual amounts due through the end of the terms of the debt.

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

NOTE 6 has been expanded to include all of the pension disclosures required by the Governmental Accounting Standards Board (GASB) Statements 43, 45 and 68.

While the note is titled Defined Benefit Pension Plan, it also includes the Post-Employment Benefits (OPEB) offered to the District's retirees in the form of healthcare benefits. The amount shown is based on an actuarial prepared "in-house" as of June 30, 2015. The District is required to do an actuarial calculation every third year and the next one will be done for the fiscal year ending June 30, 2018. The actuarial is based on the number of employees, retirees and their spouses as well as their ages (and presumed life spans) and presumed retirement dates as of June 30, 2014. The estimated costs are projected forward through the year 2057. (It should be noted that while there were 24 eligible employees as of June 30, 2011, there were 22 eligible employees as of June 30, 2014 although there were unfilled vacancies). The CCSD currently operates on a "pay as you go" basis for OPEB. Current retiree costs are fully paid, but nothing is specifically set-aside for future benefits.

NOTE 7 provides information related to agreements with other government entities for mutual aid and the use of property.

**Required Supplemental Information**

This section contains The STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - Budget and Actual-Governmental Funds.

**Other Required Supplemental Information**

This section contains the SCHEDULE OF FUNDING PROGRESS for Other Post Employment Benefits. It also contains two new schedules, the SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY and the SCHEDULE OF CONTRIBUTORS, both required by GASB 68 for the District's Net Pension Liability.

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

Because the Fire Suppression Benefit Assessment is a parcel assessment, it is not impacted by property value fluctuations. If approved by the CCSD Board of Directors, it can increase by the annual increase in the consumer price index, up to a maximum of 5.4%. It increased by \$919 (0.21%) from fiscal year 2014-2015 to fiscal year 2015-2016. It represents 22% of the Fire Department's revenue in the CCSD's fiscal year 2015-2016 Budget.

The economic situation also may have been impacting utility sales for the last several years, although this is not as readily discernable as with property tax revenue. Water and sewer sales decreased at the start of the economic downturn in fiscal year 2007-2008, staying depressed until the 2011-2012 fiscal year at which time they rebounded significantly, although they remained slightly below their highest level, which occurred in fiscal year 2006-2007.

Environmental factors also substantially impacted utility sales beginning in fiscal year 2014-2015. Because of persistent drought conditions in California and a predicted shortage of water availability, in January 2014 the District declared a Stage 3 Water Emergency and implemented a Stage 3 Water Conservation plan in the District which included the imposition of water use restrictions. It was anticipated that the restrictions would result in a 20% reduction in water use in the community. The actual reduction in water use was almost 40% for the last four months of the fiscal year 2013-2014 and in all of fiscal year 2014-2015. In 2015-2016, water sales increased slightly but were still only 62% of sales in fiscal year 2012-2013. The impact of reduced water consumption in fiscal year 2015-2016 was slightly offset by a water and wastewater rate increase implemented on March 1, 2016. The combined effect of reduced water consumption and increased rates resulted in a decrease in water sales for fiscal year 2015-2016 of only 15% compared to fiscal year 2012-2013.

Also in January 2014, the District began planning and developing an emergency water supply project that would preclude future similar water shortages. The project selected is comprised of a brackish water desalination plant and related equipment capable of converting available brackish water into reusable water which is diverted back into the ground for use as potable water. The system is expected to eliminate the need for any future water emergency condition in the District.

In anticipation of this project, the District also authorized a "Water and Sewer Plan Rate Study to evaluate the existing rate structure in the District and develop a proposed rate structure that would promote water conservation and fund construction of the emergency water supply project. In July 2014, the District adopted a special surcharge to water rates that generated \$897,000 during fiscal year 2014-2015 in additional revenue to fund the emergency water supply project.



**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

Once the increased water rates were approved, the District borrowed \$8,939,000 in a private placement loan from Western Alliance Bank Corporation in August 2014 to help pay for the Emergency Water Supply Project. CCSD also received \$4,163,142 from a Proposition 84 Integrated Regional Water Management Grant as part of San Luis Obispo County's DWR submittal to help finance the same project. The grant funds were received on December 17, 2015.

Two significant factors other than the general economic situation and the current drought, impact the financial strength of the CCSD. They are:

- Minimal capacity fee revenue; and
- Stagnate customer base

These conditions present significant fiscal challenges to the CCSD. Having only minimal capital revenue has resulted in most enterprise funds' capital outlays being financed by operating revenue or by transfers from the General Fund after fiscal year 2005-2006. A stagnate customer base results in little or no growth in revenue as well as in lost economies of scale.

To meet these challenges, the CCSD increased water fees by 9.75% and sewer fees by 15% as of July 1, 2009 and reduced staffing and employee benefits costs as well as reducing other operating costs. On March 1, 2016, water and sewer fees were again increased by an average of 24%.

While a hiring freeze imposed by the Board of Directors in 2009 has since been reversed, the following staff positions have been eliminated: the Assistant General Manager, Assistant Fire Chief, Assistant Finance Manager, Administrative Technician (Fire Department) and an Administrative Technician (Finance). Reduced retirement formulas have been adopted for new employees and all newly hired employees contribute the full employee portion to their pensions. For existing employees, all employee groups are now paying a portion of their retirement benefit and management/confidential employees and SEIU employees will be paying the full employee portion to their pensions within two years. Greater cost-sharing for medical insurance is also being paid by management/confidential employees and SEIU employees. After increasing from \$2,563,201 in fiscal year 2007-2008 to \$2,566,283 in fiscal year 2008-2009, total salaries and wages decreased to \$2,386,305 in fiscal year 2009-2010, to \$2,299,794 (this figure

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Fiscal Year Ended June 30, 2016**

does not include the severance pay paid to the previous General Manager) in fiscal year 2010-2011 and to \$2,228,801 in fiscal year 2011-2012. Total salaries and wages increased to \$2,281,216 in fiscal year 2012-2013, to \$2,393,418 in fiscal year 2013-2014 but then decreased to \$2,285,226 in fiscal year 2014-2015 and decreased again in 2015-2016 to \$2,199,011 which is a net decrease of \$367,272 or 14.0% over the last seven fiscal years. The preceding amounts include all salaries and wages, including any capitalized amounts.

Retirement is the most expensive employee benefit of the CCSD. The annual pension cost decreased from \$647,662 in fiscal year 2008-2009 to \$622,177 in fiscal year 2015-2016 which represents a decrease of \$25,485, or 4.0% over the seven year period. There are various factors that will impact the retirement rates and cost in the future. While such factors as total salaries, inflation rates and returns on investments are always involved and the agreements with employees to institute a second tier of retirement rates for newly hired employees and for current employees to pay a greater portion of their retirement contributions will serve to lower rates, there are 2 other factors that will impact the retirement rates for employees hired under the first tier formula in the short term (one of which will impact the rates permanently). The first item is a recently CalPERS approved methodology for amortization and smoothing. These are outlined in CalPERS Circular Letter 200-019-13. This policy change calls for increasing retirement rates from fiscal year 2015-2016 through fiscal year 2019-2020 with the projected increases for Safety (Fire Department) employees being 2.38% in fiscal year 2015-2016 rising to 11.9% in fiscal year 2019-2020. For Miscellaneous employees (all other departments) being 1.28% in fiscal year 2015-2016 rising to 6.4% in fiscal year 2019-2020. After fiscal year 2019-2020, the increases will be deleted. The second item is the retirement of the CCSD's Side Funds. "Side Fund" is the term used by CalPERS "to account for the difference between the funded status of the (entity's) pool and the funded status of the (entity's) plan, in addition to your existing unfunded liability". It is the 'catch-up' required when a higher formula plan is adopted by an entity. For fiscal year 2013-2014, paying the Safety Side Fund adds 4.343% to the Net Employer Contribution rate of 30.492% and paying the Miscellaneous Side Fund adds 11.484% to the Net Employer Contribution rate of 27.208%. The final year for paying the Safety Side Fund is fiscal year 2014/2015 and the final year for paying the Miscellaneous Side Fund is fiscal year 2016/2017 at which time, contribution rates should decrease by the Side Fund rates.

Employee health insurance is the second most expensive employee benefit of the CCSD. The annual employee medical insurance cost decreased from \$342,810 in fiscal year 2007-2008 to \$323,511 in fiscal year 2014-2015. This is an overall decrease of \$19,299 or 5.6%. The CCSD changed the insurance plan from a PPO to a HMO January 1, 2010, which reduced its contribution (employees staying in the PPO paid all of the excess cost). Agreements with management/confidential employees and SEIU employees have also provided for increased premium contributions made by employees.

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2016**

Retiree health insurance is the third most expensive employee benefit of the CCSD. It increased from \$174,820 in fiscal year 2007-2008 to \$224,490 in fiscal year 2015-2016. This is an overall increase of \$49,670 or 24.4% since fiscal year 2007-2008. Agreements with management/confidential employees and SEIU employees provide for increased premium contributions to be made by retirees and newly hired employees will receive a reduced health insurance premium benefit equal to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum, which is currently \$115. These changes are expected to result in a great reduction of retiree health insurance costs in the future.

After decreasing for several years, the CCSD's total Cash and Investments was \$4,265,148 as of June 30, 2009. It increased to \$4,499,040 as of June 30, 2010, decreased to \$4,386,277 as of June 30, 2011 (however, while the balance decreased \$112,763, it would have increased by \$293,084 if the capital lease for the fire pumper had not been paid off early and the severance package for the prior general manager had not occurred), increased to \$4,654,815 as of June 30, 2012, increased to \$4,890,266 as of June 30, 2013, decreased to \$3,877,738 as of June 30, 2014, decreased again to \$2,446,332 as of June 30, 2015 and increased to \$4,980,787 as of June 30, 2016.

Personnel costs represent 55.3% of the CCSD's operating expenditures for fiscal year 2015-2016. Several steps, the most significant being discussed above, have been taken to control these costs. While some costs will continue to increase, at least in the short-term future, the overall cost structure has been greatly improved and personnel costs appear to be sustainable.

While personnel costs are the largest category of expenditures, another cost area warrants discussion as the costs are rising rapidly plus the underlying exposure has the potential to greatly impact the CCSD's economic viability. These are the maintenance and repair costs. While these costs range from copier repairs to vehicle repairs to pump repairs, the vast majority are related to maintenance and repair costs of the water and sewer infrastructure. The total maintenance and repair costs were \$296,877 in fiscal year 2008-2009. They increased to \$380,638 in fiscal year 2009-2010, increased to \$419,797 in fiscal year 2010-2011, increased to \$530,902 in 2011-2012, increased to \$798,283 in fiscal year 2012-2013, increased to \$1,023,755 in fiscal year 2013-2014, decreased in fiscal year 2014-2015 to \$627,992 and increased again in fiscal year 2015-2016 to \$1,009,841. Despite all of these expenditures, there is still significant deferred maintenance in both the Water and Wastewater Funds.

Even with the large increases noted above, a large number of projects necessary to maintain water and sewer services have been identified and these costs have the possibility of creating serious economic consequences for the CCSD.

**CAMBRIA COMMUNITY SERVICES DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2016**

The Board of Directors approved the operating budget for fiscal year 2016-2017 on June 23, 2016. Projected activity for all funds is as follows:

- Water: a deficit of \$158,465 (the \$158,465 is expected to be transferred from reserves);
- Wastewater (Sewer)-zero balance;
- General Fund (Governmental): zero balance.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**BOARD OF DIRECTORS AND ADMINISTRATION**  
June 30, 2016

BOARD OF DIRECTORS

<u>NAME</u>	<u>TERM EXPIRES</u>
Gail Robinette, President	December 2016
Michael Thompson, Vice President	December 2018
Jim Bahringer, Director	December 2018
Amanda Rice, Director	December 2016
Greg Sanders, Director	December 2016

ADMINISTRATION

Jerry Gruber	General Manager
Tim Carmel	District Counsel

# CAMBRIA COMMUNITY SERVICES DISTRICT

## STATEMENT OF NET POSITION

June 30, 2016

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 4,234,000	\$ 624,234	\$ 4,858,234
Receivables:			
Interest receivable	2,668		2,668
Taxes	44,548		44,548
Other	72,721	856,440	929,161
Prepaid costs	278,740	12,763	291,503
Note receivable	3,032		3,032
Intangible-water master plan, net of amortization		1,289,033	1,289,033
Capital assets:			
Nondepreciable	15,319,499	19,414,348	34,733,847
Depreciable, net	1,051,435	9,923,188	10,974,623
Total capital assets, net of depreciation	16,370,934	29,337,536	45,708,470
 Total assets	 \$ 21,006,643	 \$ 32,120,006	 \$ 53,126,649
 Deferred Outflows of Resources - Deferred Pensions	 \$ -	 \$ -	 \$ -
<b>LIABILITIES</b>			
Accounts payable	\$ 16,118	\$ 26,710	\$ 42,828
Accrued expenses	291,613	173,171	464,784
Accrued interest payable		158,758	158,758
Refundable deposits	10,115	43,791	53,906
Deferred revenue	4,032	92,740	96,772
Long-term liabilities			
Net pension liability	2,136,180	1,510,193	3,646,373
Due within one year	35,050	445,427	480,477
Due within more than one year	494,041	9,226,524	9,720,565
 Total liabilities	 \$ 2,987,149	 \$ 11,677,314	 \$ 14,664,463
 Deferred Inflows of Resources - Deferred Pensions	 \$ 339,769	 \$ 146,760	 \$ 486,529
<b>NET POSITION</b>			
Invested in capital assets-net of related debt	16,290,371	19,749,396	36,039,767
Unrestricted (deficit)	1,389,354	546,536	1,935,890
 Total net position	 \$ 17,679,725	 \$ 20,295,932	 \$ 37,975,657

The accompanying notes are an integral part of these financial statements

## CAMBRIA COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
<b>Primary government:</b>						
Governmental activities:						
Administration	\$ 1,686,702	\$ 1,252,754	\$ -	\$ (433,948)		\$ (433,948)
Fire	1,939,392	16,859	40,844	(1,881,689)		(1,881,689)
Parks and recreation	28,712			(28,712)		(28,712)
Facilities and resources	594,160		59,416	(534,744)		
Interest on long-term debt	2,091			(2,091)		(2,091)
Total governmental activities	4,251,057	1,269,613	100,260	(2,881,184)		(2,881,184)
Business-type activities:						
Water	3,050,000	3,123,203	4,411,388		\$ 4,484,591	4,484,591
Wastewater	2,465,922	2,230,327			(235,595)	(235,595)
Total business-type activities	5,515,922	5,353,530	4,411,388		4,248,996	4,248,996
<b>Total primary government</b>	<b>\$ 9,766,979</b>	<b>\$ 6,623,143</b>	<b>\$ 4,511,648</b>	<b>(2,881,184)</b>	<b>4,248,996</b>	<b>1,367,812</b>
General revenues:						
Taxes:						
Property taxes and assessments				2,552,795		2,552,795
Availability charges					291,441	291,441
Connection fees					29,212	29,212
Franchise fees				81,262		81,262
Investment income				42,461	2,793	45,254
Other income				218,257		218,257
Total general revenues, investment and other income				2,894,775	323,446	3,218,221
Change in net position				13,591	4,572,442	4,586,033
Net position - beginning				17,666,134	15,723,490	33,389,624
Net position - ending				<b>\$ 17,679,725</b>	<b>\$ 20,295,932</b>	<b>\$ 37,975,657</b>

