

# AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424  
Meeting Room and Office – 191 San Miguel Street, Avila Beach  
Telephone (805) 595-2664 FAX (805) 595-7623  
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## AGENDA

### REGULAR BOARD MEETING

7:00 pm Tuesday, October 13th, 2015

### BOARD MEETING LOCATION

AVILA BEACH CIVIC ASSOCIATION

191 SAN MIGUEL STREET

AVILA BEACH, CALIFORNIA

1. **CALL TO ORDER: 7:00 P.M.**

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

Pete Kelley, President

Lynn Helenius, Director

John Janowicz, Director

Shanna Richards, Director

3. **PUBLIC COMMENT; 7:00 P.M.**

Members of the public wishing to comment or bring forward any items concerning District operations **which do not appear on tonight's agenda** may address the Board now. Please state 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**

Items of District interest which may be placed on later agendas, or where staff needs to inform Board.

A. County Reports

1. SLO County Sheriff Department

2. CalFire/County Fire Department

B. 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 September 8<sup>th</sup>, 2015 Regular Meeting

B. Monthly Financial Review

C. General Manager and District Engineer Report

D. Capital Projects Status Report

E. Water and Wastewater Superintendent Report

**6. DISCUSSION OF PULLED CONSENT ITEMS**

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

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

- A. Intent to Serve: Villa Pacific Condominiums  
(Action Required: Consider approval of Preliminary Intent to Serve)
- B. Intent to Serve: First St and San Antonia  
(Action Required: Consider approval of Preliminary Intent to Serve)
- C. Intent to Serve: 264 San Miguel Street  
(Action Required: Consider approval of Preliminary Intent to Serve)
- D. Public Hearing Relating to Solid Waste Franchise Rate Increase  
(Actions Required: Open Public Hearing; Receive Comments and /or Protests;  
Close Public Hearing; Board Consideration of Resolution 2015-xx Adopting Solid  
Waste Rates for Avila Beach CSD)
- E. Water Recycling Grant Application  
(Action Required: Receive Status Report, Provide Direction to Staff)
- F. Consider Candidates for Replacing Former Board Member Waldron  
(Action Required: Consider appointing a replacement Director or continue deliberation  
and schedule a special Board meeting on or before November 6, 2015)

**8. COMMUNICATIONS/ COORESPONDENCE**

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.

**9. Adjourn to next regularly scheduled meeting on November 10, 2015**

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, 191 San Miguel 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.

**AVILA BEACH COMMUNITY SERVICES DISTRICT  
MINUTES OF REGULAR MEETING  
Sept 8th, 2015**

**1. CALL TO ORDER**

The Board of Directors of the Avila Beach Community Services District, meeting in Regular Session at 7:00 p.m. on the above date, in the Avila Beach Civic Center Meeting Room, was called to order by President, Pete Kelley.

**2. ROLL CALL**

Board Members Present:                     Pete Kelley  
   John Janowicz  
   Shanna Richards

Board Members Absent:                     Lynn Helenius

Staff Present:                                     Brad Hagemann, General Manager & District Engineer  
   Mike Seitz, District Legal Counsel  
   Kristi Dibbern, Accounting Clerk

**3. PUBLIC COMMENTS**

None.

**4. INFORMATION AND DISCUSSION ITEMS**

**A. County Reports**

**1. SLO Sheriff:**

Commander Jim Taylor reported 91 calls for service this month in Avila Beach. There were 18 traffic stops, 2 thefts breaking into parked cars. One vacation rental scam occurred this month, as well as, one incident of vandalism.

**2. CAL Fire Report:**

Battalion Chief Paul Lee from CAL Fire reported 57 calls for service this month. Forty eight of those calls were for medical attention. Clearing will continue from the golf course to the fire line above the ridge to insure vegetation management. Chief Lee commented that his team was being dispatched to other areas to assist with fires throughout the state.

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

GM Hagemann announced that District Vice President Steve Waldron turned in his resignation to the Board on Sept 8<sup>th</sup>, 2015. Based on Director Waldron stepping down,

District Legal Counsel Mike Seitz, recommended the Board add an agenda item to tonight's meeting that would address filling Director Waldron's vacancy. Seitz's stated that Government Code §1780 states the Board of Director's must direct district staff to inform the County Clerk's office of this vacancy within 15 days. The Board member agreed to add Item 7-F to tonight's agenda to address filling the vacancy.

5. **CONSENT ITEMS**

President Kelley introduced the consent items and inquired if any member of the Board or public wished to address any items. **It was moved by Director Janowicz, seconded by Director Richards and passed unanimously to approve the consent items as submitted.**

- A. Approval of the Minutes for the following meetings: July 29th, 2015 Meeting
- B. Monthly Financial Review
- C. General Manager Report
- D. District Engineer Report
- E. Water & Wastewater Superintendent Report
- F. Subcommittee Reports
- G. Capital Projects Status Report

6. **DISCUSSION OF PULLED CONSENT ITEMS.**

No items were pulled for discussion.

7. **BUSINESS ITEMS**

- A. **Intent to Serve: Lot #1 Colony Estates APN 076-196-006:** General Manager Hagemann explained to the Board that the Avila Beach CSD has entitlements for approximately 168 acre-feet per year (AFY) of surface water from Lopez Lake (68 AFY) and the State Water Project (100 AFY). For the last several years the District has used approximately 85 AFY. Even with the extreme drought for the past four years, the District's water supply appears to be sufficient to serve the build-out population of the District. However, if the drought continues for another year or two, surface water supplies may not be sufficient and the District would need to seek other supply sources.

At this time it appears the District has sufficient water and sewer capacity to issue Preliminary Will Serve Letters for infill and/or redevelopment within the District.

Anne Brown, resident of Avila Beach asked that the record show she is strongly opposed to issuing any new “Will Serve Letters” during the drought. General Manager Hagemann conveyed that if we have another below normal rainfall season this year, staff will likely recommend that the Board conduct a formal water supply and build-out analysis and potential follow-up measures. **It was moved by Director Janowicz, and seconded by Director Richards and passed unanimously to approve a “Preliminary Will Serve” for Lot #1 Colony Estates APN 076-196-006.**

**B. Intent to Serve: Lot #5 Colony Estates. APN 076-196-010:**

Again Anne Brown asked the record show she is opposed to the Will Serve Requests for new developments in Avila Beach.

**It was moved by Director Janowicz, and seconded by Director Richards and passed unanimously to approve a “Preliminary Will Serve” request for Lot #5 Colony Estates. APN 076-196-010.**

**C. Equipment Purchase for Wastewater Treatment Plant.** Hagemann introduced this item and summarized that this year’s Capital Improvement Program Project WW-7 includes \$25,000 for Misc Wastewater Projects. Staff recommends the Board use a portion of the District’s approved CIP budget to purchase the new wet well chopper pump. **It was moved by Director Kelley, and seconded by Director Janowicz to purchase a new wet well chopper pump from Rockwell Engineering and Equipment.**

**AYES:           John Janowicz  
                      Shanna Richards  
                      Pete Kelley**

**NOES:           NONE**

**ABSENT:       Lynn Helenius**

**D. Zone 3 Technical Advisory Committee and Advisory Committee.**

General Manager Hagemann reported that CSA 12 is in the first phase of the LLRP (Low Level Response Plan). Members agreed to proactively implement the second phase (10% municipal diversion reduction) since we anticipate we may hit the 15,000 AF of storage by November or December 2015 if early rain does not occur. General Manager Hagemann asked for the Board’s support to express his interest in filling the vacant position representing CSA 12 on the Zone 3 Advisory Committee. The members of the Board supported staff to pursue the position.

**E. Water Recycling Grant Application**

At the July 29<sup>th</sup> 2015, Board meeting the Board directed staff to retain Water Systems Consultants Inc. (WSC) to assist the District in preparing a Regional Water Recycling Planning Grant Application to the State Water Resources Control Board. If approved, the State Board will match up to 50% of total eligible study costs up to a maximum of \$75,000. Staff is optimistic that other regional stakeholders may also be interested in participating in the study. The study will evaluate potential regional water recycling sources and opportunities. Staff plans to bring the final Plan of Study back to the Board in October for final approval to submit to the State Water Board. The Board provided direction to staff concurring with staff's recommendation to coordinate the Plan of Study with interested wastewater agencies and determine interest in participating and cost sharing.

