

AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424
Meeting Room and Office – 100 San Luis Street, Avila Beach
Telephone (805) 595-2664 FAX (805) 595-7623
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REGULAR BOARD MEETING 1 PM Tuesday, September 8, 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

In accordance with Government Code Section 54953(b), this agenda will be posted at the above teleconference location and this location will be accessible to the public.

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 August 11, 2026, Regular Board Meeting
- B. Monthly Financial Review for August 2026
- C. General Manager and District Engineer Report
- D. Water and Wastewater Operations Reports for August 2026

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.

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

10. BUSINESS ITEMS: Items where Board action is called for.

- A. Consider adoption of Resolution No. 2026-07 authorizing the execution of an updated Memorandum of Understanding with Special District's Risk Management Authority (SDRMA) for participation in their Health Benefits Program (Action Required: Review staff report and draft MOU and approve the MOU or provide other direction to staff)
- B. Receive an informational presentation from the San Luis Obispo County Local Agency Formation Commission (LAFCO) regarding expanding the ABCSD Powers to include "Recreational Services" (Action Required: Receive presentation and provide direction to staff)

11. 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.

12. ADJOURN

The next Regular Board meeting is scheduled for Tuesday, October 13th, 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, August 11th, 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 1:02 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 Kristin Berry Howie Kennett
Board Members Present via Zoom:	Ara Najarian
Board Members Absent:	None
Staff Present:	Brad Hagemann, General Manager (Via Zoom) Kristi Dibbern, Office Manager
Operations:	Shawn Powell, Chief Plant Operator Weston Kelley, Operator in Training
Legal Counsel via Zoom:	Craig Parton from Price, Postel, & Parma

3. PUBLIC COMMENTS – Raylene Collins a resident of the District introduced herself and expressed interest in the possibility of becoming more involved with the District.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

Cal Fire: Chief Provence reported 75 calls for service this month. Cal Fire has deployed extensive personnel, hand crews and engines to combat the Timber Fire in Big Sur. San Luis Obispo County Fire Department are unifying it's branding across fleet and facilities to properly denote both its state and local county fire protection. Avila's own Station 62 will be getting a new sign.

Sheriff's Report: No report.

With the Board concurrence, President Kelley moved the Consent Items up on the agenda to be considered prior to the Closed Session.

8. CONSENT ITEMS:

After Board discussion and no public comment, Director Berry made a motion to approve the Consent Items. Director Kennett seconded the motion, and it passed with a roll call vote 5-0.

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

9. **PULLED CONSENT ITEMS.** None

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

None.

6. **CLOSED SESSION**

The Board convened to closed session at 1:09 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.

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

The Board returned to the regular session at 1:22 PM. No reportable action was taken by the Board of Directors during the closed session.

10. **BUSINESS ITEMS:**

Item 10A. Consider Adopting Resolution No. 2026-06 updating the Conflict-of-Interest Code. After Board discussion and no public comment, Director Janowicz made a motion to approve Resolution No. 2026-06 to update the Conflict of Interest Code. Director Berry seconded the motion, and it passed with a roll call vote 5-0.

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

Item 10B. Consider Adoption of Memorandum of Understanding between Seawell LLC and Avila Beach CSD regarding an offshore floating desalination pilot project.

GM Hagemann summarized the Staff Report and provided a brief overview/summary of the draft MOU. After Board discussion and an opportunity for public comment, Director Najarian made a motion to adopt the MOU with Seawell, LLC. Director Janowicz seconded the motion, and it passed with a roll call vote 5-0.

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

**Item 10C. Discussion regarding the Avila Beach CSD adding “Recreational” Powers to the District.
The Board discussed the pros and cons of adding recreational powers to the District.**

GM Hagemann summarized the Staff Report. After considerable Board discussion, the Board decided that they would like additional information from LAFCO before initiating any formal application. Board directed staff (via a motion), to contact a LAFCO representative and place this item on the agenda for September 8th, 2026 meeting. President Kelly made the motion and Director Berry seconded the motion, and it passed with a roll call vote 5-0.

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

11. Communications and Correspondence.

As summarized in the General Manager’s Report, on August 5, 2026, the Board received a request via email from Sara Elena Loaiza 182-186 San Miguel Street, owner of Casa San Miguelito. The email requested the Board to schedule an agenda item to investigate the feasibility of the Avila Beach Community Services District accepting responsibility for the maintenance of the public benches along the Avila Beach Promenade. After some discussion, the Board concluded that the CSD does not have the authority or the responsibility to maintain the benches in Avila Beach. The Board directed staff to contact San Luis Obispo County Parks & Recreation and request that they review the bench maintenance issue.

12. ADJOURNMENT: The meeting was adjourned at approximately 2:25 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: Sept 8th, 2026

ITEM: 5. B Monthly Financial Review for August

Recommendation:

Receive and file report.

Overall Monthly Summary

During the month of August, the District deposited \$107,814.45 and incurred \$299,403.96 in expenses (cash basis). Water and sewer revenue for the month of August totaled \$99,976.81 and the District received \$186.28 in county tax revenue. The district processed the annual debt service payment to City Bank for the wastewater treatment plant loan. Nigro & Nigro was paid \$10,500 for professional services related to the fiscal year 2025–26 annual audit.

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

Utility Service Billing

The District billed approximately \$99,972.50 in water and sewer service charges in August. Customer Rate Assistance reduced billing charges to the District in the amount of \$1,180.61.

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

	Aug 31, 26
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1008 · Petty Cash	100.98
1010 · Columbia-Pac Premier Ckg	5,789.50
1015 · Five Star Bank Checking	500,413.21
1017 · Five Star Bank MM	226,897.31
1050 · LAIF	4,526,749.11
1070 · California Class	104,757.21
Total 1000 · Cash Summary	5,364,707.32
Total Checking/Savings	5,364,707.32
Accounts Receivable	
1200 · *Accounts Receivable	122,263.29
Total Accounts Receivable	122,263.29
Other Current Assets	
1250 · Receivables	
1280 · Water & Sewer Billings	136,512.94
Total 1250 · Receivables	136,512.94
1299 · Allowance for doubtful account	-121,982.75
Total Other Current Assets	14,530.19
Total Current Assets	5,501,500.80
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
Total 1635 · Treatment Plant	5,174,766.58
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,660,441.96
1644 · Treatment Equip Accum Depr	-1,222,924.33

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

	Aug 31, 26
Total 1642 · Treatment Equipment	437,517.63
Total 1620 · Fixed Assets - Sanitary	6,369,872.41
1650 · Fixed Assets - Water	
1652 · Equipment	
1653 · Equipment Cost	330,142.48
1654 · Equipment Accum Depr	-301,009.93
Total 1652 · Equipment	29,132.55
1656 · Distribution Assets	
1657 · Distribution Assets Cost	960,944.00
1658 · Dist Assets Accum Depr	-569,475.38
Total 1656 · Distribution Assets	391,468.62
Total 1650 · Fixed Assets - Water	420,601.17
1670 · Vehicles - Admin	
1671 · 2023 Ford F150 Cost	53,960.62
1672 · 2023 Ford F150 Acc Depr	-17,088.08
Total 1670 · Vehicles - Admin	36,872.54
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	82,207.64
1682 · Gen / Fire Accum Dep	-75,707.19
Total 1680 · Structures - Fixed Asset	6,500.45
1690 · Construction in Progress	12,885.32
Total 1600 · Fixed Assets & Acc. Depr.	6,846,731.89
Total Fixed Assets	6,846,731.89
Other Assets	
1800 · Deferred Outflows of Resources	65,690.00
Total Other Assets	65,690.00
TOTAL ASSETS	12,413,922.69
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	193,478.86
Total Accounts Payable	193,478.86
Credit Cards	
2140 · Five Star MC Control x0557	8,975.16

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

	Aug 31, 26
Total Credit Cards	8,975.16
Other Current Liabilities	
2105 · Accrued Expense	-10,963.63
2200 · Payroll Liabilities	
2201 · Accrued Payroll	9,174.46
2240 · Health Insurance	
2241 · Employee	12,835.00
Total 2240 · Health Insurance	12,835.00
2250 · PERS Liability	5,322.82
2255 · Accrued Interest FB Auditor	62,325.14
2260 · Vacation Payable	12,787.17
2262 · Sick Pay Accrued	3,913.37
Total 2200 · Payroll Liabilities	106,357.96
2280 · Short Term Principal	121,479.86
2300 · Deposits Held	
2303 · Water Deposits Held	6,360.00
Total 2300 · Deposits Held	6,360.00
Total Other Current Liabilities	223,234.19
Total Current Liabilities	425,688.21
Long Term Liabilities	
2400 · Net Pension Liability	146,812.00
2450 · U.S. Bank Loan WWTP	2,144,255.54
2500 · Deferred Inflows of Resources	11,976.00
Total Long Term Liabilities	2,303,043.54
Total Liabilities	2,728,731.75
Equity	
3900 · Retained Earnings	8,025,788.90
3999 · Prior Period Adjustment FY 23	1,951,651.42
Net Income	-292,249.38
Total Equity	9,685,190.94
TOTAL LIABILITIES & EQUITY	12,413,922.69

11:48 AM
09/02/26
Accrual Basis

Avila Beach Community Services District
Income Categories Transaction Detail
August 2026

Type	Date	Num	Memo	Name	Class	Split	Amount	Balance
4000 - Income Summary								
4010 - Operating Revenue								
Gener...	08/25/2026	AR W&S 0528	Water Billings		Water	-SPLIT-	51,217.72	51,217.72
Gener...	08/25/2026	AR W&S 0528	Sewer Billings		Sanitary	4010 - Operatin...	48,759.09	99,976.81
Total 4010 - Operating Revenue							99,976.81	99,976.81
4012 - Solid Waste Franchise Fee								
Deposit	08/03/2026	5238103	Waste Connections Franchis...	Waste Connections, Inc.	Solid Wa...	1015 - Five Sta...	4,170.89	4,170.89
Deposit	08/18/2026	5240686	Waste Connections Franchis...	Waste Connections, Inc.	Solid Wa...	1015 - Five Sta...	2,410.82	6,581.71
Total 4012 - Solid Waste Franchise Fee							6,581.71	6,581.71
4030 - County Taxes								
Deposit	08/13/2026		TCF FY Waste - .60 Gen/Ad...	SLOCo Property Customer	General /...	1015 - Five Sta...	100.64	100.64
Deposit	08/13/2026		TCF FY Waste - .60 Gen/Ad...	SLOCo Property Customer	Sanitary	1015 - Five Sta...	150.97	251.61
Deposit	08/13/2026		TCF FY - IMPR # 1 - Gen . 7...	SLOCo Property Customer	General /...	1015 - Five Sta...	-45.73	205.88
Deposit	08/13/2026		TCF FY - IMPR # 1 - Gen . 7...	SLOCo Property Customer	Water	1015 - Five Sta...	-16.33	189.55
Deposit	08/13/2026		TCF FY - IMPR # 1 - Gen . 7...	SLOCo Property Customer	Lights	1015 - Five Sta...	-3.27	186.28
Total 4030 - County Taxes							186.28	186.28
4600 - Interest Income								
Deposit	08/31/2026		FS MM Bank interest		General /...	1017 - Five Sta...	737.27	737.27
Deposit	08/31/2026		CA Class interest		General /...	1070 - Californi...	332.38	1,069.65
Total 4600 - Interest Income							1,069.65	1,069.65
Total 4000 - Income Summary							107,814.45	107,814.45
TOTAL							107,814.45	107,814.45

Avila Beach Community Services District
Profit & Loss
August 2026

	Aug 26
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	99,976.81
4012 · Solid Waste Franchise Fee	6,581.71
4030 · County Taxes	186.28
4600 · Interest Income	1,069.65
Total 4000 · Income Summary	107,814.45
Total Income	107,814.45
Gross Profit	107,814.45
Expense	
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	18,727.35
5214 · Sick Pay	1,246.03
5215 · Standby Pay	1,540.00
5216 · Vacation Pay	2,103.88
Total 5210 · Gross Wages	23,617.26
5230 · Payroll Taxes	584.61
5235 · Cell Phone Allowance	100.00
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	12,391.21
Total 5240 · Health & Medical Exp.	12,391.21
5250 · PERS Company Pd Expense	
5255 · PERS Co Pd Shawn	884.96
5256 · PERS Co Pd Kristi	431.70
5258 · PERS Co Pd Weston	381.52
Total 5250 · PERS Company Pd Expense	1,698.18
5280 · Payroll Administration & Misc.	134.50
Total 5200 · Payroll Expenses	38,525.76
6000 · Administrative Overheads	
6102 · Accounting	3,420.00
6103 · Accounting Audit	10,500.00
6120 · Dues & Subscriptions	127.97
6130 · LAFCo Fees	6,924.21
6135 · Legal	

