

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
E-mail: avilacsd@gmail.com

BOARD MEETING AGENDA

1:00 P.M. (Pacific Time) Tuesday, August 10th, 2021

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

2. ROLL CALL: Board Members:

Pete Kelley, President
Lynn Helenius, Vice President
Ara Najarian, Director
Kristin Berry, Director
Howie Kennett, 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 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. June Board Meeting Minutes

B. Monthly Financial Reviews for June and July

C. General Manager and District Engineer Report

D. Water and Wastewater Superintendent Reports for June and July

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. Consider Approving a Contract Amendment for Wallace Group for Engineering Services for the Wastewater Treatment Plant Redundancy Project
(Action Required: Consider Awarding a Contract Amendment for Professional Engineering Services for the WWTP Improvement Project)
- B. Review and Consider Approval of Resolution No. 2021-04 approving a District Debt Management Policy in accordance with SB 1029
(Action Required: Approve Resolution No. 2021-04 approving a District Debt Management Policy)
- C. Review and Consider Approval of Resolution No. 2021-05 approving a Private Placement with Municipal Finance Corporation and the Associated Lease Agreements for the District's Wastewater Treatment Plant Improvement Project.
(Action Required: Approve Resolution No. 2021-05 and Associated Financing and Lease Agreements)
- D. Consider Request from Avila Valley Advisory Committee (AVAC) to use the District Office Board Room for Committee and Regular Monthly Meetings
(Action Required: Receive Staff Report and Consider the Terms and Conditions for Allowing the AVAC to use the District Board Room for their Committee and Monthly Meetings)
- E. Comments on the Avila Community Plan
(Action Required: Receive Staff Report and direct staff to submit approved District comments on the Avila Community Plan to the County Planning Department or provide other Direction)
- F. Preliminary Will Serve for Gardner Project at 490 - 498 Front Street, APNs 076-216-014 and 076-216-021
(Action Required: Receive Staff Report and Consider Approval of the Preliminary Will Serve Application or Provide Other Direction to Staff)
- G. Consider Nominating a Director to fill the vacant CSD alternate position to serve on the Integrated Waste Management Authority (IWMA) Board of Directors.
(Action Required: If a Director is willing to serve on the IWMA Board, then Nominate Willing Director to Serve or Provide Other Direction to Staff)

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 September 14th, 2021.

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 MEETING
Avila Beach Community Services District
Tuesday, June 8th, 2021
1:00 P.M.**

**PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER N-29-20, MEMBERS OF THE
BOARD OF DIRECTORS, STAFF AND PUBLIC PARTICIPATED IN THIS MEETING VIA
TELECONFERENCE AND/OR ELECTRONICALLY.**

ZOOM MEETING: 411 178 7571

Meeting ID: <https://us02web.zoom.us/j/4111787571>

BY PHONE: 1-669-900-9128

1. CALL TO ORDER

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

2. ROLL CALL

Board Members Present via Zoom: Ara Najarian
Pete Kelley

Board Members Present in Person: Lynn Helenius
Kristin Berry
Howie Kennett

Staff Present: Brad Hagemann, General Manager and District Engineer
Kristi Dibbern, Accounting

3. PUBLIC COMMENTS - No Public Comments.

4. INFORMATION AND DISCUSSION ITEMS

A. County Reports

Sheriff's Report: No Report

Cal Fire: No Report

B. Conferences, Meetings and General Communications.

5. CONSENT ITEMS

Director Najarian made a motion to approve the Consent Items. The motion was seconded by Director Helenius and passed with a roll call vote 5-0.

AYES: Ara Najarian
 Lynn Helenius
 Kristin Berry
 Pete Kelley
 Howie Kennett

NOES: None

ABSENT: None

6. DISCUSSION OF PULLED CONSENT ITEMS: None

7. BUSINESS ITEMS:

A. FY 2021/22 Appropriations Limitations Resolution No. 2021-02 & Fiscal Year Budget 2021-22 Resolution No. 2021-03

Each year the district prepares and adopts an operating and capital projects budget for the coming Fiscal Year. GM Hagemann summarized the Staff Report and presented a series of slides that estimated year-end FY 2020/21 Revenue and Expenses: the proposed FY 21/22 budget revenue and expenses.

The Board members briefly discussed the Preliminary Budget.

President Kelley opened the Public Hearing.

No public was present to respond.

President Kelley closed the Public Hearing.

Director Najarian made the motion to adopt both Resolution No. 2021-02 Appropriations Limitations & Resolution 2021-03 Final Fiscal Year Budget 2021/22. It was seconded by Director Berry and passed with a roll call vote 5-0.

