

# AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424  
Meeting Room and Office – 100 San Luis Street, Avila Beach  
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## REGULAR BOARD MEETING 1 PM Tuesday, June 9, 2026

**STAFF AND PUBLIC MAY PARTICIPATE IN THIS MEETING IN PERSON AT THE ADDRESS  
ABOVE OR, VIA TELECONFERENCE AND/OR ELECTRONICALLY.**

**ZOOM MEETING: <https://us02web.zoom.us/j/4111787571>**

**Meeting ID: 411 178 7571**

**Password: No Password Required.**

**BY PHONE: 1-669-900-9128**

**1. CALL TO ORDER: 1:00 P.M.**

**2. ROLL CALL: Board Members:**

Pete Kelley, President  
John Janowicz, Vice President  
Kristin Berry, Director  
Howie Kennett, Director  
Ara Najarian, Director

**3. PUBLIC COMMENT**

Members of the public wishing to comment or bring forward any items concerning District operations **which do not appear on today's agenda** may address the Board now. Please state your name and address before addressing the Board and **limit presentations to 3 minutes**. State law does not allow Board action on items not appearing on the agenda.

**4. INFORMATION AND DISCUSSION ITEMS**

County Reports

1. SLO County Sheriff Department
2. CalFire/County Fire Department

Reports on Attended Conferences, Meetings, and General Communications of District Interest

**5. CONSENT ITEMS:**

**These items are approved with one motion.** Directors may briefly discuss any item, or may pull any item, which is then added to the business agenda.

- A. Minutes of May 12, 2026, Regular Board Meeting
- B. Monthly Financial Review for May 2026
- C. General Manager and District Engineer Report

- D. Water and Wastewater Operations Reports for May 2026
- E. Adoption of Resolution No. 2026-05 requesting the District's 2026, Biennial Election be consolidated with the November 3, 2026, San Luis Obispo County General Election

**6. DISCUSSION OF PULLED CONSENT ITEMS**

At this time, items pulled for discussion from the Consent Agenda, if any, will be heard.

**7. PUBLIC COMMENT ON CLOSED SESSION ITEM**

**8. CLOSED SESSION**

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). Number of cases: One.**

**REPORT ON CLOSED SESSION/ANNOUNCEMENT OF ACTION, IF ANY, TAKEN IN CLOSED SESSION**

**9. BUSINESS ITEMS:** Items where Board action is called for.

- A. Consider Awarding a Contract to Regional Government Services (RGS) to provide Contract Human Resources Services for the District  
(Action Required: Receive Staff Report and award a contract to RGS or provide other direction to staff)
- B. Consider Awarding a Contract to Advanced Technical Services (ATS) for Water Tank Maintenance Work  
(Action Required: Receive Staff Report and award a contract to ATS or provide direction to Staff)
- C. Discuss and Consider an Engineering Services Proposal from Wallace Group for  
(Action Required: Consider approval of the Wallace Group Engineering Services Proposal or Provide Other Direction to Staff)
- D. Review/Amendment of General Manager Contract  
(Action Required: Receive Staff Report and Provide Direction to Staff)

**10. COMMUNICATIONS/ CORRESPONDENCE**

At this time, any Director, or Staff, may ask questions for clarification, make any announcements, or report briefly on any activities or suggest items for future agendas.

**11. ADJOURN**

**July 7<sup>th</sup> Regular Meeting is Cancelled.**

*The next Regular Board meeting is scheduled for Tuesday, August 4<sup>th</sup>, 2026 at 1:00 P.M.*

Any writing or document pertaining to an open session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the District Administration Office, 100 San Luis Street, Avila Beach, CA during normal business hours. Consistent with the Americans with Disabilities Act and California Government Code Section 54954.2 requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires the modification or accommodation in order to participate at the above referenced public meeting by contacting the District at 805-595-2664.

**MINUTES OF REGULAR BOARD OF DIRECTORS' MEETING**  
**Avila Beach Community Services District**  
**Tuesday, May 12th, 2026**  
**1:00 P.M.**

**1. CALL TO ORDER**

President Kelley called the meeting of the Board of Directors of the Avila Beach Community Services District, to order at 1:00 P.M. on the above date, in the Avila Beach Community Services District Building, 100 San Luis Street, Avila Beach, California.

**2. ROLL CALL**

Board Members Present	Pete Kelley John Janowicz Howie Kennett
Board Members Present via Zoom:	None
Board Members Absent:	Kristin Berry Ara Najarian
Staff Present:	Brad Hagemann, General Manager Kristi Dibbern, Office Manager
Operations:	Shawn Powell, Chief Plant Operator Wes Kelly, Operator in Training
Legal Counsel via Zoom:	Craig Parton from Price, Postal, & Parma

**3. PUBLIC COMMENTS - None**

**4. INFORMATION AND DISCUSSION ITEMS**

**A. County Reports**

**Sheriff's Report:** The Sheriff's report was given by Commander Abbas. One hundred and eleven calls for service were reported during the month of April. One assault and battery, 5 disturbances, 2 thefts, 2 vandalism, 9 suspicious circumstances, 19 enforcement stops, and 26 preventative patrol stops were reported.

**Cal Fire:** Chief Travis reported 50 calls for service, 26 were medically related calls. Nine vehicle accidents, 15 false alarms. Chief Travis announced agricultural burns are allowed on designated days, however, the burn ban has gone into effect for the year.

**5. CONSENT ITEMS:**

After Board discussion and no public comment, Director Janowicz made a motion to approve the Consent Items. Director Kennett seconded the motion, and it passed with a roll call vote 3-0.

AYES            John Janowicz  
                   Howie Kennett  
                   Pete Kelley  
NOES:           None  
ABSENT:        Kristin Berry  
                   Ara Najarian

6.     **PULLED CONSENT ITEMS.** None.

7.     **PUBLIC COMMENT ON CLOSED SESSION ITEM**

None.

8.     **CLOSED SESSION**

**The Board convened to closed session at 1:19 PM to discuss the following items:**

**A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2). Number of cases: One.

**REPORT ON CLOSED SESSION/ANNOUNCEMENT OF ACTION, IF ANY, TAKEN IN CLOSED SESSION**

The Board returned to the regular session at 1:27 PM. No reportable action was taken by the Board of Directors during the closed session.

9.     **BUSINESS ITEMS:**

**9A. PUBLIC HEARING REGARDING ADOPTION OF THE FY 2026/27 ANNUAL BUDGET**

**OPEN PUBLIC HEARING: 1:43 pm**

**No public comment.**

**CLOSED PUBLIC HEARING: 1:44 pm**

**9A. Consider Adoption of Resolution No. 2026-03 Appropriations Limitations.** President Kelly made a motion to adopt Resolution No. 2026-03. Director Janowicz seconded the motion, and it passed with a roll call vote 3-0.

AYES:           Pete Kelley  
                   John Janowicz  
                   Howie Kennett  
NOES:           None  
ABSENT:        Kristin Berry  
                   Ara Najarian

**9A. Consider Adoption of FY 2026/27 Budget & Resolution No. 2026-04**

GM Hagemann summarized the Final Draft of the FY 2026/27 budget. The Board agreed to adopt the draft budget with no rate increase to water and sewer customers. Director Kelley made a motion to adopt Resolution No. 2026-04. Director Janowicz seconded the motion, and it passed with a roll call vote 3-0.

AYES:       Pete Kelley  
              John Janowicz  
              Howie Kennett  
NOES:       None  
ABSENT:     Kristin Berry  
              Ara Najarian

**9B: District General Counsel Contract Review.**

GM Hagemann summarized the Staff Report. The Board of Directors stated they are satisfied with Price Postal & Parma's performance and services. The Board does not have any changes to the existing legal services agreement.

Staff reminded the Board that The NEXT MEETING will be held on Tuesday, June 9th, 2026, at 1:00PM.

**ADJOURNMENT:** The meeting was adjourned at approximately 2:17 PM.

These minutes are not official nor are they a permanent part of the records until approved by the Board of Directors at their next meeting.

Respectfully submitted,


Brad Hagemann, PE  
General Manager



**AVILA BEACH**  
**COMMUNITY SERVICES DISTRICT**  
Post Office Box 309, Avila Beach, CA 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 9th, 2026

ITEM: 5.B Monthly Financial Review for May 2026

**Recommendation:**

Receive and file report.

**Overall Monthly Summary**

During the month of May the District deposited \$273,636.62 and incurred \$91,591.62 in expenses (cash basis). At the time this report was prepared (June 3) the water and sewer bills have not been issued. Therefore, the water and sewer revenue for the month of May has not yet been accrued. Staff will provide an updated report at the Board meeting that includes the accrued revenue for the May water and sewer billing. The District deposited \$269,433.70 in county tax revenue in the month of May.

Detailed financial reports including Balance Sheets, Profit and Loss, and Checks by Fund are provided for your information for May.

**Utility Service Billing**

The District utility service billing was not available at the time of the production of this Board Packet. The board will be provided with an update as the financials become available.

May 31, 26

**ASSETS**

**Current Assets**

**Checking/Savings**

1000 · Cash Summary

1005 · Customer Cash 798.25

1008 · Petty Cash 100.98

1010 · Columbia-Pac Premier Ckg 3,980.04

1015 · Five Star Bank Checking 1,161,753.65

1017 · Five Star Bank MM 224,723.73

1050 · LAIF 4,482,987.31

1070 · California Class 103,779.80

**Total 1000 · Cash Summary 5,978,123.76**

**Total Checking/Savings 5,978,123.76**

**Accounts Receivable**

1200 · \*Accounts Receivable 122,338.29

**Total Accounts Receivable 122,338.29**

**Other Current Assets**

1250 · Receivables

1280 · Water & Sewer Billings 38,149.63

**Total 1250 · Receivables 38,149.63**

1299 · Allowance for doubtful account -121,982.75

1400 · Prepaid Summary

1410 · Prepaid Insurance -5,738.92

**Total 1400 · Prepaid Summary -5,738.92**

**Total Other Current Assets -89,572.04**

**Total Current Assets 6,010,890.01**

**Fixed Assets**

1600 · Fixed Assets & Acc. Depr.

1620 · Fixed Assets - Sanitary

1622 · Land 60,314.10

1626 · Collection Assets

1627 · Collection Assets Cost 1,549,232.00

1628 · Collect Assets Accum Depr -851,957.90

**Total 1626 · Collection Assets 697,274.10**

1635 · Treatment Plant

1638 · Treatment Plant Accum Dep -2,007,163.22

1635 · Treatment Plant - Other 7,181,929.80

Avila Beach Community Services District  
**Balance Sheet**  
As of May 31, 2026

	<u>May 31, 26</u>
<b>Total 1635 · Treatment Plant</b>	5,174,766.58
<b>1642 · Treatment Equipment</b>	
1643 · Treatment Equip Cost	1,660,441.96
1644 · Treatment Equip Accum Depr	<u>-1,222,924.33</u>
<b>Total 1642 · Treatment Equipment</b>	<u>437,517.63</u>
<b>Total 1620 · Fixed Assets - Sanitary</b>	6,369,872.41
<b>1650 · Fixed Assets - Water</b>	
1652 · Equipment	
1653 · Equipment Cost	330,142.48
1654 · Equipment Accum Depr	<u>-301,009.93</u>
<b>Total 1652 · Equipment</b>	29,132.55
1656 · Distribution Assets	
1657 · Distribution Assets Cost	960,944.00
1658 · Dist Assets Accum Depr	<u>-569,475.38</u>
<b>Total 1656 · Distribution Assets</b>	<u>391,468.62</u>
<b>Total 1650 · Fixed Assets - Water</b>	420,601.17
<b>1670 · Vehicles - Admin</b>	
1671 · 2023 Ford F150 Cost	53,960.62
1672 · 2023 Ford F150 Acc Depr	<u>-17,088.08</u>
<b>Total 1670 · Vehicles - Admin</b>	36,872.54
<b>1680 · Structures - Fixed Asset</b>	
1681 · Structures GFAAG - Sani & FA	82,207.64
1682 · Gen / Fire Accum Dep	<u>-75,707.19</u>
<b>Total 1680 · Structures - Fixed Asset</b>	6,500.45
<b>1690 · Construction in Progress</b>	<u>12,885.32</u>
<b>Total 1600 · Fixed Assets &amp; Acc. Depr.</b>	<u>6,846,731.89</u>
<b>Total Fixed Assets</b>	6,846,731.89
<b>Other Assets</b>	
1800 · Deferred Outflows of Resources	<u>65,690.00</u>
<b>Total Other Assets</b>	<u>65,690.00</u>
<b>TOTAL ASSETS</b>	<u><u>12,923,311.90</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	

Avila Beach Community Services District  
**Balance Sheet**  
 As of May 31, 2026

	May 31, 26
2100 · Accounts Payable	193,478.86
<b>Total Accounts Payable</b>	<b>193,478.86</b>
<b>Credit Cards</b>	
2140 · Five Star MC Control x0557	4,182.41
<b>Total Credit Cards</b>	<b>4,182.41</b>
<b>Other Current Liabilities</b>	
2105 · Accrued Expense	-10,963.63
<b>2200 · Payroll Liabilities</b>	
2201 · Accrued Payroll	9,174.46
2240 · Health Insurance	
2241 · Employee	9,560.00
<b>Total 2240 · Health Insurance</b>	<b>9,560.00</b>
2250 · PERS Liability	1,290.10
2255 · Accrued Interest FB Auditor	62,325.14
2260 · Vacation Payable	12,787.17
2262 · Sick Pay Accrued	3,913.37
<b>Total 2200 · Payroll Liabilities</b>	<b>99,050.24</b>
2280 · Short Term Principal	121,479.86
<b>2300 · Deposits Held</b>	
2303 · Water Deposits Held	6,360.00
<b>Total 2300 · Deposits Held</b>	<b>6,360.00</b>
<b>Total Other Current Liabilities</b>	<b>215,926.47</b>
<b>Total Current Liabilities</b>	<b>413,587.74</b>
<b>Long Term Liabilities</b>	
2400 · Net Pension Liability	146,812.00
2450 · U.S. Bank Loan WWTP	2,350,072.53
2500 · Deferred Inflows of Resources	11,976.00
<b>Total Long Term Liabilities</b>	<b>2,508,860.53</b>
<b>Total Liabilities</b>	<b>2,922,448.27</b>
<b>Equity</b>	
3900 · Retained Earnings	8,022,105.65
3999 · Prior Period Adjustment FY 23	1,951,651.42
Net Income	27,106.56
<b>Total Equity</b>	<b>10,000,863.63</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>12,923,311.90</b>