Avila Beach Community Services District
Profit & Loss
August 2026

	Aug 26
6137 · Lopez Lake ESA Litigation	2,449.00
6135 · Legal - Other	2,401.00
Total 6135 · Legal	4,850.00
6140 · Office Supplies & Postage	
6142 · Postage & Shipping	333.76
6140 · Office Supplies & Postage - Ot...	166.84
Total 6140 · Office Supplies & Postage	500.60
6150 · Rate Assistance	1,180.61
6160 · Training	275.00
6167 · Uniforms	414.87
6170 · Website	368.55
Total 6000 · Administrative Overheads	28,561.81
6500 · Operating Expenses	
6503 · Chemicals	1,760.34
6504 · Admin Contract Services	1,786.25
6506 · Contract Labor GM	9,720.00
6507 · Contract Labor Civil Engineer	7,380.00
6508 · Contract Labor - Maintenance	10,288.41
6515 · Engineering	718.50
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	220.00
6524 · Equip. Rep. & Maint. Avila Only	427.80
6520 · Equipment Repair & Maint. - O...	1,641.54
Total 6520 · Equipment Repair & Maint.	2,289.34
6528 · Gas & Oil	371.19
6542 · Maintenance	543.00
6545 · Miscellaneous	58.55
6565 · Regulatory Compliance	642.85
6572 · Security	396.10
6580 · Solids Handling	11,688.48
6585 · Telephone / Internet	275.81
6590 · Utilities	10,961.73
6591 · Yard Maintenance	47.25
Total 6500 · Operating Expenses	58,927.80
Total Expense	126,015.37
Net Ordinary Income	-18,200.92

	Aug 26
Net Income	-18,200.92

09/02/26

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

Type	Date	Num	Name	Memo	Account	Amount	Balance
General / Admin							
Check	08/03/2026	ACH	SDRMA Health	Aug 2026 Health Ins Member # 7017 AutoPa...	5242 · Health Ins / Other	6,076.12	6,076.12
Check	08/04/2026	BP 2...	LAFCo	Annual Fees 2026/27	6130 · LAFCo Fees	5,924.21	12,000.33
Check	08/05/2026	BP 2...	Coverall North America, I...	Office Maintenance Inv #1000675191	6542 · Maintenance	320.00	12,320.33
Check	08/06/2026	ACH	SDRMA Health	August Coverage Changes	5242 · Health Ins / Other	5,940.46	18,260.79
Check	08/06/2026	ACH	SDRMA Health	September Coverage Changes	5242 · Health Ins / Other	374.63	18,635.42
Check	08/10/2026	BP 2...	Creative Technologies, Inc.	Inv. 202600678 Bill Print & Mail Run Date 7 ...	6142 · Postage & Shipp...	333.76	18,969.18
Check	08/10/2026	BP20...	Strategic Resources Con...	Financial Services	6102 · Accounting	3,420.00	22,389.18
Check	08/10/2026	BP20...	Strategic Resources Con...	Reporting	6504 · Admin Contract ...	95.00	22,484.18
Check	08/12/2026	BP 2...	Nigro & Nigro	Inv 24480 7.31.26 Interim Audit FY 25.26	6103 · Accounting Audit	10,500.00	32,984.18
Check	08/13/2026	ACH	Teresa Klostermann	Contract labor July 2026	6504 · Admin Contract ...	1,691.25	34,675.43
Check	08/17/2026	4246	Hagemann & Associates	July 1-31st 2026 Inv. #1295 Contract Labor ...	6506 · Contract Labor ...	9,720.00	44,395.43
Check	08/26/2026	EFT	Five Star Mastercard	FS MC AutoPay	2140 · Five Star MC Co...	1,479.49	45,874.92
Check	08/28/2026	EFT	PG&E	100 San Luis St. District Office	6590 · Utilities	303.95	46,178.87
Total General / Admin						46,178.87	46,178.87
Lights							
Check	08/06/2026	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	155.25	155.25
Check	08/06/2026	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	520.56	675.81
Check	08/25/2026	EFT	PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	380.21	1,056.02
Total Lights						1,056.02	1,056.02
Sanitary							
Check	08/01/2026	BP C...	Great Western Alarm	Inv # 260702991101 8.1.26	6572 · Security	58.00	58.00
Check	08/04/2026	BP 2...	Brenntag Pacific, LLC	BP1617313 Chemicals	6503 · Chemicals	1,760.34	1,818.34
Check	08/04/2026	BP C...	Great Western Alarm	Inv # 260704596101 8.1.26	6572 · Security	177.55	1,995.89
Check	08/04/2026	BP C...	Great Western Alarm	Inv # 260704597101 8.1.26	6572 · Security	160.55	2,156.44
Check	08/04/2026	BP 2...	NVIRO	Inv 5973 MBR Meter & Diffuser	6508 · Contract Labor -...	6,750.37	8,906.81
Check	08/04/2026	BP 2...	Pro3 Automation, Inc.	Inv. 4658 - Troubleshoot Bi-Sulfate Pump	6522 · Equip. Rep. & M...	220.00	9,126.81
Check	08/04/2026	BP 2...	Speed's, Inc.	Solids Handling Inv. 76261 7.21.26	6580 · Solids Handling	6,813.78	15,940.59
Check	08/04/2026	BP 2...	Wallace Group, Inc.	Inv. 0245-0018-00 68016	6515 · Engineering	718.50	16,659.09
Check	08/10/2026	BP 2...	Perez Gardening Service	Inv #41823 Auto Pays 1st of each mo	6591 · Yard Maintenance	47.25	16,706.34
Check	08/11/2026	EFT	Mission Linen	Inv # 526329308 7.6.26	6167 · Uniforms	186.00	16,892.34
Check	08/11/2026	EFT	Mission Linen	Inv # 526366296 7.13.26	6167 · Uniforms	70.21	16,962.55
Check	08/11/2026	EFT	Mission Linen	Inv # 526408495 7.20.26	6167 · Uniforms	79.33	17,041.88
Check	08/11/2026	EFT	Mission Linen	Inv # 526448565 7.27.26	6167 · Uniforms	79.33	17,121.21
Check	08/12/2026	BP 2...	Speed's, Inc.	Solids Handling Inv. 76299 7.30.26	6580 · Solids Handling	4,874.70	21,995.91
Check	08/14/2026	BP 2...	NVIRO	Inv 6020 M&R	6508 · Contract Labor -...	2,875.29	24,871.20
Check	08/17/2026	4246	Hagemann & Associates	Contract Labor Sani System	6507 · Contract Labor ...	4,680.00	29,551.20
Check	08/17/2026	4247	City National Bank	Sept 2026 Payment Lease Agreement #21-0...	2450 · U.S. Bank Loan ...	205,816.99	235,368.19
Check	08/25/2026	EFT	PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	433.69	235,801.88

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

09/02/26

Type	Date	Num	Name	Memo	Account	Amount	Balance
Check	08/26/2026	EFT	Five Star Mastercard	FS MC AutoPay	2140 · Five Star MC Co...	2,382.43	238,184.31
Check	08/28/2026	EFT	PG&E	Waste Water Plant acct # 0404279997-5 28...	6590 · Utilities	8,654.15	246,838.46
Total Sanitary							246,838.46
Solid Waste							
Check	08/04/2026	BP 2...	LAFCo	Annual Fees 2026/27	6130 · LAFCo Fees	1,000.00	1,000.00
Check	08/17/2026	4246	Hagemann & Associates	Contract Labor Solid Waste	6506 · Contract Labor ...	0.00	1,000.00
Total Solid Waste							1,000.00
Water							
Check	08/04/2026	BP 2...	SLO Co Health	IN165123 Backflow Prevention Program	6565 · Regulatory Com...	642.85	642.85
Check	08/14/2026	BP 2...	Kurt Weide Construction ...	Inv 2692 8.4.26 208 Front St Curb Stop Install	6508 · Contract Labor ~...	662.75	1,305.60
Check	08/17/2026	4246	Hagemann & Associates	Contract Labor Water System	6507 · Contract Labor ...	2,700.00	4,005.60
Check	08/28/2026	EFT	PG&E	1717 Cave Landing	6590 · Utilities	325.01	4,330.61
Total Water							4,330.61
TOTAL							299,403.96

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: September 8, 2026

ITEM 5.C. General Manager Report

Zone 3 Technical Advisory Committee (TAC)

The Zone 3 Technical Advisory Committee next meeting is scheduled for September, 9, 2026. The agenda for the September meeting was not available at the time this staff report was prepared. However, the agenda from the August 12, TAC meeting is provided as an attachment to this report. As of this writing (September 2, 2026), the Lopez reservoir is at approximately 80.7% of capacity with 39,900 (approximately 900 AF less than last month) in storage.

SDRMA President's Special Acknowledgement Awards

Staff is pleased to report that the Avila Beach Community Services District received a President's Special Acknowledgement Awards for having no paid claims for the CSD's Property/Liability Program for the 2021 – 2026 and no paid claims for the CSD's Workman's Compensation Program for 2021 – 2026. The CSD earns credit incentive points for these awards, resulting in a reduction of our annual contribution amounts. The notification letters are provided as attachments to this report.

Beach BreakAWave Rodeo Coming to a Beach Near You!!

The Cal Poly Rodeo in partnership with the San Luis Harbor District, County Sheriff's Office, Cal Fire and the Avila Beach Resort is hosting a beach rodeo and concert on Thursday, Friday and Saturday, September 24, 25 and 26. The rodeo events will happen on the beach, west of the Avila Beach Pier from approximately 5:00 PM to 7:00 PM each evening. The after-rodeo concerts (Friday and Saturday) will be held at the Avila Beach Resort Golf Course from 8:00 PM to 10:00 PM. Parking will be included in the rodeo admission ticket and will be provided by the Avila Beach Golf Course. The event will serve as a fund-raising event for the Cal Poly Rodeo Program. The Event Overview and the schedule for the event is provided as an attachment to this staff report.

District's Sanitary Sewer Management Plan (SSMP) Audit and Update

The CSD retained Wallace Group to conduct an audit and then update the CSD's SSMP. The audit and update are required pursuant to recently updated statewide regulations. Wallace Group has completed the audit and the report has been posted with the State Water Resources Control Board. Based on the audit results, Wallace Group will update the SSMP. The updated SSMP will be presented to the Board and the public at a regular Board meeting in October or November.

Attachments:

1. Zone 3 TAC Meeting Agenda Packet
2. SDRMA Award Letters
3. Beach Rodeo Overview and Schedule



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

ZONE 3 TECHNICAL ADVISORY COMMITTEE

Agenda

Wednesday August 12, 2026

9:00 - 11:00 am

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 261 220 685 070

Passcode: pjuWGG

Or call in (audio only)

+1 831-296-4487,420020900# United States, Salinas

Phone Conference ID: 420 020 900#

1. Announcements	All
2. General Operations and Water Report • Summary Notes – June • Monthly Operations Report – June • Lopez Storage Projections – June	David
3. Current Reservoir Conditions	Kyle (Verbal)
4. Project Updates	David
5. Recommend AC endorse 2025 Draft UWMP	David
6. HCP Update	David
7. Future Agenda items	All

Attachments:

- A. Meeting Minutes – July
- B. Lopez Monthly Operations Reports - July
- C. Lopez Storage Projection – July
- D. Project Updates

Next TAC Meeting Date: September 9, 2026



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

ZONE 3 TECHNICAL ADVISORY COMMITTEE WEDNESDAY, July 8, 2026, Teams Meeting SUMMARY NOTES

Meeting Time: 9:02 am

Attendees via Microsoft Teams:

Will Clemens (OCSD), Jim Garing, Kristin Eriksson (City of Grover Beach), John Wallace, Brad Hagemann (ABCSD), Byron Talley, Vard Ikeda (Agriculture Member) Rosemarie Gaglione (City of Pismo) Hailie Hix, Nicole Valentine (City of Arroyo Grande), David Spiegel, Kyle James, Laura Holder, Jeromy Caldera, Katie Franco, Kristina Borges, Harold Wright and Darla Budge (District/PW Dept)

1. Announcements

- Jeff Lee is the new Public Works Director of Grover Beach

2. General Operations and Water Report

- June Meeting Summary Notes
 - presented by DSpiegel
 - Approved
- June Monthly Operations Report
 - presented by DSpiegel
- Lopez Storage Projections - June
 - presented by DSpiegel

3. Current Reservoir Conditions

- Current reservoir conditions were presented by KJames

4. Project Updates

- Presented by DSpiegel

5. HCP Update

- DSpiegel provided project updates



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

6. Litigation

- Presented by DSpiegel

7. Future Agenda Items

- Continued HCP Update (standing item)
- Wes Thomson, Supervising Engineer to provide a State Water report

8. Future Agenda Items

- Continued HCP Update (standing item)

Next TAC Meeting:

Wednesday, August 12, 2026

Adjourned: 9:30 A.M.