AYES: Ara Najarian
 Kristin Berry
 Pete Kelley
 Lynn Helenius
 Howie Kennett

NOES: None

ABSENT: None

B. Draft Avila Community Plan Staff was directed to make copies of the Draft Avila Plan. Directors may pick up a copy of the Plan for review and submit comments to staff. Staff will

compile comments to be submitted to the San Luis Obispo County Planning Department prior to August 13th, 2021.

COMMUNICATIONS/CORRESPONDENCE.

The Board agreed to cancel the July meeting.

ADJOURNMENT: The meeting was adjourned at 2:30 P.M.

The next regular meeting of the Avila Beach Community Services District is scheduled for Tuesday, August 10th, 2021, at 1:00 PM at 100 San Luis 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,

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: August 10th, 2021

SUBJECT: Monthly Financial Review for June & July

Recommendation:

Receive and file report.

Overall Monthly Summary

During the month of June, the District deposited \$96,454.20 and incurred \$71,124.37 in expenses (cash basis). Income included \$4,953.40 in County tax income and \$88,255.37 in monthly water and sewer fees.

During the month of July, the District deposited \$98,910.15 and incurred \$488,677.33 in expenses (cash basis). Expenses included our yearly PERS unfunded liability payment. CAL Fire was also compensated for fire protection for FY 2021-22 in the amount of \$233,822.00. Also, Lopez and state water purchases are due in July totaling \$95,597.35. Income included \$11,063.01 in County Taxes and \$113,954.21 in monthly water and sewer fees.

Detailed financial reports including a Balance Sheets, Deposits by Fund, Checks by Fund and Profit and Loss Sheets are provided for your information for the month of June & July.

Utility Service Billing

The District billed approximately \$88,255.37 in water and sewer service charges in June. Customer Rate Assistance reduced billing charges to the District in the amount of \$884.03.

In July, the District billed \$112,974.62 in water and sewer service charges. Customer Rate Assistance reduced billing charges in the amount of \$979.59.

Operation and Maintenance

The June statement for FRM (Fluid Resource Management) is attached. The July statement was not available at the time of the board packet production.

Avila Beach Community Services District
Balance Sheet
As of June 30, 2021

	<u>Jun 30, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1005 · Customer Cash	205.00
1008 · Petty Cash	82.83
1010 · Pacific Premier Checking	821,996.08
1050 · LAIF	<u>3,878,008.56</u>
Total 1000 · Cash Summary	<u>4,700,292.47</u>
Total Checking/Savings	<u>4,700,292.47</u>
Accounts Receivable	
1200 · *Accounts Receivable	<u>32,096.00</u>
Total Accounts Receivable	<u>32,096.00</u>
Other Current Assets	
1250 · Receivables	
1255 · Interest Receivable	11,317.42
1270 · Taxes Receivable	23,892.61
1280 · Water & Sewer Billings	<u>117,277.06</u>
Total 1250 · Receivables	<u>152,487.09</u>
Total Other Current Assets	<u>152,487.09</u>
Total Current Assets	<u>4,884,875.56</u>
Fixed Assets	
1600 · Fixed Assets & Acc. Depr.	
1605 · Office Equipment	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	<u>-8,233.58</u>
Total 1605 · Office Equipment	0.00
1610 · Fixed Asset -Office & Admin.	
1612 · Office Furniture cost	4,526.21
1614 · Office Furniture Accum Dep.	<u>-4,526.21</u>
Total 1610 · Fixed Asset -Office & Ad...	0.00
1620 · Fixed Assets - Sanitary	
1622 · Land	60,314.10

Avila Beach Community Services District
Balance Sheet
As of June 30, 2021

	<u>Jun 30, 21</u>
1626 · Collection Assets	
1627 · Collection Assets Cost	1,318,875.26
1628 · Collect Assets Accum Depr	<u>-545,463.32</u>
Total 1626 · Collection Assets	773,411.94
1630 · Disposal Equipment	
1631 · Disposal Equip Cost	611,174.66
1632 · Disposal Equip Accum Depr	<u>-376,478.88</u>
Total 1630 · Disposal Equipment	234,695.78
1634 · Other Equipment	
1634a · Other Equipment Cost	<u>6,973.40</u>
Total 1634 · Other Equipment	6,973.40
1635 · Treatment Plant	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	2,049,098.30
1638 · Treatment Plant Accum Dep	<u>-1,248,125.98</u>
Total 1635 · Treatment Plant	905,972.32
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,087,410.54
1644 · Treatment Equip Accum D...	-704,848.55
1642 · Treatment Equipment - Oth...	<u>205,485.61</u>
Total 1642 · Treatment Equipment	588,047.60
Total 1620 · Fixed Assets - Sanitary	2,569,415.14
1650 · Fixed Assets - Water	
1652 · Equipment	
1653 · Equipment Cost	21,136.28
1654 · Equipment Accum Depr	-21,136.28
1652 · Equipment - Other	<u>74.79</u>
Total 1652 · Equipment	74.79
1656 · Distribution Assets	
1657 · Distribution Assets Cost	1,263,996.77
1658 · Dist Assets Accum Depr	<u>-690,947.00</u>
Total 1656 · Distribution Assets	573,049.77
Total 1650 · Fixed Assets - Water	573,124.56