The accompanying notes are an integral part of these financial statements

# CAMBRIA COMMUNITY SERVICES DISTRICT

## BALANCE SHEET Governmental Funds June 30, 2016

### ASSETS

Cash and investments  
Receivables:  
    Interest  
    Taxes  
    Other  
Prepaid items  
Note receivable

Total assets

### LIABILITIES AND FUND BALANCES

#### Liabilities:

Accounts payable  
Accrued expenses  
Refundable deposits  
Deferred revenue

Total liabilities

#### Fund balances:

Nonspendable  
Assigned

Total fund balances

Total liabilities and fund balances

General Fund
\$ 4,234,000
2,668
44,548
72,721
278,740
3,032
<b>\$ 4,635,709</b>
\$ 16,118
291,613
10,115
4,032
<b>321,878</b>
281,772
4,032,059
<b>4,313,831</b>
<b>\$ 4,635,709</b>

The accompanying notes are an integral part of these financial statements



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
 TO THE STATEMENT OF NET POSITION  
 June 30, 2016

**Total fund balances - government funds**

\$ 4,313,831

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

16,370,934

Long-term liabilities and compensated absences have not been included in the governmental funds activity:

    Net pension liabilities

(2,475,949)

    Compensated absences

(448,528)

    Loans payable

(80,563)

**Net position of governmental activities**

\$ 17,679,725

# CAMBRIA COMMUNITY SERVICES DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES AND

### CHANGES IN FUND BALANCES

#### Governmental Funds

For the Year Ended June 30, 2016

	General Fund
<b>Revenues:</b>	
Property taxes and assessments	\$ 2,552,795
Weed abatement	16,859
Franchise fees	81,262
Intergovernmental	100,260
Use of money and property	42,461
Charges for administrative services	1,252,754
Miscellaneous	218,257
Other sources:	
Debt proceeds	33,157
Total revenues	4,297,805
<b>Expenditures:</b>	
<b>Current:</b>	
Administration	1,517,524
Fire	1,842,261
Parks and Recreation	28,712
Facilities and Resources	552,967
<b>Debt service:</b>	
Principal	30,870
Interest and other charges	2,091
<b>Capital outlay</b>	115,810
Total expenditures	4,090,235
<b>Net change in fund balance</b>	207,570
<b>Fund balance at beginning of year</b>	4,106,261
<b>Fund balance at end of year</b>	\$ 4,313,831

The accompanying notes are an integral part of these financial statements

## CAMBRIA COMMUNITY SERVICES DISTRICT

### RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2016

<b>Net change in governmental fund balances</b>	<b>\$ 207,570</b>
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, pension expense is measured as the change in net pension liability and the amortization of deferred outflows and inflows related to pensions. This amount represents the change in pension related amounts.</p>	(112,339)
<p>Loan proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net position. In the current period, these amounts are:</p>	
Loans issued	(33,157)
Repayment of loans payable	30,870
<p>In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount paid).</p>	(69,709)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and expensed as depreciation expense. In the current period, these amounts are:</p>	
Capital outlay	\$ 115,810
Depreciation expense	(125,454)
Combined adjustment for capital outlay and depreciation	(9,644)
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 13,591</b>

## CAMBRIA COMMUNITY SERVICES DISTRICT

### STATEMENT OF NET POSITION

Proprietary Funds

June 30, 2016

	Business-type Activities		Totals
	Enterprise Funds		
<b>ASSETS</b>	Water Fund	Wastewater Fund	
<b>Current assets:</b>			
Cash and investments	\$ 1,091,011	\$ (466,777)	\$ 624,234
Accounts receivable, net of allowance	510,455	345,985	856,440
Prepaid expense	9,174	3,589	12,763
Total current assets	1,610,640	(117,203)	1,493,437
<b>Noncurrent assets:</b>			
Capital assets:			
Construction in progress	16,918,552	221,417	17,139,969
Land	898,949	1,375,430	2,274,379
Plant and facilities	18,027,236	23,860,581	41,887,817
Machinery and equipment	522,802	963,340	1,486,142
Less: accumulated depreciation	(13,167,973)	(20,282,798)	(33,450,771)
Total noncurrent assets	23,199,566	6,137,970	29,337,536
<b>Other assets:</b>			
Intangible-water master plan, net \$322,257 amortization	1,289,033		1,289,033
Total other assets	1,289,033		1,289,033
Total assets	\$ 26,099,239	\$ 6,020,767	\$ 32,120,006
Deferred Outflows of Resources - Deferred Pensions	\$ -	\$ -	\$ -
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 253	\$ 26,457	\$ 26,710
Accrued expenses	86,298	86,873	173,171
Accrued interest payable	145,386	13,372	158,758
Refundable deposits	43,791		43,791
Deferred revenue	92,740		92,740
Current portion of noncurrent liabilities	322,672	122,755	445,427
Total current liabilities	691,140	249,457	940,597
<b>Noncurrent liabilities:</b>			
Net pension liability	854,826	655,367	1,510,193
Compensated absences	46,098	37,713	83,811
Note payable, less current portion	8,171,712	971,001	9,142,713
Total noncurrent liabilities	9,072,636	1,664,081	10,736,717
Total liabilities	\$ 9,763,776	\$ 1,913,538	\$ 11,677,314
Deferred Inflows of Resources - Deferred Pensions	\$ 83,072	\$ 63,688	\$ 146,760
<b>NET POSITION</b>			
Invested in capital assets - net of related debt	\$ 14,705,182	\$ 5,044,214	\$ 19,749,396
Unrestricted (deficit)	1,547,209	(1,000,673)	546,536
Total net position	\$ 16,252,391	\$ 4,043,541	\$ 20,295,932

The accompanying notes are an integral part of these financial statements

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
 Proprietary Funds  
 For the Year Ended June 30, 2016

	Business-type Activities		Totals
	Enterprise Funds		
	Water Fund	Wastewater Fund	
<b>Operating revenues:</b>			
Utility sales	\$ 1,713,640	\$ 1,799,097	\$ 3,512,737
Service charges and fees	1,019,979		1,019,979
Intergovernmental - Grants	4,411,388		4,411,388
Miscellaneous	389,584	431,230	820,814
Total operating revenues	<u>7,534,591</u>	<u>2,230,327</u>	<u>9,764,918</u>
<b>Operating expenses:</b>			
Salaries and wages	430,560	328,539	759,099
Payroll taxes and benefits	338,257	168,166	506,423
Maintenance and repairs	464,793	407,462	872,255
Office supplies, publications, and dues	38,066	16,060	54,126
Licenses and fees	129,199	92,550	221,749
Rent	36,727	10,584	47,311
Professional services	135,940	117,779	253,719
Operating supplies	46,391	44,815	91,206
Employee travel and training	1,065	4,089	5,154
Retrofit and rebate program	4,492	(500)	3,992
Utilities	181,231	184,148	365,379
General and administrative overhead	591,312	401,521	992,833
Amortization	107,419		107,419
Depreciation	543,914	632,736	1,176,650
Total expenses	<u>3,049,366</u>	<u>2,407,949</u>	<u>5,457,315</u>
Net operating income (loss)	<u>4,485,225</u>	<u>(177,622)</u>	<u>4,307,603</u>
<b>Non-operating revenues (expenses):</b>			
Availability charges	176,616	114,825	291,441
Connection fees	29,212		29,212
Investment income	2,482	311	2,793
Interest expense	(634)	(57,973)	(58,607)
Total non-operating revenues (expenses)	<u>207,676</u>	<u>57,163</u>	<u>264,839</u>
<b>Change in net assets</b>	4,692,901	(120,459)	4,572,442
<b>Net position at beginning of year</b>	11,559,490	4,164,000	15,723,490
<b>Net position at end of year</b>	<u>\$ 16,252,391</u>	<u>\$ 4,043,541</u>	<u>\$ 20,295,932</u>

The accompanying notes are an integral part of these financial statements

## CAMBRIA COMMUNITY SERVICES DISTRICT

### STATEMENT OF CASH FLOWS

#### Proprietary Funds

For the Year Ended June 30, 2016

	Business-type Activities		Totals
	Enterprise Funds		
	Water Fund	Wastewater Fund	
<b>Cash flows from operating activities:</b>			
Cash received from operating revenue	\$ 2,623,037	\$ 1,775,993	\$ 4,399,030
Cash received from local agencies	389,584	431,230	820,814
Payments to suppliers	2,108,681	(1,022,205)	1,086,476
Payments to employees	(430,560)	(328,539)	(759,099)
Net cash provided by operating activities	4,690,742	425,249	5,115,991
<b>Cash flows from non-capital financing activities:</b>			
Interfund loan paid	(2,047,696)	(689,614)	(2,737,310)
Net cash used by non-capital financing activities	(2,047,696)	(689,614)	(2,737,310)
<b>Cash flows from capital and related financing activities:</b>			
Principal paid on capital debt	(312,779)	(286,331)	(599,110)
Interest paid on capital debt	(634)	(57,973)	(58,607)
Purchase of capital assets	(1,450,677)		(1,450,677)
Change in net pension liability	(391,365)	(534,250)	(925,615)
Standby availability	176,616	114,825	291,441
Connection fees	29,212	-	29,212
Net cash used by capital and related financing activities	(1,949,627)	(763,729)	(2,713,356)
<b>Cash flows from investing and non-operating activities:</b>			
Investment income	2,482	311	2,793
Net cash provided by investing and non-operating activities	2,482	311	2,793
<b>Net change in cash</b>	695,901	(1,027,783)	(331,882)
<b>Cash and cash equivalents-beginning</b>	395,110	561,006	956,116
<b>Cash and cash equivalents-end</b>	\$ 1,091,011	\$ (466,777)	\$ 624,234
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>			
Net operating income (loss)	\$ 4,485,225	\$ (177,622)	\$ 4,307,603
Adjustments to reconcile operating loss to net cash used by operating activities:			
Depreciation	543,914	632,736	1,176,650
Amortization	107,419		107,419
Net changes in assets and liabilities:			
Increase in accounts receivable	(110,581)	(23,104)	(133,685)
Decrease in prepaid expense	-	4,000	4,000
Decrease in accounts payable	(290,195)	(8,423)	(298,618)
Increase in accrued expenses	7,524	6,977	14,501
Increase (decrease) in accrued interest payable	(5,140)	500	(4,640)
Increase in refundable deposits	242		242
Decrease in compensated absences	(47,666)	(9,815)	(57,481)
<b>Net cash provided by operating activities</b>	\$ 4,690,742	\$ 425,249	\$ 5,115,991

The accompanying notes are an integral part of these financial statements

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

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

**Basis of Accounting, Measurement Focus, and Financial Statements Presentation**

The basic financial statements of CCSD are composed of the following:

- Government-Wide and Fund Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

**Government-Wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole. These Statements include separate columns for the governmental activities and business-type activities of the primary government (including its blended component units), as well as its discreetly presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of CCSD.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statement. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains losses, assets, and liabilities resulting from non-exchange transaction are recognized in accordance with the requirements of GASB Statement number 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Basis of Accounting, Measurement Focus, and Financial Statements Presentation (continued)**

Fund Financial Statements

The underlying accounting system of CCSD is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the modified – accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Basis of Accounting, Measurement Focus, and Financial Statements Presentation (continued)**

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the fiscal year that resources were expended, rather than as capital assets. The proceeds of long-term debt are recorded as an other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures/expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

CCSD reports the following major governmental fund:

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

CCSD reports the following major proprietary funds:

**Water Fund:** accounts for the activities of CCSD's water operations.

**Wastewater Fund:** accounts for activities of CCSD's sewer operations.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Water and Wastewater Funds are charges to customers. Operating expenses for the Water and Wastewater Funds include non-capital expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**CAMBRIA COMMUNITY SERVICES DISTRICT****NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)****Budgets and Budgetary Accounting**

An annual budget is adopted by the Board of Directors at the start of each fiscal year. Any changes or revisions to that budget throughout the year must be approved by the Board of Directors.

**Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Encumbrances**

Encumbrance accounting is used for the General Fund. Encumbrances are recorded when purchase orders are issued but are not considered expenditures until liabilities for payments are incurred. Encumbrances are no longer reported as a separate fund balance category on the balance sheet. Encumbrances do not lapse at the close of the fiscal year but are carried forward until liquidated.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, CCSD considers all highly liquid investments with a maturity of three months or less to be cash and cash equivalents.

**Investments**

Investments are stated at fair value.

**Accounts Receivable**

CCSD water and wastewater charges are billed bimonthly for all residential and commercial customers. Customer accounts receivable are placed on the tax roll when the receivable is deemed uncollectible by CCSD. Management has determined that an allowance for doubtful accounts is zero and not considered necessary since it would not be material.

**Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond June 30, 2016, are recorded as prepaid expenses.

**Property Taxes**

The County of San Luis Obispo bills and collects property taxes for CCSD. The County charges CCSD for these services. Tax revenues are recognized as soon as the County indicates that they are due to the CCSD.

# CAMBRIA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### **NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** **(continued)**

#### **Property, Plant and Equipment**

General capital assets generally result from expenditures in governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are valued at historical cost or estimated historical cost, if actual costs are not available. Donated fixed assets are stated at their fair market value on the date donated. CCSD currently maintains a capitalization threshold of \$5,000 and an estimated useful life exceeding two years. Improvements are capitalized and the cost of normal maintenance and repairs that do not add to the value of the net asset or materially extend the asset's life are not.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the applicable governmental or business-type activity column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net assets. The estimated useful lives are as follows:

Equipment	3 to 10 years
Improvements	5 to 20 years

#### **Compensated Absences**

The accrual for vacation/sick time earned but not taken by staff employees was calculated based on actual vacation/sick days and applied to the individual employees' hourly rate.

#### **Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities fund type statement of net assets. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

#### **Concentrations**

CCSD will provide water/wastewater services to customers located in the County of San Luis Obispo. Consequently, its ability to collect amounts due from customers may be affected by economic fluctuations, within this region and within the State of California as a whole.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(continued)**

**Intergovernmental Revenues**

For governmental funds, intergovernmental revenues, such as contributions awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available.

**Fund Balances**

Fund balance can now be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance – amounts that are not in a spendable form are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers, through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that have no specific restrictions, commitments or assignments.