San Luis Obispo County Flood Control and Water District
Zone 3 - Lopez Project - Monthly Operations Report
July, 2026

PROJECT WATER DELIVERIES									
CONTRACTOR	AVAILABLE WATER (APR-MAR)			THIS MONTH			APRIL TO PRESENT		
	ENTITLEMENT	STORED PW	SURPLUS WATER AVAILABLE	YTD STORAGE LOSSES (Evap & Spill)	TOTAL AVAILABLE PW	ENTITLEMENT	STORED PW	SURPLUS PW	DELIVERIES DURING DIE
						USAGE	USAGE	USAGE	USAGE
AG	22,900	15,710	0	25,800	18,110	0.00	0.00	0.00	0.00
DCSD	348	0	0	0	25.61	8%	0.00	0.00	0.00
GB	348	0	0	15	51.33	8%	0.00	0.00	0.00
PR	88	214	0	0	13.47	0.00	0.00	0.00	0.00
CSA 12	2,95	342	0	7.22	10.21	0.00	0.00	0.00	0.00
SM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL	45,300	29,960	0	53.84	74.68	1.7%	242.7	325.81	4.4%

SLOPE WATER PROJECT WATER DELIVERIES									
CONTRACTOR	ANNUAL REQUEST			THIS MONTH			JANUARY TO PRESENT		
	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE
AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PR	1,000.0	103.00	0.00	0.00	479.22	0.00	0.00	0.00	0.00
CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
SM	160.0	8.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
TOTAL	1,488.0	154.50	0.00	0.00	762.82	0.00	0.00	0.00	0.00

SLOPE WATER PROJECT WATER DELIVERIES									
CONTRACTOR	ANNUAL REQUEST			THIS MONTH			JANUARY TO PRESENT		
	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE
AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PR	1,000.0	103.00	0.00	0.00	479.22	0.00	0.00	0.00	0.00
CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
SM	160.0	8.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
TOTAL	1,488.0	154.50	0.00	0.00	762.82	0.00	0.00	0.00	0.00

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	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE
AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PR	1,000.0	103.00	0.00	0.00	479.22	0.00	0.00	0.00	0.00
CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
SM	160.0	8.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
TOTAL	1,488.0	154.50	0.00	0.00	762.82	0.00	0.00	0.00	0.00

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	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE	REQUEST	ALLOCATION	USAGE
AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PR	1,000.0	103.00	0.00	0.00	479.22	0.00	0.00	0.00	0.00
CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
SM	160.0	8.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
TOTAL	1,488.0	154.50	0.00	0.00	762.82	0.00	0.00	0.00	0.00

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AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
PR	1,000.0	103.00	0.00	0.00	479.22	0.00	0.00	0.00	0.00
CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
SM	160.0	8.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
TOTAL	1,488.0	154.50	0.00	0.00	762.82	0.00	0.00	0.00	0.00

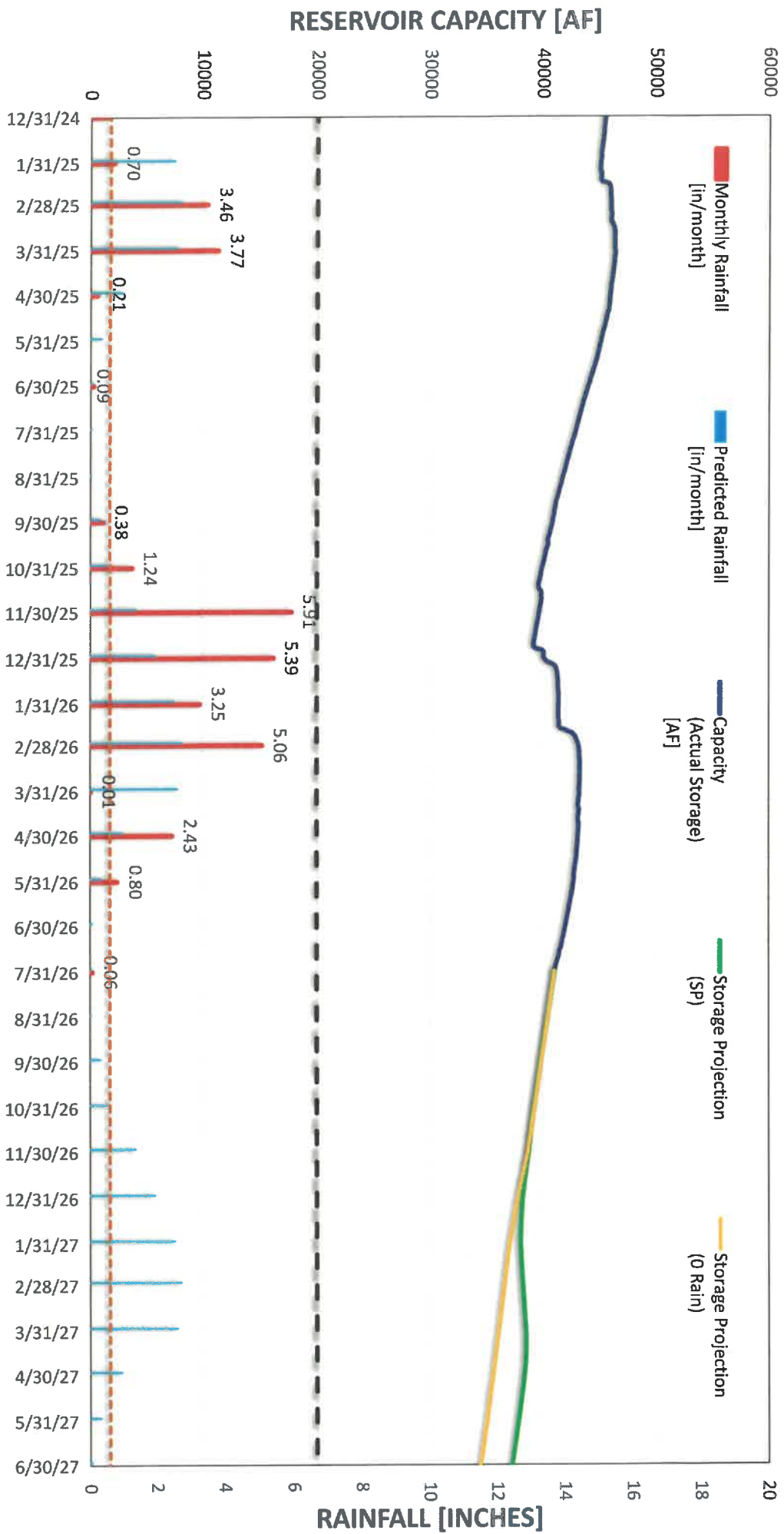
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CONTRACTOR	ANNUAL REQUEST			THIS MONTH			JANUARY TO PRESENT		
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GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
SM	160.0	8.00	0.00	0.00	47.69	0.00	0.00	0.00	0.00
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AG	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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CSA 12	16.0	8.50	0.00	0.00	50.55	0.00	0.00	0.00	0.00
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DCSD	100.0	35.00	0.00	0.00	14.66	0.00	0.00	0.00	0.00
GB	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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TOTAL	1,488.0	154.50	0.00	0.00	762.82	0.00	0.00	0.00	0.00

LOPEZ RESERVOIR STORAGE PROJECTION CHART





ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

TO: Zone 3 Technical Advisory Committee

FROM: David Spiegel, PE, Utilities Engineer

DATE: August 12, 2026

SUBJECT: Zone 3 Projects Update

Project Updates:

- Spillway Assessment and Investigation
 - Final draft expected 8/21
 - Geotechnical Data Report submitted to DSOD
 - Remainder of project ~ \$50,000
- Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam
 - Preparing sole source with GEI to perform 2DFlac Analysis
 - Budget ~\$150,000
- Cathodic Protection Repair Project (No Change)
 - Working on transient monitoring station plans for DWR/State water line crossing
 - System working well
 - Remaining Budget ~\$20,000
- Fire Flow Tank Replacement (on hold)
 - Reviewing grant opportunities
 - ~\$0k in Zone 3 Funds
 - Required Budget ~\$1,400,000
- Lightning Strike Repairs
 - Lightning Survey is complete, waiting for report
 - Expenses to date ~\$190k.
- Zone 3 Annexations
 - Boundary map has been updated
 - Budget ~\$30k

Complete

- UWMP (approval at 9/29/2026 BOS date)



July 21, 2026

Brad Hagemann
General Manager/District Engineer
Avila Beach Community Services District
Post Office Box 309,
Avila Beach, California 93424-0309

Re: President's Special Acknowledgement Award – Property/Liability Program

Dear Brad,

On behalf of SDRMA Board of Directors and staff, it is my great pleasure to extend our congratulations to you, your governing body at Avila Beach Community Services District management, and staff on achieving no paid claims for the Property/Liability Program years 2021-2026. A paid claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims.

As a symbol of our appreciation and acknowledgment of your exceptional performance, we are pleased to present Avila Beach Community Services District with the *President's Special Acknowledgement Award*, representing your outstanding achievement. In addition to this annual recognition, members with no paid claims receive the following, all resulting in a reduction to their annual contribution amount:

- earned one credit incentive point (CIP) for the 2025-26 program year
- for the prior five consecutive program years earned three additional bonus CIPs

This accomplishment is a testament to your agency's commitment to risk management excellence and a culture of safety and proactive governance. By consistently prioritizing risk management and fostering an environment where safety is essential, your agency has set a standard of excellence that is truly commendable.

Your commitment to safety and continuous improvement helps inspire and encourage fellow SDRMA members, and we are proud to partner with Avila Beach Community Services District as part of our SDRMA community.

Once again, congratulations on this achievement. Please do not hesitate to reach out if there is anything we can do to support your continued success.

Sincerely,

Robert J. Swan, President
Board of Directors
Special District Risk Management Authority





July 21, 2026

Brad Hagemann
General Manager/District Engineer
Avila Beach Community Services District
Post Office Box 309,
Avila Beach, California 93424-0309

Re: President's Special Acknowledgement Award – Workers' Compensation Program

Dear Brad,

On behalf of SDRMA Board of Directors and staff, it is my great pleasure to extend our congratulations to you, your governing body at Avila Beach Community Services District, management, and staff on achieving no paid claims for the Workers' Compensation Program years 2021-2026. A paid claim for the purposes of this recognition represents the first payment on an open claim during the prior program year.

As a symbol of our appreciation and acknowledgment of your exceptional performance, we are pleased to present Avila Beach Community Services District with the *President's Special Acknowledgement Award*, representing your outstanding achievement. In addition to this annual recognition, members with no paid claims receive the following, all resulting in a reduction to their annual contribution amount:

- earned one credit incentive point (CIP) for the 2025-26 program year
- for the prior five consecutive program years earned three additional bonus CIPs
- receive a lower "experience modification factor" (EMOD)

This accomplishment is a testament to your agency's commitment to risk management excellence and a culture of safety and proactive governance. By consistently prioritizing risk management and fostering an environment where safety is essential, your agency has set a standard of excellence that is truly commendable.

Your commitment to safety and continuous improvement helps inspire and encourage fellow SDRMA members, and we are proud to partner with Avila Beach Community Services District as part of our SDRMA community.

Once again, congratulations on this achievement. Please do not hesitate to reach out if there is anything we can do to support your continued success.

Sincerely,

Robert J. Swan, President
Board of Directors
Special District Risk Management Authority



02 EVENT OVERVIEW

The Evolution of Beach BreakaWave

Beach BreakaWave was created through a shared vision to showcase the traditions of western heritage in a setting that is uniquely representative of California's Central Coast. What began as an idea to bring collegiate rodeo and live entertainment together has evolved into a community-focused event designed to celebrate agriculture, horsemanship, music, and the coastal lifestyle while creating meaningful opportunities for students and local charitable organizations. The event was developed through collaboration with community leaders, public agencies, local businesses, and event professionals who recognized the opportunity to create an annual tradition that is distinctly Central Coast.

Today, Beach BreakaWave is much more than a rodeo and concert. It serves as a fundraising event supporting the Cal Poly Rodeo Program, helping provide scholarships, educational opportunities, livestock resources, and leadership development for student-athletes. In addition to investing in the future of collegiate rodeo, Beach BreakaWave proudly supports four nonprofit organizations that serve the Central Coast community: Friends of the Avila Pier, Jack's Helping Hand, Golden Circle of Champions, and the Hearst Cancer Resource Center Foundation. Through these partnerships, the event extends its impact well beyond a single weekend, helping strengthen organizations that improve the lives of local families throughout the region.

Beach BreakaWave is built on the belief that successful events should leave a positive legacy. Our commitment extends beyond entertainment to include environmental stewardship, public safety, animal welfare, and responsible event management. Every aspect of the event is guided by our philosophy of stewardship and service, ensuring that the beauty of Avila Beach, the traditions of western culture, and the trust of our community partners are honored in every decision we make. Our goal is to establish Beach BreakaWave as an annual event that residents are proud to host, visitors are excited to experience, and future generations can continue to enjoy while supporting students, local charities, and the unique character of California's Central Coast.