Avila Beach Community Services District  
 Checks by Fund w/Accounts  
 May 2026

06/02/26

Type	Date	Num	Name	Memo	Account	Amount	Balance
<b>General / Admin</b>							
Check	05/03/2026	ACH	SDRMA Health	May 2026 Health Ins Member # 7017 AutoPa...	5242 · Health Ins / Other	6,076.12	6,076.12
Check	05/05/2026	BP20...	Creative Technologies, Inc.	Inv. 202600231 Bill Print & Mail Run Date 4...	6142 · Postage & Shipp...	358.40	6,434.52
Check	05/05/2026	ACH	Teresa Klostermann	Contract labor April Paid 4.30.26	6504 · Admin Contract ...	1,230.00	7,664.52
Check	05/06/2026	4242	New Times	Inv. 392009 4/23/26 Budget Public Posting	6120 · Dues & Subscri...	63.00	7,727.52
Check	05/06/2026	BP 2...	Toste Construction, Inc.	Fire Hydrant Striping	6524 · Equip. Rep. & M...	2,990.00	10,717.52
Check	05/07/2026	ACH	SLO CO Auditor Controller	Admin Costs - 40% of 6,906.23	6000 · Administrative O...	2,762.49	13,480.01
Check	05/07/2026	ACH	SLO CO Auditor Controller	Admin Costs - 70% of 6,641.96	6000 · Administrative O...	4,649.37	18,129.38
Check	05/11/2026	ACH	InvoiceCloud	Invoice Cloud merchant fees Inv 1678-2026-4	5140 · Invoice Cloud	115.42	18,244.80
Check	05/12/2026	4243	Hagemann & Associates	Contract Labor April 2026 General Manager	6506 · Contract Labor ...	6,630.00	24,874.80
Check	05/12/2026	4243	Hagemann & Associates	Contract Labor - Solid Waste	6506 · Contract Labor ...	340.00	25,214.80
Check	05/12/2026	BP 2...	Strategic Resources Con...	Contract Labor - Accounting and Audit Inv. ...	6102 · Accounting	3,800.00	29,014.80
Check	05/12/2026	BP 2...	Strategic Resources Con...	Audit	6103 · Accounting Audit	997.50	30,012.30
Check	05/12/2026	BP 2...	Strategic Resources Con...	Reporting	6504 · Admin Contract ...	427.50	30,439.80
Check	05/12/2026	BP 2...	Strategic Resources Con...	Office Maintenance	6542 · Maintenance	320.00	30,759.80
Check	05/13/2026	BP 2...	Coverall North America, I...	\$ 206.65 x 2 Kristi	2250 · PERS Liability	413.30	31,173.10
Check	05/13/2026	EFT	Public Employees Retire...	\$ 481.35 x 2 Shawn	2250 · PERS Liability	962.70	32,135.80
Check	05/13/2026	EFT	Public Employees Retire...	Addtl Co Pd Kristi & Shawn	5250 · PERS Company...	20.64	32,156.44
Check	05/13/2026	EFT	Public Employees Retire...	\$ 205.68 x 2 Kristi	2250 · PERS Liability	411.36	32,567.80
Check	05/13/2026	EFT	Public Employees Retire...	\$ 475.75 x 2 Shawn	2250 · PERS Liability	951.50	33,519.30
Check	05/13/2026	EFT	Public Employees Retire...	Addtl Co Pd Kristi & Shawn	5250 · PERS Company...	20.47	33,539.77
Check	05/14/2026	EFT	Public Employees Retire...	\$ 253.00 x 2 Kristi	2250 · PERS Liability	506.00	34,045.77
Check	05/14/2026	EFT	Public Employees Retire...	\$ 484.14 x 2 Shawn	2250 · PERS Liability	968.28	35,014.05
Check	05/14/2026	EFT	Public Employees Retire...	Addtl Co Pd Kristi & Shawn	5250 · PERS Company...	21.98	35,036.03
Check	05/26/2026	EFT	Five Star Mastercard	FS MC AutoPay	2140 · Five Star MC Co...	1,641.03	36,677.06
Total General / Admin						36,677.06	36,677.06
<b>Lights</b>							
Check	05/01/2026	EFT	PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	323.56	323.56
Check	05/07/2026	ACH	SLO CO Auditor Controller	Admin Costs - 5% of 6,641.96	6000 · Administrative O...	332.10	655.66
Check	05/12/2026	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	153.99	809.65
Check	05/12/2026	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	517.83	1,327.48
Total Lights						1,327.48	1,327.48
<b>Sanitary</b>							
Check	05/01/2026	BP C...	Great Western Alarm	Inv # 260402991101 5.1.26	6572 · Security	58.00	58.00
Check	05/01/2026	EFT	PG&E	Waste Water Plant acct # 0404279997-5 28...	6590 · Utilities	8,522.43	8,580.43
Check	05/01/2026	EFT	PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	437.65	9,018.08
Check	05/05/2026	BP20...	Brenntag Pacific, LLC	BPI598364 Chemicals	6503 · Chemicals	1,972.09	10,990.17
Check	05/05/2026	ACH	Weston Kelly	Contract Labor Inv. #2 for April Pd 5.5.26	6509 · Contract Labor -...	1,728.00	12,718.17
Check	05/05/2026	BP20...	Fluid Resource Manage...	Inv. TR260358 Reg Comp 4.16.26	6565 · Regulatory Com...	1,212.00	13,930.17

Avila Beach Community Services District  
**Checks by Fund w/Accounts**  
 May 2026

06/02/26

Type	Date	Num	Name	Memo	Account	Amount	Balance	
Check	05/05/2026	BP20...	Fluid Resource Manage...	Inv. W26174 4.23.26 Vactor Assistance 03...	6520 · Equipment Rep...	5,242.80	19,172.97	
Check	05/05/2026	BP20...	Fluid Resource Manage...	Inv. W26323 Install Airation Blower	6522 · Equip. Rep. & M...	928.90	20,101.87	
Check	05/06/2026	BP 2...	Speed's, Inc.	Solids Handling Inv. 75953 4.22.26	6580 · Solids Handling	2,481.10	22,582.97	
Check	05/06/2026	BP C...	USA Bluebook	Customer #:916419 INV01027029 4.22.26 S...	6550 · Operating Suppli...	377.41	22,960.38	
Check	05/06/2026	BP C...	USA Bluebook	Customer #:916419 INV01028702 4.23.26 Su...	6550 · Operating Suppli...	224.64	23,185.02	
Check	05/07/2026	BP 2...	Great Western Alarm	A9037 SCADA	6572 · Security	176.55	23,361.57	
Check	05/07/2026	BP 2...	Great Western Alarm	A0938 Emergency Line WWTP	6572 · Security	162.55	23,524.12	
Check	05/07/2026	ACH	SLO CO Auditor Controller	Admin Costs - 60% of 6,906.23	6000 · Administrative O...	4,143.74	27,667.86	
Check	05/10/2026	BP 2...	Perez Gardening Service	Inv #40955 Auto Pays 1st of each mo	6591 · Yard Maintenance	47.25	27,715.11	
Check	05/12/2026	4243	Hagemann & Associates	Contract Labor - Sanitary System	6507 · Contract Labor ...	3,570.00	31,285.11	
Check	05/12/2026	EFT	Mission Linen	Inv # 525792513 4.6.26	6167 · Uniforms	51.03	31,336.14	
Check	05/12/2026	EFT	Mission Linen	Inv # 525834283 4.13.26	6167 · Uniforms	51.03	31,387.17	
Check	05/12/2026	EFT	Mission Linen	Inv # 525875541 4.20.26	6167 · Uniforms	58.76	31,445.93	
Check	05/12/2026	EFT	Mission Linen	Inv # 525916011 4.27.26	6167 · Uniforms	72.03	31,517.96	
Check	05/12/2026	EFT	Mission Linen	Inv # 525910143 4.27.26	6167 · Uniforms	172.35	31,690.31	
Check	05/14/2026	BP 2...	Speed's, Inc.	Solids Handling Inv. 76034 5.8.26	6580 · Solids Handling	2,283.20	33,973.51	
Check	05/14/2026	BP C...	USA Bluebook	Customer #:916419 INV01038852 5.5.26	6550 · Operating Suppli...	159.94	34,133.45	
Check	05/22/2026	EFT	NSF Check	NSF ACH Return Avila Oaks HOA Acct 004...	4010 · Operating Reve...		34,133.45	
Check	05/26/2026	EFT	Five Star Mastercard	FS MC AutoPay	2140 · Five Star MC Co...	1,671.78	35,805.23	
Total Sanitary							35,805.23	35,805.23
<b>Water</b>								
Check	05/05/2026	ACH	Weston Kelly	Contract Labor Inv. #2 for April Pd 5.5.26	6509 · Contract Labor ...	1,152.00	1,152.00	
Check	05/05/2026	BP20...	Fluid Resource Manage...	Inv. TR260358 Reg Comp 4.16.26	6565 · Regulatory Com...	808.00	1,960.00	
Check	05/07/2026	ACH	SLO CO Auditor Controller	Admin Costs - 25% of 6,641.96	6000 · Administrative O...	1,660.49	3,620.49	
Check	05/12/2026	4243	Hagemann & Associates	Contract Labor - Water System	6507 · Contract Labor ...	2,720.00	6,340.49	
Check	05/12/2026	BP 2...	Price, Postel & Parma LLC	General Legal Counsel	6135 · Legal	563.50	6,903.99	
Check	05/12/2026	BP 2...	Price, Postel & Parma LLC	Lopez Litigation	6137 · Lopez Lake ESA...	4,371.00	11,274.99	
Check	05/14/2026	BP 2...	Mr. Backflow	Back Flow Test Inv. 52629	6565 · Regulatory Com...	175.00	11,449.99	
Check	05/22/2026	EFT	NSF Check	NSF ACH Return Avila Oaks HOA Acct 004...	4010 · Operating Reve...	689.86	12,139.85	
Check	05/26/2026	EFT	Five Star Mastercard	FS MC AutoPay	2140 · Five Star MC Co...	5,642.00	17,781.85	
Total Water							17,781.85	17,781.85
<b>TOTAL</b>						<b>91,591.62</b>	<b>91,591.62</b>	

Avila Beach Community Services District  
**Profit & Loss**  
 May 2026

	May 26
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4000 · Income Summary	
4010 · Operating Revenue	-689.86
4012 · Solid Waste Franchise Fee	3,841.26
4030 · County Taxes	269,433.70
4600 · Interest Income	1,051.52
	273,636.62
<b>Total 4000 · Income Summary</b>	<b>273,636.62</b>
<b>Total Income</b>	<b>273,636.62</b>
<b>Gross Profit</b>	<b>273,636.62</b>
<b>Expense</b>	
5100 · Merchant Credit Card Fees	
5140 · Invoice Cloud	115.42
	115.42
<b>Total 5100 · Merchant Credit Card Fees</b>	<b>115.42</b>
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	14,845.57
5212 · Holiday Pay	876.80
5213 · Overtime Pay	216.66
5214 · Sick Pay	740.26
5215 · Standby Pay	1,650.00
5216 · Vacation Pay	1,155.52
	19,484.81
<b>Total 5210 · Gross Wages</b>	<b>19,484.81</b>
5230 · Payroll Taxes	250.10
5235 · Cell Phone Allowance	50.00
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	6,076.12
	6,076.12
<b>Total 5240 · Health &amp; Medical Exp.</b>	<b>6,076.12</b>
5250 · PERS Company Pd Expense	
5255 · PERS Co Pd Shawn	923.51
5256 · PERS Co Pd Kristi	458.68
5250 · PERS Company Pd Expense - Ot...	63.09
	1,445.28
<b>Total 5250 · PERS Company Pd Expense</b>	<b>1,445.28</b>
5280 · Payroll Administration & Misc.	130.50
	130.50
<b>Total 5200 · Payroll Expenses</b>	<b>27,436.81</b>

Avila Beach Community Services District  
Profit & Loss  
May 2026

	<u>May 26</u>
<b>6000 · Administrative Overheads</b>	
6102 · Accounting	3,800.00
6103 · Accounting Audit	997.50
6120 · Dues & Subscriptions	670.96
6135 · Legal	
6137 · Lopez Lake ESA Litigation	4,371.00
6135 · Legal - Other	563.50
	<hr/>
<b>Total 6135 · Legal</b>	4,934.50
<b>6140 · Office Supplies &amp; Postage</b>	
6142 · Postage & Shipping	358.40
6143 · Supplies, Office	145.04
6140 · Office Supplies & Postage - Other	15.00
	<hr/>
<b>Total 6140 · Office Supplies &amp; Postage</b>	518.44
6167 · Uniforms	752.70
6170 · Website	351.00
6000 · Administrative Overheads - Other	13,548.19
	<hr/>
<b>Total 6000 · Administrative Overheads</b>	25,573.29
<b>6500 · Operating Expenses</b>	
6503 · Chemicals	1,972.09
6504 · Admin Contract Services	1,657.50
6506 · Contract Labor GM	6,970.00
6507 · Contract Labor Civil Engineer	6,290.00
6509 · Contract Labor - Operations	2,880.00
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	928.90
6524 · Equip. Rep. & Maint. Avila Only	3,918.88
6520 · Equipment Repair & Maint. - Other	5,464.24
	<hr/>
<b>Total 6520 · Equipment Repair &amp; Maint.</b>	10,312.02
6528 · Gas & Oil	421.86
6542 · Maintenance	543.00
6545 · Miscellaneous	20.76
6550 · Operating Supplies	1,200.27
6565 · Regulatory Compliance	2,195.00
6572 · Security	397.10
6580 · Solids Handling	4,764.30
6585 · Telephone / Internet	276.01
6590 · Utilities	10,141.14
6591 · Yard Maintenance	47.25
	<hr/>
<b>Total 6500 · Operating Expenses</b>	50,088.30

Avila Beach Community Services District  
**Profit & Loss**  
May 2026

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	<b>May 26</b>
<b>Total Expense</b>	<u>103,213.82</u>
<b>Net Ordinary Income</b>	<u>170,422.80</u>
<b>Net Income</b>	<u><u>170,422.80</u></u>



**AVILA BEACH**  
**COMMUNITY SERVICES DISTRICT**  
Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 9, 2026

ITEM 5.C. General Manager Report

**Zone 3 Technical Advisory Committee (TAC)**

The Zone 3 Technical Advisory Committee next meeting is scheduled for June 10, 2026. The agenda for the meeting was not available at the time this report was prepared. As of this writing (June 3, 2026), the Lopez reservoir is at approximately 86% of capacity with 42,680 AF in storage. Total annual rainfall accumulation at the lake is 24.70 inches, which is about 124% of the annual average.

**State Water Subcontractors Advisory Committee (SWSAC)**

The SWSAC last met on May 29, 2026. The agenda packet for the May 29<sup>th</sup> SWSAC meeting is provided as an attachment to this report. The main topic of conversation/endorsement was the excess water transfer to the Westside Water Districts in the Central Valley. For the last several years, the County has been taking advantage of cost recovery “water deals” with water purveyors in the Central Valley. The Committee members are encouraging the County to continue this practice in accordance with the County’s State Water Project Water Transfer Policy.

**Blue Ocean Desal Water Project**

The Desal Ad Hoc Committee is scheduled to meet on Thursday, June 4<sup>th</sup>. The Committee will provide a status report on the project. We are in the very early stages of analyzing the feasibility and pros and cons of the project. The regulatory hurdles will be significant. However, having a local, sustainable, drought proof water supply source may be worth the effort.

**Avila Business Group**

The recently formed Avila Business Group is scheduled to meet at the District office on Friday, June 19<sup>th</sup>, at 9:30 AM. I may need to attend this meeting remotely. Please let me know if any of the Directors would like to attend the meeting in person.