If restricted and unrestricted assets are available for the same purpose, the restricted assets will be used before unrestricted assets.

**Net Position**

Net position presents the difference between assets and liabilities in the statement of net position. Net position invested in capital assets is reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by external restrictions by creditors, grantors, laws or regulations of other governments.

**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) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# CAMBRIA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### **NOTE 2: CASH AND INVESTMENTS**

CCSD pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balances of each fund.

The values of cash and investments at June 30, 2016 are summarized as follows:

Petty cash	\$	600
Demand deposits		697,162
Cash and investments with:		
Local Agency Investment Fund (LAIF)		4,160,472
 Total cash and investments	 \$	 <u><u>4,858,234</u></u>

The California Government Code requires California banks and savings and loan associations to secure a district's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a district's deposits. California law also allows financial institutions to secure district deposits by pledging first trust deed mortgage notes having a value of 150% of a district's total deposits. CCSD may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

### **Credit Risk, Carrying Amount, and Market Value**

Cash is classified in three categories of credit risk as follows:

Category 1 -insured or collateralized with securities held by the entity or by its agent in the entity's name;

Category 2 -collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name; and

Category 3 -uncollateralized.

At June 30, 2016, the carrying amounts of the CCSD's cash demand deposits were \$697,162. The bank's balances were \$879,363. This difference is due to the normal deposits in transit and outstanding checks. CCSD cash deposits by category as of June 30, 2016, were as follows:

		Category					
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Bank</u>	<u>Carrying</u>		
				<u>Balance</u>	<u>Amount</u>		
Bank accounts	\$ <u>879,363</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>879,363</u>	\$ <u>697,162</u>		

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 3: PROPERTY, PLANT AND EQUIPMENT**

summary of capital assets by major classifications is as follows:

<b><u>Governmental activities:</u></b>	<b>Balance June 30, 2015</b>	<b>Additions</b>	<b>Obsolete Assets/ Reclassified</b>	<b>Balance June 30, 2016</b>
Non-depreciable capital assets				
Land	\$ 14,990,732	\$ -	\$ -	\$ 14,990,732
Construction in progress	252,937	75,830		328,767
Total nondepreciable Capital assets	15,243,669	75,830		15,319,499
Depreciable capital assets				
Buildings and improvements	1,753,270			1,753,270
Equipment	1,831,089	39,980		1,871,069
Total depreciable capital assets	3,584,359	39,980		3,624,339
Less accumulated depreciation	(2,447,450)	(125,454)		(2,572,904)
Net depreciable capital assets	1,136,909	(85,474)	-	1,051,435
Net capital assets	\$ 16,380,578	\$ (9,644)	\$ -	\$ 16,370,934
<b><u>Business-type activities:</u></b>				
Non-depreciable capital assets				
Land	\$ 2,274,379	\$ -	\$ -	\$ 2,274,379
Construction in progress	15,689,292	1,450,677		17,139,969
Total non-depreciable capital assets	17,963,671	1,450,677		19,414,348
Depreciable capital assets				
Buildings and facilities	41,618,447			41,618,447
Machinery and equipment	1,755,512			1,755,512
Total depreciable capital assets	43,373,959			43,373,959
Less accumulated depreciation	(32,274,121)	(1,176,650)		(33,450,771)
Net depreciable capital assets	11,099,838	(1,176,650)		9,923,188
Net capital assets	\$ 29,063,509	\$ 274,027	\$ -	\$ 29,337,536

Depreciation expense for all funds was \$1,302,104 for the year ended June 30, 2016.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 4: ACCRUED EXPENSES**

Accrued expenses as of June 30, 2016, are summarized as follows:

Salaries payable	\$	221,999
Other post employment benefits (OPEB) payable		242,785
 Total accrued liabilities	 \$	 <u><u>464,784</u></u>

**NOTE 5: LONG-TERM DEBT****Loan Payable**

On November 1, 2012, the CCSD entered into a loan agreement for \$102,000 with the Municipal Finance Corporation to purchase vehicles. The interest rate on the loan is 3.25%. At June 30, 2016, the loan payable principal balance outstanding was \$26,735. The loan is allocated 34.3% to the general fund, 32.95% to water operations, and 32.75% to wastewater operations. The loan payable is due April 1, 2017.

On July 31, 2013, the CCSD entered into a loan agreement for \$31,350 with John Deere Finance to purchase a vehicle. The interest rate on the loan is 0.0%. At June 30, 2016, the loan payable principal balance outstanding was \$13,063. The loan payable is due July 30, 2018.

On October 30, 2013, the CCSD entered into a loan agreement for \$53,612 with Municipal Finance Corporation to purchase vehicles. The interest rate on the loan is 3.5%. At June 30, 2016, the loan payable principal balance outstanding was \$27,728. The loan is allocated 65.71% to the fire operations and 34.29% for general fund administration.

On February 26, 2016, the CCSD entered into a loan agreement for \$33,157 with Ford Motor Credit Company to purchase a vehicle. The interest rate on the loan is 5.95%. At June 30, 2016, the loan payable principal balance outstanding was \$30,603. The loan is due January 26, 2021.

The loan payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 52,616	\$ 3,499	\$ 56,115
2018	26,725	1,786	28,511
2019	7,263	905	8,168
2020	7,152	493	7,645
2021	4,373	87	4,460
 Totals	 \$ 98,129	 \$ 6,770	 \$ 104,899

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 5: LONG-TERM DEBT (continued)**

**Notes Payable:**

A City National Bank note payable totaling \$1,585,000 was issued on September 23, 2010 with an interest rate at 4.5 percent. At June 30, 2016, the note payable principal balance outstanding was \$1,085,000. Note principal payments are due annually on September 23<sup>rd</sup> through 2023.

A TPB Investments, Inc. note payable totaling \$8,939,000 was issued on August 7, 2014 with an interest rate at 4.11 percent. At June 30, 2016, the note payable principal balance outstanding was \$8,485,573. Note principal payments are due semiannually on February 1<sup>st</sup> and August 1<sup>st</sup> through 2034.

The note payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 427,861	392,339	820,200
2018	444,893	374,029	818,922
2019	468,465	354,859	823,324
2020	486,604	334,806	821,410
2021	505,327	313,987	819,314
2022-2026	2,546,801	1,239,334	3,786,135
2027-2031	2,561,229	735,900	3,297,129
2032-2036	2,129,393	178,595	2,307,988
Totals	\$ <u>9,570,573</u>	\$ <u>3,923,849</u>	\$ <u>13,494,422</u>

Total future debt service payments by activity are as follows:

Fiscal Year Ending June 30,	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Total
	Principal	Interest	Principal	Interest	
2017	\$ 35,050	\$ 2,928	\$ 445,427	392,910	\$ 876,315
2018	26,725	1,786	444,893	374,029	847,433
2019	7,263	905	468,465	354,859	831,492
2020	7,152	493	486,604	334,806	829,055
2021	4,373	87	505,327	313,987	823,774
2022-2026			2,546,801	1,239,334	3,786,135
2027-2031			2,561,229	735,900	3,297,129
2032-2036			2,129,393	178,595	2,307,988
Totals	\$ <u>80,563</u>	\$ <u>6,199</u>	\$ <u>9,588,139</u>	\$ <u>3,924,420</u>	\$ <u>13,599,321</u>



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 5: LONG-TERM DEBT (continued)**

**Changes in long-term liabilities**

The following is a summary of long-term liabilities activity for the fiscal year ended June 30, 2016:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Current</u>
<b>Governmental activities:</b>					
Loans payable	\$ 78,276	\$ 33,157	\$ (30,870)	\$ 80,563	\$ 35,050
Net pension liability	1,809,089	327,091		2,136,180	
Compensated absences	<u>378,819</u>	<u>69,709</u>		<u>448,528</u>	
Governmental activity Long-term liabilities	<u>\$ 2,266,184</u>	<u>\$ 429,957</u>	<u>\$ (30,870)</u>	<u>\$ 2,665,271</u>	<u>\$ 35,050</u>
<b>Business-type activities:</b>					
Loan payable	\$ 34,580	\$ -	\$ (17,014)	\$ 17,566	\$ 17,566
Notes payable	10,152,670		(582,097)	9,570,573	427,861
Net pension liability	2,047,604		(537,411)	1,510,193	
Compensated absences	<u>141,292</u>		<u>(57,480)</u>	<u>83,812</u>	
Business-type activity Long-term liabilities	<u>\$ 12,376,146</u>	<u>\$ 0</u>	<u>\$ (1,194,002)</u>	<u>\$ 11,182,144</u>	<u>\$ 445,427</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN**

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

***Plan Descriptions*** - All qualified regular and introductory employees of the District participate in a cost-sharing multiple employer defined benefit pension plans, administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided*** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 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. New members employed after January 1, 2013 are designated as PEPPRA Miscellaneous and are subject to the provisions of California Government Code 7522 et seq. and AB 197. All other members employed prior to January 1, 2013 are designated as Miscellaneous First Tier Plan or Miscellaneous Second Tier Plan.

***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 Plans 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. For the measurement period ended June 30, 2015, depending on the plan, the active employee contribution rate ranges between 6.88% and 8.986% of annual pay, and the employer's contribution rate ranges between 6.555% and 18.524% of annual payroll.

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

As of June 30, 2016, the District reported net pension liabilities of \$3,646,373 for its proportionate shares of the net pension liability of the Plan.

The District's net pension liability 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, 2016, 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, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2013 and June 30, 2014 was as follows:

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN (continued)**

	<u>Amount</u>
Proportion – June 30, 2013	\$ 4,948,926
Proportion – June 30, 2014	\$ 3,856,693
Proportion – June 30, 2015	\$ 3,646,373

For the year ended June 30, 2016, the District recognized pension expense of \$626,077. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows for Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 0	\$ 0
Differences between actual and expected experience	0	486,529
Change in employer's proportion and differences between the employer's contributions and employer's proportionate share of contributions	<u>0</u>	<u>0</u>
Total	\$ <u>0</u>	\$ <u>486,529</u>

The \$-0- reported 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, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows/(Inflows) for Resources</u>
2017	\$ (166,413)
2018	(164,295)
2019	(155,821)
2020	(0)

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
 June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN (continued)**

***C. Actuarial Methods and Assumptions Used to Determine Total Pension Liability***

For the measurement period ending June 30, 2015 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. Both the June 30, 2014 total pension liability and the June 30, 2015 total pension liability were based on the following actuarial assumptions:

<b>Actuarial Cost Method:</b>	Entry Age Normal in accordance with the requirements of GASB Statement #68
<b>Actuarial Assumptions:</b>	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administration Expenses; Includes Inflation
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates.

***D. Discount Rate***

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2016

**NOTE 6: DEFINED BENEFIT PENSION PLAN (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net 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, as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1- 10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	47.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	12.00%	6.83%	6.95%
Real Estate	11.00%	4.50%	5.13%
Infrastructure and Forestland	3.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

# CAMBRIA COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### **NOTE 6: DEFINED BENEFIT PENSION PLAN (continued)**

#### ***E. Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.65%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65% or 1% point higher (8.65%) than the current rate

	<b>Discount Rate 1% (6.65%)</b>	<b>Current Discount Rate (7.5%)</b>	<b>Discount Rate 1% (8.65%)</b>
Plans' Net Pension Liability/(Asset)	\$ <u>6,931,165</u>	\$ <u>4,132,902</u>	\$ <u>1,821,448</u>

#### ***F. Post-employment Benefits***

In addition to pension benefits, the District provides post-retirement health care benefits through the California Public Employees' Retirement System. Employees who retire on or after attaining age 50 and are vested, are eligible for District paid health insurance.

For employees hired prior to October 1, 2012, the District's financial obligation is to pay 85% of the cost of coverage for the eligible retiree and any eligible dependents. For employees hired on or after October 1, 2012, the District's financial obligation is to pay the CALPERS minimum health contribution only.

On July 1, 2015, the District conducted an actuarial valuation based on the Alternative Measurement Method to determine the required funding for this health care benefits program.

The actuarial accrued liability for the District's retiree health benefits program on this measurement date was determined to be \$1,227,041. This value is based on a discount rate of 5.5% and an inflation rate of 3.3%. The District's funding policy is to pay current year costs only. Currently 32 retired employees are receiving paid health care benefits totaling \$13,991 per month.

Below are the required disclosures for this plan:

Number of active participants	22
Employer's actuarially required contributions	\$ 242,785
Employer's actual contributions	\$ 193,758
Actuarial Accrued Liability(AAL)	\$ 2,417,964
Actuarial Valuation of Assets(AVA)	\$ -
Unfunded Actuarial Accrued Liability(UAAL)=(AAL less AVL)	\$ 2,417,964
Funded Ratio(AVA/AAL)	0%
Estimated Payroll	\$ 2,401,516
UAAL as a Percentage of Covered Payroll	153%

**CAMBRIA COMMUNITY SERVICES DISTRICT****NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2016

**NOTE 7: JOINT POWERS AGENCIES**

The Cambria Community Services District participates in a joint venture under a Joint Power Agency (JPA), the Special District Risk Management Authority (SDRMA). The SDRMA was established to provide general liability, workers compensation, automobile, errors and omission, and property loss coverage to special districts. The SDRMA is administered by a Board of Directors, consisting of seven members elected by districts participating. The Board is responsible for establishing premium rates and making budgeting decisions.

Coverage under current policies includes property loss, general liability, auto liability and comprehensive/collision, and public officials' and employees' errors and omissions. Claims over the self-insured amounts are covered by the SDRMA within the limits of the policy. Each member district is assessed a premium in accordance with the JPA agreement creating the agency.

CCSD is also participating in two separate Joint Powers Agreements. The first is an agreement with the City of Morro Bay, the Cayucos Fire District, and the South Bay Fire Department to operate an air fill compressor station for the respective fire departments. CCSD pays their share of the member contributions due on an annual basis, not to exceed \$1,000 per year. There is no contingent liability for CCSD at June 30, 2016.

The second is an agreement with the Coast Unified School District (CUSD) to lease property for the operation of the Santa Rosa Creek Well #4, the CUSD water well, pump, and distribution facilities for the purpose of securing the conveying groundwater. CCSD pays CUSD an annual fee for the easement and access to the site operation and maintenance repairs. On November 15, 2012, a new agreement was subsequently negotiated including a new initial annual payment of \$34,592. The agreement also provides for an annual adjustment for inflation based on the Consumer Price Index (CPI), with a cap on such increases of 4%. The annual fee for fiscal year ending 2016 was \$36,728.