S.2.0	BAW26	Event Overview	V.1.1
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High Level Schedule

Thursday	Friday	Saturday
Sept. 24	Sept. 25	Sept. 26
4 PM Gates Open 6 PM Kimes Ranch Million Dollar Breakaway Short Round 7:30 PM BreakaWave Kickoff Party	4 PM Gates Open 5:30 PM BreakaWave Performance 1 8 PM Afterparty Avila Golf Course	9 AM - 3 PM BreakaWave Golf Tournament 4 PM Gates Open 5:30 PM BreakaWave Performance 2 8 PM Afterparty Avila Golf Course

EVENT DATES: SEPTEMBER 24-26, 2026

EVENT SCHEDULE:

BEACH RODEO: 5:30 PM - 7:00 PM

EVENING CONCERTS: 8:00 PM - 10:00 PM

EVENT LOCATIONS:

BEACH RODEO VENUE: AVILA BEACH WEST

CONCERT VENUE: AVILA GOLF COURSE

EXPECTED ATTENDANCE:

APPROXIMATELY 2,500 ATTENDEES PER EVENING

ADMISSION:

TICKETED EVENT: GA=\$45-75

VIP RESERVED FOR SPONSORS ONLY



AVILA BEACH COMMUNITY SERVICES DISTRICT

ITEM: 5D

September 2026 Operations and Maintenance Report

Compliance

There were no compliance issues for the month of August. The August 2026 Self-Monitoring Reports and associated data tables & graphs are provided as attachments to this report.

Wastewater Treatment Plant

The MBR diffuser replacement project completed in late June has continued to demonstrate significantly increased treatment capacity. Operations staff successfully routed all plant flow through the MBR during the second half of August with no operational or effluent compliance issues.

Two components on the MBR have been identified as requiring attention. While important for long-term operations, this issue is not urgent. Staff is working with contractors to source a solution. We will provide the Board an update on this next month.

Operations staff has also compiled a list of MBR-specific critical spare parts (CSPs) for consideration. This year's budget anticipated purchasing some MBR CSPs so this will not negatively impact our budgeted expenses.

Sewer Collection System

Sewer collection system "hot spot" cleaning was completed on September 2. Based on findings from this cleaning, operations staff has determined that future years will include an additional mid-summer cleaning, supplementing the existing April and September schedule. Providing proactive cleaning of the hot spot areas help ensure that the collection system flows at capacity and minimizes the chances of a sanitary sewer overflow (SSO).

The new sewer lateral for the Schoolhouse project on San Antonio St. was successfully connected to the gravity main on San Luis St.

Water System

Staff continues to resolve minor issues with the new meter reading software on a monthly basis. Meter reading has become progressively easier and more efficient each month as these issues are addressed.

Advanced Technical Services began spot coating repairs on the drinking water tank and will complete the work during the second week of September.

Grace Environmental will be in town in September to assist with annual valve exercising.

BUN

Avila Beach CSD Wastewater Treatment Facility

Monthly report due last day of following month
Annual report due January 30

Month: AUGUST 2026

Date	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Biweekly Total Coliform	Biweekly Fecal Coliform	Daily Chlorine Residual
1	0.078291	104	54			0.00
2	0.073247	103	51			0.00
3	0.061549	87	43			0.00
4	0.055854	83	39	40	<1.8	0.00
5	0.058462	87	41			0.00
6	0.060247	85	42	2.0	<1.8	0.00
7	0.067000	90	47			0.00
8	0.076260	120	53			0.00
9	0.074044	85	51			0.00
10	0.063755	73	44			0.00
11	0.050024	66	35	49	<1.8	0.00
12	0.051300	63	36			0.00
13	0.055423	62	38	<1.8	<1.8	0.00
14	0.056316	62	39			0.00
15	0.061899	62	43			0.00
16	0.058424	60	41			0.00
17	0.057826	70	40	<1.8	<1.8	0.00
18	0.044318	58	31			0.00
19	0.052753	64	37			0.00
20	0.052377	63	36	<1.8	<1.8	0.00
21	0.056020	64	39			0.00
22	0.059971	62	42			0.00
23	0.056957	65	40			0.00
24	0.049397	65	34	<1.8	<1.8	0.00
25	0.042635	60	30			0.00
26	0.047464	62	33			0.00
27	0.041029	55	28	<1.8	<1.8	0.00
28	0.048056	64	33			0.00
29	0.061361	64	43			0.00
30	0.051731	63	36			0.00
31	0.053986	65	37			0.00
Min	0.041029	55	28.0	<1.8	<1.8	0.00
Mean	0.057354	72.1	39.9	11.4	<1.8	0.00
Max	0.078291	120	54.0	49.0	<1.8	0.00
Total	1.777976	Effluent daily (dry weather) flow NTE 0.2 MGD (mean).				

Effluent and Influent Monitoring					
Date	Weekly Effluent BOD (24 HC)	Weekly Effluent TSS (24 HC)	Weekly Influent BOD (24 HC)	Weekly Influent TSS (24 HC)	Monthly Effluent Oil & Grease (Grab)
8/6/26	11	5.5	290	150	
8/13/26	4.2	<5.0	230	100	<6.4
8/20/26	<4.0	<5.0	290	250	
8/27/26		<5.0		270	
Min	<4.0	<5.0	230	100	<6.4
Mean	5.1	<5.0	270.0	192.5	<6.4
Max	11	5.5	290	270	<6.4
BOD Removal: 98.1%			TSS Removal: 100.0%		

Effluent Monitoring				
Date	Weekly Set. Solids (Grab)	Weekly Turbidity (Grab)	Weekly pH (Grab)*	Weekly Temp °F (Grab)
8/6/26	<0.1	1.1	7.05	76.0
8/13/26	<0.1	0.60	7.03	79
8/20/26	<0.1	1.4	7.02	78
8/27/26		0.5	7.11	
8/31/26	---	---	7.38	---
Min	<0.1	0.5	7.02	76.0
Mean	<0.1	0.9	7.12	77.7
Max	<0.1	1.4	7.38	79.0

*Effluent pH samples were collected on 8/3, 8/10, 8/17, 8/27, and 8/31.

Influent Brine Received	
Date	Volume (Gallons)
N/A	N/A

Sludge Removal	
Date	Gallons
8/28/26	4,500

Effluent Limits				
Parameter	Units	Monthly Avg	Weekly Avg	Daily Max
BOD	mg/L	40	60	90
Suspended Solids	mg/L	40	60	90
Oil and Grease	mg/L	25	40	75
Turbidity	NTU	75	100	225
Total Coliform	MPN/100 mL	7 Sample Median: 23		
		More than once in 30 days: 240		
		Daily Maximum: 2,400		
Chlorine Residual	mg/L	6 Month Median: 0.3		1.2
pH	pH units	Between 6.0 - 9.0		
Settleable Solids	mL/L	1.0	1.5	3.0
BOD/TSS Removal	%	≥ 75%	***	***

I certify under penalty of perjury that the foregoing is true and accurate and that the sampling procedure and analysis used are as specified in the Waste Discharge Order for this facility.

SIGNATURE:

DATE:

PRINTED NAME:

TITLE:

Avila Beach CSD
Wastewater Treatment
Facility

Monthly report due last day of following month
Annual report due January 30

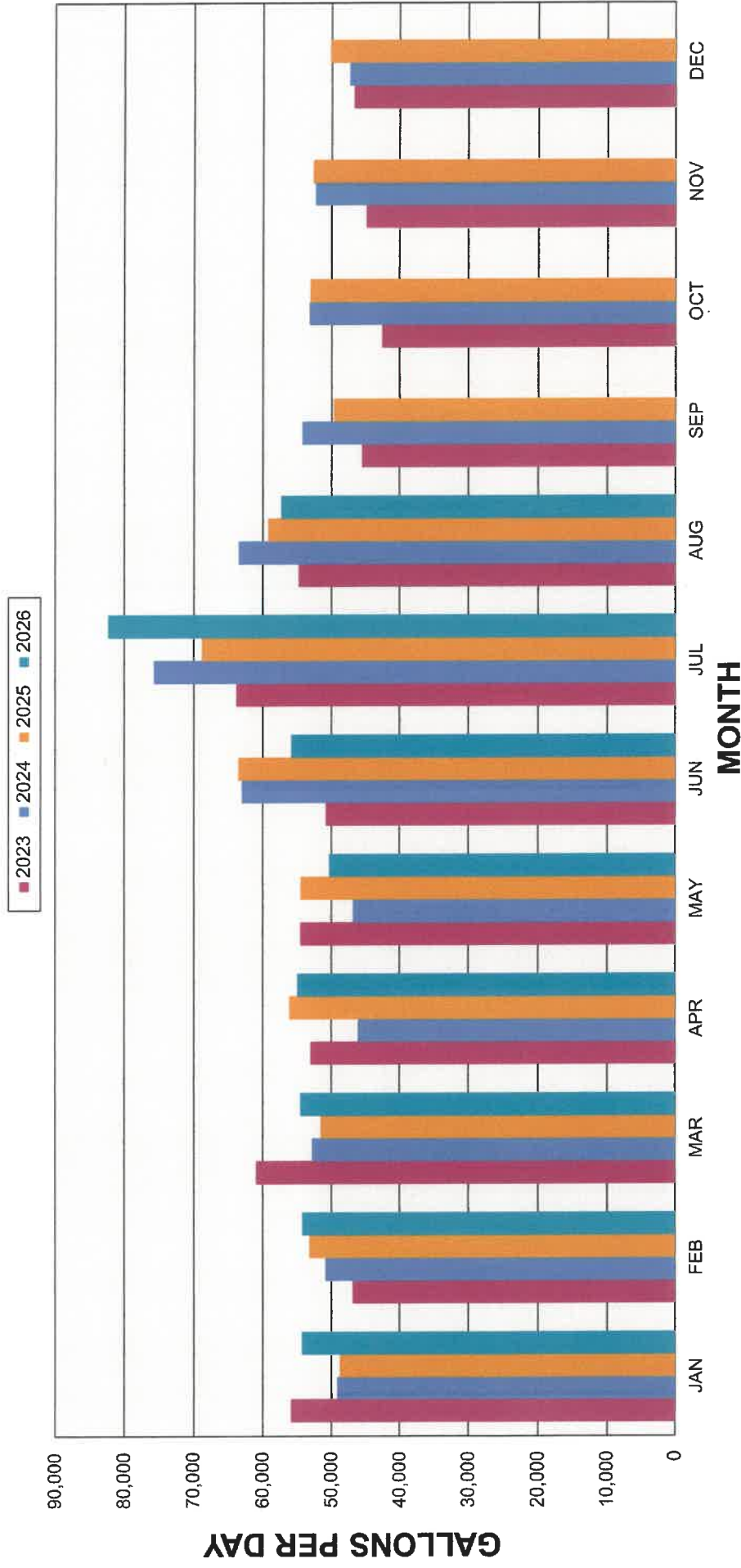
Month: **AUGUST 2026**

Process Sampling

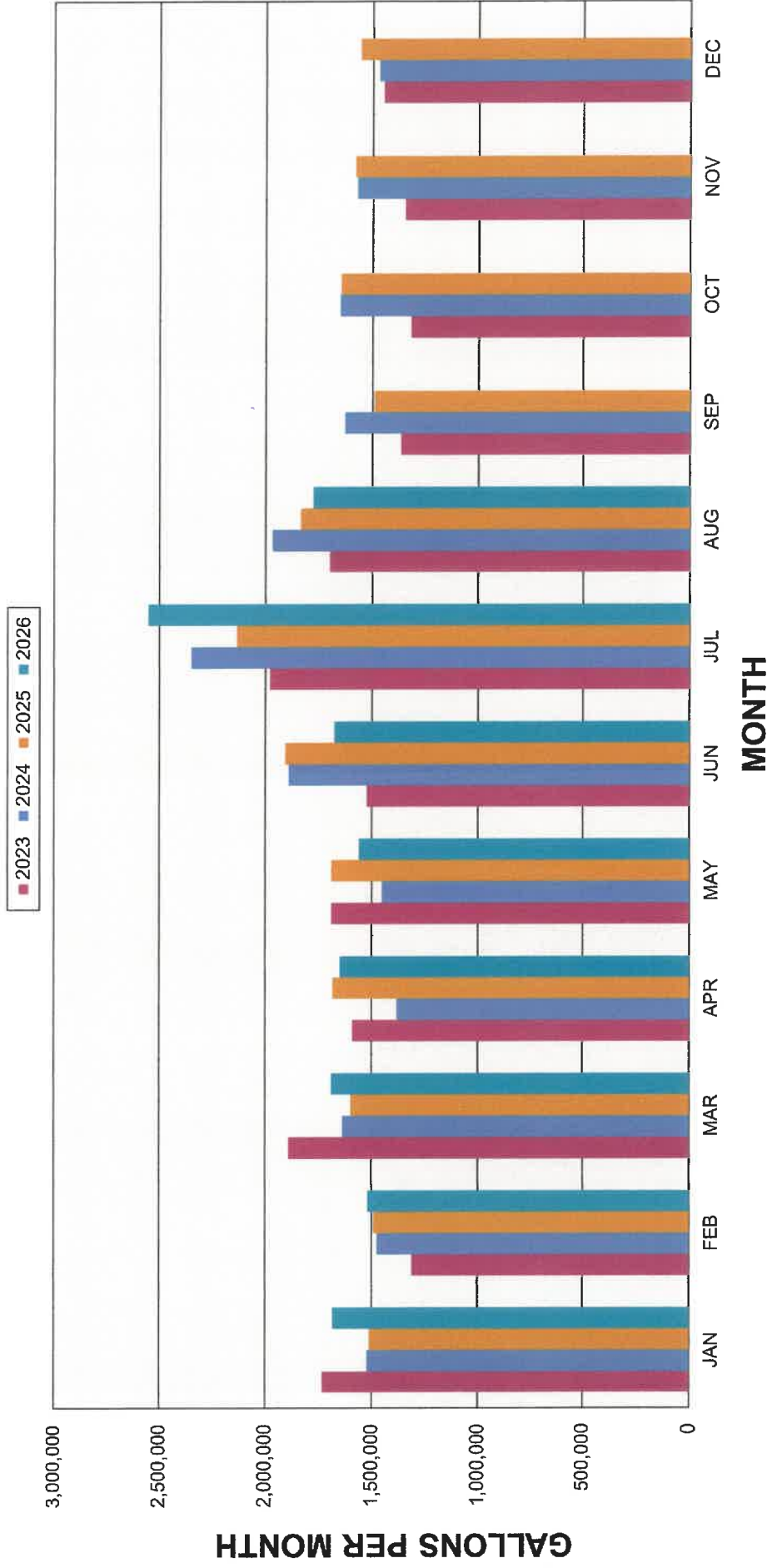
Parameter (mg/L)	MBR Influent (24HC)	MBR Aeration (grab)
Date	8/20/26	8/20/26
BOD (mg/L)	180	--
Total Suspended Solids (mg/L)	60	7,500
Volatile Suspended Solids (mg/L)	--	6,700