## **Notice of Meeting**

### **STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE**

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

County Gov't. Center, Rm. D361 – 1055 Monterey Street, San Luis Obispo, CA 93408

Friday, May 29, 2026 – 10:00 – 11:30 AM

For agenda packet attachments and more information: <https://www.slocounty.ca.gov/Departments/Public-Works/Committees-Programs/State-Water-Project-and-Subcontractors-Advisory-Co.aspx>

**Chair:** Brad Hagemann (Avila Beach CSD)

**Vice Chair:** Rosemarie Gaglione (Pismo Beach)

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## **AGENDA**

1. **CALL TO ORDER** – Roll Call & Quorum Count
2. **PUBLIC COMMENT** – For matters not on the agenda, within the Committee's jurisdiction. Limited to 3 minutes each.
3. **MEETING MINUTES** (Action Item)  
*Staff Recommendation: Approve the Minutes from the SWSAC meeting on February 27, 2026.*
4. **COMMITTEE INFORMATIONAL ITEMS** (No Action Required)  
*District Reports:*
  - A. Water Supply & Delivery Operations (2026)
  - B. Westside Transfer (2025)
  - C. Delta Conveyance Project (DCP) – Planning Update
  - D. California Aqueduct Subsidence
  - E. SWP Transfer Policies (2025): Implementation Update*Report from the Water Management Working Group (WMWG):*
  - F. Water Management Update
5. **COMMITTEE ACTION ITEM**
  - A. Westside Transfer Option  
*Staff Recommendation: Endorse the proposed approach to secure a transfer option with Westside Districts for 2026 including the development of a multi-year option.*
6. **REPORTS FROM SUBCONTRACTORS** (For Information Only)
7. **FUTURE AGENDA ITEMS:** Committee members may suggest items for future agendas.
8. **DATE OF NEXT MEETING** (Friday, Aug 28, 2026 – 10:00-11:30a)
9. **ADJOURNMENT**

### Attachments

1. Agenda Item 3 – Draft Minutes (2/27/2026)
2. Agenda Item 4 – Staff Report
3. Agenda Item 4 – Reference: SWP Transfer Policies (2025)
4. Agenda Item 5 – Staff Report

**CONTACT:** Please contact SWSAC Secretary, Wes Thomson, with any questions: [wthomson@co.slo.ca.us](mailto:wthomson@co.slo.ca.us) or (805) 781-5252. *All Americans with Disabilities Act (ADA) accommodations shall be promptly reviewed and resolved.*

STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE  
*San Luis Obispo County Flood Control and Water Conservation District*

**Regular Meeting Minutes – February 27, 2026 (DRAFT FOR REVIEW)**

Chair: Brad Hagemann  
Vice Chair: Rosemarie Gaglione  
Secretary: Wes Thomson

The following minutes reflect actions taken by the State Water Subcontractors Advisory Committee (SWSAC) at its Regular Meeting on February 27, 2026. Agenda items are presented in the order listed on the published agenda. Staff reports and related documents are attached to the official record and incorporated herein by reference.

**1. CALL TO ORDER & ROLL CALL**

Chair Hagemann called the meeting to order at approximately 10:07 a.m. A quorum was established.

**Members Present:** Engelskirger (CSA 16 Shandon); Treichler (County Operations Center); Kwolek (Morro Bay); Gaglione (Pismo Beach); Hagemann (Avila Beach CSD); Howard (District, non-voting).

**2. PUBLIC COMMENT**

None.

**3. APPROVAL OF PREVIOUS MINUTES**

The minutes of the November 14, 2025, meeting were approved as presented on motion by Kwolek, seconded by Engelskirger. Motion carried unanimously by voice vote.

**4. SELECTION OF 2026 SWSAC OFFICERS**

Thomson presented a summary of the historic Chair and Vice Chair assignments and reviewed the committee's general practice over the last 10 years regarding representation between Lopez and Chorro Valley turnout agencies.

Kwolek nominated Hagemann for Chair and Gaglione for Vice Chair. The nominations were seconded and approved unanimously by voice vote.

**5. SET DATES FOR THE 2026 CALENDAR**

Thomson presented the proposed 2026 meeting calendar. Following discussion, the committee approved the proposed schedule as amended, including the revision of the May meeting date to May 29, 2026.

**6. REPORTS FROM THE DISTRICT (Informational)**

**A. Water Supply & Delivery Operations**

Thomson reported:

- 2025 Delivered Water: 2,185 AF of 12,500 AF Table A (no unused Table A allocation remaining)

- Storage: 2025 End-of-year storage balance = 9,459 AF (met storage target)
- Current SWP Allocation: 2026 Table A = 30% (7,500 AF)
- Estimated Total Supply for 2026 = 16,959 AF
- Estimated Local Demand for 2026 = 3,540 AF
- Surplus water available for transfer: TBD
- Lopez: Using surplus SWP water Feb-Mar (WTP hit by lightning)
- San Luis Reservoir is at risk of spilling in 2026 (90% chance of spill in March)

Discussion included potential strategies to reduce current spill risk through transfers or storage opportunities but acknowledged that limited options were available given the timing constraints. Thomson and Engelskirger stated that development of water management tools (transfer/exchange and storage options) and subcontract modernization efforts remain a priority for District staff.

#### **B. DCP Planning Update**

Thomson reported that the State published their “missed opportunity” figure showing that if the DCP had been operational from October 1, 2025, through February 12, 2026, DWR could have moved an additional 351,000 AF of water. Thomson noted that implementation of the DCP is intended to improve long-term supply reliability.

#### **C. California Aqueduct Subsidence**

Thomson reported that the State continues to track and plan for subsidence along the CA aqueduct. Interim Actions include raising concrete liners and earthen embankments on over 42 miles of the aqueduct, and modifications to Check 17 facilities. The Interim Actions are estimated to cost ~\$32.3 million. Long-term solutions are estimated to cost ~\$2.25 billion. The State is working on SB 872 which could raise funds to cover most of the short and long-term costs.

Thomson noted that continued subsidence may further restrict conveyance capacity to the Coastal Branch if not addressed through future mitigation measures.

#### **D. Water Management Working Group Update**

Thomson reported:

- Transfer with Westside Districts: 6,999 AF (\$1.45m)
- Pilot Storage Transfer: 500 AF (2025) to Palmdale WD, anticipated 350 AF return (2026).
- Ongoing efforts to identify future transfer, storage, and cost recovery opportunities for 2026.

#### **E. SWP Transfer Policy – Quarterly Implementation Update**

Thomson reported that the Board approved updated SWP transfer policies in July 2025 and directed staff to work with subcontractors on contract updates, transfer opportunities, and related administrative procedures.

### **7. REPORTS FROM SUBCONTRACTORS**

None.

**8. FUTURE AGENDA ITEMS**

- Kwolek suggested a future tour of selected SWP facilities.

**9. DATE OF NEXT MEETING**

The next Regular Meeting is scheduled for May 29, 2026, at 10:00 a.m.

**10. ADJOURNMENT**

Chair Hagemann adjourned the meeting at approximately 11:28 a.m.

**Minutes prepared by:** J. Trout / W. Thomson

*Draft – For Committee Review and Approval*

# STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

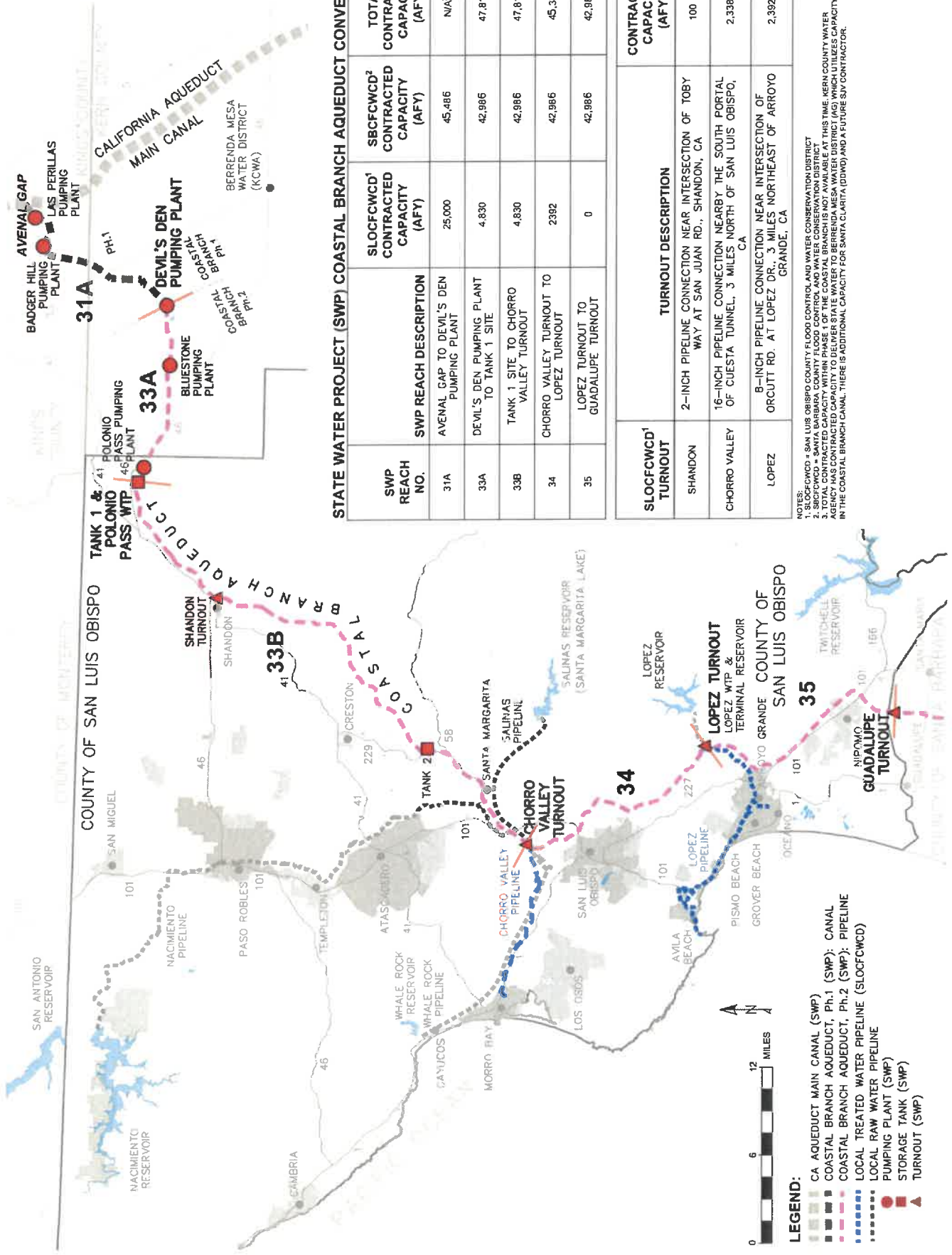
## Agenda Item 4A – Water Supply & Delivery Operations (2026)

*May 29, 2026*

**Staff Recommendation:** Informational item only.

The attached report summarizes current SWP allocation, deliveries, storage balances, and estimated operational supply conditions for 2026.





STATE WATER PROJECT (SWP) COASTAL BRANCH AQUEDUCT CONVEYANCE CAPACITY

SWP REACH NO.	SWP REACH DESCRIPTION	SLOCFCWCD <sup>1</sup> CONTRACTED CAPACITY (AFY)	SBCFCWCD <sup>2</sup> CONTRACTED CAPACITY (AFY)	TOTAL CONTRACTED CAPACITY (AFY)	OWNER-SHIP	O & M
31A	AVENAL GAP TO DEVIL'S DEN PUMPING PLANT	25,000	45,986	N/A <sup>3</sup>	DWR	DWR
33A	DEVIL'S DEN PUMPING PLANT TO TANK 1 SITE	4,830	42,986	47,816	DWR	DWR
33B	TANK 1 SITE TO CHORRO VALLEY TURNOUT	4,830	42,986	47,816	DWR	CCWA
34	CHORRO VALLEY TURNOUT TO LOPEZ TURNOUT	2,392	42,986	45,378	DWR	CCWA
35	LOPEZ TURNOUT TO GUADALUPE TURNOUT	0	42,986	42,986	DWR	CCWA

SLOCFCWCD <sup>1</sup> TURNOUT	TURNOUT DESCRIPTION	CONTRACTED CAPACITY (AFY)	O & M
SHANDON	2-INCH PIPELINE CONNECTION NEAR INTERSECTION OF TOBY WAY AT SAN JUAN RD., SHANDON, CA	100	DWR
CHORRO VALLEY	16-INCH PIPELINE CONNECTION NEARBY THE SOUTH PORTAL OF CUESTA TUNNEL, 3 MILES NORTH OF SAN LUIS OBISPO, CA	2,338	DWR
LOPEZ	8-INCH PIPELINE CONNECTION NEAR INTERSECTION OF ORCUTT RD. AT LOPEZ DR., 3 MILES NORTHEAST OF ARROYO GRANDE, CA	2,392	DWR

NOTES:  
 1. SLOCFCWCD - SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
 2. SBCFCWCD - SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
 3. TOTAL CONTRACTED CAPACITY IS AVAILABLE AT THIS TIME. NEVEN COUNTY WATER AGENCY HAS CONTRACTED CAPACITY TO DELIVER TO THE COASTAL BRANCH AQUEDUCT. NEVEN COUNTY WATER AGENCY HAS CONTRACTED CAPACITY TO DELIVER TO THE COASTAL BRANCH AQUEDUCT. NEVEN COUNTY WATER AGENCY HAS CONTRACTED CAPACITY FOR SANTA CLARITA (DDWD) AND A FUTURE SJV CONTRACTOR IN THE COASTAL BRANCH CANAL.

- LEGEND:**
- CA AQUEDUCT MAIN CANAL (SWP)
  - COASTAL BRANCH AQUEDUCT, Ph.1 (SWP); CANAL
  - COASTAL BRANCH AQUEDUCT, Ph.2 (SWP); PIPELINE
  - LOCAL TREATED WATER PIPELINE (SLOCFCWCD)
  - LOCAL RAW WATER PIPELINE
  - PUMPING PLANT (SWP)
  - STORAGE TANK (SWP)
  - TURNOUT (SWP)

# STATE WATER SUBCONTRACTORS ADVISORY COMMITTEE

## Agenda Item 5A – Westside Transfer Option

May 29, 2026

### **Staff Recommendation:**

Endorse the proposed approach to secure a transfer option with Westside Districts for 2026, including exploration of a potential multi-year transfer framework.

### **Background / Discussion**

District staff continue to evaluate opportunities to reduce the risk of SWP water loss associated with system storage conditions and operational constraints while improving supply management flexibility and securing potential cost recovery opportunities for participating subcontractors.

District staff completed a transfer with Westside Districts in 2025 totaling 6,999 AF. Based on current 2026 SWP allocation and storage conditions, staff anticipate that up to 9,500 AF may be available for transfer opportunities during 2026, subject to operational conditions and District water management objectives.

District staff have continued discussions with Westside District representatives regarding development of a proposed transfer option framework that could establish pricing and general transfer terms in advance while improving timing, operational coordination, and supply management flexibility. Discussions include consideration of a potential multi-year framework intended to reduce repeated annual renegotiation of substantially similar terms while preserving annual discretion by Boards regarding participation and transfer quantities if conditions warrant.

The proposed framework would not obligate annual transfers or purchases of water but instead would establish a standing cooperative structure that could be utilized depending on future operational conditions, annual review, mutual agreement of the participating parties, applicable CEQA compliance, DWR approval and operational constraints, Board authorization, and availability of transferable SWP water.

### **Recommendation**

Staff recommend that the Committee endorse the proposed approach to continue development of a 2026 transfer option with Westside Districts, including exploration of a potential multi-year framework, for future consideration by the District Board of Supervisors. Potential transfer revenues, if approved and implemented, could help offset costs associated with SWP water management and storage operations.





# AVILA BEACH COMMUNITY SERVICES DISTRICT

ITEM: 5D

## June 2026 Operations and Maintenance Report

### **Compliance**

There were no compliance issues for the month of May. The May 2026 Self-Monitoring Report and associated data tables & graphs will be sent out separately and will be available at the Board meeting.

### **Wastewater Treatment Plant**

The primary clarifier drive was successfully replaced prior to Memorial Day weekend and has been operating reliably since installation.

Operations staff completed several minor repairs and maintenance projects throughout the month, reducing the need for contract labor and associated costs.

At least one fine-bubble diffuser in the MBR aeration basin has failed, resulting in reduced air distribution within a portion of the aeration basin. This condition increases energy consumption and can negatively impact treatment efficiency. Replacement components have been received, and the replacement of all sixteen diffusers is scheduled for June 18.

Representatives from Cloacina were onsite several times during May to address outstanding warranty items associated with the MBR system.