**F. Procedures for Replacing Director Vacancy. Legal Counsel Seitz informed the Board that under Government Code §1780 states the Board of Director's must direct district staff to inform the County Clerk's office of this vacancy within 15 days, post the Director vacancy in a minimum of three (3) places within the District and attempt to fill the vacancy within 60 calendar days.** The Board directed staff to proceed with procedures for filling director vacancy.

**8. PUBLIC COMMENT ON CLOSED SESSION ITEMS:**

None.

**9. CLOSED SESSION.**

Legal Counsel Evaluation

**Legal Counsel Seitz advised that the Board will adjourn to Closed Session in accordance with Government Code §54956.9(b),**

**10. REPORT ON CLOSED SESSION / ANNOUNCEMENT OF ACTIONS IF ANY TAKEN IN CLOSED SESSION**

GM Hagemann reported that the Board reviewed Legal Counsel Evaluation and that the Board President would meet with Legal Counsel as soon as practical to go over the Evaluation

**11. COMMUNICATATIONS: None**

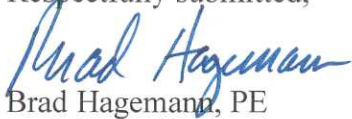
**ADJOURNMENT: The meeting was adjourned at 9:31p.m.**

Avila Beach CSD  
Board of Directors Meeting  
Draft Minutes Sept 8th, 2015

**The next regular meeting of the Avila Beach Community Services District is scheduled for October 13th, 2015 at 7:00 pm. This meeting will be held at the Avila Beach Civic Association 191 San Miguel Street. Avila Beach.**

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Brad Hagemann". The signature is written in a cursive style.

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: October 13, 2015

SUBJECT: Monthly Financial Review for August 2015

**Recommendation:**

Receive and file report.

**Overall Monthly Summary**

During August the District made deposits in the amount of \$77,654.73 and experienced \$189,661.45 in expenses (cash basis). The deposits by fund and checks by fund are provided as an attachment to this report. The unusually large expense is attributed to the \$132,000 paid to the State Water Resources Control Board and the Bay Foundation to settle Order No. R3-2015-0008. Income in August included \$456.98 in County tax income and \$72,207.96 in monthly water and sewer fees, which were within typical levels. Monthly operation and maintenance expenses are also within the anticipated range and Capital Improvement Program expenses are all within the approved budget limits.

Detailed financial reports including a Balance Sheet, Deposits by Fund and Checks by Fund Actual are provided for your information.

**Utility Service Billing**

For the month of August the District billed approximately \$73,209.89 in water and sewer service charges. Customer Rate Assistance amounted in a reduction of billing charges to the District in the amount of \$393.34. Delinquent accounts with payments past due of 60 days or more are still relatively low, but we did issue approximately five "door hanger" shut-off notices in August to accounts that were over 90 days late. All but one of those account holders responded to the notices and provided payment.



10/08/15

**Avila Beach Community Services District**  
**Deposits by Fund**  
 August 2015

Type	Date	Memo	Split	Amount	Balance
<b>Administrative</b>					
Deposit	08/31/2015	Work Comp	1001A · Heritage Oaks...	-45.67	-45.67
Total Administrative				-45.67	-45.67
<b>General</b>					
Deposit	08/10/2015	Rental Income	1001A · Heritage Oaks...	-2,956.00	-2,956.00
Deposit	08/18/2015	SLO County Taxes	1001A · Heritage Oaks...	-225.90	-3,181.90
Deposit	08/25/2015	Ins Refund, Special District Risk Mgmt	1001A · Heritage Oaks...	-284.86	-3,466.76
Total General				-3,466.76	-3,466.76
<b>Sanitary</b>					
Deposit	08/10/2015	Sani Rec - August	1001A · Heritage Oaks...	-3,231.50	-3,231.50
Deposit	08/13/2015	Sani Rec - August	1001A · Heritage Oaks...	-3,076.40	-6,307.90
Deposit	08/18/2015	Sani Rec - August	1001A · Heritage Oaks...	-7,930.80	-14,238.70
Deposit	08/18/2015	Sani Rec - August	1001A · Heritage Oaks...	-4,970.88	-19,209.58
Deposit	08/18/2015	SLO County Taxes	1001A · Heritage Oaks...	-231.08	-19,440.66
Deposit	08/19/2015	sani	1001A · Heritage Oaks...	-44.90	-19,485.56
Deposit	08/20/2015	Sani Rec - August	1001A · Heritage Oaks...	-2,585.50	-22,071.06
Deposit	08/21/2015	Sani Rec - August	1001A · Heritage Oaks...	-9,234.13	-31,305.19
Deposit	08/25/2015	Sani Rec - August	1001A · Heritage Oaks...	-8.03	-31,313.22
Deposit	08/25/2015	Sani Rec - August	1001A · Heritage Oaks...	-1,144.21	-32,457.43
Deposit	08/28/2015	Sani Rec - August	1001A · Heritage Oaks...	-2,058.32	-34,515.75
Total Sanitary				-34,515.75	-34,515.75
<b>Solid Waste</b>					
Deposit	08/25/2015	Solid Waste Franchise Fee	1001A · Heritage Oaks...	-1,703.26	-1,703.26
Total Solid Waste				-1,703.26	-1,703.26
<b>Water</b>					
Deposit	08/10/2015	Water Rec - August	1001A · Heritage Oaks...	-3,026.20	-3,026.20
Deposit	08/13/2015	Water Rec - August	1001A · Heritage Oaks...	-3,358.71	-6,384.91
Deposit	08/18/2015	Water Rec - August	1001A · Heritage Oaks...	-6,835.55	-13,220.46
Deposit	08/18/2015	Water Rec - August	1001A · Heritage Oaks...	-8,698.56	-21,919.02
Deposit	08/19/2015	water	1001A · Heritage Oaks...	-49.25	-21,968.27
Deposit	08/20/2015	Water Rec - August	1001A · Heritage Oaks...	-2,310.25	-24,278.52
Deposit	08/21/2015	Water Rec - August	1001A · Heritage Oaks...	-9,598.32	-33,876.84
Deposit	08/25/2015	Water Rec - August	1001A · Heritage Oaks...	-1,361.94	-35,238.78
Deposit	08/28/2015	Water Rec - August	1001A · Heritage Oaks...	-2,684.51	-37,923.29
Total Water				-37,923.29	-37,923.29
<b>TOTAL</b>				<b>-77,654.73</b>	<b>-77,654.73</b>