The process sampling results attached were required by the manufacturer for the first year of operation of the WWTP. Avila Beach CSD staff have elected to continue monthly process sampling beyond this requirement to monitor plant performance. The constituents/frequency may change at the discretion of Avila Beach CSD.

ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2023 - 2026)

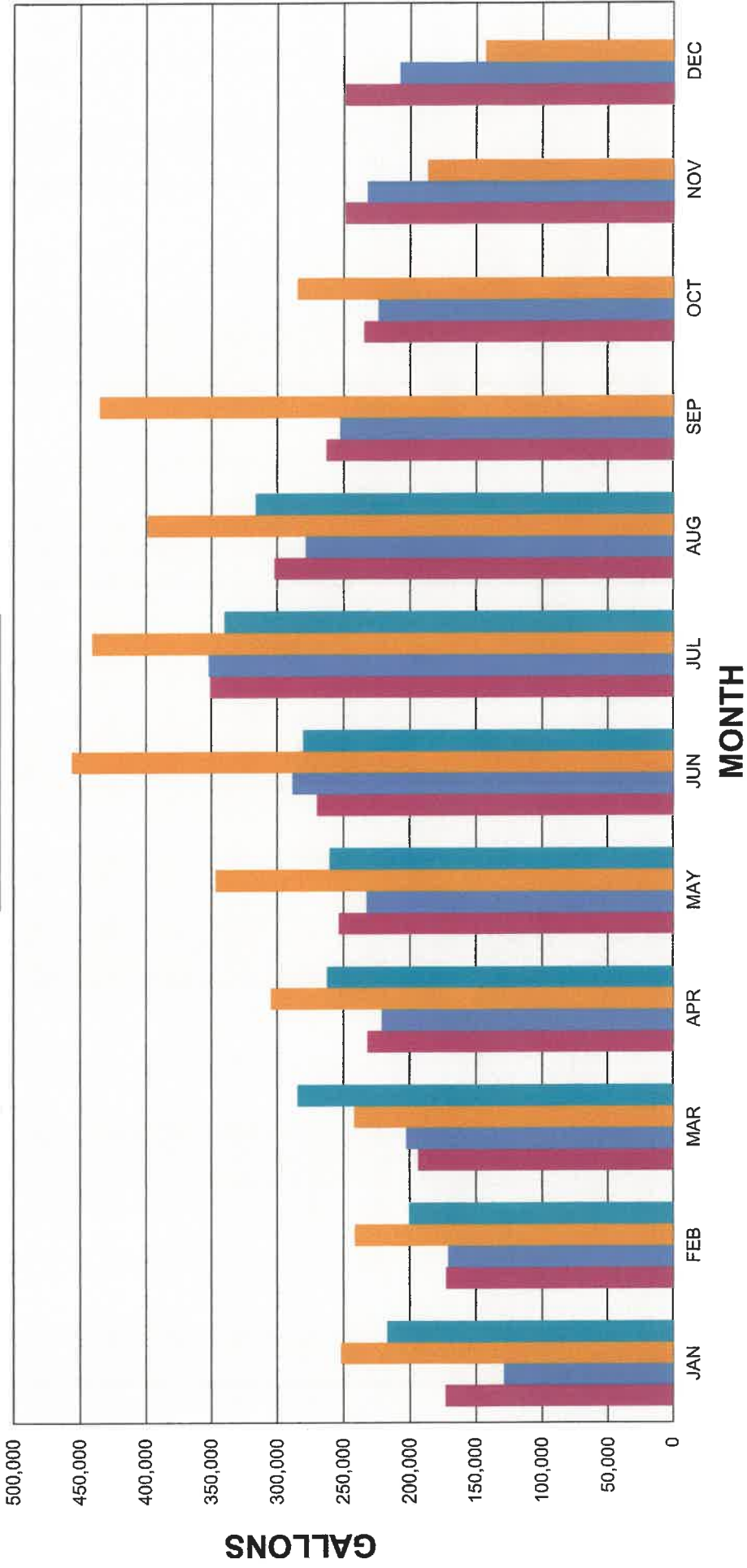


ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2023 - 2026)

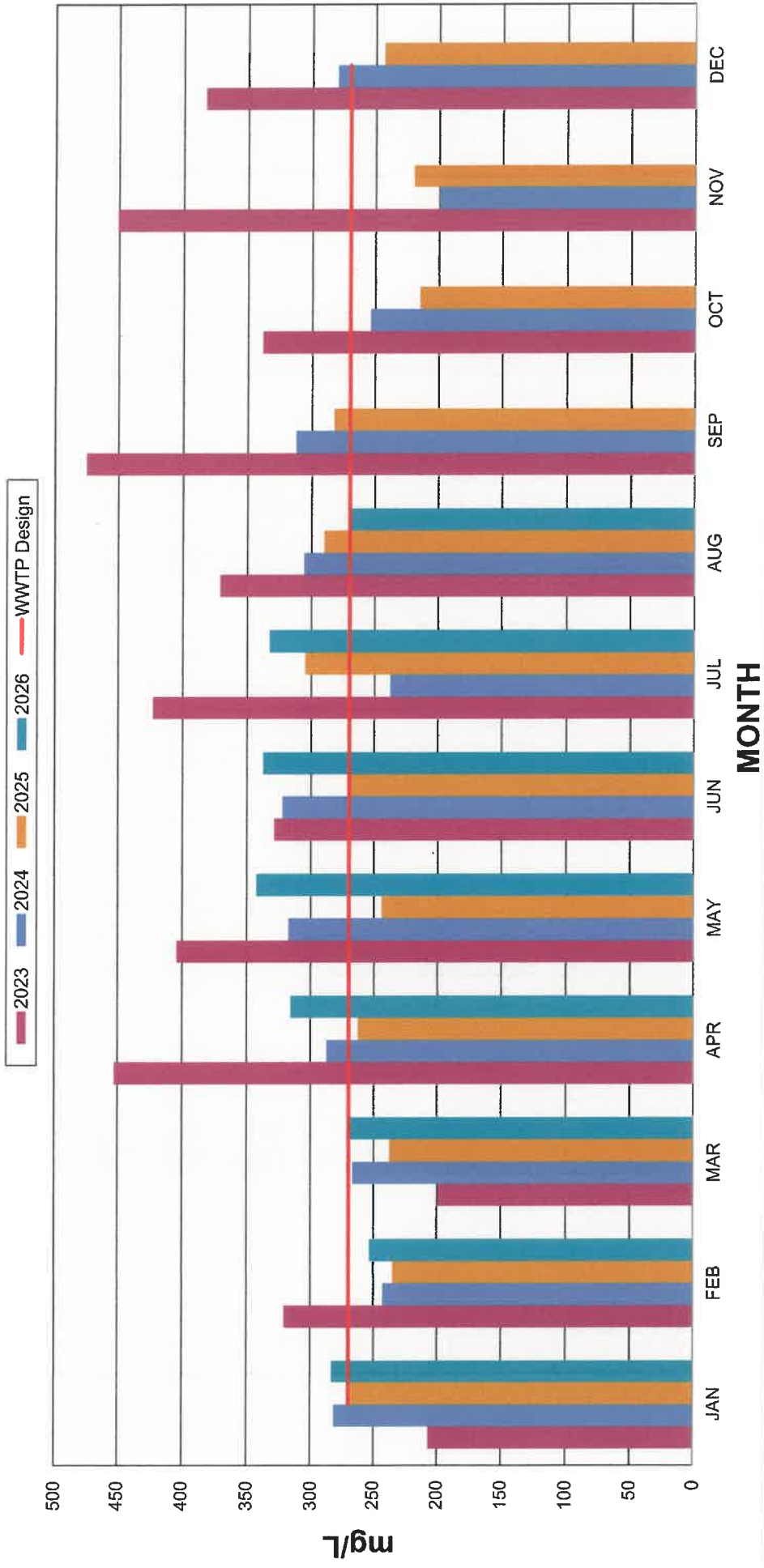


PORT SAN LUIS MONTHLY TOTAL FLOW (2023 - 2026)

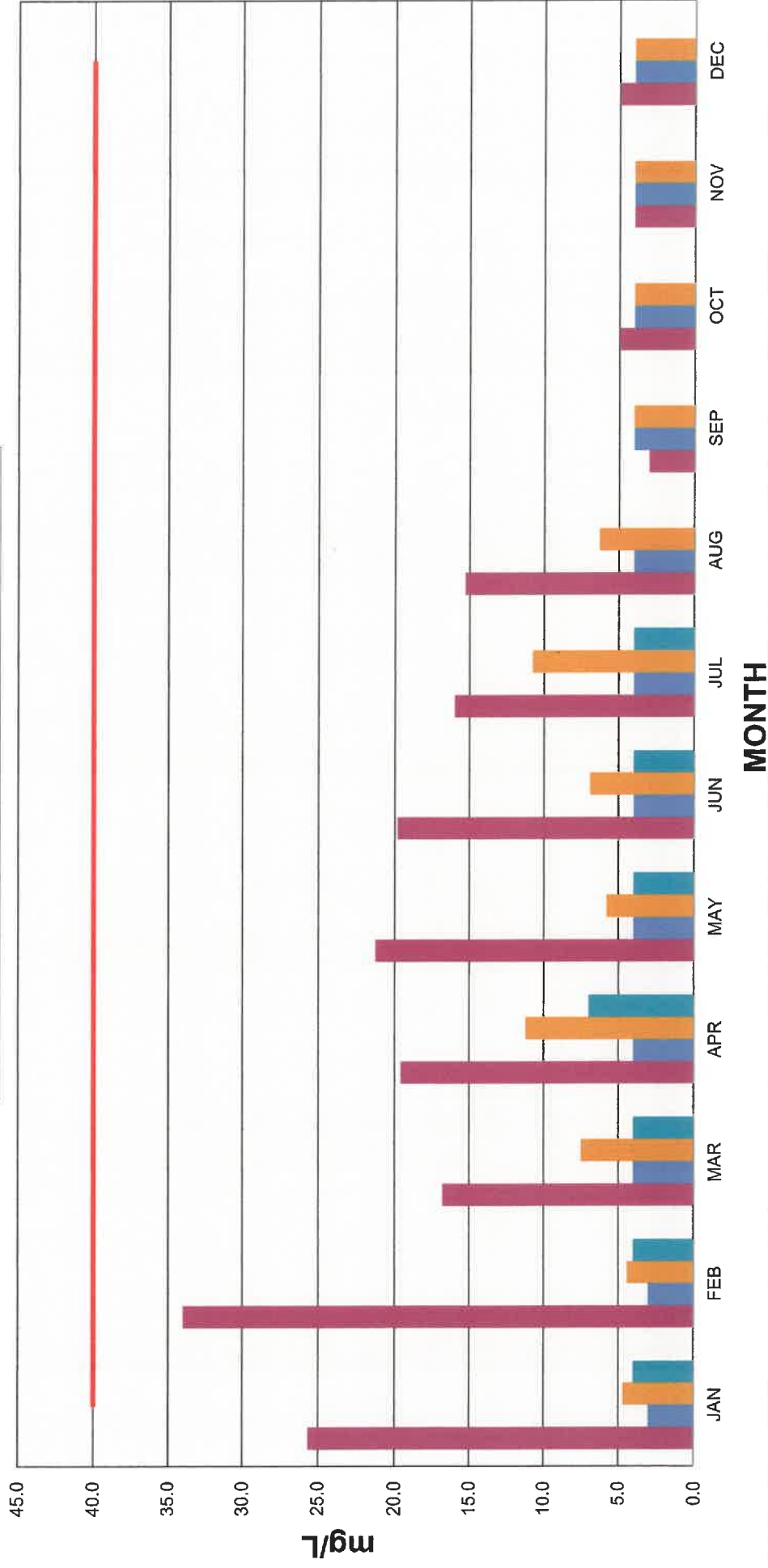
■ 2023
■ 2024
■ 2025
■ 2026



ABCSD MONTHLY AVERAGE INFLUENT BOD (2023 - 2026)