### **Water System**

The good news is, the new meter reading system was brought online, and water meters were read remotely for the first time at the end of May. The bad news is, we are struggling to get the automated meter read file(s) to “talk” with our billing software system. Both of our vendors stated that they had worked through the interface and were ready to go. Unfortunately, that was not the case and we are working intently with the contractors to get the billing process complete. Staff will provide a verbal update at the Board meeting.

Operations staff is coordinating with La Fonda Inn and Avila Villa Apartments regarding the replacement of their 2-inch water meters.

Construction of the Schoolhouse project is underway. Staff met with the General Contractor to discuss the planned water and sewer service connections.

As seasonal water demand increases during the summer months, staff is closely monitoring nitrate and nitrite levels to ensure continued compliance with drinking water standards and protection of public health.




**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 9, 2026

ITEM 5E: Consolidation of District Election with the San Luis Obispo County General Election; Resolution No. 2026-05

**Recommendation:**

Approve Resolution No. 2026-05

**Funding:**

Costs for District elections will be funded out of the Administration budget. The cost of an election will vary depending upon the number of candidates filing for election, but have ranged from a few hundred dollars to several thousand dollars. The FY 2026-27 Administrative Budget includes sufficient funds to cover the costs. Historically, the District has had minimal costs associated with elections.

**Discussion:**

Resolution No. 2026-05 requests Consolidation of the District's General Election with the Statewide General Election to be held on November 3, 2026. Having the County coordinate and consolidate our election with the County greatly reduces the overall cost to the District.

The terms of President Kelley, Vice President Janowicz and Director Najarian end in December 2026. These terms will be up for full term (four year) elections. Board members interested in running for re-election will need to file a "Declaration of Candidacy" later this year. We will keep you updated on the exact dates once we get them from the County.

Attachment: Resolution No. 2026-05

# AVILA BEACH COMMUNITY SERVICES DISTRICT

## RESOLUTION No. 2026-05

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT REQUESTING CONSOLIDATION OF THEIR BIENNIAL ELECTION WITH THE NOVEMBER 3, 2026 CONSOLIDATED GENERAL ELECTION

**WHEREAS**, the Avila Beach Community Services District (hereinafter "District") is governed by a Board of Directors committed to effectively representing the interests of the district's beneficiaries; and

**WHEREAS**, the regular election of the members of the Board of Directors is scheduled to occur on November 3, 2026; and

**WHEREAS**, the consolidation of the District governing board election with the County of San Luis Obispo's general election is in the public interest as it promotes greater voter participation and reduces the overall cost of the election; and

**WHEREAS**, pursuant to California Government Code Section 57375 and following, the District is permitted to request the consolidation of its regular election with the statewide Presidential General Election; and

**WHEREAS**, pursuant to California Elections Code Section 10400, upon approval of such consolidation by the County, the District is obliged to reimburse the County for all costs incurred in conducting the consolidated election, thereby assuming financial responsibility for the related expenditures.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Avila Beach Community Services District, County of San Luis Obispo, as follows:

**1. Election Consolidation:** The Board hereby requests the consolidation of its upcoming governing board election with the general election conducted by the County of San Luis Obispo on November 3, 2026, pursuant to California Government Code Section 57375 and California Elections Code Section 10400.

**2. Reimbursement of Costs:** The District commits to reimburse the County fully for all services provided and costs incurred in the conduct of the consolidated election, as mandated by California Elections Code Section 10400.

**3. Candidate Statement Costs:** The cost of printing, handling and mailing candidates' statement of qualifications shall be charged to the candidate.

**PASSED AND ADOPTED** by the Board of Directors of the Avila Beach Community Services District, County of San Luis Obispo, State of California, at a regular meeting thereof held on the 9<sup>th</sup> day of June, 2026, by the following vote:

**ON MOTION** of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, and on the following roll call vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

The foregoing resolution is hereby adopted this 9th day of June, 2026.

\_\_\_\_\_  
Peter Kelley, President

Attest:

\_\_\_\_\_  
Brad Hagemann  
SECRETARY TO BOARD




# AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

## MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 09, 2026

ITEM 9A: Award Contract to Regional Government Services for Human Resources Support Services

### **Recommendation:**

Receive this staff report, and direct staff to sign an Agreement with Regional Government Services (RGS) Authority to serve as advisors to the Avila Beach CSD to update the District's Policy Manual and provide on-going Human Resources consulting.

### **Background/Discussion:**

The District Policy Manual needs to be updated to meet current regulations. Staff consulted with the CSDA website and other agency staff and determined that Regional Government Services (RGS) would be a good fit to provide the immediate need to update the Policy Manual and to also be an ongoing resource to assist with Human Resource questions. RGS is a governmental joint powers authority that was created to assist local government needs. RGS is a CSDA Business Affiliate member that has been providing support to government agencies for over 10 years.

At staff's request, RGS provided a Scope of Services proposal to address District needs. The Scope of Services proposal is provided as an attachment to the staff report. As noted in the proposal, RGS consulting services are provided on a time and materials basis. There are no retainer fees. We estimate update of the Policy Manual will take approximately 80 hours of consultant time at a cost of \$10,000 - \$12,000. For planning purposes, we estimate on-going HR support will be no more than 10 - 15 hours per month. However, as noted above, the District will only be invoiced for actual hours worked.

### Attachment:

1. RGS, June 2026 Scope of Services Proposal and 2026/27 Rate Sheet
2. Sample RGS Professional Services Agreement

**RGS Is Committed to Reducing Paper Waste by Use of Electronic Processes**

To support our waste reduction goals, RGS requests your partnership in using digital signatures and electronic payment methods.

**Preamble:** The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

To set realistic expectations, please note that RGS is a governmental joint powers authority with policies designed to provide flexibility while meeting evolving local government needs.

**Our Values:**

**RGS aims to be flexible, solution-driven, empowering, and caring. We deliver these values through:**

- **Expertise:** RGS provides a team of public-sector experts to help each agency meet its unique challenges.
- **Customer Focus:** RGS customizes solutions to achieve the right level and right kind of service at the right time.
- **Adaptation:** RGS will maintain ongoing interaction. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, learning openly from each other's hard-won experience.
- **Commitment:** We are entrusted with serving the public, and that trust must be used wisely. RGS will do its part by setting rates transparently and pledging honesty, openness, and accountability in our work with you.

**How RGS Does Business**

When you work with RGS you can expect:

- Understandings will be put in writing and RGS will communicate directly to ensure your needs are met, projects will stay on track, and timelines are honored.
- Honest, respectful communication, and mutual respect between our agency staffs.
- Should issues arise, RGS will address them early, accurately, and thoroughly to reach acceptable solutions.
- As a public agency, RGS values partnership and safeguards the public trust.

**Avila Beach Community Services District**  
**Scope of Services**  
**June 2026**

**Scope of Services:** Subject to the terms and conditions of this Agreement, Regional Government Services Authority (RGS) shall assign RGS employees to serve as Advisors to the Avila Beach Community Services District, hereafter “Agency.” These services may include, but are not limited to:

**Personnel Policy Manual**

- 1 Update the District Policy Manual to align with all applicable legislative and regulatory requirements governing employment laws in the State of California and best industry practices
- 2 May develop other policies that adhere to the Agency’s operational needs

**Ongoing Human Resources Consulting**

Provide human resources consulting services at Agency’s request:

- 3 Provide professional advice regarding best practices to facilitate the effective and compliant administration of personnel rules, human resources related policies and practices
- 4 Analyze a variety of information and recommend appropriate management action; provide written documentation of analysis and recommendations as needed
- 5 Draft required communications, including administrative policies, procedures, forms and templates as needed to develop an effective and compliant system of human resources management practices and transactions
- 6 Develop job descriptions, salary ranges based on labor market, and associated requirements based on Fair Labor Standards Act (FLSA)
- 7 Assist with facilitating procedural steps in recruitment processes
- 8 Provide guidance on leave requests and accommodation processes in accordance with related employment leave laws
- 9 Provide guidance on employee/employer relations issues, complaints and performance management
- 10 Provide team building, training, coaching and organizational effectiveness strategies to enhance collaboration and leadership development.

Agreement **may be amended** at Agency’s request and increase the NTE amount to include the following:

- 11 Develop, coordinate, and conduct full-cycle recruitments

The RGS team will be led by an RGS advisor, who will perform both work and direct projects or tasks to other RGS staff with equal or lower bill rates at the RGS advisor’s

discretion. RGS advisors/staff will be reasonably available to perform the services during the normal workweek, this work may be done onsite or remotely. RGS advisors/staff may occasionally work at Agency worksites with the pre-approval of the Lead Advisor. RGS team members will maintain open communication lines with each other and Agency staff through written documentation, video conference calls, phone, and e-mail as needed to accomplish agreed-upon projects.

RGS provides consulting services on a time and materials basis. The Agency will only be invoiced for the actual hours worked. External costs and RGS Advisor travel will be invoiced at cost to the Agency with no markup. Advisor travel time to and from the service location is billed at the regular hourly rate, and mileage reimbursement is charged separately at the IRS rate. All external costs, including advisor travel time, will fall outside of the not-to-exceed (if established) for services provided.

RGS cost estimate is based on the agency's understanding and our experience with similar projects. The availability of information and data from the agency can impact the effort required. Completion of the scope of work is dependent on funds available in the NTE. RGS will stay in communication with the Agency on any issues that pose a risk to this estimate, which will include reporting expenditures against the NTE with each monthly invoice.

RGS employees/advisors will be supervised by RGS administrators, not by any Agency employee, and will not report to any Agency employee. No Agency employee shall have any reporting obligation to the RGS employee/advisor. RGS employees/advisors shall have no authority to execute any document on behalf of the Agency. To the extent that any RGS employee/advisor is identified in any Agency publication, agendas or minutes, the name of the RGS employee/advisor shall be noted therein as "RGS employee/advisor". RGS services are not duplicated by Agency employees and are not intended to be performed by Agency employees but are outsourced to RGS.



# RGS 2026-2027 RATE SHEET

Title	26-27 Hourly Rate
Agency Executive	\$229
Strategic Services Consultant	\$197
Senior Advisor	\$166
Advisor	\$141
Technical Specialist	\$125
Admin Specialist	\$111

## AGREEMENT FOR PROFESSIONAL SERVICES

**This Agreement** for Professional Services (“Agreement”) is entered into as of DATE 2025, by and between the **AGENCY**, a municipal agency (“Agency”), and **Regional Government Services Authority** (RGS), a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

### RECITALS

**THIS AGREEMENT** is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render professional services;
- B. That RGS is fully qualified to provide such professional services to the Agency by virtue of its experience, training, education, and the expertise of its advisors and management; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

### TERMS AND CONDITIONS

**Section 1. Effective Date:** This Agreement shall be effective on the date first herein above written.

**Section 2. Services.** The consulting work, hereinafter “Services,” to be performed by RGS under this Agreement shall include those services set forth in the attached **Exhibits**, which are incorporated by this reference herein and made a part hereof as though it were fully set forth herein.

In the event of conflict or inconsistency between the text of the main body of this Agreement and the **Exhibits**, the text of the main body of this Agreement supersede and shall prevail.

**2.1 Standard of Performance.** RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.

**2.2 Time.** RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the service described in the **Exhibits**.

**2.3 Service Advisor.** RGS shall assign a Service Advisor to the Agency to support the quality and consistency of Services provided. The Service Advisor shall be available to assigned RGS staff and Agency management and shall conduct regular check-ins with both parties to address service and project directives. The time spent by the Service Advisor shall generally not be billable to the Agency. However, in cases where the Service Advisor provides substantial programmatic direction beyond standard oversight, such time may be subject to billing. Any such billable time shall be identified and communicated to the Agency in advance.

- 2.4 Reassignment of Personnel.** Assignment of personnel to provide the services described in the **Exhibits** is at the sole discretion of RGS. In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons. For the avoidance of doubt, however, RGS retains sole control as to assignment of its personnel.

**Section 3. Compensation.** Payment to RGS for Services under this Agreement shall not exceed \$XXX. The calculation of payment for the Services shall be as provided in the **Exhibits**.

**Section 4. Term of Agreement and Termination.**

- 4.1** Services shall commence on or about the Effective Date and shall remain in effect until **DATE XX, 2026**, thereafter services may continue on a month-to-month basis until one party terminates the Agreement or if Section 3 contains a “not to exceed” amount, until RGS charges for services reach the not-to-exceed amount at which point the Agreement will automatically terminate unless amended. Services provided under the month-to-month provision are subject to current RGS staff rates in effect at the time of service. In the event this Agreement has converted to a month-to-month basis, RGS shall have the option, at its sole discretion, to terminate this Agreement on the ninety-first (91st) continuous day with no billable service hours. Should RGS elect to exercise this termination option, RGS shall provide Agency with written notice of the termination of the Agreement.

- 4.2** This Agreement may be terminated by either Party, with or without cause, upon 30 days’ written notice to the other party. Upon receipt of such notice, RGS shall cease performance as of the termination date specified in the notice, or 30 days from the date of the letter, if none is specified. Compensation payable to RGS shall be limited to services performed up to and including the termination date.

The Agency shall have the sole discretion, exercised in good faith, to determine whether the Services performed by RGS meet the Agency’s satisfaction. Should the Agency determine that RGS’s services are unsatisfactory and/or that RGS has failed to resolve performance issues related to RGS to the Agency’s satisfaction, the Agency may terminate this Agreement by providing written notice to RGS pursuant to this provision.

**Section 5. Relationship of Parties.**

- 5.1** It is understood that the relationship of RGS to the Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. The Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of the Agency. Agency shall have the right to control RGS employees only insofar as the results of RGS’ services rendered pursuant to this Agreement. In furtherance of this Section 5.1, the Parties agree as follows:

- 5.1.1** Agency shall not request from RGS or from any RGS employee an RGS employee's Social Security Number or other similar personally identifying information.
- 5.1.2** Agency shall not report an RGS employee to any third party as an employee of Agency. For the purposes of this Section 5 "third party" means another government agency, private company, or individual.
- 5.1.3** In the event that a third-party requests information about an RGS employee—including but not limited to personally identifying information, hours or locations worked, tasks performed, or compensation—Agency shall inform RGS of the request prior to responding. If Agency possesses such information about an RGS employee, the Parties shall confer in good faith about an appropriate and legally compliant response to the request.
- 5.2** RGS shall provide services under this Agreement through one or more RGS employees qualified to perform services under this Agreement. At any time during the term of this Agreement, the assigned RGS employee(s) may be providing services concurrently to one or more RGS clients.
- 5.3** Agency shall not have the ability to direct how Services are to be performed, specify the location where Services are to be performed, or establish set hours or days for performance of services, except as mutually agreed upon and set forth in the **Exhibits**. Agency confirms that RGS employees are not assuming and are not expected to assume any Agency staff position(s).
- 5.4** All services provided under this Agreement are outsourced to RGS and are not duplicative of or the responsibility of Agency employees. RGS shall determine, in its sole discretion, whether such services are performed onsite or remotely. RGS employees and advisors shall be under the exclusive direction and supervision of RGS and shall not be subject to supervision, control, or reporting obligations of any Agency employee. RGS employees and advisors shall have no obligation to report to the Agency except through RGS-designated administrators. RGS employees and advisors shall have no authority to execute documents or otherwise bind the Agency. Any reference to RGS employees or advisors in Agency publications, agendas, or minutes shall identify such individuals solely as "RGS Employee(s) or RGS Advisor(s)."
- 5.5** RGS Employees shall perform Services using tools, equipment and technology provided by RGS. However, RGS Employees may require access to Agency's computer systems and networks to complete the assigned services. RGS requires its employees to agree to appropriate system usage policies, which include a pledge not to use partner agency electronic equipment for anything other than the work described in the **Exhibits**. These policies can be provided to Agency upon request. No Agency equipment is to be issued to RGS employees except by express written agreement with RGS.
- 5.6** Agency shall not have any right to discharge any employee of RGS from RGS employment.