**Avila Beach Community Services District**  
**Checks by Fund**  
**August 2015**

10/08/15

Type	Date	Num	Name	Amount	Balance
<b>Administrative</b>					
Check	08/06/2015	15742	Business Card Visa	241.66	241.66
Check	08/06/2015	15742	Business Card Visa	32.71	274.37
Check	08/06/2015	15743	Avila Beach Civic Association	741.03	1,015.40
Check	08/06/2015	1502	Charter	169.94	1,185.34
Check	08/17/2015		Acct Analysis Fee	102.04	1,287.38
Check	08/19/2015		Debit Memo / MM Debits	194.06	1,481.44
Check	08/21/2015	1509	Hagemann & Associates	2,750.00	4,231.44
Check	08/21/2015	1509	Hagemann & Associates	2,750.00	6,981.44
Check	08/21/2015	1510	Nikki Engle Bookkeeping & Teaching	165.00	7,146.44
Check	08/21/2015	1511	Public Employees Retirement System	328.96	7,475.40
Check	08/21/2015	1512	Public Employees Retirement System	1,987.30	9,462.70
Check	08/21/2015	1518	Shipsey & Seitz	1,903.40	11,366.10
Check	08/21/2015	1518	Shipsey & Seitz	88.00	11,454.10
Total Administrative				11,454.10	11,454.10
<b>Lights</b>					
Check	08/06/2015	15746	PG&E		0.00
Check	08/06/2015	15746	PG&E		0.00
Check	08/06/2015	15746	PG&E	87.84	87.84
Check	08/21/2015	1517	PG&E	376.72	464.56
Check	08/21/2015	1517	PG&E	403.82	868.38
Check	08/21/2015	1517	PG&E	87.86	956.24
Total Lights				956.24	956.24
<b>Sanitary</b>					
Check	08/06/2015	15739	Abalone Coast Analytical, Inc.	2,889.20	2,889.20
Check	08/06/2015	15740	Avila Beach CSD	69.00	2,958.20
Check	08/06/2015	15740	Avila Beach CSD	55.20	3,013.40
Check	08/06/2015	15741	Brenntag Pacific, Inc.	4,138.52	7,151.92
Check	08/06/2015	15742	Business Card Visa	191.99	7,343.91
Check	08/06/2015	15744	Fluid Resource Management	10,962.00	18,305.91
Check	08/06/2015	15744	Fluid Resource Management	499.74	18,805.65
Check	08/06/2015	15744	Fluid Resource Management	789.90	19,595.55
Check	08/06/2015	15744	Fluid Resource Management	211.50	19,807.05
Check	08/06/2015	15744	Fluid Resource Management	286.50	20,093.55
Check	08/06/2015	15744	Fluid Resource Management	274.77	20,368.32
Check	08/06/2015	15745	South County Sanitary Service	52.70	20,421.02
Check	08/06/2015	15746	PG&E		20,421.02
Check	08/06/2015	15746	PG&E		20,421.02
Check	08/06/2015	15747	Great Western Alarm	30.00	20,451.02
Check	08/06/2015	1501	Underground Services	81.33	20,532.35
Check	08/06/2015	1503	Miners Ace Hardware	93.03	20,625.38
Check	08/06/2015	1503	Miners Ace Hardware	31.96	20,657.34
Check	08/06/2015	1504	Speed's	1,335.50	21,992.84
Check	08/21/2015	1506	AT&T	235.73	22,228.57
Check	08/21/2015	1508	Brenntag Pacific, Inc.	1,403.48	23,632.05
Check	08/21/2015	1508	Brenntag Pacific, Inc.	1,323.38	24,955.43
Check	08/21/2015	1513	SLO CO Public Works	942.50	25,897.93
Check	08/21/2015	1518	Shipsey & Seitz	1,301.80	27,199.73
Check	08/21/2015	1518	Shipsey & Seitz	1,232.00	28,431.73
Check	08/21/2015	1518	Shipsey & Seitz	721.60	29,153.33
Check	08/21/2015	1514	Telegram Tribune	352.56	29,505.89
Check	08/21/2015	1515	Speed's	1,430.50	30,936.39
Check	08/21/2015	1516	USA Bluebook	239.12	31,175.51

10/08/15

**Avila Beach Community Services District**  
**Checks by Fund**  
 August 2015

Type	Date	Num	Name	Amount	Balance
Check	08/21/2015	1517	PG&E	1,710.99	32,886.50
Check	08/21/2015	1517	PG&E	70.94	32,957.44
Check	08/21/2015	15748	SWRCB Clean Up and Abatement Acco...	58,500.00	91,457.44
Check	08/21/2015	15749	Bay Foundation of Morro Bay	73,500.00	164,957.44
Check	08/24/2015	1519	Wallace Group	4,493.00	169,450.44
Total Sanitary				169,450.44	169,450.44
<b>Water</b>					
Check	08/06/2015	15740	Avila Beach CSD	49.25	49.25
Check	08/06/2015	15740	Avila Beach CSD	39.40	88.65
Check	08/06/2015	15744	Fluid Resource Management	5,288.00	5,376.65
Check	08/06/2015	15744	Fluid Resource Management	960.00	6,336.65
Check	08/06/2015	15746	PG&E		6,336.65
Check	08/06/2015	1501	Underground Services	81.32	6,417.97
Check	08/21/2015	1505	SLO Co Health	325.20	6,743.17
Check	08/21/2015	1507	Mr. Backflow	115.00	6,858.17
Check	08/21/2015	1513	SLO CO Public Works	942.50	7,800.67
Total Water				7,800.67	7,800.67
<b>TOTAL</b>				<b>189,661.45</b>	<b>189,661.45</b>

11:19 AM  
10/08/15  
Accrual Basis

Avila Beach Community Services District  
Balance Sheet  
As of August 31, 2015

	Aug 31, 15
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1000 · Cash Summary	
1001A · Heritage Oaks General Checking	219,528.01
1001 · B of A - General Checking	-23,963.15
1005 · B of A - Payroll	28,283.06
1007 · B of A - Water Deposits	6,020.00
1008 · LAIF	2,211,678.32
1010 · Petty Cash	80.00
<b>Total 1000 · Cash Summary</b>	<u>2,441,626.24</u>
<b>Total Checking/Savings</b>	2,441,626.24
<b>Accounts Receivable</b>	
1200 · *Accounts Receivable	1,000.00
<b>Total Accounts Receivable</b>	<u>1,000.00</u>
<b>Other Current Assets</b>	
1100 · Receivables	
1110 · Water & Sewer Billings	37,711.04
<b>Total 1100 · Receivables</b>	<u>37,711.04</u>
1250 · Prepaid Summary	
1252 · Prepaid State Water	235.37
1251 · Prepaid Insurance	11,928.59
<b>Total 1250 · Prepaid Summary</b>	<u>12,163.96</u>
<b>Total Other Current Assets</b>	<u>49,875.00</u>
<b>Total Current Assets</b>	2,492,501.24
<b>Fixed Assets</b>	
1600 · Fixed Assets Summary	
1601 · Fixed Asset -Office & Admin.	
1601c · Office Furniture cost	12,759.79
1601d · Office Furniture Accum Dep.	-8,094.08
<b>Total 1601 · Fixed Asset -Office &amp; Admin.</b>	<u>4,665.71</u>
1602 · Fixed Assets - Sanitary	
1612 · Land	
1612.01 · Land - GFAAG	20.00
1612 · Land - Other	60,294.10
<b>Total 1612 · Land</b>	<u>60,314.10</u>
1622 · Collection Assets	
1622C · Collection Assets Cost	933,045.33

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Accrual Basis

Avila Beach Community Services District  
Balance Sheet  
As of August 31, 2015

	<u>Aug 31, 15</u>
1622D · Collect Assets Accum Depr	-281,967.93
<b>Total 1622 · Collection Assets</b>	<b>651,077.40</b>
1632 · Disposal Equipment	
1632C · Disposal Equip Cost	523,122.64
1632D · Disposal Equip Accum Depr	-147,818.68
<b>Total 1632 · Disposal Equipment</b>	<b>375,303.96</b>
1642 · Other Equipment	
1642C · Other Equipment Cost	922.93
1642D · Other Equip Accum Depr	-923.00
<b>Total 1642 · Other Equipment</b>	<b>-0.07</b>
1652 · Construction In Progress Plant	
1652C · Treatment Plant Cost	1,868,782.91
1652D · Treatment Plant Accum Dep	-839,387.72
1652 · Construction In Progress Plant - Ot...	36,084.24
<b>Total 1652 · Construction In Progress Plant</b>	<b>1,065,479.43</b>
1662 · Treatment Equipment	
1662C · Treatment Equip Cost	1,017,143.01
1662D · Treatment Equip Accum Depr	-444,151.88
1662 · Treatment Equipment - Other	205,485.61
<b>Total 1662 · Treatment Equipment</b>	<b>778,476.74</b>
<b>Total 1602 · Fixed Assets - Sanitary</b>	<b>2,930,651.56</b>
1603 · Fixed Assets - Water	
1613 · Equipment	
1613C · Equipment Cost	21,136.28
1613D · Equipment Accum Depr	-21,136.28
<b>Total 1613 · Equipment</b>	<b>0.00</b>
1623 · Distribution Assets	
1623C · Distribution Assets Cost	1,109,466.25
1623D · Dist Assets Accum Depr	-508,510.58
<b>Total 1623 · Distribution Assets</b>	<b>600,955.67</b>
1643 · Other Equipment	
1643C · Other Equipment Cost	1,366.07
1643D · Other Equipment Accum Depr	-1,366.07
<b>Total 1643 · Other Equipment</b>	<b>0.00</b>
<b>Total 1603 · Fixed Assets - Water</b>	<b>600,955.67</b>
1604 · Structures	
1614 · Structures GFAAG	29,810.00