**REQUIRED  
SUPPLEMENTAL INFORMATION**



## CAMBRIA COMMUNITY SERVICES DISTRICT

### STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Budget and Actual - Governmental Funds  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes and assessments	\$ 2,427,611	\$ 2,583,880	\$ 2,552,795	\$ (31,085)
Weed abatement	10,000	11,500	16,859	5,359
Franchise fees	72,400	72,400	81,262	8,862
Intergovernmental	285,886	150,000	100,260	(49,740)
Use of money and property	39,379	35,409	42,461	7,052
Charges for administrative services	1,353,743	1,225,158	1,252,754	27,596
Miscellaneous	7,255	3,005	218,257	215,252
Other sources:				
Debt proceeds	-	-	33,157	33,157
<b>Total revenues</b>	<b>4,196,274</b>	<b>4,081,352</b>	<b>4,297,805</b>	<b>216,453</b>
<b>Expenditures:</b>				
Administration	1,525,569	1,435,565	1,517,523	(81,958)
Fire	1,750,370	1,785,409	1,842,261	(56,852)
Parks and Recreation	18,181	18,181	28,712	(10,531)
Facilities and Resources	571,785	612,562	552,967	59,595
Debt service:				
Principal	34,541	34,541	30,871	3,670
Interest and other charges	6,041	6,343	2,091	4,252
Capital outlay	289,786	176,736	115,810	60,926
<b>Total expenditures</b>	<b>4,196,273</b>	<b>4,069,337</b>	<b>4,090,235</b>	<b>(20,898)</b>
<b>Net change in fund balance</b>	<b>\$ 1</b>	<b>\$ 12,015</b>	<b>207,570</b>	<b>\$ 195,555</b>
<b>Fund balance at beginning of year</b>			4,106,261	
<b>Fund balance at end of year</b>			<b>\$ 4,313,831</b>	

The accompanying notes are an integral part of these financial statements

**OTHER REQUIRED  
SUPPLEMENTAL INFORMATION**

## CAMBRIA COMMUNITY SERVICES DISTRICT

### OTHER REQUIRED SUPPLEMENTARY INFORMATION -

#### SCHEDULE OF FUNDING PROGRESS

For the Year Ended June 30, 2016

### OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

The schedule of funding progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability (UAAL) to payroll for the District's OPEB plan.

#### FUNDED PROGRESS OF THE OPEB PLAN

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age	Actuarial Value of Assets	Unfunded Liability (Excess Assets) (UAAL)	Funded Status	Annual Covered Payroll	UAAL as a Percentage of Payroll
7/1/2015	\$ 2,417,964	\$ -	\$ 2,417,964	0%	\$ 2,401,516	101%
7/1/2012	\$ 3,654,534	\$ -	\$ 3,654,534	0%	\$ 2,202,284	166%
1/1/2010	\$ 4,615,089	\$ -	\$ 4,615,089	0%	\$ 2,386,307	193%

The accompanying notes are an integral part of these financial statements

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION**  
**LIABILITY**  
**LAST TEN YEARS\***  
**As of June 30, 2016**

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
Proportion of the net pension liability	0.02066%	0.09413%
Proportionate share of the net pension liability	\$3,856,693	\$3,646,373
Covered- employee payroll	\$2,097,466	Not Available
Proportionate Share of the net pension liability as percentage of covered-employee payroll	183.87%	Not Available
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	81%	80%
Proportionate Share of Aggregate Employer Contributions	\$413,459	Not Available

**Notes to Schedule:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact.

**Changes in assumptions:** None

\* Fiscal year 2016 was the 2nd year of implementation, therefore only two years are shown. Additional years will be presented as they become available.

The accompanying notes are an integral part of these financial statements

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
**LAST TEN YEARS\***  
**As of June 30, 2016**

	<u>2013 – 2014</u>	<u>2014 – 2015</u>
Actuarially determined contributions	\$ 506,637	\$ 626,077
Contributions in relation to the actuarially determined contributions	(506,637)	(626,077)
Contribution deficiency (excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
Covered- employee payroll	<u>\$ 2,097,466</u>	<u>Not Available</u>

Contributions as a percentage of covered-employee payroll	24.15%	Not Available
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**Notes to Schedule:**

Valuation date:	6/30/2013	6/30/2014
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Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Asset valuation method	Market value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5% net of pension plan investment expense, including inflation

\* Fiscal year 2016 was the 2nd year of implementation, therefore only two years are shown. Additional years will be presented as they become available.

The accompanying notes are an integral part of these financial statements

TO: Board of Directors

AGENDA NO. **3.B.**

FROM: Jerry Gruber, General Manager  
 Patrick O'Reilly, Finance Manager

Meeting Date: March 9, 2017      Subject: Discussion and Consideration to  
 Adopt Resolution 08-2017  
 Approving Amendments to the  
 CCSD Budget for FY 2016/2017

**RECOMMENDATIONS:**

It is recommended that the Board of Directors receive a staff presentation on proposed amendments to the Fiscal Year 2016/2017 Budget, discuss and consider the proposed amendments to the Fiscal Year 2016/2017 Budget, and adopt Resolution 08-2017 approving amendments to the CCSD Budget for FY 2016/2017.

**FISCAL IMPACT:**

The proposed amendments to the Fiscal Year 2016/2017 Budget would authorize total Revenue Projections, Expenditure Authorities, and changes to the General Fund, Water Fund, Wastewater Fund, and Emergency Water Supply Project Balances as follows.

<b>PROPOSED FISCAL YEAR 2016/17 BUDGET</b>	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>CHANGES TO FUND BALANCE</u>
<b>ANNUAL OPERATING BUDGETS</b>			
GENERAL FUND: FIRE DEPARTMENT	\$2,026,055	\$2,086,850	(\$60,795)
GENERAL FUND: FACILITIES & RESOURCES DEPT	603,625	625,550	(\$21,925)
GENERAL FUND: PARKS & RECREATION DEPT	161,575	161,575	\$0
GENERAL FUND: ADMINISTRATION DEPARTMENT	1,796,700	1,640,430	\$156,270
WASTEWATER FUND	2,503,700	2,735,771	(\$232,071)
WATER FUND: WATER DEPT OPERATIONS	2,541,730	2,957,078	(\$415,348)
WATER FUND: SWF OPERATIONS (NOTE 1)	878,475	882,775	(\$4,300)
WATER FUND: SWF CAPITAL COST RECOVERY (NOTE 1)	114,825	324,825	(\$210,000)
<b>TOTAL ANNUAL OPERATING BUDGET</b>	<b>\$10,626,685</b>	<b>\$11,414,854</b>	<b>(\$788,169)</b>
<b>CAPITAL PROJECTS</b>			
WATER FUND: SANTA ROSA CREEK CAPITAL PROJECT	\$268,617	\$354,916	(\$86,299)
WATER FUND: SWF CAPITAL PROJECT (NOTE 1)	13,321,255	13,127,574	\$193,681
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$13,589,872</b>	<b>\$13,482,490</b>	<b>\$107,382</b>
NOTE 1: SWF: SUSTAINABLE WATER FACILITY			

**DISCUSSION:**

Attached is the proposed amended Fiscal Year 2016/2017 Budget for review and consideration.

## GENERAL FUND

Fire Department (Attachment A). Staff recommends decreasing total budgeted revenues for the Fire Department by \$1,004 and increasing budgeted expenditures by \$59,791 which will result in changing a balanced budget to a budget which has a deficit of \$60,795.

*Revenues.* The decrease in revenues is due to fewer weed abatement fees being collected than budgeted.

*Expenditures.* The change in expenditures occurs mostly in the following areas:

- Overtime is projected to be \$88,000 more than budgeted due to the factors discussed in the analysis prepared by Fire Chief Hollingsworth in January 2017 which is included as part of Attachment A;
- Retiree health premiums are expected to exceed budget by about \$20,000. This item was inadvertently under budgeted in the original budget;
- Legal services are expected to be under budget by about \$15,000; and
- Operating supplies are expected to exceed budget by about \$17,000. This includes about \$10,000 for actual supplies and about \$7,000 for small tools and equipment.

Facilities and Resources Department (Attachment B). Staff recommends decreasing total budgeted revenues for the Facilities and Resources Department by \$16,300 and increasing total budgeted expenditures by \$5,600 which will result in changing a balanced budget to a budget which has a deficit of \$21,925.

*Revenues.* Revenues are less than originally budgeted because more fee waivers are being granted this year than last year for Vet's Hall rentals.

*Expenditures.* Expenditures for utilities for internet and phone have been increased by \$7,725. These funds were originally budgeted in the Admin department but have been transferred from that department to Facilities and Resources where the costs are being incurred.

Parks and Recreation Department (Attachment C). Through January 31, 2107, revenues are \$8,692 higher than expenditures but staff expects expenditures to equal revenues by the end of the fiscal year and is not recommending any changes to this budget.

Administration Department (Attachment D). Staff recommends increasing total budgeted revenues for the Administration Department by \$10,010 and decreasing budgeted expenditures by \$146,260 which creates a surplus in the department of \$156,270.

*Revenues.* Revenues for public record requests are expected to be about \$1,200 more than budgeted and \$7,800 was received as a miscellaneous receipt that was not budgeted as a result of the worker's comp audit for last fiscal year.

*Expenditures.* The change in expenditures occurs mostly in the following areas:

- Personnel costs are expected to be about \$137,500 less than budgeted due to salary increases for MCE personnel being less than budgeted and because some employees were hired later in the year than budgeted.
- Office supplies are expected to be about \$6,500 higher than budgeted due to additional staffing.

- Other costs under professional services are expected to exceed budget by about \$13,000 mainly due to the costs associated with investigating the costs of purchasing the previous county library building.

## WASTEWATER FUND

The proposed Wastewater Fund budget is shown on Attachment E. Staff recommends increasing total budgeted revenue for the Wastewater Fund by \$28,300 and increasing expenditures by \$203,770 which will result in a deficit of \$232,071. The budget was previously balanced.

*Revenues.* Revenues will be higher than originally budgeted because water consumption has been and is expected to continue to be 84% of 2013-2014 consumption. Only 70% was budgeted.

*Expenditures.* The change in expenditures occurs mostly in the following areas:

- Maintenance and Repair of the collection system is expected to be twice the \$7,500 currently budgeted due to the large number of pipes that had to be dug up to be repaired.
- Treatment plant repairs are projected to cost about \$99,000 instead of the \$40,000 currently budgeted. The District has already spent \$31,276 to upgrade the SCADA system and \$34,000 for other system repairs.
- Maintenance and Repair of grounds has already incurred costs of \$30,631 for the removal of dead trees on the wastewater treatment plant property and in numerous valleys throughout the District where trees were prohibiting access to manholes for emergency and routine maintenance of the wastewater system.
- Utilities costs for electricity has already cost \$124,025 through January and is expected to cost about \$212,600 for the entire year – which is about \$57,600 more than budgeted. On/off switches have been installed on the sludge compactor and the aeration basin so those areas can be shut off when not needed.
- Utilities costs for water have also been substantially higher than budgeted since we are processing sludge all year long instead of just once a year.
- Capital expenditures have been increased by \$42,000 for the purchase of a portable pump authorized by the Board on February 23, 2017.

## WATER FUND

There are three operating budgets within the Water Fund: the Water Department Operations Budget, the Sustainable Water Facility (SWF) Capital Cost Recovery Budget, and the SWF Operations Budget. There are also two capital projects within the Water Fund: the Lower Santa Rosa Aquifer Optimization Project and the Sustainable Water Facility Project.

Water Department Operations Budget (Attachment F). This department has a budgeted surplus of \$34,247 for the fiscal year. Through January 31, 2017, expenditures have exceeded revenues by \$482,472. Without budget adjustments, staff projects that there will be a deficit of \$415,347 in this budget at the end of the fiscal year. The deficit is mostly due to the following.



<sup>57</sup>  
Revenues.

1. Water sales are expected to be \$187,000 higher than budgeted revenues. This increase in revenues is due to the fact that actual water sales have been 84% of sales in fiscal year 2013-2014 compared to budgeted sales which were 70% of sales in fiscal year 2013-2014.
2. There will be a decrease of \$660,000 for the commercial loan which was budgeted to finance the replacement of the Fiscalini Water Tank. A loan cannot be obtained and the cost of the tank replacement must be made using available Water Fund balance or by obtaining a loan from the General Fund.

Expenditures.

1. Professional Services “Other” are expected to be \$37,500 less than budgeted because some of the expenses to produce the Urban Water Management Plan were accomplished in house.
2. Capital Projects: The Fiscalini Tank Project is expected to cost about \$635,000 instead of the \$660,000 budgeted.

SWF Capital Cost Recovery Budget (Attachment G). This department has a budgeted surplus of \$16,644 for the fiscal year. Through January 31, 2017, expenditures have exceeded revenues by \$218,211 principally due to a debt service payment in September of \$329,714. Staff projects there will be a deficit of \$4,300 in this budget at the end of the fiscal. Revenues are projected to be \$31,475 higher than budgeted. This increase in revenues is due to the fact that actual water sales have been 84% of sales in fiscal year 2013-2014 compared to budgeted sales which were 70% of sales in fiscal year 2013-2014. Expenditures are expected to be \$52,419 higher than budgeted primarily because additional staff positions are being devoted to SWF operations and reporting.

This budget includes the addition of a Chief Plant Officer (CPO) for the SWF to begin work about May 1, 2017. Prior to the next startup of the Sustainable Water Facility, additional operator training will be provided by Innovative Technologies, CDM Smith, our previous Chief Plant Operator, our District Engineer, and the District General Manager. The CPO will be directly responsible for the daily operation of the SWF, will work collaboratively with other CCSD staff relating to the SWF, and will embrace a team concept regarding the SWF operations. Annual salary and benefits for that position are \$96,616 (\$76,311 in salary and \$20,305 in benefits). This position only adds about \$16,000 in costs for Fiscal Year 2016-17 because it will only be in place for two months of the fiscal year.

Additionally, the District’s Assistant Position will be reclassified and titled to be a “Permitting and Compliance Officer” at a total annual cost of \$80,823 (\$61,648 in salary and \$19,175 in benefits). This represents an annual increase of \$17,530 over the previous cost of the employee. The employee will perform in this enhanced capacity for only four and one-half months of Fiscal Year 2016-17 so the total increase in cost for this year will be only \$6,574. The re-classification responsibilities will focus directly on preparing and submitting reports to the RWQCB in a timely and accurate manner. This position will also work collaboratively with other CCSD staff relating to the SWF and will embrace a team concept regarding the operations of the SWF. A total quality improvement approach will also be established through regular meeting to incorporate the lessons learned since the SWF went into operation, as well as from the recent storm related flooding emergency. This approach will include addressing

<sup>58</sup> needed improvements, as well as regularly identifying and incorporating future improvements as they are identified.

SWF Operations Budget (Attachment H). This department has a budgeted deficit of \$229,148 for the fiscal year. Through January 31, 2017, revenues have exceeded expenditures by \$12,598. Staff projects there will be a deficit of \$210,000 in this budget at the end of the fiscal year. Revenues during the operating period from September through December were \$9,800 more than budgeted, lab costs are projected to be about \$20,000 less than budgeted and expenditures for Task Order 8 for CDM Smith assistance is projected to be \$112,748.