Avila Beach Community Services District
Balance Sheet
As of June 30, 2021

	<u>Jun 30, 21</u>
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	82,207.29
1682 · Gen / Fire Accum Dep	<u>-46,485.99</u>
Total 1680 · Structures - Fixed Asset	35,721.30
1690 · Construction in Progress	<u>248,213.98</u>
Total 1600 · Fixed Assets & Acc. Depr.	<u>3,426,474.98</u>
Total Fixed Assets	3,426,474.98
Other Assets	
1800 · Deferred Outflows of Resources	<u>24,772.00</u>
Total Other Assets	<u>24,772.00</u>
TOTAL ASSETS	<u>8,336,122.54</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	<u>69,461.88</u>
Total Accounts Payable	69,461.88
Other Current Liabilities	
2200 · Payroll Liabilities	
2201 · Accrued Payroll	2,095.00
2260 · Vacation Payable	1,509.41
2262 · Sick Pay Accrued	787.39
2250 · PERS Liability	<u>204.88</u>
Total 2200 · Payroll Liabilities	4,596.68
2300 · Deposits Held	
2303 · Water Deposits Held	<u>4,610.00</u>
Total 2300 · Deposits Held	4,610.00
Total Other Current Liabilities	<u>9,206.68</u>
Total Current Liabilities	78,668.56

Avila Beach Community Services District
Balance Sheet
As of June 30, 2021

	<u>Jun 30, 21</u>
Long Term Liabilities	
2400 · Net Pension Liability	131,246.00
2500 · Deferred Inflows of Resources	7,928.00
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Total Long Term Liabilities	139,174.00
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Total Liabilities	217,842.56
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Equity	
3000 · Opening Bal Equity	85,498.07
3900 · Retained Earnings	7,669,835.26
Net Income	362,946.65
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Total Equity	8,118,279.98
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TOTAL LIABILITIES & EQUITY	<u>8,336,122.54</u>