11:19 AM  
10/08/15  
Accrual Basis


Avila Beach Community Services District  
**Balance Sheet**  
As of August 31, 2015

	<u>Aug 31, 15</u>
1614D · Gen / Fire Accum Dep	-29,810.00
Total 1604 · Structures	0.00
Total 1600 · Fixed Assets Summary	3,536,272.94
Total Fixed Assets	3,536,272.94
Other Assets	
1099 · Due To / Due From General	-244,223.05
Total Other Assets	-244,223.05
<b>TOTAL ASSETS</b>	<b>5,784,551.13</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Other Current Liabilities	
2100 · Payroll Liabilities	
2108 · PERS Liability	336.88
Total 2100 · Payroll Liabilities	336.88
210 · vacation payable	1,137.15
2300 · Deposits Held	
2303 · Water Deposits Held	6,020.00
2304 · Fire Station Deposit	2,000.00
2305 · Will Serve Deposits Held	100,691.33
Total 2300 · Deposits Held	108,711.33
Total Other Current Liabilities	110,185.36
Total Current Liabilities	110,185.36
Total Liabilities	110,185.36
Equity	
3900 · Retained Earnings	5,973,535.41
Net Income	-299,169.64
Total Equity	5,674,365.77
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>5,784,551.13</b>

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

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: General Manager/District Engineer Report

**Grand Jury Request**

On September 29, 2015, the District received the attached request from the San Luis Obispo County Grand Jury. The Grand Jury requested independent audit reports for the last five fiscal years and further requested that the reports be provided by October 5, 2015. Staff was able to scan the requested audits and submitted them to the provided Grand Jury email address. Staff believes that the Grand Jury sent this same request to most if not all Special Districts and Community Services Districts in the County.

**FY 14/15 Financial Audit**

Staff is in the process of completing the financial audit process for fiscal year 2014/15 with the assistance of Crosby Company, Certified Public Account in San Luis Obispo. Staff anticipates we will have the Audit and Independent Auditor's Report on the November 10<sup>th</sup> Board meeting agenda.

**Procedures and Policies for Discontinuance of Water and Sewer Service**

Director Richards requested staff to research and provide information regarding the District's written policies and procedures for discontinuance of water and sewer service for non-payment. Staff located two relevant documents and requests the Board members also provide any information relevant to this topic. The two documents staff located are Ordinance No. 2004-01 and Policy Number 3037; both documents are attached for your reference. If the Board would like staff to provide further analysis and/or development additional policies staff can bring this item back at a future Board meeting.

**Status of Draft Wastewater Service Agreement with Port San Luis Harbor District**


As the Board is well aware this Agreement has been under review by staff at the Harbor District and ABCSD. Complicating matters, the legal counsel staff member representing the Harbor District recently changed so they needed some time to get up to speed on the draft Agreement. In late August ABCSD legal Counsel received comments from the Harbor District's newly assigned legal counsel. I have been working with District legal counsel in reviewing and responding to the comments. I understand the Board would like to get a formal summary presentation of the draft Agreement. I will schedule that presentation for the November Board meeting.

**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: Capital Projects Status Report

Recommendation:

Receive and File

Discussion:

This is the second update for the FY 15-16 Capital Improvement Program. The District has taken on an aggressive, but manageable Program this fiscal year with the major project being the San Luis Street/Avila Beach Drive Sewer Replacement Project. For ease of review, we have included a notation in brackets as to whether there has been significant progress to warrant a project summary update. If there have been no reportable changes we will indicate so in brackets.

**WATER SYSTEM CIP'S**

**W-1 Water tank storage improvements – Budget \$30,000 [No changes]**

Project will be implemented if operational techniques (frequent nitrate monitoring and ensuring frequent tank volume change out) are not adequate to control nitrification. Staff intends to talk with PG&E regarding the cost of getting A/C power at the tank site in order to open more options for mixing systems. Having power at the tank site will also help provide a more reliable signal for the SCADA system.

**W-2- Water System Valve Replacement – Budget \$75,000 [Updated]**

Water line valves are being evaluated for replacement as we identify them during our routine valve exercising program and/or as we conduct normal operations in the system. The valve exercising program identifies valves that are reaching their useful life. This year's budget should allow for the replacement of 3 – 5 valves depending on the depth of valve and if they are in close proximity to each other. Our initial highest priority valve replacement project is the emergency supply connection project discussed below.

In January 2015, we identified a project to replace the valves that allow an emergency supply connection between San Miguelito Mutual, Port San Luis and the Avila Beach CSD. The District has retained Water Systems Consults Inc. to review the existing valve/meter configuration and provide a recommended design. WSC's prepared a Draft Technical Memo and staff is coordinating the design recommendations with San Miguelito Mutual and the Port. With their input/concurrence staff will implement installation of the new valves.



initiating this project in the second quarter of 2016 and completing in FY 16/17.

**WW- 6 Pump Room Improvements – Budget \$15,000 [No changes]**

This project was initially scoped in FY 2013/14 to include minor improvements to the restroom and hand washing facilities located within the pump room that were installed in the early 1970s. Upon further investigation staff is proposing to better utilize the limited space at the Plant by: making improvements to the restroom and hand washing facilities; installing a shower unit to allow staff to quickly clean-up in the event they are exposed to raw or partially treated wastewater; and adding a work space that will allow moving the process control lab facilities from upstairs to the downstairs pump room area. The proposed project scope includes demolition of the existing wall, toilet and sink facilities and re-alignment of the wall and installation of sanitation facilities that will also allow for a small process control lab work space area that will include the appropriate sink and plumbing and lighting fixtures.

**WW-7 Miscellaneous Waste Water Projects – Budget \$25,000 [Updated]**

This project provides funding for un-anticipated minor improvements at the WWTP. At the September Board meeting, staff recommended funding the new influent wet well pump (cost of approximately \$12,000) out of this budget line item. The new influent “chopper pump” has been ordered and should be delivered by late October.

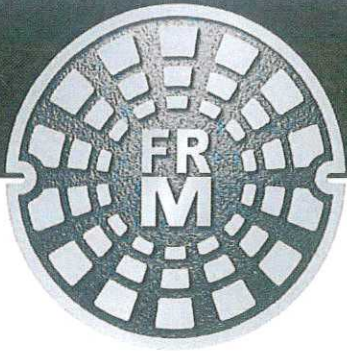
**WW- 8 San Luis Street & Avila Beach Drive Sewer Line Replacements – Budget \$350,000 (project budget will be updated to \$475,000 at mid-year budget review) [Updated]**

This project will replace approximately 460 feet of 8 inch sewer line on San Luis Street between First and Second Street and 325 feet of sewer line along Avila Beach drive near the intersection of Avila Beach Drive and San Miguel Street. This project will be one of the most extensive and expensive projects conducted by the District in many years. The District retained Wallace Group to prepare the design and bid documents and awarded the contract to D-Kal Engineering Inc. of San Luis Obispo on July 29, 2015 and the Pre-construction meeting was held on September 2.

D-Kal initiated Construction on September 21 by installing the new sewer manhole at the intersection of First Street and San Luis Street. The contractor will work their way up San Luis Street with the new sewer line and tie-in existing customers all at the same time. We have received a couple concerns regarding traffic and parking issues, but our Construction Management team indicate that although the project got off to a relatively slow start, the contractor is making reasonable progress.