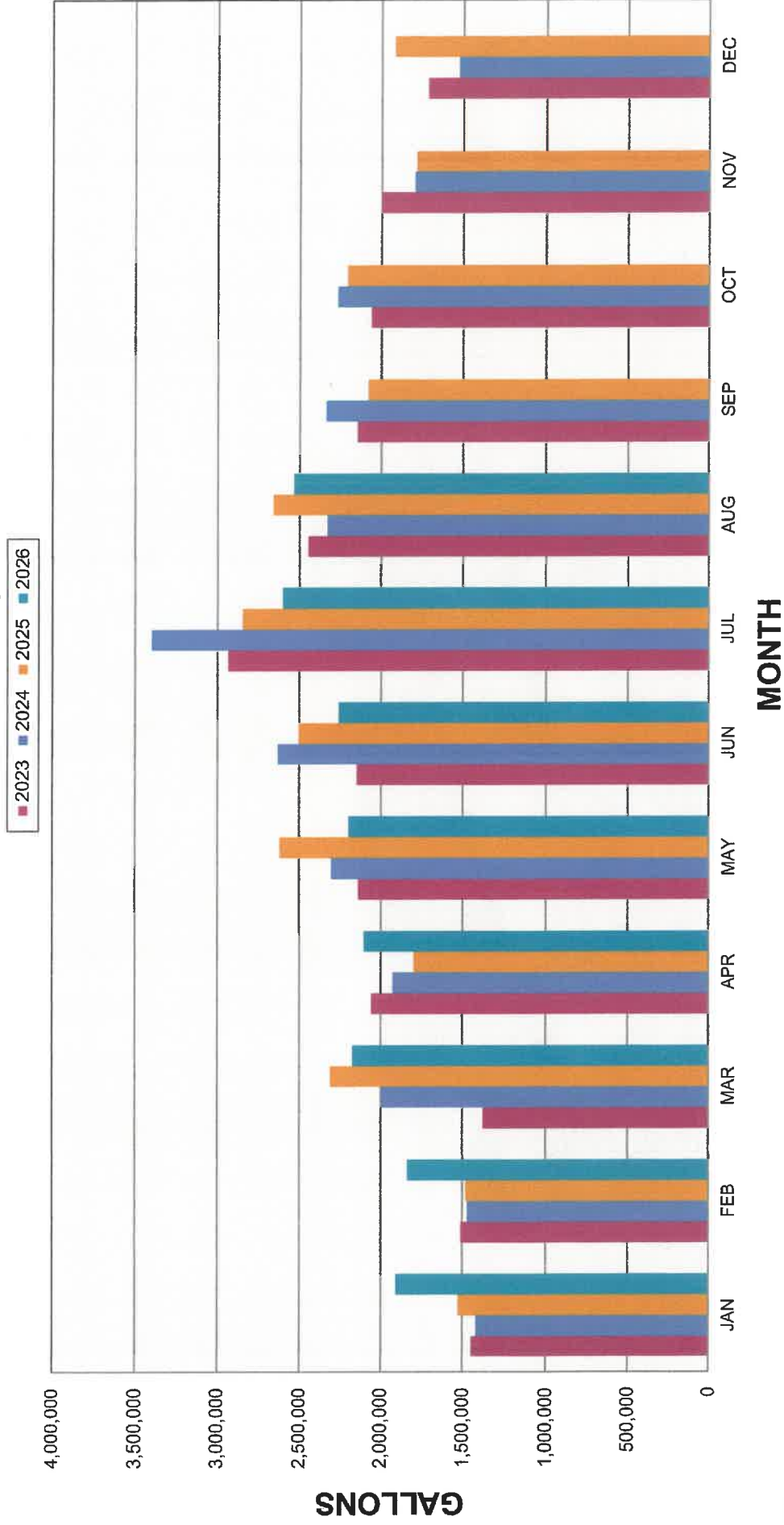


ABCSD MONTHLY AVERAGE EFFLUENT BOD (2023 - 2026)

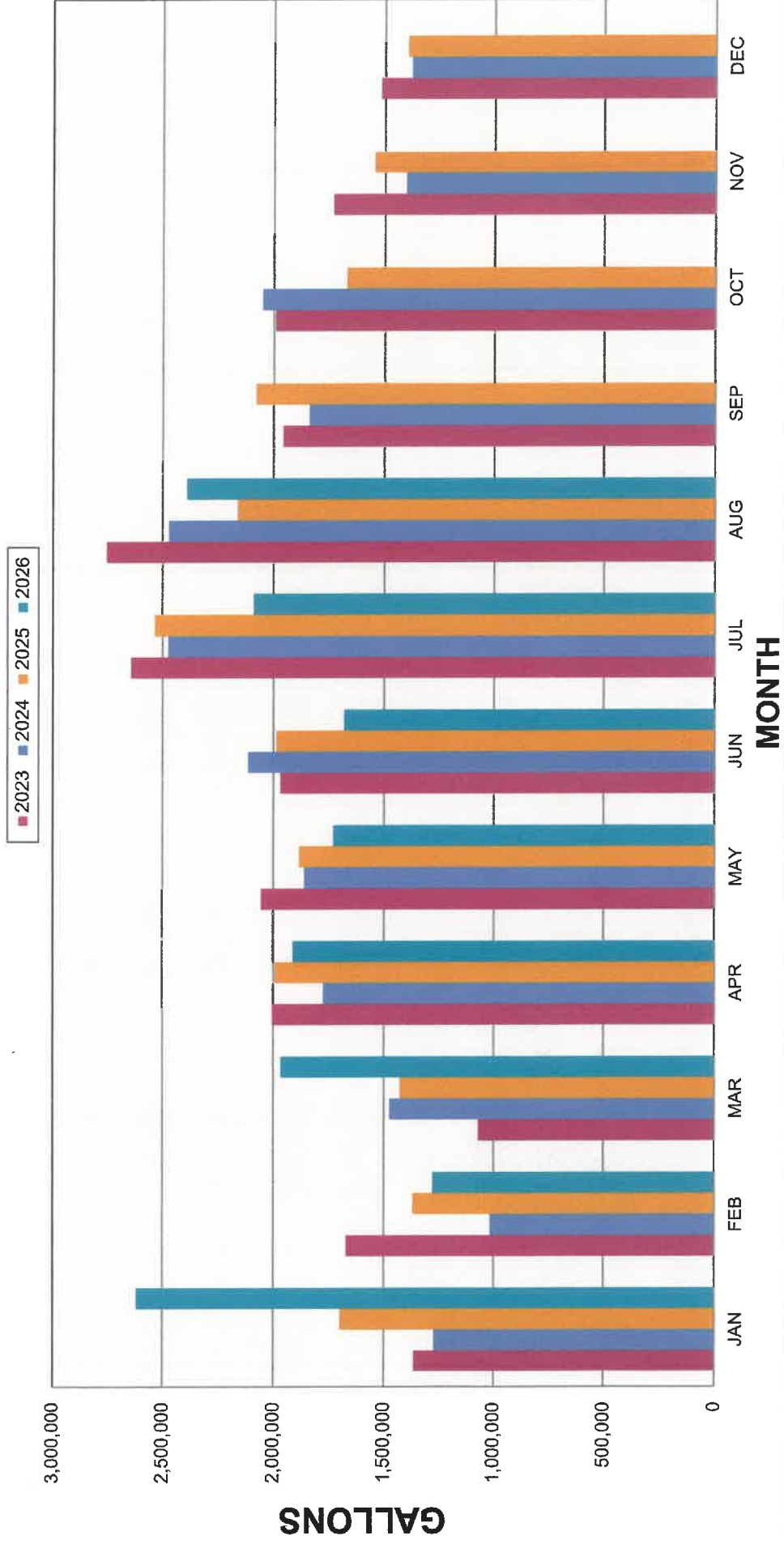


Note: Non Detect (ND) values are represented on the graph at their reporting limit.

ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2023 - 2026)



ABCSD MONTHLY WATER SOLD (2023 - 2026)



AVILA BEACH
COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager



DATE: September 8, 2026

ITEM 10A: Consider Adoption of Resolution No. 2026-07 authorizing a Memorandum of Understanding with SDRMA for participating in the SDRMA Health Benefits Program

Recommendation:

Receive this staff report, and approve Resolution No. 2026-06 and the Memorandum of Understanding or provide other direction to staff.

Background/Discussion:

The Avila Beach Community Services District currently participates in the SDRMA Health Benefits program and the District previously executed a prior version of the Health Benefits MOU and Resolution. The existing MOU can only be modified by in writing and signed by a duly authorized member of the District. The purpose of this item is to update and modify the existing MOU.

A summary of the changes was provided in an email from the SDRMA Health Benefits Manager. The email is provided as an attachment to this staff report. In addition, the following documents are also provided as attachments to this staff report:

1. July 27, 2026 Letter from SDRMA
2. Red-line mark-up of MOU
3. "Clean" copy of MOU
4. Resolution No. 2026-07

Staff recommends the Board approve Resolution No. 2026-07 and the updated MOU which will allow the District to continue participating in the SDRMA Health Benefits Program.



Bradley Hagemann <hagemann.associates@gmail.com>

SDRMA Health Benefits Program Amended Memorandum of Understanding (MOU) Summary of Changes

1 message

Alana Little <alittle@sdrma.org>

Thu, Aug 6, 2026 at 8:28 AM

Good morning,

In connection with SDRMA's amended Health Benefits Program Memorandum of Understanding (MOU), we have prepared the summary of changes below for agencies that may wish to include this information in a board or council agenda packet, presentation, or meeting discussion.

For additional information regarding the amended MOU, please refer to the MOU packet mailed to your agency on July 28th, as well as the email communications distributed on July 28th and July 30th. For your convenience, we have also attached electronic copies of the documents previously provided, including the MOU, Resolution, and redlined version of the amended MOU.

As a reminder, the executed MOU and Resolution with original wet signatures must be returned to SDRMA by **November 1, 2026**. A postage-paid return envelope was included in the mailed packet for your convenience. Alternatively, if the documents are executed via DocuSign, the completed MOU and Resolution may be submitted by email.

Thank you for your continued support of the SDRMA Health Benefits Program. Should you have any questions, please do not hesitate to contact us.

Section	Previous Language	Revised Language	Description of Change
Definitions	Various terms and definitions, some not clearly defined or missing.	Expanded and clarified definitions for "Committee," "Coverage Documents," "Program Participation Agreement," "Program," and "Program Documents."	Improved clarity and specificity of key terms for better understanding and administration.
Entry into Program	ENTITY shall enroll in the Program by making application through SDRMA.	ENTITY shall apply for participation by executing all forms prescribed by SDRMA, subject to approval by the Program's Underwriter.	Clarifies the application process and emphasizes underwriter approval.
Maintenance of Effort	Program provides health benefits to all participants of the ENTITY.	Specifies eligible participants (active employees, retired employees, dependents, public officials) and outlines optional participation for some groups.	Clarifies eligibility and participation requirements.
Premiums	ENTITY will remit monthly premiums based on rates established by SDRMA.	Premiums and rates are set by the Committee; SDRMA adds an administrative fee. Details on billing, penalties for late payment, and termination for non-payment added.	Adds detail on premium calculation, billing, and consequences for late payment.

Section	Previous Language	Revised Language	Description of Change
Benefits	Benefits as set forth in ENTITY's Plan Summary.	Benefits must be agreed upon with employee organizations and approved by the Program underwriter.	Adds requirement for underwriter approval of plan selections.
Assessments & Dividends	Assessments/dividends used sparingly; allocation based on premiums paid.	Committee may impose premium assessments if funds are insufficient; details on liability for withdrawn entities and dividend formula.	Expands on funding adequacy, assessment process, and dividend distribution.
Withdrawal	ENTITY may withdraw with 90 days' notice.	Notice period extended to 120 days prior to January 1; rescission deadline added; 3-year waiting period for re-entry after withdrawal.	Tightens withdrawal process and re-entry requirements.
Arbitration	Not previously specified.	Adds binding arbitration clause for disputes, specifying Sacramento, CA as venue.	Introduces formal dispute resolution process.
Amendment	Amendments require written agreement by both parties.	Clarifies amendment process, including SDRMA's right to terminate if ENTITY does not execute required amendments.	Strengthens amendment and termination provisions.