Avila Beach Community Services District
Deposits by Fund
 June 2021

07/14/21

Type	Date	Memo	Split	Amount	Balance
General / Admin					
Deposit	06/08/2021	S L Ambulance Contract Services	1010 · Pacific Premier...	-1,089.31	-1,089.31
Deposit	06/14/2021	TCF FY 21 MAY ME - IMPR # 1 - Gen . 70, Water .25, Lights .05	1010 · Pacific Premier...	-544.31	-1,633.62
Deposit	06/21/2021	F:0895 A:0760 - AVILA BEACH IMP # 1 - Gen . 70, Water .25, Lights ...	1010 · Pacific Premier...	-1,195.38	-2,829.00
Total General / Admin				-2,829.00	-2,829.00
Lights					
Deposit	06/14/2021	TCF FY 21 MAY ME - IMPR # 1 - Gen . 70, Water .25, Lights .05	1010 · Pacific Premier...	-38.87	-38.87
Deposit	06/21/2021	F:0895 A:0760 - AVILA BEACH IMP # 1 - Gen . 70, Water .25, Lights ...	1010 · Pacific Premier...	-85.39	-124.26
Total Lights				-124.26	-124.26
Sanitary					
Deposit	06/01/2021	Sani Rec	1010 · Pacific Premier...	-490.23	-490.23
Deposit	06/01/2021	Rate Assistance	1010 · Pacific Premier...	29.44	-460.79
Deposit	06/01/2021	Other 1	1010 · Pacific Premier...	0.00	-460.79
Deposit	06/01/2021	Other 2	1010 · Pacific Premier...	284.46	-176.33
Deposit	06/02/2021	Sani Rec	1010 · Pacific Premier...	-1,074.10	-1,250.43
Deposit	06/02/2021	Rate Assistance	1010 · Pacific Premier...	34.05	-1,216.38
Deposit	06/02/2021	Other 1	1010 · Pacific Premier...	0.00	-1,216.38
Deposit	06/02/2021	Other 2	1010 · Pacific Premier...	74.89	-1,141.49
Deposit	06/03/2021	Sani Rec	1010 · Pacific Premier...	-639.78	-1,781.27
Deposit	06/03/2021	Rate Assistance	1010 · Pacific Premier...	21.85	-1,759.42
Deposit	06/03/2021	Other 1	1010 · Pacific Premier...	0.00	-1,759.42
Deposit	06/03/2021	Other 2	1010 · Pacific Premier...	0.00	-1,759.42
Deposit	06/05/2021	Sani Rec	1010 · Pacific Premier...	-184.11	-1,943.53
Deposit	06/05/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-1,943.53
Deposit	06/05/2021	Other 1	1010 · Pacific Premier...	0.00	-1,943.53
Deposit	06/05/2021	Other 2	1010 · Pacific Premier...	0.00	-1,943.53
Deposit	06/07/2021	Sani Rec	1010 · Pacific Premier...	-869.72	-2,813.25
Deposit	06/07/2021	Rate Assistance	1010 · Pacific Premier...	53.36	-2,759.89
Deposit	06/07/2021	Other 1	1010 · Pacific Premier...	0.00	-2,759.89
Deposit	06/07/2021	Other 2	1010 · Pacific Premier...	193.25	-2,566.64
Deposit	06/08/2021	Sani Rec	1010 · Pacific Premier...	-1,170.23	-3,736.87
Deposit	06/08/2021	Rate Assistance	1010 · Pacific Premier...	150.43	-3,586.44
Deposit	06/08/2021	Other 1	1010 · Pacific Premier...	0.00	-3,586.44
Deposit	06/08/2021	Other 2	1010 · Pacific Premier...	-8.07	-3,594.51
Deposit	06/09/2021	Sani Rec	1010 · Pacific Premier...	-778.00	-4,372.51
Deposit	06/09/2021	Rate Assistance	1010 · Pacific Premier...	5.86	-4,366.65
Deposit	06/09/2021	Other 1	1010 · Pacific Premier...	0.00	-4,366.65
Deposit	06/09/2021	Other 2	1010 · Pacific Premier...	0.00	-4,366.65

Avila Beach Community Services District
Deposits by Fund
 June 2021

07/14/21

Type	Date	Memo	Split	Amount	Balance
Deposit	06/10/2021	Sani Rec	1010 · Pacific Premier...	-360.83	-4,727.48
Deposit	06/10/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-4,727.48
Deposit	06/10/2021	Other 1	1010 · Pacific Premier...	0.00	-4,727.48
Deposit	06/10/2021	Other 2	1010 · Pacific Premier...	0.00	-4,727.48
Deposit	06/11/2021	Sani Rec	1010 · Pacific Premier...	-216.94	-4,944.42
Deposit	06/11/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-4,944.42
Deposit	06/11/2021	Other 1	1010 · Pacific Premier...	0.00	-4,944.42
Deposit	06/11/2021	Other 2	1010 · Pacific Premier...	244.15	-4,700.27
Deposit	06/12/2021	Sani Rec	1010 · Pacific Premier...	-90.26	-4,790.53
Deposit	06/12/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-4,790.53
Deposit	06/12/2021	Other 1	1010 · Pacific Premier...	0.00	-4,790.53
Deposit	06/12/2021	Other 2	1010 · Pacific Premier...	0.00	-4,790.53
Deposit	06/13/2021	Sani Rec	1010 · Pacific Premier...	-63.34	-4,853.87
Deposit	06/13/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-4,853.87
Deposit	06/13/2021	Other 1	1010 · Pacific Premier...	0.00	-4,853.87
Deposit	06/13/2021	Other 2	1010 · Pacific Premier...	0.00	-4,853.87
Deposit	06/14/2021	Sani Rec	1010 · Pacific Premier...	-22.96	-4,876.83
Deposit	06/14/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-4,876.83
Deposit	06/14/2021	Other 1	1010 · Pacific Premier...	0.00	-4,876.83
Deposit	06/14/2021	Other 2	1010 · Pacific Premier...	0.00	-4,876.83
Deposit	06/14/2021	TCF FY 21 MAY ME - Waste	1010 · Pacific Premier...	-772.63	-5,649.46
Deposit	06/15/2021	Sani Rec	1010 · Pacific Premier...	-6,004.91	-11,654.37
Deposit	06/15/2021	Rate Assistance	1010 · Pacific Premier...	75.21	-11,579.16
Deposit	06/15/2021	Other 1	1010 · Pacific Premier...	0.00	-11,579.16
Deposit	06/15/2021	Other 2	1010 · Pacific Premier...	-119.99	-11,699.15
Deposit	06/17/2021	Sani Rec	1010 · Pacific Premier...	-1,015.84	-12,714.99
Deposit	06/17/2021	Rate Assistance	1010 · Pacific Premier...	14.57	-12,700.42
Deposit	06/17/2021	Other 1	1010 · Pacific Premier...	0.00	-12,700.42
Deposit	06/17/2021	Other 2	1010 · Pacific Premier...	0.00	-12,700.42
Deposit	06/17/2021	Community Park Restrooms 4/28 - 5/28/21	1010 · Pacific Premier...	-830.00	-13,530.42
Deposit	06/18/2021	Sani Rec	1010 · Pacific Premier...	-2,111.19	-15,641.61
Deposit	06/18/2021	Rate Assistance	1010 · Pacific Premier...	15.36	-15,626.25
Deposit	06/18/2021	Other 1	1010 · Pacific Premier...	0.00	-15,626.25
Deposit	06/18/2021	Other 2	1010 · Pacific Premier...	0.00	-15,626.25
Deposit	06/19/2021	Sani Rec	1010 · Pacific Premier...	-168.99	-15,795.24
Deposit	06/19/2021	Rate Assistance	1010 · Pacific Premier...	18.77	-15,776.47
Deposit	06/19/2021	Other 1	1010 · Pacific Premier...	0.00	-15,776.47
Deposit	06/19/2021	Other 2	1010 · Pacific Premier...	0.00	-15,776.47
Deposit	06/21/2021	Sani Rec	1010 · Pacific Premier...	-10,123.71	-25,900.18
Deposit	06/21/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-25,900.18
Deposit	06/21/2021	1/2 Other 1	1010 · Pacific Premier...	0.10	-25,900.08