**WW-9 Replace Stairway and Repair Decking at WWTP – Budget \$25,000 [No changes]**

The District retained Matrix Consulting Engineers to prepare plans and specifications for fabrication and installation of the new stairway that connects the exterior of ground floor of the Primary Clarifier building to the first floor office space. The next step for this project is for staff to obtain bids from metal fabricators to build and/or install the new stairs at the WWTP site. Installation of the new stairway will need to be done quickly and in careful coordination with operations staff since all of the SCADA computer equipment is located upstairs and there is only one access point. The project schedule will be organized such that access to the SCADA computers will be available at all times, with a temporary access stairway or man lift as needed. Staff anticipates this project will be completed by the end of the calendar year.



Date: October 6, 2015  
To: Brad Hagemann, District Manager  
From: Carinna Butler, FRM Operations Manager

### **Monthly Facility Report for the October 2015 Board Meeting**

#### **WASTEWATER**

The facility continues to meet discharge limitations despite high influent flows and heavy influent BOD and TSS loading. The average influent BOD for the 5 samples collected this month was 539 mg/L (Plant Design – 270 mg/L) with a high of 628 mg/L on September 6<sup>th</sup>. The average influent TSS for the month was 463 mg/L with a high of 550 mg/L on September 24<sup>th</sup>. The average effluent BOD for the 5 samples collected this month was 27 mg/L (Permit Limit – 40 mg/L Monthly Average) with a high of 34 mg/L on September 6<sup>th</sup>. The average effluent TSS for the month was 16 mg/L (permit limit – 40 mg/L Monthly Average) with a high of 28 mg/L on September 6<sup>th</sup>. The monthly influent Port San Luis BOD sample collected on September 12<sup>th</sup> was 241 mg/L. The monthly influent flow reported by Port San Luis was 194,700 gallons.

On September 24<sup>th</sup> the wastewater treatments effluent pH sample was low with a result of 5.9. The lower than normal pH is believed to be caused by the bi-sulfite chemical that is used to neutralize the chlorine as the wastewater is leaving the plant. The sample collected may have had a slug of the bi-sulfate that temporarily effected the pH. Staff continues to monitor the effluent pH, the most recent samples have been back in the normal operating range.

A total of 24 maintenance work orders were completed during the month of September.

Areas within the wastewater plant that are known to accumulate solids continue to be manually cleaned on a regular basis. The Chlorine Contact Chamber floor is vacuumed out on a weekly basis. These solids, if left to decompose, can have a negative effect on the effluent quality leaving the facility.

Operations Staff had approximately 4,800 gallons of sludge hauled out of the Digester during the month of September. The Digester has approximately 4,500 gallons of sludge removed every 3 weeks.

On Saturday September 5 the chlorine mixing pump had to be changed out after it failed. The chlorine mixing pump is used to mix the chlorine with the treated wastewater as part of the disinfection process at the plant. The District had a spare mixing pump in storage as part of the critical spare parts project. The old mixing pump has been taken to the Perry's Electric for evaluation and repair.

The internet at the WWTP went down on September 6, 2015 (Labor Day weekend). A SCADA technician responded and found that the SCADA computer was running but internet was down. The modem was rebooted and the SCADA technician verified external connection to the SCADA system.

On September 25 staff responded to a Secondary Sedimentation Wet Well low level alarm. This alarm was caused by the level transducer in the Secondary Sedimentation failing. Staff was able to pull from the spare parts in the C-train and install the new transducer. ABCSD staff was given the spare parts tag to replace the part that was used.

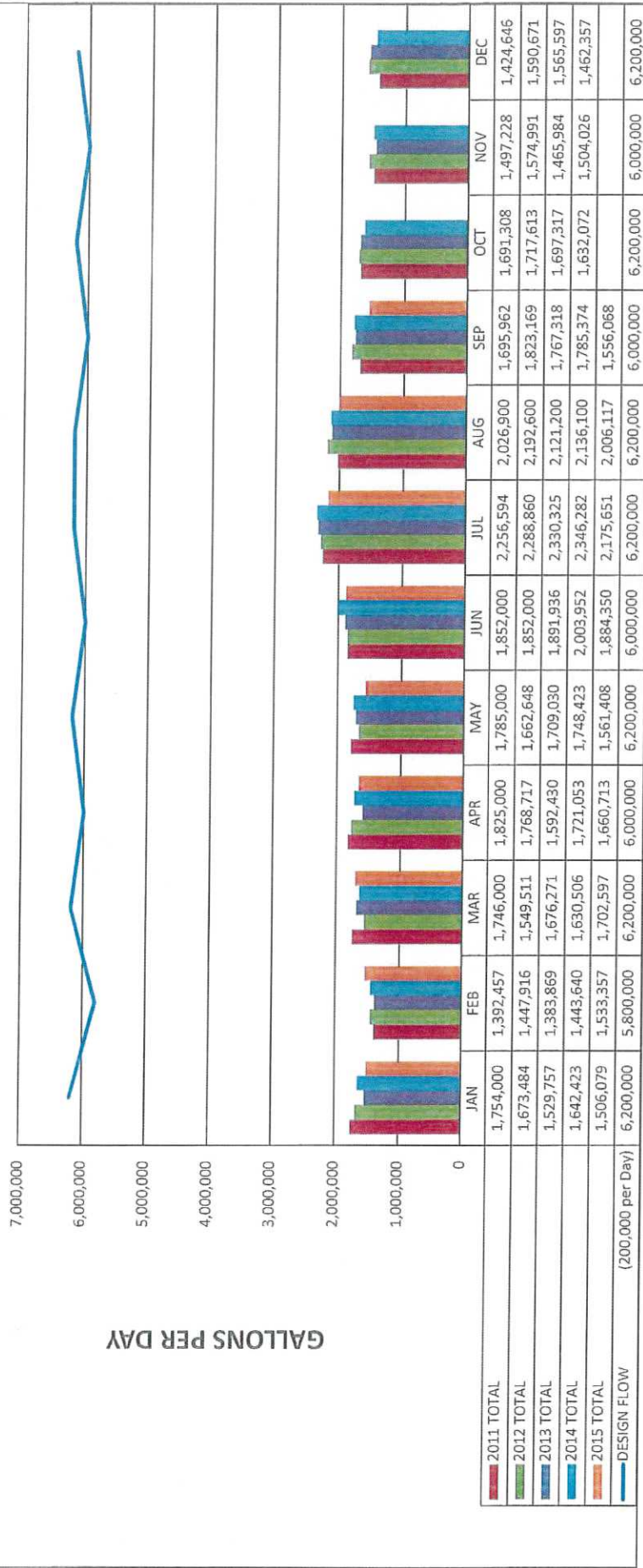
## **WATER**

The small water storage tank continues to be used as standby, with staff monitoring the water quality in the tank and flushing as needed. Operations staff continues to monitor the chlorine residuals and shock the system with additional chlorine as needed.