Lower Santa Rosa Aquifer Optimization Project (Attachment I). This project is completed. The actual cost for the project was \$354,916 which is \$45,906 less than budgeted. \$268,617 was received from a State of California Drinking Water Drought Grant. This will result in a decrease in Water Fund reserves of only \$86,299 for this project. Once the expenditures have been audited, the project will be added to District capital assets and removed from further financial reporting.

Sustainable Water Facility Project. (Attachment J). This project anticipates \$13,321,255 in revenues from loans and grants. \$13,102,142 has already been received and another \$219,113 in retention from the Proposition 84 Grant is expected to be received in early 2017. \$12,910,109 in expenditures have been authorized leaving \$411,147 in anticipated revenues which have not been committed. Through January 31, 2017, the District has actually spent \$11,798,823 on this project. Staff recommends that expenditures authorized under this budget be increased by \$219,113 to accommodate the following:

General Costs. Performance Bond: Reduce budget by \$54,000 as this cost is a duplicate of costs covered under RWQCB – mandated Environmental Surety Bond which is also included under General Costs.

Regular Coastal Development Permit. Increase Amendment 1 to EIR costs for MBI to reflect additional costs of \$57,138.

Professional Services Costs. Increase budget for Public Outreach to reflect additional actual costs incurred of \$15,275.

Professional Services Costs. Increase budget for Legal Services fees to reflect additional costs of the Landwatch lawsuit of \$219,657.

Professional Services Costs. Increase budget for Strategic Advisor to reflect additional costs incurred of \$54,842 plus additional costs for the remainder of the fiscal year of \$14,165..

Start-up Expenditures. Increase budget to reflect:

- Additional costs of chemicals incurred of \$9,018;
- Additional costs of maintenance incurred of \$17,928;
- Reduced costs of plant sampling required of \$15,199;
- Reduced cost of Baseline monitoring for the AMP of \$10,746; and
- Additional cost of plant operation incurred of \$4,300.

<sup>59</sup>  
The amendments to the SWF budget recommended above will result in total authorized expenditures of \$13,321,255 which leaves \$193,681 in loans and grants which have not been committed.

- Attachments:
- Resolution 08-2017
  - Attachment "A" Fire Department Budget
  - Attachment "B" Facilities & Resources Department Budget
  - Attachment "C" Park & Recreation Department Budget
  - Attachment "D" Admin Department Budget
  - Attachment "E" Wastewater Fund Budget
  - Attachment "F" Water Operations Department Budget
  - Attachment "G" SWF Capital Cost Recovery Budget
  - Attachment "H" SWF Operations Department Budget
  - Attachment "I" Santa Rosa Creek Capital Project Budget
  - Attachment "J" Sustainable Water Facility Capital Project Budget

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BOARD ACTION:    Date \_\_\_\_\_ Approved: \_\_\_\_\_ Denied: \_\_\_\_\_

UNANIMOUS: \_\_\_ RICE \_\_\_ SANDERS \_\_\_ THOMPSON \_\_\_ BAHRINGER \_\_\_ FARMER \_\_\_\_\_

**RESOLUTION 08-2017  
MARCH 9, 2017**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT  
AMENDING THE CCSD BUDGET FOR FISCAL YEAR 2016/2017**

**WHEREAS**, the General Manager has submitted for consideration the final amended Cambria Community Services District (CCSD) Fiscal Year (FY) 2016/2017 Budget; and

**WHEREAS**, the original FY 2016/2017 CCSD Budget was adopted during a regular business item on June 23, 2016, and all persons were given an opportunity to be heard and their suggestions carefully considered; and

**NOW THEREFORE, BE IT RESOLVED** that the CCSD Board of Directors has reviewed the amended FY 2016/2017 CCSD Budget for the period July 1, 2016 through June 30, 2017, and hereby finds that the Budget is a sound plan for financing and expenditure control of required CCSD operations and services, and said Budget is hereby approved.

**BE IT FURTHER RESOLVED** that the Board of Directors is aware of the potential that events beyond control of the CCSD could substantially reduce CCSD revenues and/or increase expenditures. Therefore, the General Manager may temporarily suspend the expenditure of funds within the adopted Budget if in his judgment such temporary suspension is necessary to protect the CCSD's financial position and the impact of such a temporary suspension on CCSD operations will not be substantially detrimental to CCSD services. The General Manager is directed to administer the business operations of the CCSD as called for in the Operating Budget for FY 2016/2017 and as modified by any such temporary expenditure suspension. The General Manager is further directed to report back to the CCSD Board of Directors, as necessary, with recommendations for revision of the Budget when, and if, Budget impacts are known, and specific CCSD program or service level adjustments can be formulated.

**BE IT FURTHER RESOLVED** that the CCSD Board of Directors hereby directs the General Manager to levy and collect special assessments and other fees as duly approved by the Board and to administer and expend the tax proceeds in accordance with the enabling legislation.

On the motion of Director \_\_\_\_\_, seconded by Director

\_\_\_\_\_, and the following roll call vote, to wit:

AYES:  
NAYS:  
ABSENT:

**PASSED AND ADOPTED** this 9<sup>th</sup> day of March, 2017.

\_\_\_\_\_  
Amanda Rice, President  
Board of Directors

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Monique Madrid  
District Clerk

\_\_\_\_\_  
Timothy J. Carmel  
District Counsel

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
FIRE DEPARTMENT**

<b>ACCT #</b>	<b>ACCT DESCRIPTION</b>	<b>FY 16/17</b>	<b>ACTUAL</b>	<b>RECOMMENDED</b>
		<b>APPROVED</b>	<b>THROUGH</b>	<b>AMENDED</b>
		<b>BUDGET</b>	<b>1/31/2017</b>	<b>BUDGET</b>
			<b>2/14/2017</b>	
<b>REVENUES</b>				
01 4310 01	PROPERTY TAXES	1,389,650	822,937	1,389,650
01 4335 01	FIRE BENEFIT ASSESSMENT	442,680	266,484	442,680
01 4370 01	WEED ABATE/FUEL REDUCTION	11,500	10,493	10,500
01 4200 01	INTEREST INCOME**	100		100
01 4127 01	Mutual Aid Reimbursements	1,000		1,000
01 4373 01	Inspection Fees	14,500		14,500
01 4610 01	Grant Revenue: SAFER	167,628	51,473	167,625
01 4390 01	Miscellaneous	0	0	0
<b>TOTAL REVENUES</b>		<b>2,027,058</b>	<b>1,151,386</b>	<b>2,026,055</b>
<b>EXPENDITURES</b>				
01 5000 01	GROSS REGULAR WAGES	719,197	367,022	653,000
01 5010 01	Overtime	105,000	112,563	193,000
01 5031 01	Reservist Pay	87,600	45,888	87,600
01 5020 01	Out of Class Pay	5,000	720	5,000
SUB-TOTAL SALARY & WAGES		916,797	526,194	938,601
SUB-TOTAL BENEFITS		470,273	273,688	490,325
TOTAL PERSONNEL COSTS		1,387,070	799,882	1,428,926
01 6010 01	Ads-Legal/Other	400	201	400
01 6011 01	Public Info General	200		200
INSURANCE & OTHER SERVICES		600	201	600
01 6031F 01	M&R Fire Hydrants	4,500	0	4,500
01 6033B 01	M&R Building	4,000	2,995	4,000
01 6033G 01	M&R Grounds	4,000	0	2,000
01 6040 01	M&R Equipment	3,000	0	3,000
01 6041L 01	M&R Vehicles-Licensed	50,000	22,333	50,000
01 6041N 01	M&R Vehicles-Non-Licensed	0	38	1,000
01 6044 01	M&R Computer Services	1,000	1,636	2,000
EQUIP & BLDG MAINTENANCE		66,500	27,002	66,500

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
FIRE DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17</u>	<u>ACTUAL</u>	<u>RECOMMENDED</u>
		<u>APPROVED</u>	<u>THROUGH</u>	<u>AMENDED</u>
		<u>BUDGET</u>	<u>1/31/2017</u>	<u>BUDGET</u>
				<u>2/14/2017</u>
01 6045 01	Computer Supplies & Upgrades	1,500	196	500
01 6048 01	Security and Safety	1,000	0	1,000
01 6050 01	Office Supplies	2,000	1,283	2,200
01 6051 01	Postage & Shipping	2,000	132	2,000
01 6053 01	Printing/Forms	2,000	887	1,525
	<b>OFFICE SUPPLIES &amp; EQUIPMENT</b>	<b>8,500</b>	<b>2,497</b>	<b>7,225</b>
01 6054 01	Publications-Dues & Books	5,500	6,205	6,200
01 6055 01	Government Fees & Licenses	38,000	38,813	38,815
	<b>DUES AND FEES</b>	<b>43,500</b>	<b>45,017</b>	<b>45,015</b>
01 6060C 01	Utilities-Wireless	1,900	1,322	2,275
01 6060E 01	Utilities-Electricity	7,200	4,417	7,575
01 6060G 01	Utilities-Gas	1,400	814	1,400
01 6060I 01	Utilities-Internet	-	1,717	2,950
01 6060P 01	Utilities-Phone	-	2,310	3,960
01 6060S 01	Utilities-Sewer	1,200	509	860
01 6060W 01	Utilities-Water	1,500	748	1,300
	<b>UTILITIES</b>	<b>13,200</b>	<b>11,837</b>	<b>20,320</b>
01 6080K 01	District Counsel	7,800	3,754	6,425
01 6080L 01	Legal Services	25,000	1,150	10,000
01 6080M 01	Other	2,400	0	2,400
01 6220H 01	Physicals	5,200	0	5,200
	<b>PROFESSIONAL SERVICES</b>	<b>40,400</b>	<b>4,904</b>	<b>24,025</b>
01 6089 01	Emergency Medical Supplies	10,500	2,805	4,800
01 6090 01	Operating Supplies	10,000	7,097	20,000
01 6093 01	Small Tools & Equipment	3,600	1,816	11,000
01 6094 01	Clothing & Uniforms	3,000	2,299	5,000
01 6096 01	Fuel	14,000	2,637	14,000
01 6220B 01	Breathing-SCBA	0	8,932	8,950
01 6220D 01	Disaster Preparedness/CERT	7,000	1,506	7,000
01 6220E 01	EOC Upgrade		1,346	2,300
01 6220F 01	Fire Haz	13,000	12,352	13,000
	<b>OPERATING SUPP/EQUIP</b>	<b>61,100</b>	<b>40,790</b>	<b>86,050</b>

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
FIRE DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17</u>	<u>ACTUAL</u>	<u>RECOMMENDED</u>
		<u>APPROVED</u>	<u>THROUGH</u>	<u>AMENDED</u>
		<u>BUDGET</u>	<u>1/31/2017</u>	<u>BUDGET</u>
				<u>2/14/2017</u>
01 6220S 01	SURF RESCUE/NCOR	5,000	2,135	5,000
01 6115 01	Meeting Expense	1,500	48	1,000
01 6120E 01	Employee Travel/Reg/Fees	22,000	10,671	22,000
01 6124 01	Employee Recognition	300	27	300
01 6125 01	Employee Recruitment	500	2,088	3,000
	TRAINING & TRAVEL	24,300	12,833	26,300
01 6220A 01	OUTREACH/EDUCATION	1,500	1,496	1,500
			0	
01 6180H 01	Pickup Truck-Interest	638	638	650
01 2514 01	Pickup Truck-Principal	8,954	0	8,950
	DEBT SERVICE	9,592	638	9,600
01 6170 01	CAPITAL OUTLAY			
	Mobile Data Computer	7,000	0	7,000
	Fire Truck (5 Year Lease)	134,340	0	134,340
	Chief/Command Pickup Truck (5 Year Le	11,050	0	11,050
<b>SUBTOTAL OPERATING EXPENDITURES</b>		<b>1,813,652</b>	<b>949,234</b>	<b>1,873,450</b>
01 6200 01	ALLOCATED OVERHEAD	213,407	53,352	213,400
<b>TOTAL EXPENDITURES</b>		<b>2,027,059</b>	<b>1,002,585</b>	<b>2,086,850</b>
<b>TOTAL REVENUE LESS EXPENDITURES</b>		<b>(0)</b>	<b>148,801</b>	<b>(60,795)</b>



Fire Department Overtime Analysis provided by Chief Bill Hollingsworth (January 2017)

I've done a quick review of our staffing and scheduling for the past seven (7) months in an attempt to give you the most thorough explanation possible. I too am concerned about the overtime expenses, as they are higher than anticipated, and most definitely not the norm. I am aware that in the budgetary planning stages you include the projected costs for the upcoming fiscal year to cover overtime expenses incurred by the regular use of MOU allocated vacation time and holiday time. That is relatively easy to do because we know what those hours equate to ahead of time. However, there isn't necessarily a way to anticipate some of the overtime expenses that occur secondary to unforeseen occurrences. I believe that in your example below, this is exactly what has occurred. Most of the increases to overtime have been secondary to two specific categories: mutual aid fire response, and position vacancy. It is a little easier for me to think of the expenses in terms of 24-hour shifts, rather than that of dollars expended. So if you forgive, that is how I will attempt to explain my reasoning.

This summer we responded the Water Tender to two mutual aid fires, the Sherpa Fire and the Chimney Fire. The Water Tender and two-man crew were committed for numerous days at each incident. I verified through our local OES office that each fire was reimbursable prior to authorizing their response. Unfortunately, reimbursements can take quite a while to happen. If you look at the chart below, you will see that these 29 shifts of overtime were unexpected, but needed to facilitate the response of the Water Tender. These are extra days employees were forced to work either on the fire line, or here at the station back-filling vacancies.

	SHERPA FIRE (JUNE/JULY)	CHIMNEY FIRE (AUGUST/SEPTEMBER)
Number of additional overtime coverage shifts incurred.	10	19

When I was promoted, one of the major concerns that I expressed to Jerry, was that of the financial implications secondary to the domino effect. For example, after my promotion it took 2 ½ months to hire my replacement. All of those shifts had to be filled. Additionally, after one of our engineers resigned and another was forced to leave, we had another almost 3 months of vacant engineer shifts to fill. Also, we are desperately low on active reserve firefighters, which is why we are running an active hiring right now. And while I used our personnel to the best of their ability, and used qualified reserve firefighters as much as possible, we still had to fill those shifts to comply with minimum staffing levels. The chart on the next page shows the number of extra shifts, filled by employees working overtime, for each FLSA reporting period, from June 1<sup>st</sup> through December 31<sup>st</sup>.