Avila Beach Community Services District
Deposits by Fund
 June 2021

07/14/21

Type	Date	Memo	Split	Amount	Balance
Deposit	06/21/2021	1/2 Other 2	1010 · Pacific Premier...	-57.91	-25,957.99
Deposit	06/21/2021	Booked 6/17/21 Separately Community Park Restrooms 4/28 - 5/28/21	1010 · Pacific Premier...	830.00	-25,127.99
Deposit	06/21/2021	F:0895 A:0760 - CURR SECURED TAX	1010 · Pacific Premier...	-1,695.50	-26,823.49
Deposit	06/22/2021	Sani Rec	1010 · Pacific Premier...	-1,470.29	-28,293.78
Deposit	06/22/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-28,293.78
Deposit	06/22/2021	Other 1	1010 · Pacific Premier...	0.00	-28,293.78
Deposit	06/22/2021	Other 2	1010 · Pacific Premier...	-79.16	-28,372.94
Deposit	06/23/2021	Sani Rec	1010 · Pacific Premier...	-9.50	-28,382.44
Deposit	06/23/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-28,382.44
Deposit	06/23/2021	Other 1	1010 · Pacific Premier...	0.00	-28,382.44
Deposit	06/23/2021	Other 2	1010 · Pacific Premier...	0.00	-28,382.44
Deposit	06/24/2021	Sani Rec	1010 · Pacific Premier...	-209.02	-28,591.46
Deposit	06/24/2021	Rate Assistance	1010 · Pacific Premier...	31.82	-28,559.64
Deposit	06/24/2021	Other 1	1010 · Pacific Premier...	0.00	-28,559.64
Deposit	06/24/2021	Other 2	1010 · Pacific Premier...	0.00	-28,559.64
Deposit	06/25/2021	Sani Rec	1010 · Pacific Premier...	-10,533.78	-39,093.42
Deposit	06/25/2021	Rate Assistance	1010 · Pacific Premier...	44.50	-39,048.92
Deposit	06/25/2021	Other 1	1010 · Pacific Premier...	616.72	-38,432.20
Deposit	06/25/2021	Other 2	1010 · Pacific Premier...	0.00	-38,432.20
Deposit	06/29/2021	Sani Rec	1010 · Pacific Premier...	-971.68	-39,403.88
Deposit	06/29/2021	Rate Assistance	1010 · Pacific Premier...	59.05	-39,344.83
Deposit	06/29/2021	Other 1	1010 · Pacific Premier...	37.00	-39,307.83
Deposit	06/29/2021	Other 2	1010 · Pacific Premier...	-8.90	-39,316.73
Deposit	06/30/2021	Sani Rec	1010 · Pacific Premier...	-582.74	-39,899.47
Deposit	06/30/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-39,899.47
Deposit	06/30/2021	Other 1	1010 · Pacific Premier...	0.00	-39,899.47
Deposit	06/30/2021	Other 2	1010 · Pacific Premier...	0.00	-39,899.47
Total Sanitary					-39,899.47
Solid Waste					
Deposit	06/29/2021	Waste Connections Franchise Fee SW	1010 · Pacific Premier...	-2,156.04	-2,156.04
Total Solid Waste					-2,156.04