- 5.7 The provisions of this Agreement are not intended to create, nor shall they in any way be interpreted or construed to create a joint venture, partnership, or any other similar relationship between the parties.
- 5.8 RGS shall, at its sole expense, supply for its employees providing Services to Agency pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

**Section 6. RGS Insurance Requirements.** RGS may, pursuant to California Government Code Section 990, satisfy its contractual liabilities with self-insurance and/or participate in a pooled risk purchasing program. RGS has and will continue to maintain a program of liability coverage against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors. Specific minimum insurance coverages to be evidenced are detailed in the **Exhibits**.

**Section 7. Legal Requirements.**

- 7.1 **Governing Law, Venue and Attorney's Fees.** The laws of the State of California shall govern this Agreement. Any suit or action initiated by either party shall be brought in Alameda County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs of litigation.
- 7.2 **Compliance with Applicable Laws.** RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.2.1 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.
- 7.2.2 **Nondiscrimination and Equal Opportunity.** RGS shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

**7.2.3 Reporting Requirements.** If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.

**7.3 Licenses and Permits.** RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.

**7.4 Post-Termination Assistance/Service Support.** Following completion of the Services and/or termination of this Agreement, any subsequent assistance related to the Services provided under this Agreement requested by the Agency, including but not limited to assistance with public records requests, regulatory compliance, or inquiries pertaining to the finished work product, shall be performed by RGS at its standard hourly rates in effect at the time services are provided. Prior to commencing such assistance services, Agency shall provide RGS with a deposit of \$2,500 (“Deposit”), which RGS shall apply toward the fees and costs incurred. Agency acknowledges and agrees that actual costs may exceed the Deposit amount, and any such excess shall be invoiced to the Agency and paid in accordance with the payment terms of this Agreement. Any remaining balance of the Deposit shall be refunded upon completion of the requested assistive services.

## **Section 8. Keeping and Status of Records.**

**8.1 Records Created as Part of RGS’ Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use. For the avoidance of doubt, RGS shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose. For further avoidance of doubt, RGS is a public agency subject to the California Public Records Act (“CPRA”) and will comply with this Agreement to the extent that it does not conflict with the CPRA. As such, RGS shall direct CPRA requests to Agency for the aforementioned documents that are the property of Agency. For any other documents that are responsive and not the property of Agency, RGS reserves the right to respond to such CPRA requests.

**8.2 Confidential Information.** RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.

**8.3 RGS Books and Records.** RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

**8.3.1 Inspection and Audit of Records.** Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

**Section 9. Non-assignment.** This Agreement is not assignable either in whole or in part without the written consent of the other party.

**Section 10. Amendments.** This Agreement may only be amended or modified by written Amendment signed by both Parties.

**Section 11. Validity.** The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

**Section 12. Disputes.** Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

**Section 13. Mediation.** Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement and each Party shall bear its own legal costs.

**Section 14. Employment Offers to RGS Staff.** Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month (173.33 hours), using the most recent RGS bill rate for the RGS employee's services to Agency. This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.

**Section 15. Indemnification.**

**15.1 RGS' indemnity obligations.**

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, boards and commissions, officers, and employees ("Indemnitees") from and against all claims, demands, and causes of action by third parties, including but not limited to reasonable attorneys' fees, arising out of RGS's performance of this Agreement, to the extent caused by RGS's negligent act, error, or omission. Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

**Training disclaimer**

Agency understands and acknowledges that RGS advisors may, as part of the scope of services under this Agreement, provide training on various matters including human resources, accounting, or management practices. The advice and guidance included in such training does not, and is not intended to, constitute legal advice, and Agency shall not rely on the information provided during training as a substitute for legal counsel; instead, all information, content, and materials provided are based on industry best practices, but may not be applicable in all situations. Agency staff should not act or refrain from acting on the basis of the information provided as part of a training without first seeking legal advice from counsel in its relevant jurisdiction and/or appropriate Agency approval. RGS' obligation to indemnify, defend, and hold harmless indemnities pursuant to this section 17.1 for professional errors and omissions shall not exceed \$500,000.

**15.2 Agency's indemnity obligations.** Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in the **Exhibits**.

It is the intent of the parties here to define indemnity obligations that are related to or arise out of Agency's actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or
- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action, or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

### **15.3 Obligations and indemnity related to retirement plan participation.**

- a. RGS and Agency acknowledge and agree that, if Agency participates in a defined benefit plan (such as CalPERS, a pension plan, or Social Security) (“Retirement Program”), it is possible that the Retirement Program may find that RGS employees providing services pursuant to this Agreement are employees of Agency and should be registered with the Retirement Program as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5 of this Agreement, Agency has an obligation to treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency. Agency agrees not to ask RGS employees for personally identifying information.
- b. In the event that the Agency’s Retirement Program initiates an inquiry that includes examination of whether individuals providing services under this Agreement to Agency are Agency’s employees, Agency shall inform RGS within five business days and share all communications and documents from the Retirement Program that it may legally share. In the event that either RGS or Agency files an appeal or court challenge, RGS and Agency each agree to cooperate with each other in responding to the inquiry and any subsequent administrative appeal or court challenge of an adverse determination. Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to an inquiry by a Retirement Program, including but not limited to costs of an administrative appeal or court challenge.
- c. In the event that any RGS employee or subconsultant providing services under this Agreement is determined by a court of competent jurisdiction or the Agency’s Retirement Program to be eligible for enrollment in the Retirement Program as an employee of the Agency, to the fullest extent of the law, Agency shall indemnify, defend, and hold harmless RGS for any Retirement Program contribution payment that Agency is required as a result to make to the Retirement Program as well as for the payment of any penalties and interest on such payments, if any.

**Section 16. Entire Agreement.** This Agreement, including the **Exhibits**, comprises the entire Agreement.

**Section 17. Notices.** All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

**Agency:** INFO

**RGS:** Regional Government Services Authority  
P. O. Box 1350  
Carmel Valley, CA 93924  
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00p.m. on a regular business day or else on the next business day.

This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument. In accordance with California Government Code Section 16.5 and California Civil Code Section 1633.7, the Parties agree that this Agreement may be transmitted and signed by electronic or digital means by either or both Parties and that such signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

DATED: \_\_\_\_\_

**Agency**

By: \_\_\_\_\_

AGENCY

APPROVED AS TO FORM:

DATED: \_\_\_\_\_

By: \_\_\_\_\_

Attorney

DATED: \_\_\_\_\_

**Regional Government Services Authority**

By: \_\_\_\_\_

Sophia Selivanoff, Executive Director

APPROVED AS TO FORM:

DATED: \_\_\_\_\_

By: \_\_\_\_\_


Sky Woodruff, Authority Counsel

**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 09, 2026

ITEM 9B: Award Contract to Advanced Technical Services for Water Tank Maintenance Services

**Recommendation:**

Receive this staff report, and direct staff to sign a professional services agreement with Advanced Technical Services (ATS) to conduct maintenance activities on Tank #1.

**Background/Discussion:**

In late 2024, the District retained ATS to conduct a dive inspection and an exterior inspection of water tank #1. ATS noted some areas of corrosion on the exterior shell and exterior roof of the tank. In addition, ATS recommended some maintenance activities on the roof ladder, the tank elevation gauge board and the cathodic protection system.

Staff initially thought that the entire exterior shell and roof needed to be recoated. However, after recently re-inspecting the exterior shell with a local coating expert we concluded that the majority of the exterior tank coating was in reasonable shape and the District should consider just doing some spot repair work this year and defer painting the entire tank exterior for another 3 – 5 years.

Staff obtained proposals from two local tank specialty contractors for the work. Crosno Construction and Advanced Technical Services. Crosno's price proposal was \$57,900, ATS's proposed price was \$13,878. Since there was a significant difference in the proposals, staff double-checked with ATS to ensure that they were comfortable with their price. ATS confirmed that they were comfortable. Crosno and ATS proposals are provided as an attachment to this staff report.

Staff recommends the Board direct staff to award a professional services contract to ATS for completion of the tank maintenance work.

Attachment:

1. Crosno Construction, May 18, 2026, Proposal
2. ATS, May 20, 2026, Proposal



**Advantage Technical Services, Inc.**  
[www.ats-slo.com](http://www.ats-slo.com) | License #961111

**PROPOSAL FOR  
AVILA BEACH CSD  
TANK MAINTENANCE COATINGS  
IN AVILA BEACH, CA**

**May 20, 2026**

**PREPARED BY:**

**Bryce Griffith**

## SCOPE

Exterior Maintenance Coatings on surfaces including but not limited to the chime, shell (up to 12' above grade), ladder and cage, roof, knuckle, roof handrail, roof vent, and cathodic protection handholes.

- Spot surface preparation to SSPC-SP2/3 (Hand/Power Tool Cleaning)
- Spot prime coat application (surface tolerant epoxy)
- Spot topcoat application (polysiloxane)

Additional work will also include

- Installation of a self-closing safety gate (Fabenco or equal)
- Installation of cathodic protection channel gaskets
- Installation of new Liquid Level Indicator decals and calibration of the gauge.

## CLARIFICATIONS

- ATS provides professional and general liability insurance (level appropriate for typical owner requirements). Certificates of insurance are available upon request at no additional charge.
- ATS is a California licensed general contractor. License #961111
- ATS is registered with the California Department of Industrial Relations (REG.#100005518). Payment and reporting of prevailing wages is included in the scope of this proposal.
- Maintenance coating is intended to extend the life of the overall coating system but will not exactly match the aesthetics or service life of the original coating application.

## TERMS AND CONDITIONS

Services provided by Advantage Technical Services, Inc. (ATS) in conjunction with this project will be billed on a time and materials basis. Additional work will not be conducted without prior authorization by the client.

You will be billed upon completion of the work. Reports will be held pending payment. Invoices not paid within thirty calendar days (30) of invoice date will be assessed a one percent (1.0%) per month finance charge on the unpaid balance. Work will be stopped on projects with an outstanding balance over 60 days past due. When the account is paid in full, work may resume.

Client understands that ATS will take reasonable precautions to prevent damage to site and structures and accepts that procedures and equipment necessary to perform the required work may create unavoidable damage. Client understands the inherent risks of damage related to

**ADVANTAGE TECHNICAL SERVICES, INC.**  
SPECIALTY ENGINEERING AND INSPECTION COMPANY

ATS's work and agrees not to hold ATS liable or responsible for any such reasonable effect, alteration, or damage.

All work will be conducted on a time and materials basis. This estimate will not be exceeded without approval. Time and mileage are based on total "portal to portal". Cancellations made less than twenty-four (24) hours in advance will be billed for the applicable minimum call out and administration. Minimums associated Monday through Friday are 4 hours and Saturday through Sunday are 8 hours.

If you agree to the terms and conditions of this proposal, please date, sign, and return it to said address. Estimated fees provided shall be valid for 60 days from the date hereof.

**Total Estimate:** Thirteen thousand eight hundred seventy-eight dollars and twenty-one cents (\$13,878.21).

I have read the above and agree to the terms and conditions of this document.

ADVANTAGE TECHNICAL SERVICES, INC.

NAME: BRYCE GRIFFITH

SIGNATURE:

DATE:

CLIENT

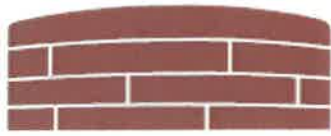
NAME:

SIGNATURE:

DATE:

**ADVANTAGE TECHNICAL SERVICES, INC.**  
 SPECIALTY ENGINEERING AND INSPECTION COMPANY

Description	Units	Rate	OT Units	OT Rate	Estimate	Notes
Project Management	1.00	\$174.00	0.00	\$251.09	\$174.00	
Material Handling	5.00	\$116.58	0.00	\$168.23	\$582.89	
Procurement	2.00	\$137.15	0.00	\$197.92	\$274.30	
Painter	80.00	\$116.05	0.00	\$149.85	\$9,284.34	2 man cew, 1 week
AMPP Senior Certified Coating Inspector	4.00	\$171.44	0.00	\$221.41	\$685.75	initial inspection and final report
Milage	240.00	\$1.00	0.00	\$1.00	\$240.00	5 trips
Consumables	0.00	\$0.00	0.00	\$0.00	\$2,480.68	coating, supplies, gate, gaskets, decals
Administration	1.00	\$156.25	0.00	\$234.38	\$156.25	
<b>Total</b>					<b>\$13,878.21</b>	



# CROSNO CONSTRUCTION INC.

819 Sheridan Rd., Arroyo Grande, CA 93420 Office: (805) 343-7437 Fax: (805) 343-1006  
CA license 835288 - A, C33 & C51 / Dept. of Industrial Relations #1000006959

May 18, 2026

Brad Hagemann  
Avila Beach Community Services District  
100 San Luis Street  
Avila Beach, CA  
(805) 835-3163 mobile  
Email: [hagemann.associates@gmail.com](mailto:hagemann.associates@gmail.com)

Re: REV. 1 - Proposal to make exterior coating repairs on Tank No. 1

### **Includes:**

- Payment of prevailing wages
- Scope of work:
  - Power tool-clean or hand sand the following areas in-order to remove loose rust/paint and prepare the surfaces to be coated:
    - Rusty areas on the tank chime all the way around the tank perimeter
    - Rusty spot areas on the ladder and ladder cage
    - Rusty spot areas on the roof handrail
    - Install a Fabenco self-closing gate at top of ladder
    - Rusty spot areas on the exterior shell and knuckle
    - Rusty spot areas on the exterior roof and roof vent
    - Cathodic protection handholes. Also we will replace the flat gasket with a channel gasket.
  - Apply one coat of epoxy at approximately 4 – 6 mils to repair areas
  - Apply one coat of urethane finish coat to approximately 2 – 3 mils to repair areas
- We will do our best to match the tank exterior color, however it is acknowledged that the newly applied paint will look different from the balance of the tank exterior surfaces that were not recoated.
- Clean-up the worksite after our work is complete
- General liability (with additional insured endorsement) and worker's compensation insurance

### **Exclusions:**

- Working with, handling or disposal of any hazardous materials
- Full containment of the tank exterior during our work
- Removal or relocation of any electrical or communication conduits or equipment
- Third party inspection
- Storm Water Permit or Storm Water Pollution Prevention Plan/Permit
- Permits, fees or city business license
- Special insurance language or Builders Risk coverage (insurance language is based upon using standard forms)
- Payment and Performance Bonds. If bonds are required they can provided for an additional 1% of our contract amount.
- Restoring roads or access to site due to truck and equipment traffic

**Clarifications:**

- Proposal is based on a tank site being accessible via conventional methods for over the road diesel tractors with 40' flat trailers.
- All weather access to and around tank site is to be provided to us so that we will have tank access in all weather conditions.
- Crosno Construction is not a Minority, Women Owned or Disadvantaged Business Enterprise
- Crosno Construction is not signatory to any labor agreements

**Schedule:**

We estimate the following schedule and lead times for delivery after receipt of a fully executed agreement:

Material procurement	3 weeks
Tank repairs	2 weeks

**Pricing:**

Price to perform the work described herein **\$57,900.00**

**Validity:**

This quotation is valid for 30 days.

Should you have any questions or need any clarification please do not hesitate to contact me.

Regards,

Mitchell Scott  
(805) 888-7477 mobile



**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: June 09, 2026

ITEM 9C: Award Contract to Wallace Group for Engineering Services for the District's annual Fats, Oil and Grease (FOG) Program; SSMP Audit and SSMP Update

**Recommendation:**

Receive this staff report, and direct staff to sign an Engineering Services Contract with Wallace Group for: Conducting the District's FY 2026/27 Fats, Oil and Grease program; Conduct an Audit of the District's Sanitary Sewer Management Plan (SSMP); Update the SSMP; and prepare a Spill Emergency Response Plan (SERP) in accordance with the most recent State Water Resources Control Board requirements.