ATTACHMENT A

FLSA PERIOD	MICHAEL CASTELLANOS	JOE GIBSON	JOHN GIBSON	TYSON HAMILTON	RYAN MALONEY	DAN McCRAIN	EMILY TORLANO	BEN SHANK	IAN POELAN
6/5/2016	0	0	0	0	0		2	0	0
6/29/2016		2	5	0	1		2		0
7/23/2016	0	2	4	3	2		4	0	1
8/16/2016	0	1	7	3	0	0	0		0
9/9/2016			1		0	0	0		
10/3/2016			0			0	0		
10/27/2016	0		2			1	3	0	
11/20/2016			0			1	0		
12/14/2016			1		0	3	0		

As you can see, during this time frame there were 214 days, each staffed with 4 personnel per day. That is a total of 856 shifts that must be filled. Of those, per the chart above, 214 had to be filled by overtime. The cells in yellow indicate (for the most part) overtime incurred secondary to the vacant captain position. The cells in green indicate (for the most part) overtime incurred secondary to vacant or open engineer shifts. The cells in blue indicate (for the most part) open reserve firefighter shifts, which we were forced to fill with SAFER personnel working extra days.

I believe these two issues together account for the vast majority of overtime that was not initially planned for. In an ideal scenario, now that we are finally back to full staffing levels, and without the domino vacancy effect, we should see this start to normalize. However, I do want to bring one other item to your attention. We have two personnel who are expecting babies within the next few months. One's wife is due in February and other's wife is due in April. In both cases, they are planning on taking a number of rotations off to be home with their new families. This will most definitely add to these totals in the months to come.

I hope you can see that none of this is frivolous, and we are doing the best we can to keep it under control. However, these events together have exasperated this problem. If there is any additional clarification I can offer, please do not hesitate to ask.

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
FACILITIES & RESOURCES DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17 APPROVED BUDGET</u>	<u>RECOMMENDED</u>	
			<u>ACTUAL THROUGH 1/31/2017</u>	<u>AMENDED BUDGET 2/14/2017</u>
<b>REVENUES</b>				
01 4310 02	Property Tax	581,748	348,702	581,750
01 4500 02	Vet's Hall Rent	30,000	11,768	20,175
01 4525 02	VH Rents-Private	6,000	100	400
01 4590 02	VH Cleaning Fee	200	0	200
	Total Vet's Hall	36,200	11,868	20,775
01 4560 02	Rent - Banners	0	100	100
01 4362 02	Insurance Reimbursement	2,000	0	1,000
	Total Other	2,000	100	1,100
<b>TOTAL REVENUES</b>		619,948	360,670	603,625
<b>EXPENDITURES</b>				
01 5000 02	Regular Wages	193,841	104,388	184,775
01 5010 02	Overtime	1,000	1,931	3,300
<b>SUB-TOTAL SALARY &amp; WAGES</b>		194,841	106,318	188,075
<b>SUB-TOTAL BENEFITS</b>		157,682	89,836	152,750
<b>TOTAL PERSONNEL COSTS</b>		352,523	196,154	340,825
01 6033V 02	M&R Vet's Hall	12,000	3,398	12,000
01 6033B 02	M&R Buildings	6,000	7,005	12,000
01 6033G 02	M&R Grounds	22,000	12,716	22,000
01 6033L 02	M&R Street Light	2,000	0	1,000
01 6040 02	M&R Equipment	340	108	200
01 6041L 02	M&R Vehicles Licensed	3,500	732	3,500
01 6041N 02	M&R Vehicles Not Licensed	2,000	74	2,000
01 6045 02	Comp etc Goods	500	0	500
01 6033R 02	M&R Ranch	50,000	30,870	50,000
	<b>Total Maintenance &amp; Repair</b>	98,340	54,903	103,200
01 6060C 02	Utilities Cell	750	434	750
01 6060E 02	Utilities Elec	20,000	12,710	21,800
01 6060G 02	Utilities Gas	1,300	688	1,175
01 6060I 02	Utilities Internet	0	3,634	6,225

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
FACILITIES & RESOURCES DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17</u>	<u>ACTUAL</u>	<u>RECOMMENDED</u>
		<u>BUDGET</u>	<u>THROUGH</u>	<u>AMENDED</u>
			<u>1/31/2017</u>	<u>BUDGET</u>
				<u>2/14/2017</u>
01 6060P 02	Utilities Phone	0	253	425
01 6060S 02	Utilities Sewer	3,000	1,305	2,250
01 6060W 02	Utilities Water	5,000	2,202	3,775
	Total Utilities	30,050	21,225	36,400
01 6080K 02	Pro Svc- Counsel	3,120	2,914	5,000
	Total Professional Services	3,120	2,914	5,000
01 6055 02	Govt Fees & Lic	300	0	300
01 6048 02	Security & Safety	300	0	300
01 6050 02	Office Supplies	500	0	500
01 6070 02	Equip Rental	1,400	771	1,325
01 6090 02	Dept Op Supply	14,000	9,357	14,000
01 6093 02	Small Tools/Eqpt	2,000	3,689	6,000
01 6094 02	Cloth/Uniform	1,500	940	1,500
01 6096 02	Fuel	5,000	5,091	5,000
	Total Other	25,000	19,848	28,925
01 6115 02	Meeting Expense	100	223	375
01 6120E 02	Tvl,Trn,Sem-Emp	500	0	500
	Total Training	600	223	875
01 2513 02	Principal-J. Deere	6,270	0	6,275
01 2515 02	Principal-Ford PU City Nat'l Bank	4,745	0	4,750
01 6180G 02	Interest-Ford PU	154	0	150
	Ford PU Principal & Interest	8,040	0	8,050
	Total Debt Service	19,209	0	19,225
<b>SUBTOTAL OPERATING EXPENDITURES</b>		<b>528,842</b>	<b>295,268</b>	<b>534,450</b>
01 6200 02	ALLOCATED OVERHEAD	91,106	53,145	91,100
<b>TOTAL EXPENDITURES</b>		<b>619,948</b>	<b>348,413</b>	<b>625,550</b>
TOTAL REVENUE LESS EXPENDITURES		0	12,257	(21,925)

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
PARK & RECREATION DEPARTMENT**

<b>ACCT #</b>	<b>ACCT DESCRIPTION</b>	<b>FY 16/17</b>	<b>ACTUAL</b>	<b>RECOMMENDED</b>
		<b>APPROVED</b>	<b>THROUGH</b>	<b>AMENDED</b>
		<b>BUDGET</b>	<b>1/31/2017</b>	<b>BUDGET</b>
				<b>2/14/2017</b>
<b>REVENUES</b>				
01 4310 16	PROPERTY TAX	25,611	13,948	25,600
01 4390 16	OTHER	505	505	500
	PROPOSITION 1A RESERVE	135,486	2,050	135,475
<b>TOTAL REVENUES</b>		<b>161,602</b>	<b>16,503</b>	<b>161,575</b>
<b>EXPENDITURES</b>				
01 6080K 16	District Counsel	500		500
	PROFESSIONAL SERVICES	500	0	500
01 6033R 16	M&R Ranch	10,000	1,915	10,000
		10,000	1,915	10,000
01 6170 16	CAPITAL OUTLAY	135,486	5,896	135,475
<b>SUBTOTAL OPERATING EXPENDITURES</b>		<b>145,986</b>	<b>7,811</b>	<b>145,975</b>
01 6200 16	ALLOCATED OVERHEAD	15,616		15,600
<b>TOTAL OPERATING EXPENDITURES</b>		<b>161,602</b>	<b>7,811</b>	<b>161,575</b>
<b>TOTAL OPERATING REVENUE LESS EXPEND</b>		<b>0</b>	<b>8,692</b>	<b>0</b>

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
ADMIN DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17 APPROVED BUDGET</u>	<u>ACTUAL THROUGH 1/31/2017</u>	<u>RECOMMENDED</u>
				<u>AMENDED BUDGET 2/14/2017</u>
<b>REVENUES</b>				
01 4001 09	FRANCHISE FEES	72,400	54,375	72,400
01 4013 09	Vac Rental Fees	400	405	700
	SERVICE FEES	400	405	700
01 6200 09	ALLOCATED OVERHEAD	1,332,316	777,184	1,332,325
01 4200 09	INTEREST INCOME	4,000	299	4,000
01 4310 09	PROPERTY TAXES	374,624	209,221	374,625
01 4385 09	Radio Vault Rents	2,400	1,200	2,400
01 4389 09	Public Records Request	50	624	1,250
01 4390 09	Miscellaneous	500	8,675	9,000
	OTHER	2,950	10,499	12,650
<b>TOTAL REVENUES</b>		<b>1,786,690</b>	<b>1,051,984</b>	<b>1,796,700</b>
<b>EXPENDITURES</b>				
GROSS REGULAR WAGES		713,692	357,038	623,577
01 5010 09	Overtime	1,000	4,984	8,550
01 5030 09	Part Time-Directors' Fees	18,000	11,249	18,000
SUB-TOTAL SALARY & WAGES		<b>732,692</b>	<b>373,272</b>	<b>650,126</b>
SUB-TOTAL BENEFITS		<b>460,016</b>	<b>236,645</b>	<b>405,075</b>
PERSONNEL COSTS		<b>1,192,708</b>	<b>609,917</b>	<b>1,055,200</b>
01 6010 09	Ads-Legal/Other	600		600
01 6011 09	Public Info		2,752	2,800
01 6011N 09	Newsletter	500		500
01 6011W 09	Website	2,500	1,214	2,700
OUTREACH EDUCATION		<b>3,600</b>	<b>3,965</b>	<b>6,599</b>
01 6030 09	INSURANCE	69,000	70,349	70,350
01 6033B 09	M&R-Building	5,000	1,596	5,000

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
ADMIN DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17 APPROVED BUDGET</u>	<u>ACTUAL THROUGH 1/31/2017</u>	<u>RECOMMENDED</u>
				<u>AMENDED BUDGET 2/14/2017</u>
01 6033G 09	M&R-Grounds	3,000	1,611	2,750
01 6040 09	M&R-Equipment	200		200
01 6041L 09	M&R-Licensed Vehicles	700	419	700
01 6044 09	M&R-Computer Services	77,000	41,729	71,550
	MAINTENANCE	85,900	45,354	80,200
01 6045 09	Computer Supplies & Upgrades	3,000	3,359	5,750
01 6048 09	Security & Safety	1,000	286	1,000
01 6050 09	Office Supplies	11,000	10,216	17,525
01 6051 09	Postage & Shipping	4,000	1,396	2,400
01 6052 09	Bank Charges	3,400	1,494	2,550
01 6053 09	Printing/Forms	2,000	878	1,515
01 6070 09	Equipment Rental	600	251	430
01 6090 09	Department Operating Supplies	1,800	1,107	1,900
01 6094 09	Uniforms	2,000		2,000
	OFFICE SUPPLIES & EQUIP	28,800	18,987	35,070
01 6054 09	Publications-Dues & Books	15,000	16,387	16,425
01 6055 09	JPA/Gov't Fees	32,000	31,558	31,600
	DUES & FEES	47,000	47,945	48,025
01 6060C 09	Utilities-Wireless	1,500	1,180	2,045
01 6060E 09	Utilities-Electricity	6,700	4,025	6,900
01 6060G 09	Utilities-Gas	600	96	600
01 6060I 09	Utilities-Internet	16,200	2,624	4,500
01 6060P 09	Utilities-Telephone	20,804	4,468	8,000
01 6060S 09	Utilities-Sewer	500	168	300
01 6060W 09	Utilities-Water	500	77	125
	UTILITIES	46,804	12,637	22,470
01 6075 09	OFFICE RENT	38,186	23,272	40,675
01 6080A 09	Auditor	15,000		15,000
01 6080K 09	District Counsel	127,920	66,509	114,025
01 6080L 09	Legal	6,000	12,739	21,850
01 6080M 09	Other	4,800	9,431	16,175
01 6080T 09	Temporary Help	9,600	3,568	9,600
01 6086 09	Outside Services	28,900	8,512	14,600

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
ADMIN DEPARTMENT**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17</u>	<u>ACTUAL</u>	<u>RECOMMENDED</u>
		<u>APPROVED</u>	<u>THROUGH</u>	<u>AMENDED</u>
		<u>BUDGET</u>	<u>1/31/2017</u>	<u>BUDGET</u>
				<u>2/14/2017</u>
01 6088 09	Claims	500		500
	PROFESSIONAL SERVICES	192,720	100,761	191,750
01 6115 09	Meeting Expense	3,500	1,600	2,750
01 6120D 09	Directors' Travel	10,000	2,346	10,000
01 6120E 09	Training-LCW	4,500		4,500
01 6120E 09	Employee Travel/Training	10,000	7,913	13,550
01 6120E 09	Education	4,000		4,000
01 6125 09	Employee Recruitment	400	5,679	5,700
	TRAINING & TRAVEL	32,400	69,048	40,500
01 6180H 09	Interest-Fusion	333	333	350
01 2514 09	Principal-Fusion	4,671		4,670
01 6180G 09	Interest-Copier	144		145
01 2513 09	Principal-Copier	4,424		4,425
	DEBT SERVICE	9,572	333	9,590
01 6170 09	CAPITAL OUTLAY			
	Replace Servers	35,000		35,000
	Upgrade Web Site	5,000		5,000
<b>SUBTOTAL OPERATING EXPENDITURES</b>		<b>593,982</b>	<b>392,651</b>	<b>585,230</b>
<b>TOTAL EXPENDITURES</b>		<b>1,786,690</b>	<b>1,002,568</b>	<b>1,640,430</b>
<b>TOTAL REVENUE LESS EXPENDITURES</b>		<b>-</b>	<b>49,416</b>	<b>156,270</b>



**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WASTEWATER**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17</u>	<u>ACTUAL</u>	<u>RECOMMENDED</u>
		<u>APPROVED</u>	<u>THROUGH</u>	<u>AMENDED</u>
		<u>BUDGET</u>	<u>1/31/2017</u>	<u>BUDGET</u>
				<u>2/14/2017</u>
<b>REVENUES</b>				
12 4000	Service Fees	1,862,000	953,007	1,906,000
12 4000 12	Service Fees	(2,000)	(2,397)	(4,100)
	<b>SERVICE FEES</b>	<b>1,860,000</b>	<b>950,610</b>	<b>1,901,900</b>
12 4200 12	INTEREST INCOME	2,000		0
12 4360 12	STANDBY AVAILABILITY	119,000	72,771	119,000
12 4390 12	Miscellaneous	0	55	100
	<b>LOAN PROCEEDS</b>	<b>551,000</b>	<b>143,643</b>	<b>482,700</b>
<b>TOTAL REVENUES</b>		<b>2,532,000</b>	<b>1,167,080</b>	<b>2,503,700</b>
<b>EXPENDITURES</b>				
12 5000 12	Regular Wages	377,560	185,903	362,550
12 5010 12	Overtime	25,000	19,374	33,200
12 5020 12	Standby Pay	18,250	10,179	17,450
	<b>SUB-TOTAL SALARY &amp; WAGES</b>	<b>420,810</b>	<b>215,456</b>	<b>413,200</b>
	<b>SUB-TOTAL BENEFITS</b>	<b>261,635</b>	<b>128,138</b>	<b>273,561</b>
	<b>TOTAL PERSONNEL COSTS</b>	<b>682,445</b>	<b>343,594</b>	<b>686,761</b>
12 6010 12	Ads-Legal	100		100
	<b>OUTREACH/EDUCATION</b>	<b>100</b>	<b>0</b>	<b>100</b>
12 6032C 12	M&R Collection System	7,500	7,565	15,000
12 6032D 12	M&R Disposal Effluent	3,000	1,507	3,000
12 6032G 12	M&R Generators	3,000	8,108	8,100
12 6032L 12	M&R Lift Station	23,700	2,412	5,000
12 6032P 12	M&R Pumps	2,500	1,223	2,500
12 6032M 12	M&R Manholes	1,800		1,800
12 6063 12	M&R Communications Equipment	10,000		10,000
12 6035T 12	CCTV and Hydro Cleaning	25,000		25,000
	<b>COLLECTION SYSTEM REPAIRS</b>	<b>76,500</b>	<b>20,816</b>	<b>70,400</b>
12 6032S 12	Sludge Disposal	45,000	51,015	60,000
12 6032S 12	Sludge Disposal Polymers	24,000	20,925	24,000
12 6032S 12	Sludge Disposal: Lab Tests, etc.	10,000	1,548	10,000