**Avila Beach Community Services District
Deposits by Fund
June 2021**

07/14/21

Type	Date	Memo	Split	Amount	Balance
Water					
Deposit	06/01/2021	Water Rec	1010 · Pacific Premier...	-678.18	-678.18
Deposit	06/01/2021	Rate Assistance	1010 · Pacific Premier...	71.92	-606.26
Deposit	06/01/2021	Other 1	1010 · Pacific Premier...	0.00	-606.26
Deposit	06/01/2021	Other 2	1010 · Pacific Premier...	0.00	-606.26
Deposit	06/02/2021	Water Rec	1010 · Pacific Premier...	-1,324.39	-1,930.65
Deposit	06/02/2021	Rate Assistance	1010 · Pacific Premier...	30.13	-1,900.52
Deposit	06/02/2021	Other 1	1010 · Pacific Premier...	0.00	-1,900.52
Deposit	06/02/2021	Other 2	1010 · Pacific Premier...	0.00	-1,900.52
Deposit	06/03/2021	Water Rec	1010 · Pacific Premier...	-666.96	-2,567.48
Deposit	06/03/2021	Rate Assistance	1010 · Pacific Premier...	33.60	-2,533.88
Deposit	06/03/2021	Other 1	1010 · Pacific Premier...	0.00	-2,533.88
Deposit	06/03/2021	Other 2	1010 · Pacific Premier...	0.00	-2,533.88
Deposit	06/05/2021	Water Rec	1010 · Pacific Premier...	-236.07	-2,769.95
Deposit	06/05/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-2,769.95
Deposit	06/05/2021	Other 1	1010 · Pacific Premier...	0.00	-2,769.95
Deposit	06/05/2021	Other 2	1010 · Pacific Premier...	0.00	-2,769.95
Deposit	06/07/2021	Water Rec	1010 · Pacific Premier...	-1,026.45	-3,796.40
Deposit	06/07/2021	Rate Assistance	1010 · Pacific Premier...	56.65	-3,739.75
Deposit	06/07/2021	Other 1	1010 · Pacific Premier...	0.00	-3,739.75
Deposit	06/07/2021	Other 2	1010 · Pacific Premier...	0.00	-3,739.75
Deposit	06/08/2021	Water Rec	1010 · Pacific Premier...	-1,333.92	-5,073.67
Deposit	06/08/2021	Rate Assistance	1010 · Pacific Premier...	178.99	-4,894.68
Deposit	06/08/2021	Other 1	1010 · Pacific Premier...	0.00	-4,894.68
Deposit	06/08/2021	Other 2	1010 · Pacific Premier...	0.00	-4,894.68
Deposit	06/09/2021	Water Rec	1010 · Pacific Premier...	-779.63	-5,674.31
Deposit	06/09/2021	Rate Assistance	1010 · Pacific Premier...	3.73	-5,670.58
Deposit	06/09/2021	Other 1	1010 · Pacific Premier...	0.00	-5,670.58
Deposit	06/09/2021	Other 2	1010 · Pacific Premier...	0.00	-5,670.58
Deposit	06/10/2021	Water Rec	1010 · Pacific Premier...	-475.71	-6,146.29
Deposit	06/10/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-6,146.29
Deposit	06/10/2021	Other 1	1010 · Pacific Premier...	0.00	-6,146.29
Deposit	06/10/2021	Other 2	1010 · Pacific Premier...	0.00	-6,146.29
Deposit	06/11/2021	Water Rec	1010 · Pacific Premier...	-184.14	-6,330.43
Deposit	06/11/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-6,330.43
Deposit	06/11/2021	Other 1	1010 · Pacific Premier...	0.00	-6,330.43
Deposit	06/11/2021	Other 2	1010 · Pacific Premier...	0.00	-6,330.43
Deposit	06/12/2021	Water Rec	1010 · Pacific Premier...	-79.80	-6,410.23
Deposit	06/12/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-6,410.23
Deposit	06/12/2021	Other 1	1010 · Pacific Premier...	0.00	-6,410.23
Deposit	06/12/2021	Other 2	1010 · Pacific Premier...	0.00	-6,410.23