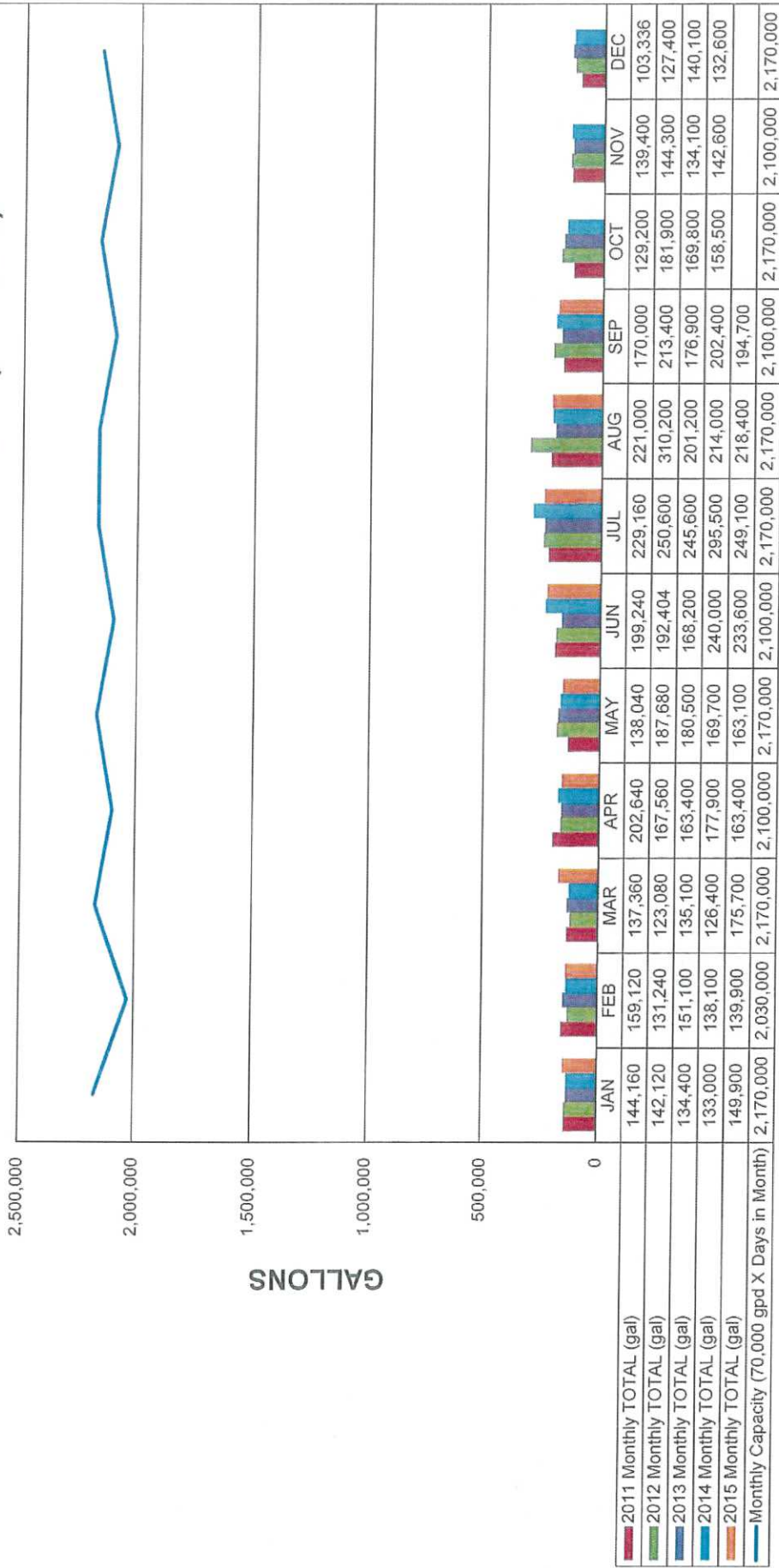
On September 11 staff found the valve on the water storage tank fill line had stuck closed. The valve was rebuilt and placed back into service. At the same time the flow meter that provides data to the SCADA system was also damaged. Staff is waiting to on parts to repair the water storage tank fill line flow meter.