**Discussion:**

For the past several years, Wallace Group has provided the District regulatory compliance services related to the wastewater collection system. Staff requested Wallace Group to provide a proposal for FY 2026/27 that included not only the FOG program management, but also an audit and update of the District's Sanitary Sewer Management Plan (SSMP). The audit and update and SERP need to be completed in accordance with the most recent State Water Resources Control Board regulations.

Wallace Group submitted a proposal dated June 2, 2026, that addresses the necessary regulatory updates. The proposal is provided as an attachment to this staff report. Staff recommends the Board approve the proposal and direct staff to prepare and sign an Engineering Services Agreement with Wallace Group for an amount not to exceed \$29,000.

Attachment: Wallace Group Proposal dated June 2, 2026

June 2, 2026

Brad Hagemann  
Avila Beach Community Services District  
PO Box 309  
Avila Beach, California 93424

Subject: Regulatory Compliance Services 2026/2027 FY

Dear Brad Hagemann:

Wallace Group appreciates the opportunity to provide you with our proposal for Public Works Administration services for the above referenced project. Based on our discussion, the following Scope of Services has been prepared for your consideration:

**PROJECT UNDERSTANDING**

The Avila Beach CSD (District) requires regulatory compliance services for the following tasks:

- o Administration and inspection for their existing FOG Program
- o Sewer System Management Plan Audit
- o Sewer System Management Plan Update
- o Spill Emergency Response Plan (SERP)

The District requested Wallace Group to prepare a proposal for the above identified tasks.

**SCOPE OF SERVICES**

**Task 1: Project Management**

This task includes coordination of project activities, including scheduling and budget controls, Client coordination, quality control, and other related project management activities.

**Task 2: FOG Program Management**

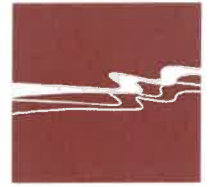
The District’s FOG Program consists of permitting, semi-annual inspections, and follow-up on non-compliance with approximately 11 food service establishments (FSEs). Wallace Group will perform FOG permitting, inspections, and re-inspections for the District’s FSEs for the 2026/2027 fiscal year upon notification from the District to start work and receipt of a signed notice-to-proceed.

The FOG Program is an element of the District’s Sewer System Management Plan (SSMP) which is a requirement of the Statewide General Waste Discharge Requirement 2022-0103-DWQ enacted by the State Water Resources Control Board. The FOG program will include:

1. Semi-annual inspection of approximately 11 FSEs,
2. Performance of re-inspections when needed to assist in FSE compliance,
3. Assistance with enforcements of significant violations,
4. Re-permitting of all FSEs enrolled in the FOG Program,
5. Permitting of new FSEs that opened for business in 2026/2027 fiscal year and removal from the FOG Program of those FSEs that have closed, and
6. Issuance of monthly FOG program status reports.

**Deliverables:**

- Electronic copies of all inspection reports (PDF format)
- Electronic copies of FOG inspection procedure updates as applicable
- Electronic copies of all permit applications and permits issued (PDF format)



**WALLACE GROUP**

CIVIL AND  
TRANSPORTATION  
ENGINEERING

CONSTRUCTION  
MANAGEMENT

LANDSCAPE  
ARCHITECTURE

MECHANICAL  
ENGINEERING

PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCES

WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011  
F 805 544-4294

www.wallacegroup.us



- Monthly reporting of FOG Inspection program status (PDF format)
- Electronic copies of updated outreach materials provided to FSEs as applicable (PDF format)
- Electronic copies of updated outreach materials for residential FOG education as applicable (Word format)
- Electronic copies of updated FOG Inspection Procedures (PDF format)

## SCHEDULE

FOG Inspections will be conducted at 6-month intervals with re-inspections occurring based on the status of each FSE's compliance status. All FSE FOG Permits will be issued for a 3-year period.

## TO BE PROVIDED BY THE CLIENT

- Verification of current list of FSE's.

### Task 3: Sewer System Management Plan (SSMP) Audit

Task Understanding: The State Water Resources Control Board (SWRCB) established new Statewide General Wastewater Discharge Requirements (WDR) for Sanitary Sewer Systems. WDR Order No. 2022-0103-DWQ requires all public entities that own or operate sanitary sewer systems greater than one mile in length in California to create, implement, and maintain a SSMP.

WDR Order No. 2022-0103-DWQ requires all agencies to conduct an audit of their SSMP and create an audit report as specified below:

*The Enrollee shall conduct an internal audit of its Sewer System Management Plan, and implementation of its Plan, at a minimum frequency of once every three years. The audit must be conducted for the period after the end of the Enrollee's last required audit period. Within six months after the end of the required 3-year audit period, the Legally Responsible Official shall submit an audit report into the online CIWQS Sanitary Sewer System Database per the requirements in section 3.10 (Sewer System Management Plan Audit Reporting Requirements) of Attachment E1 of the General Order.*

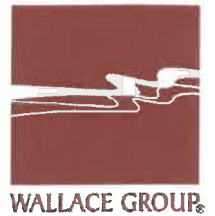
*The internal audit shall be appropriately scaled to the size of the system(s) and the number of spills. The Enrollee's sewer system operators must be involved in completing the audit.*

*At minimum, the audit must:*

- *Evaluate the implementation and effectiveness of the Enrollee's Sewer System Management Plan in preventing spills;*
- *Evaluate the Enrollee's compliance with this General Order;*
- *Identify Sewer System Management Plan deficiencies in addressing ongoing spills and discharges to waters of the State; and*
- *Identify necessary modifications to the Sewer System Management Plan to correct deficiencies.*

*The Enrollee shall submit a complete audit report that includes:*

- *Audit findings and recommended corrective actions;*
- *A statement that sewer system operators' input on the audit findings has been considered; and*
- *A proposed schedule for the Enrollee to address the identified deficiencies.*



**Task Description:** Wallace Group will audit the District’s SSMP as required by WDR Order No. 2022-0103-DWQ, Wallace Group will work directly with District staff to perform the audit. The SSMP Audit process will consist of the following:

- Audit Period and Audit Due Date: the Audit period will be from 8/2/22 to 8/2/25 with Audit Report due for upload to CIWQS by 2/2/26; *(due to the late request for this proposal, Wallace Group will not be able to make this compliance date but will work diligently with the District to complete this task)* and
- An evaluation of the effectiveness of each of the eleven (11) SSMP elements as a tool for managing the District’s sewer collection system; and
- Evaluation of the District’s implementation of the SSMP; and
- An assessment of the District’s compliance with SSMP/WDR requirements which included identification of any deficiencies in the SSMP and a plan and schedule to correct them.
- Documentations for interviews/input from Operations Staff; and
- Recommendations and schedule for corrective actions to address deficiencies identified in the SSMP Audit Report.

The SSMP Audit Report is required to be uploaded in CIWQS by 2/2/26 *(see compliance date disclaimer above)*. The SSMP Audit Report must be signed by a Legally Responsible Official and be maintained on file at the District office for future reference by any SWRCB representative that may request it.

**Task 3 Deliverables:**

- SSMP Audit Report, Draft and Final (one (1) PDF of Report)

**SCHEDULE**

**Sewer System Management Plan Audit Schedule:**

Upon receipt of Notice to Proceed, Wallace Group proposes tasks organized for the SSMP Audit as follows:

Task Name	Responsible Party	Location
1. Provide SSMP Records/ Reports Request Memo and SSMP Audit Schedule	Wallace Group Staff <i>(District Staff will be responsible for collection and organization of supporting documents for the Audit, prior to the Audit site visit and/or Kickoff Meeting.)</i> A SSMP Audit Data and Records request will be sent to the District after receiving a Notice to Proceed.	Wallace Group Office
2. Schedule and conduct SSMP Audit	Wallace Group Staff and District Staff	District Office
3. Issue Draft SSMP Audit Report	Wallace Group Staff	Wallace Group Office
4. Receive comments from District.	Wallace Group Staff and District Staff	Wallace Group Office
5. Resolve comments and issue Final SSMP Audit Report	Wallace Group Staff	Wallace Group Office



We propose conducting the SSMP Audit and beginning the SSMP Audit Report at the District's office as our experience in auditing other SSMP Enrollees shows this is the most efficient and effective method of retrieving documents to complete the SSMP Audit and issue the report.

We recommend that appropriate District staff be made available during the day of the audit. Staff with SSMP responsibilities are required to participate in the Audit process. Participation will be documented in the Audit Report.

Wallace Group anticipates holding the Audit Kickoff Meeting described above on a date that conforms with the District's availability. Wallace Group will work diligently to provide the District with a draft Audit Report within five (5) weeks of the Audit Kickoff Meeting. A final Audit report will be issued two (2) weeks after all District comments are received. An initial SSMP Audit records and data request will be issued to the District to assist the District to organize required Audit data prior to the kickoff meeting.

#### **TO BE PROVIDED BY THE CLIENT**

- Copy of existing Sewer System Management Plan
- To Be Determined, a detailed data and records request of collection system reports and records will be sent to the District upon receipt of notice-to-proceed.
- Management, Engineering and O&M Staff availability for input/participation during the Audit process.

#### **Task 4: SSMP Update**

**Task Understanding:** The State Water Resources Control Board (SWRCB) established Statewide General Wastewater Discharge Requirements (GWDR) for Sanitary Sewer Systems, Orders No. 2006-0003-DWQ and revised Monitoring and Reporting Program WQ 2013-0058-EXEC, which required all public entities that own or operate sanitary sewer systems greater than one mile in length in California to create, implement, and maintain a SSMP. Recently adopted WDR Order No. 2022-0103-DWQ requires all agencies to develop and update their SSMP as described below:

##### *WDR Order No. 2022-0103-DWQ:*

*To facilitate adequate local funding and management of its sanitary sewer system(s), the Enrollee shall develop and implement an updated Sewer System Management Plan. The scale and complexity of the Sewer System Management Plan, and specific elements of the Plan, must match the size, scale and complexity of the Enrollee's sanitary sewer system(s). The Sewer System Management Plan must address, at minimum, the required Plan elements in Attachment D (Sewer System Management Plan - Required Elements) of this General Order. To be effective, the Sewer System Management Plan must include procedures for the management, operation, and maintenance of the sanitary sewer system(s).*

##### *The procedures must:*

- (1) incorporate the prioritization of system repairs and maintenance to proactively prevent spills, and*
- (2) address the implementation of current standard industry practices through available equipment, technologies, and strategies.*

Wallace Group will update each of the eleven (11) elements of the District's SSMP. Wallace Group Staff will work collaboratively with District staff to develop the SSMP and to obtain any additional materials and documentation necessary for completion. The SSMP will be formatted to clearly identify sections and sub-sections of document to applicable GWDRs.



Appendices with reference materials will be included for each Element of the SSMP as applicable. The table below summarizes the scope of the recommended update:

**Avila Beach CSD SSMP Update Summary: Order WQ 2022-0103-DWQ**

SSMP Requirement 2022 GWDR Attachment D	Wallace Group Recommended Management Plan Updates
i. Goal & Introduction	<p>The goal of the Sewer System Management Plan (Plan) is to provide a plan and schedule to:</p> <ul style="list-style-type: none"> <li>(1) properly manage, operate, and maintain all parts of the Enrollee’s sanitary sewer system,</li> <li>(2) reduce and prevent spills, and</li> <li>(3) contain and mitigate spills that do occur.</li> </ul> <p>The Plan will include a narrative Introduction section that discusses the following items:</p> <ul style="list-style-type: none"> <li>o Regulatory Context</li> <li>o SSMP Update Schedule</li> <li>o Sewer System Asset Overview</li> </ul>
ii. Organization	<p>Update organization charts, organizational lines of authority and identification of responsibilities for management and implementation of SSMP. Update Spill Chain of Communication for compliance with 2023 Notification, Monitoring, Reporting &amp; Recordkeeping (NMR&amp;R) requirements.</p>
iii. Legal Authority	<p>Update this section to clearly identify the Municipal Codes and Ordinances that give the District the Legal Authority to manage the sewer collection system and comply with WDR mandates.</p>
iv. Operation and Maintenance Program	<p>Update this section to reflect current practices and planned activities. Include the following:</p> <ul style="list-style-type: none"> <li>o Map of Sewer System including all assets and method for RWQCB to access map (assumed District will supply map)</li> <li>o Map of Stormwater Collection and Conveyance System and method for RWQCB to access map (assumed District will supply map)</li> <li>o Discussion of Preventative Operation and Maintenance Program and Data Collection System in accordance with new WDRs</li> <li>o Update Templates to document routine O&amp;M: line cleaning, manhole inspection, lift station operations</li> <li>o Development and discussion of Training Program</li> <li>o Development of Sewer System Equipment Inventory, identifying critical replacement and spare parts</li> </ul> <p>Include system-specific procedures in its Sewer System Management Plan to proactively prioritize:</p> <ul style="list-style-type: none"> <li>o operation and maintenance,</li> <li>o condition assessments, and</li> <li>o repair and rehabilitation, to address ongoing system resilience</li> </ul> <p>Discussion of how the District will maintain a means to manage all necessary revenues and expenditures related to the sanitary sewer system and allocate necessary resources to the SSMP for:</p>



	<ul style="list-style-type: none"> <li>○ Compliance with the General Order</li> <li>○ Full implementation of the SSMP</li> <li>○ System Operations, Maintenance and Repairs</li> <li>○ Spill Response</li> </ul>
v. Design and Performance Provisions	Update this section to identify the Public Works Design Standards and Testing Requirements the District will follow. Incorporate these documents into appendices or in links.
vi. Spill Emergency Response Plan (SERP)	Include a summary of SERP for compliance with 2023 WDRs and NMR&R requirements. (Physical SERP document is a separate document from SSMP for staff use in the field, assumed to have been completed by the District)
vii. Sewer Blockage Control Program	<p>Update and document District plans and procedures to proactively control; FOG, roots, rags and debris in the sewer system per requirements in WDR:</p> <ul style="list-style-type: none"> <li>○ An implementation plan and schedule for a public education and outreach program that promotes proper disposal of pipe-blocking substances;</li> <li>○ A plan and schedule for the disposal of pipe-blocking substances generated within the sanitary sewer system service area. This may include a list of acceptable disposal facilities and/or additional facilities needed to adequately dispose of substances generated within a sanitary sewer system service area;</li> <li>○ The legal authority to prohibit discharges to the system and identify measures to prevent spills and blockages;</li> <li>○ Requirements to install grease removal devices (such as traps or interceptors), design standards for the removal devices, maintenance requirements, best management practices requirements, recordkeeping and reporting requirements;</li> <li>○ Authority to inspect grease producing facilities, enforcement authorities, and whether the Enrollee has sufficient staff to inspect and enforce the fats, oils, and grease ordinance;</li> <li>○ An identification of sanitary sewer system sections subject to fats, oils, and grease blockages and establishment of a cleaning schedule for each section</li> <li>○ Implementation of source control measures for all sources of fats, oils, and grease reaching the sanitary sewer system for each section identified above.</li> </ul>
viii. System Evaluation and Capacity Assurance and Capital Improvements	<p>The Plan will include procedures and activities as identified in the new WDRs for:</p> <ul style="list-style-type: none"> <li>○ Routine evaluation and assessment of system conditions;</li> <li>○ Capacity assessment and design criteria;</li> <li>○ Prioritization of corrective actions; and</li> <li>○ A capital improvement plan (to be provided by District)</li> </ul> <p>This Element will be based on existing plans and assessments conducted by the District.</p> <p>The District must implement capital improvements to provide adequate hydraulic capacity to:</p> <ul style="list-style-type: none"> <li>○ Meet or exceed the design criteria as defined in the</li> </ul>



	<p>Enrollee’s System Evaluation and Capacity Assurance element of its Sewer System Management Plan; and</p> <ul style="list-style-type: none"> <li>○ Prevent system capacity-related spills, and adverse impacts to the treatment efficiency of downstream wastewater treatment facilities.</li> </ul>
ix. Monitoring, Measurement, and Program Modifications	<p>Update this Element with Adaptive Management strategies that addresses Plan- implementation effectiveness and the steps for necessary Plan improvement, including:</p> <ul style="list-style-type: none"> <li>○ Maintaining relevant information, including audit findings, to establish and prioritize appropriate Plan activities;</li> <li>○ Monitoring the implementation and measuring the effectiveness of each Plan Element;</li> <li>○ Assessing the success of the preventive operation and maintenance activities;</li> <li>○ Updating Plan procedures and activities, as appropriate, based on results of monitoring and performance evaluations; and</li> <li>○ Identifying and illustrating spill trends, including spill frequency, locations and estimated volumes.</li> </ul>
x. SSMP Program Audits	<p>Update this Element to include internal audit procedures for the District to comply with section 5.4 (Sewer System Management Plan Audits) of the General Order.</p>
xi. Communication Program	<p>Develop a plan and schedule to communicate with:</p> <p>The public for:</p> <ul style="list-style-type: none"> <li>○ Spills and discharges resulting in closures of public areas, or that enter a source of drinking water, and</li> <li>○ The development, implementation, and update of its Plan, including opportunities for public input to Plan implementation and updates.</li> </ul> <p>Owners/operators of systems that connect into the Enrollee’s system, including satellite systems, for:</p> <ul style="list-style-type: none"> <li>○ System operation, maintenance, and capital improvement-related activities.</li> </ul>

Wallace Group anticipates a maximum of two (2) 1.5-hour meetings with District Staff to develop and finalize the SSMP. Due to the timing of the request to complete this task, a final SSMP will not be completed by the regulatory due date of 8/2/26. Wallace Group will work diligently to complete the SSMP in a timely manner.