Avila Beach Community Services District
Deposits by Fund
 June 2021

07/14/21

Type	Date	Memo	Split	Amount	Balance
Deposit	06/13/2021	Water Rec	1010 · Pacific Premier...	-64.08	-6,474.31
Deposit	06/13/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-6,474.31
Deposit	06/13/2021	Other 1	1010 · Pacific Premier...	0.00	-6,474.31
Deposit	06/13/2021	Other 2	1010 · Pacific Premier...	0.00	-6,474.31
Deposit	06/14/2021	Water Rec	1010 · Pacific Premier...	-51.93	-6,526.24
Deposit	06/14/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-6,526.24
Deposit	06/14/2021	Other 1	1010 · Pacific Premier...	0.00	-6,526.24
Deposit	06/14/2021	Other 2	1010 · Pacific Premier...	0.00	-6,526.24
Deposit	06/14/2021	TCF FY 21 MAY ME - IMPR # 1 - Gen . 70, Water .25, Lights .05	1010 · Pacific Premier...	-194.40	-6,720.64
Deposit	06/15/2021	Water Rec	1010 · Pacific Premier...	-7,309.26	-14,029.90
Deposit	06/15/2021	Rate Assistance	1010 · Pacific Premier...	87.21	-13,942.69
Deposit	06/15/2021	Other 1	1010 · Pacific Premier...	0.00	-13,942.69
Deposit	06/15/2021	Other 2	1010 · Pacific Premier...	0.00	-13,942.69
Deposit	06/17/2021	Water Rec	1010 · Pacific Premier...	-1,391.31	-15,334.00
Deposit	06/17/2021	Rate Assistance	1010 · Pacific Premier...	22.40	-15,311.60
Deposit	06/17/2021	Other 1	1010 · Pacific Premier...	0.00	-15,311.60
Deposit	06/17/2021	Other 2	1010 · Pacific Premier...	0.00	-15,311.60
Deposit	06/17/2021	San Juan Irrigation 4/28 - 5/28/21	1010 · Pacific Premier...	-1,888.65	-17,200.25
Deposit	06/17/2021	Front Street Irrigation 4/28 - 5/28/21	1010 · Pacific Premier...	-1,363.50	-18,563.75
Deposit	06/17/2021	Community Park Restrooms 4/28 - 5/28/21	1010 · Pacific Premier...	-593.28	-19,157.03
Deposit	06/18/2021	Water Rec	1010 · Pacific Premier...	-1,881.09	-21,038.12
Deposit	06/18/2021	Rate Assistance	1010 · Pacific Premier...	13.63	-21,024.49
Deposit	06/18/2021	Other 1	1010 · Pacific Premier...	0.00	-21,024.49
Deposit	06/18/2021	Other 2	1010 · Pacific Premier...	0.00	-21,024.49
Deposit	06/19/2021	Water Rec	1010 · Pacific Premier...	-227.97	-21,252.46
Deposit	06/19/2021	Rate Assistance	1010 · Pacific Premier...	32.79	-21,219.67
Deposit	06/19/2021	Other 1	1010 · Pacific Premier...	0.00	-21,219.67
Deposit	06/19/2021	Other 2	1010 · Pacific Premier...	0.00	-21,219.67
Deposit	06/21/2021	Water Rec	1010 · Pacific Premier...	-8,659.26	-29,878.93
Deposit	06/21/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-29,878.93
Deposit	06/21/2021	1/2 Other 1	1010 · Pacific Premier...	0.00	-29,878.93
Deposit	06/21/2021	1/2 Other 2	1010 · Pacific Premier...	0.00	-29,878.93
Deposit	06/21/2021	Booked 6/17/21 Separately Community Park Restrooms 4/28 - 5/28/21	1010 · Pacific Premier...	593.28	-29,285.65
Deposit	06/21/2021	Booked 6/17/21 Separately Front St 4/28 - 5/28/21	1010 · Pacific Premier...	1,363.50	-27,922.15
Deposit	06/21/2021	Booked 6/17/21 Separately San Juan Park 4/28 - 5/28/21	1010 · Pacific Premier...	1,888.65	-26,033.50
Deposit	06/21/2021	F:0895 A:0760 - AVILA BEACH IMP # 1 - Gen . 70, Water .25, Lights ...	1010 · Pacific Premier...	-426.92	-26,460.42
Deposit	06/22/2021	Water Rec	1010 · Pacific Premier...	-1,260.93	-27,721.35
Deposit	06/22/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-27,721.35
Deposit	06/22/2021	Other 1	1010 · Pacific Premier...	0.00	-27,721.35
Deposit	06/22/2021	Other 2	1010 · Pacific Premier...	0.00	-27,721.35
Deposit	06/23/2021	Water Rec	1010 · Pacific Premier...	-26.58	-27,747.93