## MONTHLY EFFLUENT FLOW TOTAL COMPARISON (2011-2015)

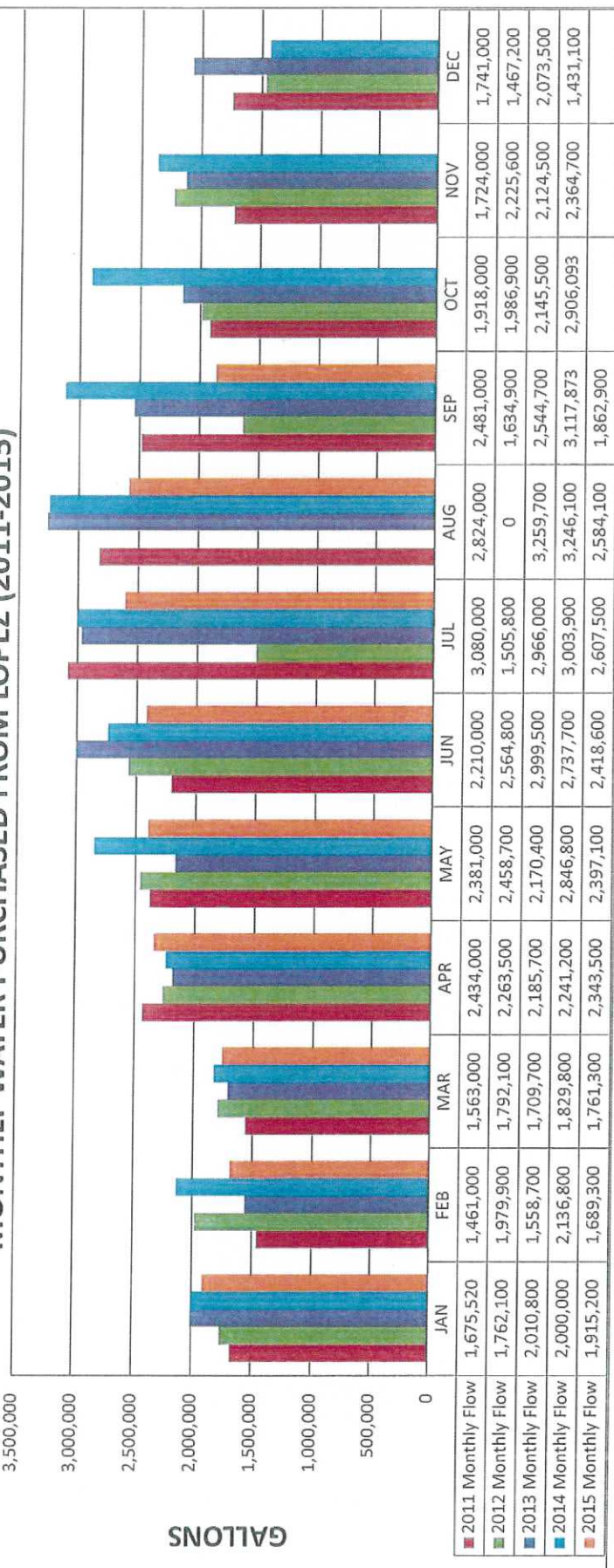


# MONTHLY PORT SAN LUIS FLOW TOTAL COMPARISON (2011-2015)



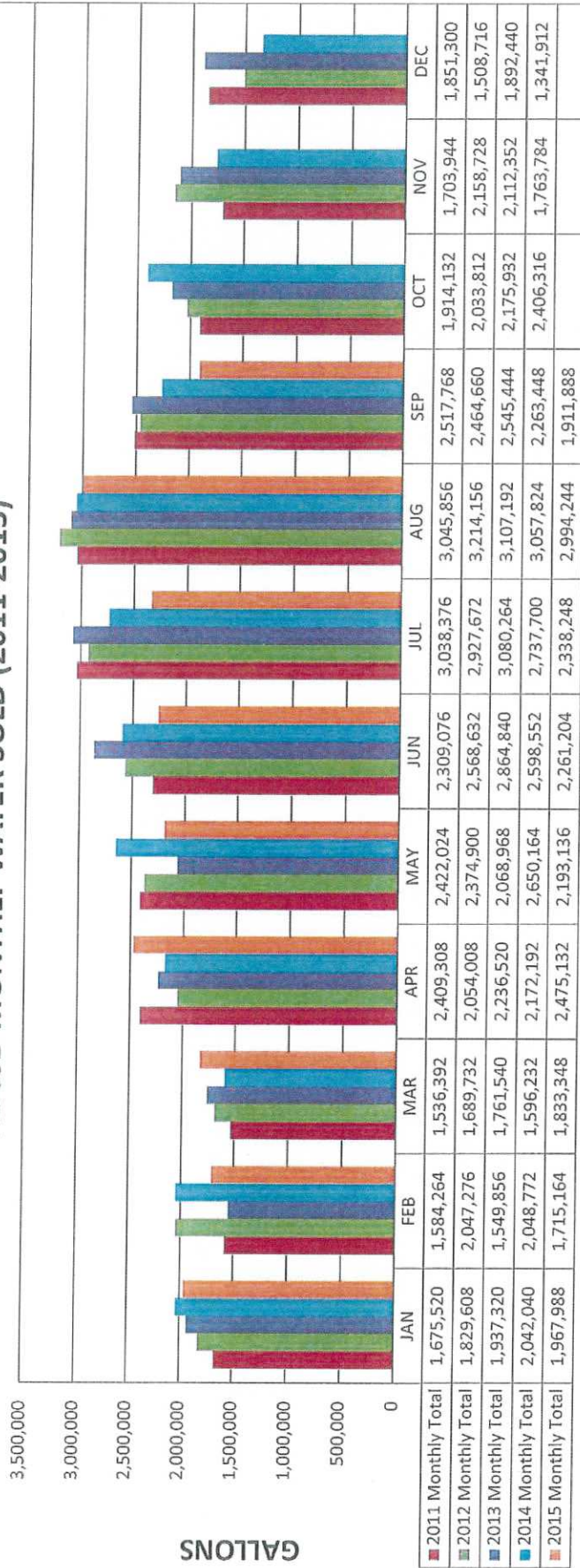


### MONTHLY WATER PURCHASED FROM LOPEZ (2011-2015)





### ABCSD MONTHLY WATER SOLD (2011-2015)



**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: Preliminary Intent to Serve Request: Villa Pacifica Condominiums, 250 San Luis Street , APN: 076-201-021/056

Recommendation:

Receive Staff Report; Approve the Preliminary Intent to Serve Request with a condition that issuance of final Will Serve we be dependent upon the District's ability to supply water and sewer service.

Funding:

A \$1,000 processing fee and deposit has been received from the applicant for the project and will be used for applicable charges as described in Resolution 97-2 for processing an "Intent to Serve" letter review.

Discussion:

Attached for Board consideration is a request from Dettmer Architecture dated September 23, 2015, for an "Intent to Serve" letter for a condominium project to be located on two existing lots at the intersection of Laurel Street and San Luis Street. The application was submitted on behalf of the owner, Mr. Mike Perry, and includes construction of four, two bedroom units.

This project was issued a Final Will Serve by the Board at their May 11, 2010 Board meeting (see attached May18, 2010 letter). However, the project applicants never pursued constructing the project and the Will Serve expired a year later, on May 11, 2011. A single family residence was previously located on one of the lots and it has been recently demolished. District Staff has calculated the capacity fees and associated credits for the project based on the capacity fee schedule adopted in December 2013. The capacity fee estimate is as provided as attachment 2.


After issuance of an "Intent to Serve" letter the applicant will need to provide the District with a final set of plans detailing the entire project. Staff will review the plans and advise the developer if the proposed water/sewer improvements are consistent with District standards.

**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: Preliminary Intent to Serve Request: Hunter Dooley Family Trust, Avila Beach Infil, 217 1<sup>st</sup> Street & 95 San Antonia Street , APN: 076-222-005/006

Recommendation:

Receive Staff Report; Approve the Preliminary Intent to Serve Request with a condition that issuance of final Will Serve we be dependent upon the District's ability to supply water and sewer service.

Funding:

A \$1,000 processing fee and deposit has been received from the applicant for the project and will be used for applicable charges as described in Resolution No. 97-2 for processing an "Intent to Serve" letter review.

Discussion:

Attached for Board consideration is a request dated September 28, 2015, from Mr. Erik Vasquez on behalf of the Hunter Dooley Family Trust for an "Intent to Serve" letter for a sub-division and multi-family conversion project to be located on two existing lots at the intersection of 217 1<sup>st</sup> Street and 95 San Antonia Street. The applicant proposes to remove three existing single family residences, an existing garage and shed and re-zone the 2 existing lots in to 7 lots with 8 residences (7 market rate and 1 affordable studio).

District Staff has calculated the preliminary capacity fees and associated credits for the project based on the capacity fee schedule adopted by the Board in December 2013. The capacity fee estimate is provided as an attachment.


After issuance of an "Intent to Serve" letter the applicant will need to provide the District with a final set of plans detailing the entire project. Staff will review the plans and advise the developer if the proposed water/sewer improvements are consistent with District standards.

**AVILA BEACH**  
**COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: Preliminary Intent to Serve Request: Danny Sullivan, 264 San Miguel Street,  
APN: 076-201-071 Lots 1, 2 and 3

Recommendation:

Receive Staff Report; Provide direction to staff regarding the applicant's request for a \$39,000 credit for water and sewer service; and Approve the Preliminary Intent to Serve Request with a condition that issuance of final Will Serve we be dependent upon the District's ability to supply water and sewer service.

Funding:

The applicant has provided a \$1,000 application processing fee and deposit for the proposed project. The application fee will be used for applicable charges as described in Resolution No. 97-2 for processing an "Intent to Serve" letter review.

Discussion:

Attached for Board consideration is a request from Mr. Danny Sullivan (buyer) dated October 2, 2015, for an "Intent to Serve" letter for three single family residences to be located on four existing lots at 264 San Miguel Street (at the intersection of San Miguel Street and Avila Beach Drive). The four existing lots (currently owned by the Kelsey/Sylvester family) apparently had single family residences on them that were demolished approximately ten years ago. Mr. Sullivan reports that the property has been actively listed for sale for approximately eight years (four years with him and approximately four years with another real estate broker). Mr. Sullivan reports that in 2005 the owners known as, Three Sylvester Sisters LLC, demolished the existing homes and obtained a County Minor Use Permit to build a 7-unit PUD project. Due to family reasons the project was shelved and the County permits expired. The owners chose to continue to pay the monthly minimum sewer and water fees in order to maintain the water and sewer connection entitlement. The applicant now proposes to build three SFR homes on the lots, two - four bedroom and one - four bedroom, plus a studio.

District Staff calculated the preliminary capacity fees and associated credits for the project based on the capacity fee schedule adopted by the Board in December 2013. The capacity fee estimate was provided to the applicant a couple weeks ago and is provided as an attachment to this staff report.

The applicant (buyer) and the existing owner believed that by paying the minimum water and sewer monthly fees after the homes were demolished would not only entitle them to continued water and sewer service, but also protect them from new capacity fees. They were not aware until recently that there would be significant capacity fees associated with their proposed new project.

The applicant submitted the attached October 5, 2015, letter in which he documents his understanding of the project history and requests that the Board consider granting a \$39,000 water and sewer capacity fee credit for the project based on the amount that the existing owners paid over the last 10 years, after the home were demolished. Staff estimates the amount of money paid over the last ten years for the four unused utility connections to be on the order of \$32,500. Staff will research the District's billing records and provide a more precise amount paid on these four accounts at the Board meeting.

The existing District Policies and Resolutions that are applicable to this situation include Resolution Nos. 2001-13, 2001-14 and 2013-08 and the Assessment Fee Calculation description. All four of these documents are attached. The policies and resolutions may not have anticipated a situation where the property owner would demolish an existing residence and then let the property sit vacant for over ten years, while paying the minimum water and sewer utility bills. Paragraph 4 of Resolutions 2001-13 and 2001-14, appears to provide the Board some discretion in determining assessment (capacity) fees in individual situations that are not clearly addressed by the Resolution. This may include Mr. Sullivan's request for a capacity fee credit that is more proportional to the amount paid by the property owners after the houses were demolished.

If the Board issues the "Intent to Serve" letter the applicant will need to provide the District with a final set of plans detailing the entire project. Staff will review the plans and advise the developer if the proposed water/sewer improvements are consistent with District standards.


#### Attachments

**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: Water Recycling Planning Grant Application

**Recommendation:** Approve Resolution No. 2015-14 authorizing the General Manager to file the Recycled Water Grant Application with the State Water Resources Control Board.