**Deliverables:**

- SSMP one (1) electronic copy (PDF)
- Up to two (2) meetings with District staff are anticipated to complete final SSMP

**Task 5: Spill Emergency Response Plan (SERP)**

Wallace Group will develop a Spill Emergency Response Plan based on 2022 WDR requirements.

**Deliverables:**

- SERP one (1) electronic copy (PDF)



## PROJECT FEES

Wallace Group will perform the services denoted in the proposed Scope of Services on a time and materials basis. For budgeting purposes, our preliminary estimate is that our fees will not exceed \$28,839. These services will be invoiced monthly on an accrued basis in accordance with the attached Schedule of Fees (Exhibit A). Reimbursables are included in the time and materials estimated fee amount stated above.

### Cost Breakdown

Task	Estimated Cost
Project Management	\$475
FOG Program	\$5,084
SSMP Audit	\$6,200
SSMP Updates	\$15,500
SERP	\$1,520
Reimbursables	\$60
<b>Total</b>	<b>\$28,839</b>

At your request, additional services to the Scope of Services will be performed by Wallace Group following the signature of our Contract Amendment or the initiation of a new contract.

## TERMS AND CONDITIONS

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit B) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return to our office, which will serve as our notice-to-proceed.

We want to thank you for this opportunity to present our proposal for professional services. If you would like to discuss this proposal in greater detail, please feel free to contact me.

Sincerely,

**WALLACE GROUP**, a California Corporation      **TERMS AND CONDITIONS ACCEPTED:**

Bill Callahan  
Senior Environmental Compliance Specialist  
612 Clarion Court  
San Luis Obispo  
California 93401  
T 805 544-4011  
F 805 544-4294  
www.wallacegroup.us

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Attachments  
BD: PP26-0118, 2026, std  
Exhibit A  
Exhibit B

THIS PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT.

EXHIBIT A  
Standard Billing Rates



**Engineering, Design & Support Services:**

Assistant Designer/Technician.....	\$133
Designer/Technician I – IV .....	\$137/\$147/\$157/\$167
Senior Designer/Technician I – III.....	\$178/\$185/\$192
GIS Technical Specialist.....	\$172
Senior GIS Technical Specialist.....	\$184
Associate Engineer I – III .....	\$145/\$155/\$165
Engineer I – IV .....	\$184/\$189/\$194/\$199
Senior Engineer I - III.....	\$217/\$225/\$232
Director.....	\$236
Principal Engineer/Consulting Engineer .....	\$264
Principal .....	\$290

**Surveying Services:**

Party Chief.....	\$197
Party Chief (*Prevailing Wage).....	\$250
Instrument Person .....	\$138
Instrument Person (*Prevailing Wage).....	\$150
Associate Survey Technician .....	\$130
Survey Technician I – IV.....	\$145/\$150/\$160/\$165
Land Surveyor I – III.....	\$176/\$186/\$196
Senior Land Surveyor I - III .....	\$205/\$210/\$215
Director.....	\$236
Principal Surveyor .....	\$264
Principal .....	\$290

**Planning Services:**

Associate Planner I - II .....	\$119/\$129
Planner I – IV .....	\$145/\$155/\$165/\$175
Senior Planner I - III.....	\$180/\$185/\$190
Director.....	\$217
Principal Planner/Consulting Engineer.....	\$232
Principal .....	\$290

**Landscape Architecture Services:**

Associate Landscape Designer I – II .....	\$114/\$124
Designer I – IV .....	\$129/\$134/\$139/\$144
Landscape Architect I - IV.....	\$153/\$158/\$163/\$168
Senior Landscape Architect I - III .....	\$174/\$179/\$184
Director.....	\$202
Principal Landscape Architect.....	\$222
Principal .....	\$290

**Construction/Program Management and Inspection Services:**

Construction Office Tech I-III .....	\$129/\$139/\$149
Construction Inspector I-IV.....	\$155/\$160/\$165/\$170
Senior Construction Inspector .....	\$175
Construction Inspector (*Prevailing Wage) .....	\$185
Assistant Construction/ Program Manager I - II.....	\$170/\$175
Construction/ Program Manager I-III .....	\$180/\$185/\$190
Senior Construction/ Program Manager I - II.....	\$200/\$205
Assistant Resident Engineer I - II.....	\$180/\$185
Resident Engineer I-III .....	\$190/\$195/\$200
Senior Resident Engineer I-II .....	\$210/\$215
Director .....	\$235
Principal Construction Manager .....	\$261
Principal .....	\$290

**Public Works Administration Services:**

Project Analyst I - IV.....	\$129/\$139/\$149/\$159
Senior Project Analyst I - III .....	\$165/\$170/\$175
Senior Environmental Compliance Specialist I - III.....	\$180/\$185/\$190

**Support Services:**

Office Assistant.....	\$125
Project Assistant I - III.....	\$135/\$140/\$150

**\*Prevailing Wage:**

State established prevailing wage rates will apply to some services based on state law, prevailing wage rates are subject to change over time and geographic location.

**Right to Revisions:**

Wallace Group reserves the right to revise our standard billing rates on an annual basis, personnel classifications may be added as necessary.

**Additional Professional Services:**

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$400 an hour. If required to meet schedule requests, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

**Direct Expenses:**

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- delivery/copy services
- sub-consultant services
- mileage (per IRS rates)
- agency fees
- other direct expenses

**Invoicing and Interest Charges:**

Invoices are submitted monthly on an accrued cost basis. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.

**EXHIBIT B**  
**Standard Terms and Conditions**

**Wallace Group Proposal No. PP26-0118**  
**Contract Agreement Date: June 1, 2026**

**CLIENT:**           **Avila Beach CSD**  
PO Box 309, Avila Beach, CA, 93424

**CONSULTANT: WALLACE GROUP, A CALIFORNIA CORPORATION**  
612 Clarion Court, San Luis Obispo, California 93401

CLIENT and CONSULTANT agree that these Standard Terms and Conditions, comprised of pages 1 through 6, and the associated written Scope of Services and budget constitute the entire Agreement between the CLIENT and the CONSULTANT. It supersedes all prior communications, understandings and agreements, whether oral or written. Amendments to this Agreement must be in writing and signed by both the CLIENT and the CONSULTANT.

**ARTICLE 1. GENERAL PROVISIONS**

**1.1 Preamble**

This Agreement is based upon a mutual obligation of good faith and fair dealing between the parties in its performance and enforcement. Accordingly, the CLIENT and the CONSULTANT, with a positive commitment to honesty and integrity, agree to the following:

That each will function within the laws and statutes that apply to its duties and responsibilities; that each will assist in the other's performance; that each will avoid hindering the other's performance; that each will work diligently to fulfill its obligations; and each will cooperate in the common endeavor of the contract.

**1.2 Governing Law and Jurisdiction**

The CLIENT and the CONSULTANT agree that this Agreement and any legal actions concerning its validity, interpretation and performance shall be governed by the laws of the State of California. It is further agreed that any legal action between the CLIENT and the CONSULTANT arising out of this Agreement or the performance of the services shall be brought in a court of competent jurisdiction in San Luis Obispo, California.

**1.3 Precedence of Conditions**

Should any conflict exist between the terms herein and the form of any purchase order or confirmation issued, the Terms and Conditions herein shall prevail in the absence of CONSULTANT'S express written consent of others conditions.

**1.4 Standard of Care**

In providing services under this Agreement, the CONSULTANT will endeavor to perform said services in a manner consistent with that degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances.

**1.5 Corporate Protection**

It is intended by the parties to this Agreement that the CONSULTANT'S services in connection with the Project shall not subject the CONSULTANT'S individual employees, officers or directors to any personal legal exposure for the risks associated with this Project. Therefore, and notwithstanding anything to the contrary contained herein, the CLIENT agrees that as the CLIENT'S sole and exclusive remedy, any claim, demand or suit shall be directed and/or asserted only against the CONSULTANT, a California corporation, and not against any of the CONSULTANT'S individual employees, officers or directors.

**1.6 Confidentiality**

The CONSULTANT agrees to keep confidential and not to disclose to any person or entity, other than the CONSULTANT'S employees, Subconsultants and the general Contractor and Subcontractors, if appropriate, any data or information not previously known to and generated by the CONSULTANT or furnished to the CONSULTANT and marked CONFIDENTIAL by the CLIENT. These provisions shall not apply to information in whatever form that is in the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other legitimate authority, or if disclosure is reasonably necessary for the CONSULTANT to defend itself from any legal action or claim.

**1.7 Third-Party Beneficiaries**

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or the CONSULTANT. The CONSULTANT'S services under this Agreement are being performed solely for the CLIENT'S benefit, and no other party or entity shall have any claim against the CONSULTANT because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and CONSULTANT agree to require a similar provision in all contracts with Contractors, Subcontractors, Subconsultants, vendors and other entities involved in this Project to carry out the intent of this provision.

### **1.8 Timeliness of Performance**

The CLIENT and CONSULTANT are aware that many factors outside the CONSULTANT'S control may affect the CONSULTANT'S ability to complete the services to be provided under this Agreement. The CONSULTANT will perform these services with reasonable diligence and expediency consistent with sound professional practices.

### **1.9 Severability**

Any term or provision of this Agreement found to be invalid under any applicable statute or rule of law shall be deemed omitted and the remainder of this Agreement shall remain in full force and effect.

### **1.10 Survival**

Notwithstanding completion or termination of this Agreement for any reason, all rights, duties and obligations of the parties to this Agreement shall survive such completion or termination and remain in full force and effect until fulfilled.

### **1.11 Statutes of Repose and Limitation**

All legal causes of action between the parties to this Agreement shall accrue and any applicable statutes of repose or limitation shall begin to run not later than the date of Substantial Completion. If the act or failure to act complained of occurs after the date of Substantial Completion, then the date of final completion shall be used, but in no event shall any statute of repose or limitation begin to run any later than the date the CONSULTANT'S services are completed or terminated.

### **1.12 Defects in Service**

The CLIENT shall promptly report to the CONSULTANT any defects or suspected defects in the CONSULTANT'S services of which the CLIENT becomes aware, so that the CONSULTANT may take measures to minimize the consequences of such a defect. The CLIENT further agrees to impose a similar notification requirement on all Contractors in its CLIENT/Contractor contract and shall require all subcontracts at any level to contain a like requirement. Failure by the CLIENT and the CLIENT'S Contractors or Subcontractors to notify the CONSULTANT shall relieve the CONSULTANT of the costs or remedying the defects above the sum such remedy would have cost had prompt notification been given when such defects were first discovered.

### **1.13 Jobsite Safety**

Neither the professional activities of the CONSULTANT, nor the presence of the CONSULTANT or its employees or Subconsultants at a construction/project site, shall relieve the General Contractor of its obligations, duties and responsibilities including, but not limited to, construction means, methods, sequence, techniques or procedures necessary for performing, superintending and coordinating the Work in accordance with contract documents and any health or safety precautions required by any regulatory agencies. The CONSULTANT and its personnel have no authority to exercise any control over any construction Contractor or its employees in connection with their work or any health or safety programs or procedures. The CLIENT agrees that the General Contractor shall be solely responsible for jobsite safety, and warrants that this intent shall be carried out in the CLIENT'S contract with the General Contractor. The CLIENT also agrees that the CLIENT, the CONSULTANT and the CONSULTANT'S Subconsultants shall be indemnified by the General Contractor and shall be made additional insured under the General Contractor's policies of general liability insurance.

### **1.14 Assignment: Subcontracting**

Neither CLIENT nor CONSULTANT shall assign its interest in this agreement without the written consent of the other. CONSULTANT may not subcontract any portion of the work to be performed hereunder without such consent.

### **1.15 Force Majeure**

Any delay or default in the performance of any obligation of CONSULTANT under this agreement resulting from any cause(s) beyond CONSULTANT'S reasonable control shall not be deemed a breach of this agreement. The occurrence of any such event shall suspend the obligations of CONSULTANT as long as performance is delayed or prevented thereby, and the fees due hereunder shall be equitably adjusted.

### **1.16 Disputes**

(a) Notwithstanding any other provision of this Agreement and except for the provisions of (b) and (c), if a dispute arises regarding CONSULTANT'S fees pursuant to this contract, and if the fee dispute cannot be settled by discussions between CLIENT and CONSULTANT, both the CLIENT and CONSULTANT agree to attempt to settle the fee dispute by mediation through the American Arbitration Association (or other mediation service) before recourse to arbitration. If mediation does not resolve the fee dispute, such dispute shall be settled by binding arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

(b) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to file an action for collection of fees if the amount in dispute is within the jurisdiction of the small claims court.

(c) Subdivision (a) does not preclude or limit CONSULTANT'S right to elect to perfect or enforce applicable mechanics lien remedies.

### **1.17 Attorneys' Fees**

In the event of any litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorneys' fees and all other related expenses in such litigation.

### **1.18 Services by CLIENT**

CLIENT shall pay all other charges not specifically covered by the terms of this agreement, unless specifically included in the Scope of Services. The CLIENT shall furnish, at the CLIENT'S expense, all information required by this Agreement. The CONSULTANT may use such information, requirements, reports, data, surveys and instructions in performing its services and is entitled to rely upon the accuracy and completeness thereof.

### **1.19 Retention**

If any portion of CONSULTANT'S fee is held in retention, such amount shall be released within thirty days after invoicing for completion of corresponding services. Interest shall be paid at the rate of 1.5% per month on any retention amounts not paid within this thirty-day period.

## **ARTICLE 2. DEFINITIONS**

### **2.1 Burdened Labor Costs**

Burdened labor costs shown on the Standard Billing Rates include payroll taxes, worker's compensation insurance, and other overhead costs applicable to the typical standard of care.