Alana Little

Health Benefits Manager



SDRMA
40
Est. 1986
Serving Those Who Serve the Public



Special District Risk Management Authority,
1112 I Street, Suite 300, Sacramento, CA 95814



Direct: 916.231.4123 or 800.537.7790



916.231.4111



www.sdrma.org

STATEMENT OF CONFIDENTIALITY | This electronic message and any files or attachments transmitted with it may be confidential, privileged, or proprietary information of the Special District Risk Management Authority (SDRMA). The information is solely for the use of the individual or entity to which it was intended to be addressed. If the reader of this message is not the intended recipient,



July 27, 2026

Brad Hagemann
General Manager
Avila Beach Community Services District
Post Office Box 309
Avila Beach, California 93424-0309

Amended SDRMA Health Benefits Memorandum of Understanding (MOU)

Dear Brad Hagemann,

At the June 24, 2026, SDRMA Board Meeting, the SDRMA Board of Directors approved amendments to the SDRMA Health Benefits Memorandum of Understanding (MOU). The amendments were made to better align the MOU with our pool, Public Risk Innovation, Solutions and Management (PRISM) MOU and industry norms.

According to SDRMA records, your entity participates in SDRMA's Health Benefits program and previously executed a prior version of the Health Benefits Memorandum of Understanding (MOU) and Resolution. Per section 15 of the amended MOU, *AMENDMENT OF MEMORANDUM; WAIVER. This MEMORANDUM may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of SDRMA and ENTITY. The failure of either Party to enforce at any time any provision of the MEMORANDUM shall not be construed to be a waiver of such provision, nor in any way to affect the validity of the MEMORANDUM or the right of either party thereafter to enforce each and every such provision. If ENTITY fails or refuses to execute an amendment to this MEMORANDUM by the deadline included in written notice of SDRMA'S execution of said amendment, SDRMA reserves the right to terminate this MEMORANDUM and ENTITY'S Program Participation Agreement effective as of the next annual renewal date.*

Your governing body must execute the enclosed MOU and Resolution and return the original wet signature or DocuSign MOU and Resolution to SDRMA by **November 1, 2026**, to ensure your entity follows the above MOU guideline. If your entity does not return the MOU and Resolution to SDRMA by **November 1, 2026**, your entity will be deemed as withdrawn and benefits will be terminated effective **January 1, 2027**.

Program Administrative Guidelines are referenced throughout the MOU. The Administrative Guidelines can be found on the SDRMA MemberPlus Portal at www.sdrma.org. If you are not already registered on the MemberPlus Portal, please email us at healthbenefits@sdрма.org for instructions or simply click *MemberPlus Login* and *Register as a new user* from www.sdrma.org. Once you are registered and login,





the Administrative Guidelines can be found on the Health Benefits landing page with the link description of: *SDRMA Health Benefits Administrative Guidelines*.

If SDRMA has not received your entity's MOU and Resolution by October 1, 2026, we will send an email to your attention inquiring when the MOU and Resolution will be sent to SDRMA.

Please contact us at 800.537.7790 or at alittle@sdrma.org if you have any questions regarding the MOU and/or Resolution. Thank you for your continued participation of the SDRMA Health Benefits Program!

Sincerely,

Special District Risk Management Authority

Alana Little
Health Benefits Manager

Enclosures: Memorandum of Understanding
Resolution
Redline version of Memorandum of Understanding
Return Address Envelope





MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA in its capacity as a member of Public Risk Innovation, Solutions and Management (PRISM) and having executed the Joint Powers Agreement (JPA) governing PRISM, was appointed administrator for the purpose of enrolling small public entities into the Public Risk Innovation, Solutions and Management (PRISM) Health and/or Employee Benefits Small Group Program (hereinafter "PROGRAM"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by the PRISM Health Committee and/or PRISM Employee Benefits Committee for the PROGRAM (the "COMMITTEE") and not SDRMA; and

WHEREAS, ENTITY desires to enroll and participate in the PROGRAM, acknowledging that SDRMA acts solely in an administrative capacity and does not establish Program terms.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. DEFINITIONS. For purposes of this MEMORANDUM, unless the context otherwise requires, the following terms when capitalized have the respective meanings set out below and are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.

a. "Committee" means the PRISM Health Committee and/or PRISM Employee Benefits Committee for the Program.

b. "Coverage Documents" means, except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the Program and will be provided by SDRMA to each ENTITY. Documents will be made available through the online SDRMA Portal and be accessible to approved users of the ENTITY.

c. "Program Participation Agreement" means the agreement issued by PRISM/AUS Underwriting to the Entity that details the final terms of acceptance and any special exceptions or terms that have been made a part of the underwriting approval and is required to be



completed and executed in order to constitute full acceptance as a member of the PRISM Small Group Program.

d. "Program" or "PRISM" means the Public Risk Innovation, Solutions and Management (PRISM) Health and/or Employee Benefits Small Group Program.

e. "Program Documents" means the following: SDRMA Program Administrative Guidelines, SDRMA Resolution, Program Underwriting application and any required underwriting documents, Program approval, Program Underwriting & Eligibility Rules and Program Participation Agreement.

12. PURPOSE. ENTITY is signatory to this MEMORANDUM for the ~~express-sole~~ purpose of enrolling in the ~~Program~~PROGRAM.

23. ENTRY INTO PROGRAM. ENTITY shall ~~enroll~~apply for participation in the ~~Program~~PROGRAM by ~~making application through executing~~ and all forms prescribed by SDRMA. ~~SDRMA shall submit the completed forms to which shall be subject to approval by the~~ PROGRAM's Underwriter who has the authority to accept or reject Entity's application in its sole discretion based on the Program's ~~and~~ governing documents and in accordance with ~~the Program's applicable~~ eligibility guidelines.

34. MAINTENANCE OF EFFORT. ~~Program~~ PROGRAM is ~~designed to provide an alternative~~ provides health benefits ~~solution to all participants active employees, retired employees, dependents of an active or retired employee and public officials of the ENTITY who satisfy requirements for participation. of the ENTITY including active employees, retired employees (optional), dependents (optional) and public officials (optional).~~ ENTITY public officials may participate in the ~~Program~~PROGRAM only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements

45. PREMIUMS. ENTITY ~~understands agrees and acknowledges~~ that premiums and rates for the ~~Program~~ PROGRAM are set by the ~~COMMITTEE~~Committee and that SDRMA's Administrative Fee is set by SDRMA For each billing cycle. ENTITY will remit ~~the total monthly premiums based upon rates established amount billed by SDRMA~~for each category of participants and the census of covered employees, public officials, dependents and retirees. ~~PREMIUMs are based on a full month, and there are no partial months or prorated PREMIUMs. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.~~



~~Rates for the ENTITY and each category of participant will be determined by the COMMITTEE designated for the PROGRAM based upon advice from its consultants and/or a consulting Benefits Actuary and insurance carriers. In addition, SDRMA adds an administrative fee to premiums and rates for costs associated with administering the PROGRAM. Rates may vary depending upon factors including, but not limited to, demographic characteristics, loss experience of all public entities participating in the PROGRAM and differences in benefits provided (plan design), if any.~~

~~SDRMA will administrate a billing to ENTITY each month, with payments due by the date specified by SDRMA. Payments received after the specified date will accrue penalties up to and including termination from the PROGRAM. Premiums are based on a full month, and there are no partial months or prorated premiums. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.~~

~~Late Payment Penalties. ENTITY shall pay all PREMIUM invoices as billed to SDRMA, regardless of any changes to eligibility or adjustments to PREMIUMS that may occur during the billing month and not reflected in the PREMIUM invoice. SDRMA shall issue PREMIUM invoices to ENTITY prior to the coverage month in which they are due. PREMIUM invoices are due by the due date stated on the invoice and considered delinquent thirty (30) calendar days from the due date. In addition to the outstanding balance due for any unpaid invoice, ENTITY shall be liable to SDRMA for a late payment penalty of 1% of the outstanding balance of any unpaid portion of such invoice effective (30) calendar days after the invoice due date. SDRMA reserves the right to terminate the MEMORANDUM and ENTITY'S Participation Agreement, including immediate cessation of all services under the Program, any time after it provides written notice to ENTITY of its failure to pay the amount due of any invoice.~~

56. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY'S Plan Summary for the ~~Program~~ **PROGRAM** and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to ~~Program~~ **PROGRAM** underwriter for approval.

6. ~~COVERAGE DOCUMENTS. Except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the PROGRAM and will be provided by SDRMA to each ENTITY. SDRMA will provide each ENTITY with additional documentation, defined as the SDRMA Program Administrative Guidelines which provide further details on administration of the PROGRAM.~~

7. ~~PROGRAM FUNDING. It is the intent of this MEMORANDUM to provide for a fully funded PROGRAM by any or all of the following: pooling risk; purchasing individual stop loss~~

~~coverage to protect the pool from large claims; and purchasing aggregate stop loss coverage.~~

~~8. ASSESSMENTS. Should the PROGRAM not be adequately funded for any reason, pro-rata assessments to the ENTITY may be utilized to ensure the approved funding level for applicable policy periods. Any assessments which are deemed necessary to ensure approved funding levels shall be made upon the determination and approval of the COMMITTEE in accordance with the following:~~

~~a. Assessments/dividends will be used sparingly. Generally, any over/under funding will be factored into renewal rates.~~

~~b. If a dividend/assessment is declared, allocation will be based upon each ENTITY's proportional share of total premiums paid for the preceding 3 years. An ENTITY must be a current participant to receive a dividend, except upon termination of the PROGRAM and distribution of assets.~~

~~c. ENTITY will be liable for assessments for 12 months following withdrawal from the PROGRAM.~~

~~d. Fund equity will be evaluated on a total PROGRAM wide basis as opposed to each year standing on its own.~~

~~7. ASSESSMENTS AND DIVIDENDS. The Program annual premium, as approved by the Committee will be established at a level which is anticipated to provide adequate overall funding. The Program will directly manage surpluses and deficits. Premiums are targeted to fund expected claims (including incurred-but-not-reported (IBNR) and run-out), reinsurance (if any), Program/administrative expenses, and any reserve or margin adopted by the Committee.~~

~~If Program funds are insufficient (including funding IBNR), the Committee may impose premium assessments on all applicable participating Entities, consistent with the JPA, including ENTITY signing this MEMORANDUM. Entities that have withdrawn from the Program are liable for assessments attributable to plan year(s) in which they participated.~~

~~After appropriate reserves and obligations are funded and any Committee-approved margin is achieved, the Committee may declare a dividend or premium credit, using a formula recommended by the Program Underwriters and actuary.~~

~~98. WITHDRAWAL. ENTITY may withdraw from this MEMORANDUM and terminate its Program Participation Agreement for a subsequent calendar year subject to the following condition: ENTITY shall notify SDRMA and the PROGRAM in writing of its~~



~~intent to withdraw at least 90 days prior to their requested withdrawal date. ENTITY shall notify SDRMA in writing of its intent to withdraw from this MEMORANDUM and terminate its Program Participation Agreement at least 120 days prior to January 1st of the subsequent calendar year in which it shall be effective . No withdrawal shall become effective until December 31 of the year that notice of termination is received. ENTITY may rescind its notice of intent to withdraw and terminate no later than October 1st.ENTITY may rescind its notice of intent to withdraw. ENTITY may rescind its notice of intent to withdraw and terminate no later than October 1st. Once ENTITY withdraws from the Program~~**ROGRAM**, there is a 3-year waiting period to come back into the **Program**~~ROGRAM~~, and the ENTITY will be subject to underwriting approval ~~again~~.

~~10. LIAISON WITH SDRMA. Each ENTITY shall maintain staff to act as liaison with SDRMA and between the ENTITY and SDRMA's designated PROGRAM representative.~~

~~9. ARBITRATION OF DISPUTES. To the extent permitted by law, all controversies between the ENTITY and SDRMA that may arise out of or relate to any of the services provided by SDRMA under the MEMORANDUM, or the construction, performance or breach of this or any other agreement between the ENTITY and SDRMA, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in the City of Sacramento, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final, and may be entered into any court having jurisdiction.~~

~~11~~**10. GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.

~~12~~**11. VENUE.** Venue for any dispute or enforcement shall be in the City of Sacramento, California.

~~13~~**12. ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.

~~14~~**13. COMPLETE AGREEMENT.** This MEMORANDUM together with the related ~~Program~~**ROGRAM documents**~~Documents~~ constitutes the full and complete agreement of the ENTITY.

~~15~~**14. SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.