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WASTEWATER**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<b>RECOMMENDED</b>		
		<b>FY 16/17 APPROVED BUDGET</b>	<b>ACTUAL THROUGH 1/31/2017</b>	<b>AMENDED BUDGET 2/14/2017</b>
	SLUDGE DISPOSAL	79,000	73,488	94,000
12 6032T 12	TREATMENT PLANT REPAIRS	40,000	69,464	99,450
12 6033B 12	M&R Buildings	5,000	1,245	2,150
12 6033G 12	M&R Grounds	4,000	30,631	31,000
	M&R GROUNDS	9,000	31,876	33,150
12 6035 12	Manhole Raising	2,000		2,000
12 6035 12	Contingency	784		800
	MAJOR MAINTENANCE	2,784	0	2,800
12 6040 12	M&R Equipment	6,000		6,000
12 6041L 12	M&R Vehicles-Licensed	5,000	3,738	6,400
12 6041N 12	M&R Vehicles-Non-Licensed	5,000	1,141	1,950
12 6041V 12	M&R Vehicles-Vactor	1,000		1,000
12 6063 12	Communication Equipment	2,000		2,000
	VEHICLE & EQUIPMENT REPAIRS	19,000	4,879	17,350
12 6044 12	Computer Services	1,000	880	1,500
12 6045 12	Computer Supplies & Upgrades	3,000	2,030	3,000
12 6048 12	Security & Safety	7,000	5,483	7,000
12 6050 12	Office Supplies	3,400	2,696	4,625
12 6051 12	Postage	5,600	3,198	5,500
12 6053 12	Printing/Forms	400	435	750
	OFFICE SUPPLIES/EQUIPMENT	20,400	14,721	22,375
12 6054 12	Publications/Dues	500	348	600
12 6055 12	Government Fees/Licenses	92,000	84,505	92,000
	DUES & FEES	92,500	84,853	92,600
12 6060C 12	Utilities-Wireless	1,500	798	1,375
12 6060E 12	Utilities-Electricity	155,000	124,025	212,600
12 6060G 12	Utilities-Gas	1,200	580	1,000
12 6060I 12	Utilities-Internet	0	2,058	3,525
12 6060P 12	Utilities-Telephone	0	3,419	5,850

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WASTEWATER**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<b>RECOMMENDED</b>		
		<b>FY 16/17 APPROVED BUDGET</b>	<b>ACTUAL THROUGH 1/31/2017</b>	<b>AMENDED BUDGET 2/14/2017</b>
12 6060W 12	Utilities-Water	6,000	8,432	14,000
	UTILITIES	163,700	139,311	238,350
12 6080K 12	District Counsel	4,500	2,118	3,650
12 6080L 12	Legal	200	1,198	2,050
12 6080M 12	Professional Services Misc	59,000	23,934	55,000
12 6086 12	Outside Services	5,000	7,384	12,650
	PROFESSIONAL SERVICES	68,700	34,634	73,350
12 6070 12	Equipment Rental	6,300		6,300
12 6089 12	Emergency Medical Supplies	1,000		1,000
12 6090 12	Operating Supplies	3,100	484	825
12 6091 12	Lab Tests	12,000	13,824	23,700
12 6092 12	Lab Supplies	12,000	79	150
12 6093 12	Small Tools/Equipment	1,000	1,359	2,325
12 6094 12	Clothing/Uniforms	3,100	2,261	3,100
12 6095 12	Office Furniture/Equipment	400		400
12 6096 12	Fuel	9,000	4,500	9,000
	OPERATING SUPPLIES/EQUIP.	47,900	22,506	46,800
12 6115 12	Meeting Exp.	400	79	400
12 6120E 12	Employee Travel/Training	4,000	1,197	4,000
12 6124 12	Employee Recognition	400	100	400
12 6125 12	Recruitment	0	4,601	4,600
	TRAINING & TRAVEL	4,800	5,977	9,400
12 6180G 12	Interest-Truck	285		285
12 2513 12	Principal-Truck	8,756		8,750
12 6180C 12	Interest-City Nat'l Bank	46,773	24,684	46,775
12 2602 12	Principal-City Nat'l Bank	114,000		114,000
12 2602 12	Long Term Debt: General Fund	74,589		74,600
	DEBT SERVICE	244,403	24,684	244,410
12 6170 12	Influent Screen:			
12 6170 12	Purchase	69,000	0	69,000
12 6170 12	Soils, Boring, Design	57,000	1,493	57,000
12 6170 12	Construction/Installation	85,000		85,000
12 6170 12	Clarifier Repairs	65,000		65,000

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WASTEWATER**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17 APPROVED BUDGET</u>	<u>ACTUAL THROUGH 1/31/2017</u>	<u>RECOMMENDED</u>
				<u>AMENDED BUDGET 2/14/2017</u>
12 6170 12	Effluent Pumps	50,000	71,687	71,700
12 6170 12	Hand Rails	25,000	6,877	25,000
12 6170 12	Lift Station Repairs	190,000	43,045	150,000
12 6170 12	Grit Pumps Replacement	10,000	956	10,000
12 6170 12	Portable Pump			42,000
	CAPITAL OUTLAY	551,000	124,058	574,700
<b>SUBTOTAL OPERATING EXPENDITURES</b>		<b>2,102,232</b>	<b>994,861</b>	<b>2,305,996</b>
12 6200 12	ALLOCATED OVERHEAD	429,768	250,698	429,775
<b>TOTAL EXPENDITURES</b>		<b>2,532,000</b>	<b>1,245,559</b>	<b>2,735,771</b>
NET OPERATING INCOME/(LOSS)		<u>(0)</u>	<u>(78,479)</u>	<u>(232,071)</u>

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WATER OPERATIONS**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<b>RECOMMENDED</b>		
		<b>FY 16/17 APPROVED BUDGET</b>	<b>ACTUAL THROUGH 1/31/2017</b>	<b>AMENDED BUDGET 2/14/2017</b>
<b>REVENUES</b>				
11 4000	Sales	1,937,000	1,083,942	2,124,525
	SALES	1,937,000	1,032,433	2,124,525
11 4007 11	Returned Check Fee	600	235	400
11 4008 11	Account Setup/Close Fees	15,000	3,735	6,400
11 4373 11	Inspection Fees	16,000	4,924	8,450
	ACCOUNT SERVICE FEES	31,600	8,894	15,250
11 4124 11	Assignment Fees	3,290		3,300
	ADMINISTRATIVE FEES	3,290	-	3,300
11 4010 11	Penalties	40,000	25,663	51,325
11 4011 11	Service Disconnect/Reconnect	154	30	50
	LATE FEES	40,154	25,693	51,375
11 4360 11	STANDBY AVAILABILITY	178,000	111,436	178,000
11 4100 11	Connect Rev - SFR	20,000	(1,800)	20,000
11 4390 11	Other	0	3,919	4,000
	OTHER	20,000	2,119	24,000
PROCEEDS FROM DEBT		660,000	-	-
<b>RESOURCE CONSERVATION</b>				
11 4050 10	ADMIN FEES	500	1,469	1,475
10 4150 10	TRANSFER EDUs		4,458	4,475
11 4101 10	WAIT LIST FEES	55,000	61,621	61,630
11 4110 10	REMODEL FEES	25,000	36,779	63,050
11 4122 10	RETRO FIT IN-LIEU FEES	5,000		2,500
11 4124 10	ASSIGNMENT FEES	5,000	2,417	4,150
11 1020 10	VOLUNTARY LOT MERGER	8,000		8,000
SUB-TOTAL RESOURCE CONSERVATION		98,500	106,744	145,280
<b>TOTAL REVENUES</b>		<b>2,968,544</b>	<b>1,287,318</b>	<b>2,541,730</b>

**EXPENDITURES**

11 5000 11	Salary & Wages	341,114	200,931	346,215
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**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WATER OPERATIONS**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<b>RECOMMENDED</b>		
		<b>FY 16/17 APPROVED BUDGET</b>	<b>ACTUAL THROUGH 1/31/2017</b>	<b>AMENDED BUDGET 2/14/2017</b>
11 5010 11	Overtime	25,000	22,852	37,850
11 5020 11	Standby Pay	18,250	10,129	17,350
SUB-TOTAL SALARY & WAGES		384,364	233,912	401,415
SUB-TOTAL BENEFITS		335,550	283,968	305,328
TOTAL PERSONNEL COSTS		719,914	517,880	706,743
11 6010 11	Ads-Legal	400		400
11 6011 11	Public Information	850		850
	OUTREACH / EDUCATION	1,250	-	1,250
11 6031D 11	M&R-Water Distribution	40,100	22,159	38,000
11 6031F 11	M&R-Fire Hydrants	2,200	5,166	5,175
11 6031G 11	M&R-Generators	1,000	555	1,000
11 6031L 11	M&R-Water Leimert	15,000	976	15,000
11 6031M 11	M&R-Meters	10,000	1,673	2,875
11 6031P 11	M&R-Pumps	4,000	5,018	5,025
11 6031Q 11	M&R-SR 3 Well	6,000	8,564	9,000
11 6031R 11	M&R-SR 4	50,000	50,642	55,000
11 6031S 11	M&R-Storage	20,000	15,458	20,000
11 6031T 11	M&R-Treatment	20,000	14,396	20,000
11 6031V 11	M&R-Valves	6,000	41	6,000
11 6031W 11	M&R-Wells	15,000	4,079	15,000
11 6031Y 11	M&R-Yard	6,000	2,971	5,100
	DELIVERY SYSTEM REPAIRS	195,300	131,699	197,175
11 6033B 11	M&R-Buildings	20,000	685	20,000
11 6033G 11	M&R-Grounds	20,000	7,500	20,000
	PLANT REPAIRS	40,000	8,185	40,000
11 6035 11	Cathodic Protection	3,360		3,400
	MAJOR MAINTENANCE	3,360	-	3,400
11 6040 11	M&R-Equipment	1,000		1,000
11 6041L 11	M&R-Vehicles-Licensed	5,000	3,051	5,000
11 6041N 11	M&R-Vehicles-Non Licensed	2,000	109	2,000
11 6063 11	Communication Equipment	17,000		17,000
	VEHICLE & EQUIPMENT REPAIRS	25,000	3,160	25,000

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WATER OPERATIONS**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<b>RECOMMENDED</b>		
		<b>FY 16/17 APPROVED BUDGET</b>	<b>ACTUAL THROUGH 1/31/2017</b>	<b>AMENDED BUDGET 2/14/2017</b>
11 6044 11	Computer Services	7,000	1,050	1,800
11 6045 11	Computer Supplies & Upgrades	1,500		1,500
11 6050 11	Office Supplies	2,800	2,014	3,450
11 6051 11	Postage	9,000	3,293	9,875
11 6053 11	Printing/Forms	3,000	1,686	2,900
	<b>OFFICE SUPPLIES &amp; EQUIP</b>	<b>23,300</b>	<b>8,043</b>	<b>19,525</b>
11 6054 11	Dues & Publications	15,000	12,725	15,000
11 6055 11	Gov't Fees & Licenses	35,000	29,259	35,000
	<b>GOVERNMENT FEES &amp; DUES</b>	<b>50,000</b>	<b>41,984</b>	<b>50,000</b>
11 6059 11	Bad Debt	2,800	9,670	12,000
	<b>BAD DEBT &amp; CLAIMS</b>	<b>2,800</b>	<b>9,670</b>	<b>12,000</b>
11 6060C 11	Utilities-Wireless	1,300	1,069	1,845
11 6060E 11	Utilities-Electricity	132,200	91,760	157,315
11 6060G 11	Utilities-Gas	1,200		1,200
11 6060I 11	Utilities-Internet	-	1,938	3,325
11 6060P 11	Utilities-Telephone	-	3,340	5,750
11 6060S 11	Utilities-Sewer	1,300	504	855
11 6060W 11	Utilities-Water	100	1,280	1,300
	<b>UTILITIES</b>	<b>136,100</b>	<b>99,891</b>	<b>171,590</b>
11 6078 11	LEASE-WELL SITE	36,200		36,200
11 6080E 11	Engineering	6,000		6,000
12 6080G 11	Prof Svcs GIS		450	450
11 6080K 11	District Counsel	11,520	9,399	16,100
11 6080L 11	Legal	12,480	3,829	6,550
11 6080M 11	Advocate	55,000	25,740	55,000
11 6080M 11	Other	75,000		37,500
	<b>PROFESSIONAL SERVICES</b>	<b>160,000</b>	<b>39,417</b>	<b>121,600</b>
11 6090 11	Operating Supplies	11,000	6,194	10,625
11 6090B 11	Sensor Cleaning		355	350
11 6091 11	Lab Tests	15,000	17,510	30,025
	Calibration		2,627	2,625
11 6092 11	Lab Supplies	3,500		3,500