### **2.2 Direct Expenses**

Expenditures made by the CONSULTANT, its employees or its Subconsultants in the interest of the Project. Applicable reimbursable direct expenses are defined on the Standard Billing Rates.

## **ARTICLE 3. COMPENSATION**

### **3.1 Payment Due**

Invoices shall be submitted by the CONSULTANT monthly, are due upon presentation and shall be considered past due if not paid in full within thirty (30) days of the invoice date.

### **3.2 Interest**

If payment in full is not received by the CONSULTANT within thirty (30) calendar days of the invoice date, the invoices shall bear interest at one-and-one-half (1.5) percent (or the maximum rate allowable by law, whichever is less) of the past due amount per month, which shall be calculated from the invoice due date. Payment thereafter shall first be applied to accrued interest and then to the unpaid principal.

### **3.3 Collection Costs**

If the CLIENT fails to make payments when due and the CONSULTANT incurs any costs in order to collect overdue sums from the CLIENT, the CLIENT agrees that all such collection costs incurred shall immediately become due and payable to the CONSULTANT. Collection costs shall include, without limitation, legal fees, collection agency fees and expenses, court costs, collection bonds and reasonable CONSULTANT staff costs at Standard Billing Rates for the CONSULTANT'S time spent in efforts to collect. This obligation of the CLIENT to pay the CONSULTANT'S collection costs shall survive the term of this Agreement or any earlier termination by either party.

### **3.4 Termination or Suspension of Services**

This agreement may be terminated or suspended by either party effective seven (7) days from the date of written notice, or if the CLIENT suspends the work for three (3) months. Upon receipt of a notice of termination or suspension, CONSULTANT will stop or suspend its work and provide same direction for the work of all its Subcontractors and suppliers. Failure of CLIENT to make payments when due shall be cause for suspension of services or ultimately, termination, unless and until CONSULTANT has been paid in full all amounts due for services, expenses and other approved related charges. CONSULTANT shall have no liability whatsoever to the CLIENT for any costs or damages as a result of such suspension or termination caused by any breach of this Agreement by the CLIENT. Upon payment-in-full by the CLIENT, CONSULTANT shall resume services under this Agreement, and the time schedule and compensation shall be equitably adjusted to compensate for the period of suspension plus any reasonable time and expense necessary for the CONSULTANT to resume performance.

### **3.5 Retention Discounts**

Payment of invoices shall not be subject to any discounts or retention by the CLIENT, unless agreed to in writing by the CONSULTANT. Payment to the CONSULTANT for services rendered and expenses incurred shall be due and payable regardless of any subsequent suspension or termination of this Agreement by either party.

### **3.6 Satisfaction with Services**

Payment of any invoice by the CLIENT to the CONSULTANT shall be taken to mean that the CLIENT is satisfied with the CONSULTANT'S services to the date of payment and is not aware of any deficiencies in those services.

### **3.7 Disputed Invoices**

If the CLIENT objects to any portion of any invoice, the CLIENT shall so notify the CONSULTANT in writing within ten (10) days of receipt of the invoice. The CLIENT shall identify in writing the specific cause of the disagreement and the amount in dispute and

shall pay that portion of the invoice not in dispute in accordance with the other payment terms of this Agreement. Any dispute over invoiced amounts due which cannot be resolved within thirty (30) calendar days after presentation of invoice by direct negotiation between the parties shall be resolved within forty-five (45) calendar days in accordance with the Dispute Resolution provision of this Agreement. Interest as stated above shall be paid by the CLIENT on all disputed invoice amounts that are subsequently resolved in the CONSULTANT'S favor and shall be calculated on the unpaid balance from the invoice date.

### **3.8 Payments to the CONSULTANT**

Payments to the CONSULTANT shall not be withheld, postponed or made contingent on the construction, completion or success of the project or upon receipt by the CLIENT of offsetting reimbursement or credit from other parties who may have caused additional services or expenses. No withholdings, deductions or offsets shall be made from the CONSULTANT'S compensation for any reason unless the CONSULTANT has been found to be legally liable for such amounts.

### **3.9 Advance Payment: Withholding Work Product**

CONSULTANT reserves the right to require payment in advance for work estimated to be done during a given billing period. CONSULTANT, without any liability to CLIENT, reserves the right to withhold any services and work products herein contemplated pending payment of CLIENT'S outstanding indebtedness or advance payment as required by CONSULTANT. Where work is performed on a reimbursable basis, budget may be increased by amendment to complete the Scope of Services. CONSULTANT is not obligated to provide services in excess of the authorized budget.

## **ARTICLE 4. SERVICES, ADDITIONAL SERVICES, AND AMENDMENTS**

### **4.1 Definitions**

Services and work products not expressly included with those specified in this agreement, as determined by CONSULTANT, are not covered by this agreement. Such services and work products will be provided only upon compliance with the procedures set forth in Article 4.5 of this Agreement.

### **4.2 Services During Construction**

Any construction inspection or testing provided by CONSULTANT is for the purpose of determining the Contractor's compliance with the functional provisions of the project specifications only. CONSULTANT in no way guarantees or insures Contractor's work nor assumes responsibility for methods or appliances used by the Contractor for job site safety or for Contractor's compliance with laws and regulations. CLIENT agrees that in accordance with generally accepted construction practices the construction Contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the project including safety of all persons and property and that this responsibility shall be continuous and not be limited to normal working hours.

### **4.3 Soil Testing**

CONSULTANT makes no representations concerning soil conditions, and is not responsible for any liability that may arise out of the making or failure to make soil surveys, or sub-surface soil tests, or general soil testing. It is the CLIENT'S responsibility to obtain a soils report upon which report CONSULTANT can rely.

### **4.4 Opinion of Probable Construction Costs**

In providing opinions of probable construction cost, the CLIENT understands that the CONSULTANT has no control over cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the CONSULTANT'S opinions of probable construction costs are made on the basis of the CONSULTANT'S professional judgment and experience. CONSULTANT makes no warranty, express or implied, that bids or negotiated cost of the Work will not vary from the CONSULTANT'S opinion of probable construction cost.

### **4.5 Additional Services**

Additional services or work products requiring an adjustment of CONSULTANT'S original estimated budget or fixed fee will be provided at CLIENT'S request upon execution of a written amendment to this agreement expressly referring to the same and signed by both parties.

## **ARTICLE 5. TERMINATION OF AGREEMENT**

### **5.1 Due to Default**

This agreement may be terminated by either party upon seven (7) days written notice should the other party fail to substantially perform in accordance with this agreement through no fault of the party initiating the termination.

### **5.2 Without Cause**

This agreement may be terminated by CLIENT upon at least fourteen (14) days written notice to CONSULTANT in the event that the project is abandoned.

### **5.3 Termination Adjustment: Payment**

If this agreement is terminated through no fault of the CONSULTANT, CONSULTANT shall be paid for services performed and costs incurred to the termination notice date, including reimbursable expenses due, plus an additional amount not to exceed ten percent (10%) of charges incurred to the termination notice date to cover services to orderly close the work and prepare project files and documentation, plus any additional direct expenses incurred by CONSULTANT including but limited to cancellation fees or charges. CONSULTANT will use reasonable efforts to minimize such additional charges.

## **ARTICLE 6. LIMITATION OF LIABILITY: WAIVER: WARRANTY**

### **6.1 Limitation of Liability**

In recognition of the relative risks and benefits of the project to both the CLIENT and the CONSULTANT, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert-witness fees and costs, so that the total aggregate liability of the CONSULTANT to the CLIENT shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law. CONSULTANT retains a current professional liability insurance policy that covers the licensed professional in responsible charge of the services provided under this contract.

### **6.2 Contractor and Subcontractor Claims**

The CLIENT further agrees, to the fullest extent permitted by law, to limit the liability of the CONSULTANT and the CONSULTANT'S officers, directors, partners, employees and Subconsultants to all construction Contractors and Subcontractors on the Project for any and all claims, losses, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of the CONSULTANT and the CONSULTANT'S Subconsultants to all those named shall not exceed \$50,000.00, or the CONSULTANT'S total fee for services rendered on this Project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

### **6.3 Warranty**

CONSULTANT makes no warranty, either express or implied, as to CONSULTANT'S findings, recommendations, specifications, or professional advice, except that the work was performed pursuant to generally accepted standards of practice in effect at the time of performance.

If, during the term of this Agreement, circumstances or conditions that were not originally contemplated by or known to the CONSULTANT are revealed, to the extent that they affect the Scope of Services, compensation, schedule, allocation of risks or other material terms of this Agreement, the CONSULTANT may call for renegotiation of appropriate portions of this Agreement. The CONSULTANT shall notify the CLIENT of the changed conditions necessitating renegotiation, and the CONSULTANT and the CLIENT shall promptly and in good faith enter into renegotiations of this Agreement to address the changed conditions. If terms cannot be agreed to, the parties agree that either party has the absolute right to terminate this Agreement, in accordance with the Termination Provision hereof.

If the Scope of Services pursuant to this agreement does not include on-site construction review, construction management, or other construction supervision for this project, or if subsequent to this agreement CLIENT retains other persons or entities to provide such services, CLIENT acknowledges that such services will be performed by others and CLIENT will defend, indemnify and hold CONSULTANT harmless from any and all claims arising from or resulting from the performance of such services by other persons or entities except claims caused by the sole negligence or willful misconduct of CONSULTANT; and from any and all claims arising from or resulting from clarifications, adjustments, modifications, discrepancies or other changes necessary to reflect changed field or other conditions, except claims caused by the sole negligence or willful misconduct of CONSULTANT.

### **6.4 Interpretation**

Limitations on liability, waivers and indemnities in this Agreement are business understandings between the parties and shall apply to all legal theories of recovery, including breach of contract or warranty, breach of fiduciary responsibility, tort (including negligence), strict or statutory liability, or any other cause of action, provided that these limitations on liability, waivers and indemnities will not apply to any losses or damages that may be found by a trier of fact to have been caused by the CONSULTANT'S sole or gross negligence or the CONSULTANT'S willful misconduct. The parties also agree that the CLIENT will not seek damages in excess of the contractually agreed-upon limitations directly or indirectly through suites against other parties who may join the CONSULTANT as a third-party defendant. "Parties" means the CLIENT and the CONSULTANT, and their officers, directors, partners, employees, Subcontractors and Subconsultants.

### **6.5 Delays**

The CLIENT agrees that the CONSULTANT is not responsible for damages arising directly or indirectly from any delays for causes beyond the CONSULTANT'S control. For purposes of this Agreement, such causes include, but are not limited to, strikes or other labor disputes; severe weather disruptions or other natural disasters; fires, riots, war or other emergencies or acts of God; failure of any government agency to act in a timely manner; failure of performance by the CLIENT of the CLIENT'S Contractors or CONSULTANT'S; or discovery of any hazardous substances or differing site conditions.

## **ARTICLE 7. HAZARDOUS WASTE MATERIALS**

### **7.1 Liability**

CONSULTANT hereby states and CLIENT hereby acknowledges that CONSULTANT has no professional liability insurance for claims arising out of the performance of or failure to perform professional services, including, but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing substances including, but not limited to asbestos, toxic or hazardous waste, PCBs, combustible gases and materials, petroleum or radioactive materials (as each of these is defined in applicable

federal statutes) or any other substances under any conditions and in such quantities as would pose a substantial danger to persons or property exposed to such substances at or near the Project site. Accordingly, the CLIENT hereby agrees to bring no claim for negligence, breach of contract indemnity or otherwise against the CONSULTANT, its principals, employees, and agents if such claim, in any way, would involve the CONSULTANT'S services for the investigation, detection, abatement, replacement, use or specification, or removal of products, materials or processes containing asbestos, asbestos cement pipe, and/or hazardous waste materials. CLIENT further agrees to defend, indemnify and hold harmless CONSULTANT, its officers, directors, principals, employees and agents from any asbestos and/or hazardous waste material related claims that may be brought by third parties as a result of the services provided by the CONSULTANT pursuant to this agreement except claims caused by the sole negligence or willful misconduct of the CONSULTANT.

## **ARTICLE 8. OWNERSHIP AND REUSE OF DOCUMENTS**

### **8.1 CONSULTANT Ownership**

All original papers, documents, drawings, electronic media and other work product of CONSULTANT, and copies thereof, produced by CONSULTANT pursuant to this agreement shall remain the property of CONSULTANT and may be used by CONSULTANT without the consent of CLIENT. Upon request and payment of the costs involved, CLIENT is entitled to a copy of all papers, documents and drawings provided CLIENT'S account is paid current.

### **8.2 Document Reuse**

In the event the CLIENT, the CLIENT'S Contractors or Subcontractors, or anyone for whom the CLIENT is legally liable makes or permits to be made any changes to any reports, plans specifications or other construction documents prepared by the CONSULTANT without obtaining the CONSULTANT'S prior written consent, the CLIENT shall assume full responsibility for the results of such changes. Therefore the CLIENT agrees to waive any claim against the CONSULTANT and to release the CONSULTANT from any liability arising directly or indirectly from such changes. In addition, the CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CONSULTANT from any damages, liabilities or costs, including reasonable attorneys' fees and costs of defense, arising from such changes. In addition, the CLIENT agrees to include in any contracts for construction appropriate language that prohibits the Contractor or any Subcontractors of any tier from making any changes or modifications to the CONSULTANT'S construction documents without the prior written approval of the CONSULTANT and further requires the Contractor to indemnify both the CONSULTANT and the CLIENT from any liability or cost arising from such changes made without proper authorization.

### **8.3 Electronic Media Alteration and Reuse**

Because CADD information stored in electronic form can be modified by other parties, intentionally or otherwise, without notice or indication of said modifications, CONSULTANT reserves the right to remove all indicia of its ownership and/or involvement in the material from each electronic medium not held in its possession. CLIENT shall retain copies of the work performed by CONSULTANT in CADD form only for information and use by CLIENT for the specific purpose for which CONSULTANT was engaged. Said materials shall not be used by CLIENT, or transferred to any other party, for use in other projects, additions to the current project, or any other purpose for which the material was not strictly intended by CONSULTANT without CONSULTANT'S express written permission. Unauthorized modification or reuse of the materials shall be at CLIENT'S sole risk, and CLIENT agrees to defend, indemnify, and hold CONSULTANT harmless, from all claims, injuries, damages, losses, expenses, and attorney's fees arising out of the unauthorized modification or use of these materials.

## **ARTICLE 9. CONDOMINIUM PROJECTS**

### **9.1 Condominium Conversion**

The CLIENT does not now expect this project will be converted into condominiums. Because this project will not be designed for condominium ownership, the CLIENT agrees that if, the CLIENT decides to convert the project into condominiums in the future, the CLIENT will, to the fullest extent permitted by law, indemnify and hold harmless the CONSULTANT, its officers, directors, employees, and sub-consultants (collectively, CONSULTANT) against all damages, liabilities or costs, including reasonable attorneys fees and defense costs, arising out of or in any way connected with the conversion to condominium ownership, except for the sole negligence or willful misconduct of the CONSULTANT.



**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Shannon D. Boyd, General Counsel and Brad Hagemann

DATE: June 9, 2026

ITEM 9D: General Manager Contract

**Recommendation:**

Receive Staff Report and take Board action

**Background and Discussion:**

Brad Hagemann of Hagemann & Associates has served as the District's contract General Manager since May 2015. The Professional Services Contract with Hagemann and Associates was last updated by the Board in June 2025, for an eighteen-month term starting July 1, 2025 until December 31, 2026. The Contract states that the General Manager's contract shall be reviewed annually by no later than June of each year. Based on the foregoing, it is now time to review the contract and consider approving an updated contract.

District Legal Counsel is working with the GM to prepare an updated contract for the Board's review and consideration. The proposed updated contract will be provided to the Board and will be available at the Board meeting.