~~16~~**15. AMENDMENT OF MEMORANDUM; WAIVER.** This MEMORANDUM may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of SDRMA and ENTITY. The failure of either Party to enforce at any time any provision of the MEMORANDUM shall not be construed to be a waiver of such provision, nor in any way to affect the validity of the MEMORANDUM or the



~~right of either party thereafter to enforce each and every such provision may be amended by the SDRMA Board of Directors and such amendments are subject to approval of ENTITY's designated representative, or alternate, who shall have authority to execute this MEMORANDUM. Any if ENTITY who fails or refuses to execute an amendment to this MEMORANDUM, by the deadline included in written notice of SDRMA'S execution of said amendment, SDRMA reserves the right to terminate shall be deemed to have withdrawn this MEMORANDUM and ENTITY'S Program Participation Agreement from the PROGRAM effective as of on the next annual renewal date.~~

~~1716.~~ EFFECTIVE DATE. This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the last date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA and the authorized person for the ENTITY.

~~1817.~~ EXECUTION IN COUNTERPARTS. This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: _____

By: _____

Agency ENTITY Name

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (HEREAFTER "MEMORANDUM") IS ENTERED INTO BY AND BETWEEN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (HEREAFTER "SDRMA") AND THE PARTICIPATING PUBLIC ENTITY (HEREAFTER "ENTITY") WHO IS SIGNATORY TO THIS MEMORANDUM.

WHEREAS, on August 1, 2006, SDRMA in its capacity as a member of Public Risk Innovation, Solutions and Management (PRISM) and having executed the Joint Powers Agreement (JPA) governing PRISM, was appointed administrator for the purpose of enrolling small public entities into the (PRISM) Health and/or Employee Benefits Small Group Program (hereinafter "Program"); and

WHEREAS, the terms and conditions of the PROGRAM as well as benefit coverage, rates, assessments, and premiums are governed by the PRISM Health Committee and/or PRISM Employee Benefits Committee for the Program (the "Committee") and not SDRMA; and

WHEREAS, ENTITY desires to enroll and participate in the Program, acknowledging that SDRMA acts solely in an administrative capacity and does not establish Program terms.

NOW THEREFORE, SDRMA and ENTITY agree as follows:

1. **DEFINITIONS.** For purposes of this MEMORANDUM, unless the context otherwise requires, the following terms when capitalized have the respective meanings set out below and are applicable to the singular as well as to the plural forms of such terms and to the masculine as well as to the feminine and neuter genders of such terms.
 - a. "Committee" means the PRISM Health Committee and/or PRISM Employee Benefits Committee for the Program.
 - b. "Coverage Documents" means, except as otherwise provided herein, coverage documents from each carrier outlining the coverage provided, including terms and conditions of coverage, are controlling with respect to the coverage of the Program and will be provided by SDRMA to each ENTITY. Documents will be made available through the online SDRMA Portal and be accessible to approved users of the ENTITY.
 - c. "Program Participation Agreement" means the agreement issued by PRISM/AUS Underwriting to the Entity that details the final terms of acceptance and any special exceptions or terms that have been made a part of the underwriting approval and is required to be completed and executed in order to constitute full acceptance as a member of the PRISM Small Group Program.

d. "Program" or "PRISM" means the Public Risk Innovation, Solutions and Management (PRISM) Health and/or Employee Benefits Small Group Program.

e. "Program Documents" means the following: SDRMA Program Administrative Guidelines, SDRMA Resolution, Program Underwriting application and any required underwriting documents, Program approval, Program Underwriting & Eligibility Rules and Program Participation Agreement.

2. **PURPOSE.** ENTITY is signatory to this MEMORANDUM for the sole purpose of enrolling in the Program.
3. **ENTRY INTO PROGRAM.** ENTITY shall apply for participation in the Program by executing and all forms prescribed by SDRMA. SDRMA shall submit the completed forms to the Program's Underwriter who has the authority to accept or reject Entity's application in its sole discretion based on the Program's governing documents and in accordance with the Program's eligibility guidelines.
4. **MAINTENANCE OF EFFORT.** Program provides health benefits to all active employees, retired employees, dependents of an active or retired employee and public officials of the ENTITY who satisfy requirements for participation. ENTITY public officials may participate in the Program only if they are currently being covered and their own ENTITY's enabling act, plans and policies allow it. ENTITY must contribute at least the minimum percentage required by the eligibility requirements
5. **PREMIUMS.** ENTITY agrees and acknowledges that premiums and rates for the Program are set by the Committee and that SDRMA's Administrative Fee is set by SDRMA For each billing cycle. ENTITY will remit the total monthly amount billed by SDRMA for each category of participants and the census of covered employees, public officials, dependents and retirees. PREMIUMS are based on a full month, and there are no partial months or prorated PREMIUMS. Enrollment for mid-year qualifying events and termination of coverage will be made in accordance with the SDRMA Program Administrative Guidelines.

Late Payment Penalties. ENTITY shall pay all PREMIUM invoices as billed to SDRMA, regardless of any changes to eligibility or adjustments to PREMIUMS that may occur during the billing month and not reflected in the PREMIUM invoice. SDRMA shall issue PREMIUM invoices to ENTITY prior to the coverage month in which they are due. PREMIUM invoices are due by the due date stated on the invoice and considered delinquent thirty (30) calendar days from the due date. In addition to the outstanding balance due for any unpaid invoice, ENTITY shall be liable to SDRMA for a late payment penalty of 1% of the outstanding balance of any unpaid portion of such invoice effective (30) calendar days after the invoice due date. SDRMA reserves the right to terminate the

MEMORANDUM and ENTITY'S Participation Agreement, including immediate cessation of all services under the Program, any time after it provides written notice to ENTITY of its failure to pay the amount due of any invoice.

6. **BENEFITS.** Benefits provided to ENTITY participants shall be as set forth in ENTITY's Plan Summary for the Program and as agreed upon between the ENTITY and its recognized employee organizations as applicable. Not all plan offerings will be available to ENTITY, and plans requested by ENTITY must be submitted to Program underwriter for approval.
7. **ASSESSMENTS AND DIVIDENDS.** The Program annual premium, as approved by the Committee will be established at a level which is anticipated to provide adequate overall funding. The Program will directly manage surpluses and deficits. Premiums are targeted to fund expected claims (including incurred-but-not-reported (IBNR) and run-out), reinsurance (if any), Program/administrative expenses, and any reserve or margin adopted by the Committee.

If Program funds are insufficient (including funding IBNR), the Committee may impose premium assessments on all applicable participating Entities, consistent with the JPA, including ENTITY signing this MEMORANDUM. Entities that have withdrawn from the Program are liable for assessments attributable to plan year(s) in which they participated.

After appropriate reserves and obligations are funded and any Committee-approved margin is achieved, the Committee may declare a dividend or premium credit, using a formula recommended by the Program Underwriters and actuary.

8. **WITHDRAWAL.** ENTITY may withdraw from this MEMORANDUM and terminate its Program Participation Agreement for a subsequent calendar year subject to the following condition: ENTITY shall notify SDRMA in writing of its intent to withdraw from this MEMORANDUM and terminate its Program Participation Agreement at least 120 days prior to January 1st of the subsequent calendar year in which it shall be effective. No withdrawal shall become effective until December 31 of the year that notice of termination is received. ENTITY may rescind its notice of intent to withdraw and terminate no later than October 1st. ENTITY may rescind its notice of intent to withdraw. ENTITY may rescind its notice of intent to withdraw and terminate no later than October 1st. Once ENTITY withdraws from the Program, there is a 3-year waiting period to come back into the Program, and the ENTITY will be subject to underwriting approval.
9. **ARBITRATION OF DISPUTES.** To the extent permitted by law, all controversies between the ENTITY and SDRMA that may arise out of or relate to any of the services provided by SDRMA under the MEMORANDUM, or the construction, performance or breach of this

or any other agreement between the ENTITY and SDRMA, whether entered into prior to, on or subsequent to the date hereof, shall be settled by binding arbitration in the City of Sacramento, California, under the Commercial Arbitration Rules of the American Arbitration Association. Judgment upon any award rendered by the arbitrator(s) shall be final and may be entered into any court having jurisdiction.

10. **GOVERNING LAW.** This MEMORANDUM shall be governed in accordance with the laws of the State of California.
11. **VENUE.** Venue for any dispute or enforcement shall be in the City of Sacramento, California.
12. **ATTORNEY FEES.** The prevailing party in any dispute shall be entitled to an award of reasonable attorney fees.
13. **COMPLETE AGREEMENT.** This MEMORANDUM together with the related Program Documents constitutes the full and complete agreement of the ENTITY.
14. **SEVERABILITY.** Should any provision of this MEMORANDUM be judicially determined to be void or unenforceable, such determination shall not affect any remaining provision.
15. **AMENDMENT OF MEMORANDUM; WAIVER.** This MEMORANDUM may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed by authorized representatives of SDRMA and ENTITY. The failure of either Party to enforce at any time any provision of the MEMORANDUM shall not be construed to be a waiver of such provision, nor in any way to affect the validity of the MEMORANDUM or the right of either party thereafter to enforce each and every such provision. If ENTITY fails or refuses to execute an amendment to this MEMORANDUM by the deadline included in written notice of SDRMA'S execution of said amendment, SDRMA reserves the right to terminate this MEMORANDUM and ENTITY'S Program Participation Agreement effective as of the next annual renewal date.
16. **EFFECTIVE DATE.** This MEMORANDUM shall become effective on the later of the first date of coverage for the ENTITY or the last date of signing of this MEMORANDUM by the Chief Executive Officer or Board President of SDRMA and the authorized person for the ENTITY.
17. **EXECUTION IN COUNTERPARTS.** This MEMORANDUM may be executed in several counterparts, each of which shall be an original, all of which shall constitute but one and the same instrument.

In Witness Whereof, the undersigned have executed the MEMORANDUM as of the date set forth below.

Dated: _____

By: _____

Special District Risk
Management Authority

Dated: _____

By: _____

Avila Beach Community Services District

AVILA BEACH COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2026-07

A RESOLUTION OF THE OF AVILA BEACH COMMUNITY SERVICES DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING AND AUTHORIZING PARTICIPATION IN THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY'S HEALTH BENEFITS PROGRAM

WHEREAS, Avila Beach Community Services District, a public agency duly organized and existing under and by virtue of the laws of the State of California (the "ENTITY"), has determined that it is in the best interest and to the advantage of the ENTITY to participate in the Health Benefits Program offered by Special District Risk Management Authority (the "Authority"); and

WHEREAS, the Authority was formed in 1986 in accordance with the provisions of California Government Code 6500 *et seq.*, for the purpose of providing risk financing, risk management programs and other coverage protection programs; and

WHEREAS, participation in Authority programs requires the ENTITY to execute and enter into a Memorandum of Understanding which states the purpose and participation requirements for the Health Benefits Program; and

WHEREAS, all acts, conditions and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transactions authorized hereby do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the ENTITY is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate such transactions for the purpose, in the manner and upon the terms herein provided.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE ENTITY AS FOLLOWS:

Section 1. Findings. The ENTITY's Governing Body hereby specifically finds and determines that the actions authorized hereby relate to the public affairs of the ENTITY.

Section 2. Memorandum of Understanding. The Memorandum of Understanding, to be executed and entered into by and between the ENTITY and the Authority, in the form presented at this meeting and on file with the ENTITY's Secretary, is hereby approved. The ENTITY's Governing Body and/or Authorized Officers ("The Authorized Officers") are hereby authorized and directed, for and in the name and on behalf of the ENTITY, to execute and deliver to the Authority the Memorandum of Understanding.

Section 3. Program Participation. The ENTITY's Governing Body approves participating in the Special District Risk Management Authority's Health Benefits Program.

Section 4. Severability. If any provision of this resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the resolution which can be given effect without the invalid provision or application, and to this end the provisions of this resolution are severable.

Section 5. Other Actions. The Authorized Officers of the ENTITY are each hereby authorized and directed to execute and deliver any and all documents which are necessary in order to consummate the transactions authorized hereby and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 6. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this _____ day of _____, 20____ by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

Peter Kelley

Board President

Brad Hagemann, General Manager and Secretary

AVILA BEACH COMMUNITY SERVICES DISTRICT

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: September 8, 2026

ITEM 10B: Receive a presentation from LAFCO Executive Officer regarding Adding Recreational Powers to the Avila Beach Community Services District

Recommendation:

Receive LAFCO Presentation and provide direction to staff.

Background/Discussion:

At the last several Board meetings the Directors have discussed the pros and cons of adding Recreational Powers to the Avila Beach Community Services District approved powers/responsibilities. The San Luis Obispo County Local Agency Formation (LAFCO) is responsible for facilitating the application process, conducting the public hearing and ultimately approving or denying the application. The process to add a “power” to a CSD takes about 12 – 18 months and requires a considerable amount of staff time and possibly some consultant time to develop the application.

LAFCO Executive Director Rob Fitzroy has agreed to attend the September 8th Board meeting to discuss the application process and answer Board member’s questions.

The purpose of this item is to provide the Board with additional background information regarding moving forward with the application process; seek additional information; or not to pursue recreational powers at this time.