**Background:** The Recycled Water Planning Grant Program is sponsored by the State Water Resources Control Board to encourage water and wastewater agencies to investigate and implement water recycling projects. If approved, the State Water Board will fund 50% of the study up to a maximum of \$75,000. The Scope or Plan of Study includes evaluating the potential for local and/or regional recycled water projects that could involve the District, the Avila Valley Mutual Water Company, Port San Luis, the Avila Beach Golf Resort and/or the San Miguelito Mutual Water Company. In addition, Chevron is moving forward with the process to develop the Avila Beach Point project and they may be interested in pursuing recycled water for irrigation to off-set their potable water demands. Staff recommends evaluating a broad spectrum of regional options and then narrowing the options as fatal flaws are identified.

**Discussion:** At the July 29 Special Board meeting, the Board directed staff to retain Water Systems Consulting (WSC) Inc. to prepare a Recycled Water Planning Grant Application. At the September 13, 2015 Board meeting staff provided the first draft of the application for Board review and comment. With the Board's concurrence staff circulated the draft application with San Miguelito Mutual Water and Port San Luis Harbor staff. San Miguelito staff presented the draft application to their Board at their September 16, 2015 Director's meeting to seek their comments and determine if San Miguelito Mutual was interested in partnering on the Grant Application. The San Miguelito Mutual Directors discussed the application package and took input from their shareholders. However, they wanted additional time to review the application and directed staff to bring the item back for their consideration at their October 21 Board of Directors meeting. SM mutual staff is optimistic that their Board of Directors will want to partner on the Recycled Water Grant application.

The draft Plan of Study anticipates that San Miguelito Mutual Water will partner with the District on the grant application. However, due to the timing of the District's Board meeting and the San Miguelito Mutual Water Board of Directors' meeting, staff will hold off on submitting the application until after the Mutual Water Board of Directors' meeting.

**AVILA BEACH COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2015-14**

**A RESOLUTION OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT  
APPROVING THE SUBMITTAL OF A  
RECYCLED WATER PLANNING GRANT APPLICATION**

BE IT RESOLVED by the Avila Beach Community Services District that the General Manager or his designee is hereby authorized and directed to sign and file for on behalf of the District, a Water Recycling Facilities Planning Grant Application for a grant from the State Water Resources Control Board in the amount not to exceed \$75,000 for a facilities planning study; and

BE IT RESOLVED that the Avila Beach Community Services District hereby agrees and further does authorize the aforementioned representative or his designee to certify that the Agency has and will comply with all applicable state statutory and regulatory requirements related to any state grant funds received; and

BE IT FURTHER RESOLVED the District General Manager or his designee is hereby authorized to represent the District and negotiate and execute a grant contract and any amendments or change orders thereto on behalf of the Avila Beach Community Services District.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

The foregoing resolution is hereby adopted this 13<sup>th</sup>, day of October, 2015.

**CERTIFICATION**

I do hereby certify that the foregoing is a full, true and correct copy of a resolution duly and regularly adopted at a meeting of the Avila Beach Community Services District on October 13, 2015

\_\_\_\_\_  
Brad Hagemann, General Manager  
Secretary to the Board of Directors


\_\_\_\_\_  
Pete Kelley  
President

**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: October 13, 2015

SUBJECT: Public Hearing Relating to Solid Waste Franchise Rate Increase  
(Actions Required: Open Public Hearing; Receive Comments and /or Protests;  
Close Public Hearing; Board Consideration of Resolution No. 2015-13 Adopting  
Solid Waste Rates for Avila Beach CSD)

**Recommendation:** Open Public Hearing; Receive Comments and/or Protests; Close Public Hearing; Adopt Resolution No. 2015-13 Adopting Solid Waste Rates for Avila Beach Community Services District effective January 1, 2016, January 1, 2017 and January 1, 2018

**Discussion:**

The District's franchisee for solid waste disposal, South County Sanitary Services (Garbage Company) submitted its base year rate increase application for consideration by the District (and all San Luis Obispo cities and districts). Base year applications require a detailed submittal and review of past, current and future operating expenses. Less detailed interim year applications are required in years two and three of the cycle, and are intended to adjust only for the prior year's cost-of-living increase and any changes to the estimated landfill tipping fees. This action includes the implementation of the interim year increases for 2017 and 2018. In the base year application, the Garbage Company completes a number of forms, provides supporting financial and operational information, and includes results of a survey of rates in other cities.

The primary goal of the rate setting process and methodology is to establish integrated solid waste management rates which are both fair to residents and which provide adequate revenue to the Garbage Company. The four rate setting objectives are:

1. To promote source reduction, maximum diversion and recycling;
2. To provide equity and fairness within classes of customers;
3. To be environmentally sound; and
4. To be easy to understand.



### **Organics Diversion Program**

With the closure of the green waste composting facility at Cold Canyon Landfill in late 2010, green waste has either been used as alternative daily cover at the Cold Canyon Landfill or transported to Engle and Gray in Santa Maria for composting.

Since the 2010 there have been several new developments related to the management of organics.

- In 2011 AB 341 was enacted which raised the statewide diversion goal to 75%.
- In 2014, AB 1826 and AB 1594 were enacted. AB 1826 established a mandatory organics management program which will require businesses to recycle all organics including food waste. This requirement phases in with the first deadline being April 2016 for businesses that generate 8 cubic yards or more per week of organics. AB 1594 eliminates the diversion credit for using green waste as alternative daily cover at the landfill

The 2014 diversion rate is 67%. To meet a 75% diversion goal by 2020 an additional 60,000 tons of waste must be diverted from landfills. In addition, the green waste currently being used as alternative daily cover will not be considered diversion in 2020. Given the need to increase diversion from the landfill and the AB 1826 mandate for commercial organics diversion, a comprehensive long term organics management plan is needed.

The Garbage Company requested proposals from Engle and Gray, Mid State Solid Waste and Hitachi Zosen Inova (HZI) to manage all organic waste. Engle and Gray and HZI submitted responsive proposals, while Mid State Solid Waste failed to provide a responsive proposal. At the May 13, 2015 San Luis Obispo County Integrated Waste Management Authority Board Meeting, the Garbage Company unveiled their plan for the long term management of all organic waste, including food waste. The plan would incorporate the entire Garbage Company service area from San Simeon to Nipomo and cover a 21 year period beginning in January 2016 through the end of 2037. The plan has two phases as described below.

**Interim Phase (January 2016 to mid-2017).** Beginning in January 2016, the Garbage Company would expand the existing residential green waste collection program to include food waste. Each home would be provided with a small kitchen pail to collect food waste. The food waste in the pail would then be dumped into the existing green waste collection waste wheeler. At the same time, the Garbage Company would start the organics collection program to commercial customers. First priority would be to start with businesses that are required to divert organics by April 2016.

The organic waste collected from residential and commercial customers would be taken to Cold Canyon Landfill and transferred into semi-tractor trailers (transfer trucks). The transfer trucks would then take the organics to the Engle and Gray composting facility in Santa Maria. This composting facility is permitted to compost both yard waste and food waste.

**Permanent Phase (mid-2017 to end of 2037).** Based on the proposals, the Garbage Company selected HZI to provide a Kompogas Anaerobic Digestion Plant. HZI is a world-wide leader in the production of energy from waste. The group has annual revenues of \$3 billion, 8,000 employees and 80 years of experience.

Proposed Resolution No. 2015-13 will provide a 3.25% rate increase for most service descriptions effective January 1, 2016 and cost of living rate increases based on the Consumer Price Index effective January 1, 2017, and January 1, 2018. For example, if approved monthly residential rates for a 32 gallon wheeler will increase \$0.56 from \$17.27 per month to \$17.83 per month. The complete proposed rate increase was provided to all District customers via US mail as part of the notice for this rate hearing and is included as an exhibit to Resolution No. 2015-13.

**AVILA BEACH  
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

**MEMORANDUM**

TO: Board of Directors

FROM: Brad Hagemann, General Manager



DATE: October 13, 2015

SUBJECT: Consider Candidates to Replace former Board Member Steve Waldron

**Recommendation:** The Board members consider the applicants and make a selection or continue deliberation and schedule a special Board meeting on or before Friday November 6, 2015

**Discussion:** Staff has attached the application material from Candidates Ken San Filippo and Daniel P Jelladian for the Board's review and consideration.