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WATER OPERATIONS**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>RECOMMENDED</u>		
		<u>FY 16/17 APPROVED BUDGET</u>	<u>ACTUAL THROUGH 1/31/2017</u>	<u>AMENDED BUDGET 2/14/2017</u>
11 6093 11	Small Tools/Equip	5,000	4,513	7,750
11 6094 11	Clothing/Uniforms	8,000	4,886	8,000
11 6095 11	Office Furniture/Equipment	50		50
11 6096 11	Fuel	12,000		12,000
	OP SUPPLIES/EQUIPMENT	54,550	36,958	74,925
11 6115 11	Meeting Expense	1,000		1,000
11 6120D 11	Director Travel	1,000		1,000
11 6120E 11	Employee Travel/Training	1,900		1,900
11 6125 11	Recruitment	1,000	3,438	4,000
	TRAINING & TRAVEL	4,900	3,438	7,900
11 6170 11	Fiscalini Tank Project	660,000	444,637	660,000
11 6170 11	Stuart Street Tank Repair	20,000		20,000
11 6170 11	SCADA for San Simeon Well Field	81,901	85,085	90,000
11 6170 11	Radio Grounds Pump Strn: Eng Only	25,000		25,000
11 6170 11	GIS	7,500	-	7,500
	CAPITAL PROJECTS	794,401	529,722	802,500
11 6180G 11	Interest-Truck	286		300
11 2515 11	Principal-Truck	8,811		8,825
	Principal/Int	45,707		45,725
	DEBT SERVICE	54,804	-	54,850
<b>RESOURCE CONSERVATION</b>				
11 6080V 10	VOL. LOT MERGER PROGRAM	50,000		50,000
SUB-TOTAL RESOURCE CONSERVATION		50,000	-	50,000
<b>SUBTOTAL OPERATING EXPENDITURES</b>		<b>2,351,879</b>	<b>1,430,046</b>	<b>2,374,658</b>
11 6200 11	ALLOCATED OVERHEAD	582,418	339,744	582,420
<b>TOTAL EXPENDITURES</b>		<b>2,934,297</b>	<b>1,769,790</b>	<b>2,957,078</b>
NET OPERATING INCOME/(LOSS)		<b>34,247</b>	<b>(482,472)</b>	<b>(415,347)</b>



**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WATER FUND: SWF CAPITAL COST RECOVERY**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17 APPROVED BUDGET</u>	<u>ACTUAL THROUGH 1/31/2017</u>	<u>RECOMMENDED AMENDED BUDGET 2/14/2017</u>
<b>REVENUES</b>				
39 4041 11	TOTAL BASE CHARGE	364,000	184,748	369,500
39 4051 11	TOTAL EWS USAGE CHARGE	483,000	254,483	508,975
<b>TOTAL REVENUES</b>		<b>847,000</b>	<b>439,231</b>	<b>878,475</b>
<b>EXPENDITURES</b>				
	GROSS REGULAR WAGES	24,231	14,135	44,950
39 6055 11	Govt Fees & Licenses	17,000	38,476	38,475
39 6080K11	PROF SVCS: COUNSEL	15,000	9,494	16,275
39 6080L11	PROF SVCS: LEGAL	15,000	2,685	4,600
39 6080M 11	PROF SVCS: OTHER	-	7,040	25,000
39 6060E 11	UTILITIES	27,000	11,719	20,000
39 6091B 11	Operating Supplies	1,000	1,195	2,050.07
39 6091H 11	LAB TESTING		150	300
	AWTP SYSTEM OPERATIONS	75,000	70,758	106,700
39 6180I 11	Interest-Bank Loan	345,564	345,565	345,575
11 2513 11	Principal-Bank Loan	313,861	155,335	313,850
39 6829D 11	Performance Bond	71,700	71,649	71,700
	DEBT SERVICE	731,125	572,549	731,125
<b>TOTAL EXPENDITURES</b>		<b>830,356</b>	<b>657,442</b>	<b>882,775</b>
<b>NET OPERATING INCOME/(LOSS)</b>		<b>16,644</b>	<b>(218,211)</b>	<b>(4,300)</b>

**CAMBRIA COMMUNITY SERVICE DISTRICT  
FISCAL YEAR 2016 - 2017 BUDGET  
WATER FUND: SWF OPERATIONS**

<u>ACCT #</u>	<u>ACCT DESCRIPTION</u>	<u>FY 16/17</u>	<u>ACTUAL</u>	<u>RECOMMENDED</u>
		<u>APPROVED</u>	<u>THROUGH</u>	<u>AMENDED</u>
		<u>BUDGET</u>	<u>1/31/2017</u>	<u>BUDGET</u>
				<u>2/14/2017</u>
<b>REVENUES</b>				
39 4061 11	TOTAL EWS USAGE CHARGE	105,000	114,815	114,825
<b>TOTAL REVENUES</b>		<b>105,000</b>	<b>114,815</b>	<b>114,825</b>
<b>EXPENDITURES</b>				
40 5000 11	SALARY & WAGES	27,000	30,938	31,000
40 6031Z 11	MAINTENANCE	20,000	23,018	29,450
40 6060E11	UTILITIES (ELECTRIC)	10,500		10,500
40 6091B11	OPERATING SUPPLIES	2,000	1,303	2,225
40 6091F 11	REMOTE SYSTEM MONITORING	20,000	3,243	10,000
40 6091 11	DISPOSAL OF SEPTIC WASTE	3,600		3,600
40 6091G11	CALIBRATION / SENSOR CLEAN	28,000	32,426	35,000
40 6091H11	LAB TESTING (Note 1)	192,748	36,487	172,750
40 661211	ADVERTISING/LEGAL NOTICE	300		300
	<b>TOTAL OPERATING COSTS</b>	<b>304,148</b>	<b>127,413</b>	<b>294,825</b>
40 6829S11	START UP/SHUT DOWN COSTS	30,000	-	30,000
<b>TOTAL EXPENDITURES</b>		<b>334,148</b>	<b>127,413</b>	<b>324,825</b>
<b>NET REVENUE LESS EXPENDITURES</b>		<b>(229,148)</b>	<b>(12,598)</b>	<b>(210,000)</b>

Note 1: 1/19/17 BOD approved CDM Smith Task Order 8 for \$112,748

**CAMBRIA COMMUNITY SERVICES DISTRICT  
FISCAL YEAR 2016 - 2017 WATER FUND CAPITAL PROJECTS BUDGET  
SANTA ROSA CREEK PROJECT**

	Approved Budget <u>6/25/2015</u>	Already Received <u>1/31/2017</u>	Projected Receipts	RECOMMENDED BUDGET <u>2/14/2017</u>
<b>Revenues</b>				
Drinking Water Drought Grant (\$300,000 requested)	\$307,876	\$268,617	\$0	\$268,617
Subtotal of One-Time Revenues	\$307,876	\$268,617	\$0	\$268,617

	Approved Budget <u>6/25/2015</u>	Already Spent <u>1/31/2017</u>	Projected Expenditures	Grand Total
<b>Expenditures</b>				
General Costs	\$35,411	\$19,866	\$0	\$19,866
Environmental Clearances; Biological Monitoring; Etc.	\$666	\$666	\$0	\$666
Permitting	\$5,483	\$5,483	\$0	\$5,483
Construction (SR1; SR3; Filtronic; etc.)	\$315,707	\$295,346	\$0	\$295,346
Design & Construct Contracts	\$13,012	\$13,012	\$0	\$13,012
Post Construction	\$172	\$172	\$0	\$172
Replace Filtronic Filter Media	\$30,371	\$20,371	\$0	\$20,371
Subtotal of One-Time Expenditures	\$400,822	\$354,916	\$0	\$354,916

<b>TRANSFER FROM WATER FUND RESERVES</b>	<b>\$86,299</b>
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**CAMBRIA COMMUNITY SERVICES DISTRICT  
FISCAL YEAR 2016 - 2017 CAPITAL PROJECTS BUDGET  
WATER FUND SUSTAINABLE WATER FACILITY (SWF)**

<b><u>SWF ONE-TIME REVENUES</u></b>	<b>Approved Budget <u>FY 2016/17</u></b>	<b>Already Received <u>1/31/2017</u></b>	<b>Projected Receipts</b>	<b>RECOMMENDED BUDGET <u>2/14/2017</u></b>
Loan (Installment Sale)	\$8,939,000	\$8,939,000		\$8,939,000
Proposition 84 IRWM Project	4,382,256	4,163,142	219,113	4,382,255
<b>TOTALS</b>	<b>\$13,321,256</b>	<b>\$13,102,142</b>	<b>\$219,113</b>	<b>\$13,321,255</b>

<b><u>CDM SMITH TASK ORDERS</u></b>	<b>Approved Budget <u>FY 2016/17</u></b>	<b>Already Spent <u>1/31/2017</u></b>	<b>Projected Expenditures</b>	<b>RECOMMENDED BUDGET <u>2/23/2017</u></b>
Task Order #1: Hydrological Modeling	\$174,495	\$174,495	-	\$174,495
Task Order #2: Preconstruction Engineering	\$299,601	\$299,601	-	\$299,601
Task Order #3: Preconstruction Services	920,084	920,084	-	920,084
Task Order #4: Permitting: Prepurchase Assistan	499,941	499,941	-	499,941
Task Order #5: Permitting & Environmental	584,607	584,607	-	584,607
Task Order #6: Permitting & Environmental	308,090	98,299	209,791	308,090
<b>TOTALS</b>	<b>\$2,786,818</b>	<b>\$2,577,027</b>	<b>\$209,791</b>	<b>\$2,786,818</b>

<b><u>DESIGN BUILD CONTRACT WITH CDM CONSTRUCTORS</u></b>	<b>Approved Budget <u>FY 2016/17</u></b>	<b>Already Spent <u>1/31/2017</u></b>	<b>Projected Expenditures</b>	<b>RECOMMENDED BUDGET <u>2/23/2017</u></b>
Design Build Contract	\$6,647,919	\$6,647,919	-	\$6,647,919
Change Order #1	511,602	511,602	-	511,602
Change Order #2	123,953	123,953	-	123,953
Change Order #3	83,268	83,268	-	83,268
<b>TOTALS</b>	<b>\$7,366,742</b>	<b>\$7,366,742</b>	<b>\$0</b>	<b>\$7,366,742</b>

**CAMBRIA COMMUNITY SERVICES DISTRICT  
FISCAL YEAR 2016 - 2017 CAPITAL PROJECTS BUDGET  
WATER FUND SUSTAINABLE WATER FACILITY (SWF)**

<b><u>SWF EXPENDITURES: OTHER</u></b>	<b>Approved Budget FY 2016/17</b>	<b>Already Spent 1/31/2017</b>	<b>Projected Expenditures</b>	<b>RECOMMENDED BUDGET 2/23/2017</b>
<b>General Costs</b>				
Primarily FGL	\$58,117	\$58,117	-	\$58,117
Flag Lot Investigation	1,315	1,315	-	1,315
Performance Bond	54,000	-	-	-
RWQCB Permitting Fees	55,315	55,315	-	55,315
RWQCB-mandated Environmental Surety Bond (	72,000	72,000	-	72,000
Telemetry Upgrade	83,000	-	83,000	83,000
Tracer Testing 2016	100,000	102,120	-	102,120
Remote Sensing Installation at SS Creek Bridge	10,000	-	10,000	10,000
<b>TOTALS</b>	<b>\$433,747</b>	<b>\$288,867</b>	<b>\$93,000</b>	<b>\$381,867</b>

<b><u>Regular Coastal Development Permit</u></b>	<b>Approved Budget FY 2016/17</b>	<b>Already Spent 1/31/2017</b>	<b>Projected Expenditures</b>	<b>RECOMMENDED BUDGET 2/23/2017</b>
Environmental Impact Report to support Reg CDP (MBI)	\$168,450	\$168,450	\$0	\$168,450
CDM EIR Support	\$100,000	\$76,795	\$23,205	\$100,000
Amend 1 to EIR (MBI)	\$81,630	\$138,768	\$0	\$138,768
CDM SMITH TASK ORDER 8	\$105,000	\$0	\$105,000	\$105,000
Tracer Study Support	\$161,052	\$0	\$161,052	\$161,052
Future Mitigation Measures	\$733,948	\$11,410	\$722,538	\$733,948
<b>TOTALS</b>	<b>\$1,350,080</b>	<b>\$395,423</b>	<b>\$1,011,795</b>	<b>\$1,407,218</b>

<b><u>Professional Services Costs:</u></b>	<b>Approved Budget FY 2016/17</b>	<b>Already Spent 1/31/2017</b>	<b>Projected Expenditures</b>	<b>RECOMMENDED BUDGET 2/23/2017</b>
Public Outreach	\$39,825	\$55,100	\$0	\$55,100
Rate Study, Legal Services	\$66,042	\$66,042	\$0	\$66,042
Debt Costs of Issuance	\$143,001	\$143,001	\$0	\$143,001
Legal Services (RE Landwatch Lawsuit)	\$200,115	\$419,772	\$0	\$419,772
Computer Programming	\$7,600	\$7,600	\$0	\$7,600
CCSD Labor Expensed to CIP Project	\$97,033	\$0	\$0	\$0
Strategic Advisor	\$7,083	\$61,925	\$14,165	\$76,090
<b>TOTALS</b>	<b>\$560,699</b>	<b>\$753,440</b>	<b>\$14,165</b>	<b>\$767,605</b>

**CAMBRIA COMMUNITY SERVICES DISTRICT  
FISCAL YEAR 2016 - 2017 CAPITAL PROJECTS BUDGET  
WATER FUND SUSTAINABLE WATER FACILITY (SWF)**

<b><u>SWF START-UP EXPENDITURES</u></b>	<b>Approved Budget <u>FY 2016/17</u></b>	<b>Already Spent <u>1/31/2017</u></b>	<b><u>Projected</u> Expenditures</b>	<b>RECOMMENDED BUDGET <u>2/23/2017</u></b>
<b><u>Start-Up Expenditures</u></b>				
Power	\$20,320	\$20,320	\$0	\$20,320
Chemicals	\$28,275	\$37,293	\$0	\$37,293
Consumables (membranes, filters, UV lamps, etc)	\$0	\$0	\$0	\$0
Maintenance	\$4,356	\$22,284	\$0	\$22,284
Impound Basin Monitoring	\$0	\$0	\$0	\$0
Advanced Water Treatment Plant Sampling	\$156,384	\$141,185	\$0	\$141,185
Baseline Monitoring to support Adaptive Manag	\$70,688	\$59,942	\$0	\$59,942
<b>Start-Up Plant Operators (Three Month Co</b>	<b>\$132,000</b>	<b>\$136,300</b>	<b>\$0</b>	<b>\$136,300</b>
<b>TOTALS</b>	<b>\$412,023</b>	<b>\$417,324</b>	<b>\$0</b>	<b>\$417,324</b>

**SUMMARY****SUSTAINABLE WATER FACILITY PROJECT**

**APPROVED  
BUDGET  
FY 2016/17**

**ACTUAL  
THROUGH  
1/31/2017**

**RECOMMENDED  
BUDGET  
2/23/2017**

**SOURCES OF FUNDS**

Loan (Installment Sale)

8,939,000

8,939,000

8,939,000

Proposition 84 Expedited Draught Grant

4,382,256

4,163,142

4,382,255

**TOTAL FUNDS AVAILABLE****13,321,256****13,102,142****13,321,255**

EXPENDITURES

**\$12,910,109****\$11,798,823****\$13,127,574**

FUNDS AVAILABLE LESS EXPENDITURES

**411,147****1,303,319****193,681**