Avila Beach Community Services District
Deposits by Fund
 June 2021

07/14/21

Type	Date	Memo	Split	Amount	Balance
Deposit	06/23/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-27,747.93
Deposit	06/23/2021	Other 1	1010 · Pacific Premier...	0.00	-27,747.93
Deposit	06/23/2021	Other 2	1010 · Pacific Premier...	0.00	-27,747.93
Deposit	06/24/2021	Water Rec	1010 · Pacific Premier...	-288.09	-28,036.02
Deposit	06/24/2021	Rate Assistance	1010 · Pacific Premier...	45.61	-27,990.41
Deposit	06/24/2021	Other 1	1010 · Pacific Premier...	0.00	-27,990.41
Deposit	06/24/2021	Other 2	1010 · Pacific Premier...	0.00	-27,990.41
Deposit	06/25/2021	Water Rec	1010 · Pacific Premier...	-10,820.94	-38,811.35
Deposit	06/25/2021	Rate Assistance	1010 · Pacific Premier...	58.43	-38,752.92
Deposit	06/25/2021	Other 1	1010 · Pacific Premier...	0.00	-38,752.92
Deposit	06/25/2021	Other 2	1010 · Pacific Premier...	0.00	-38,752.92
Deposit	06/29/2021	Water Rec	1010 · Pacific Premier...	-1,813.33	-40,566.25
Deposit	06/29/2021	Rate Assistance	1010 · Pacific Premier...	80.83	-40,485.42
Deposit	06/29/2021	Other 1	1010 · Pacific Premier...	0.00	-40,485.42
Deposit	06/29/2021	Other 2	1010 · Pacific Premier...	0.00	-40,485.42
Deposit	06/30/2021	Water Rec	1010 · Pacific Premier...	-632.12	-41,117.54
Deposit	06/30/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-41,117.54
Deposit	06/30/2021	Other 1	1010 · Pacific Premier...	0.00	-41,117.54
Deposit	06/30/2021	Other 2	1010 · Pacific Premier...	0.00	-41,117.54
Total Water				-41,117.54	-41,117.54
TOTAL				-86,126.31	-86,126.31

Avila Beach Community Services District
Checks by Fund w/Accounts

June 2021

07/14/21

Type	Date	Num	Name	Memo	Account	Amount	Balance
Check	06/01/2021		Digital Check Corp.	ink	6143 · Supplies, Office	33.53	33.53
Check	06/01/2021		Adobe.com		6120 · Dues & Subscripti...	179.88	213.41
Check	06/02/2021	2968	Nikki Engle Bookkeeping	Inv. 2774 5/26/21	6102 · Accounting	540.00	753.41
Check	06/02/2021	EFT	GetStreamline.com / Digital Depl...	monthly ABCSD Streamline	6170 · Website	200.00	953.41
Check	06/02/2021		U.S. Postal Service	board pkts	6142 · Postage & Shipping	13.00	966.41
Check	06/03/2021		Zoom		6120 · Dues & Subscripti...	149.90	1,116.31
Check	06/03/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	13.94	1,130.25
Check	06/03/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	20.20	1,150.45
Check	06/05/2021	EFT	Adobe.com		6120 · Dues & Subscripti...	14.99	1,165.44
Check	06/07/2021		American Express Discount	Amex	5110 · Amex	14.85	1,180.29
Check	06/08/2021		Hagemann & Associates	Inv. 1146 May 23 - June 5, 2021 Contract La...	6506 · Contract Labor GM	1,595.00	2,775.29
Check	06/09/2021		Amazon	pens, tissue	6143 · Supplies, Office	30.03	2,805.32
Check	06/09/2021		Amazon	coffee	6143 · Supplies, Office	28.70	2,834.02
Check	06/09/2021		Amazon	ORDER # 111-1009540-4479433 pens \$ 6.5...	6143 · Supplies, Office	14.99	2,849.01
Check	06/09/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	11.69	2,860.70
Check	06/09/2021		InvoiceCloud	Invoice Cloud merchant fees	5140 · Invoice Cloud	413.46	3,274.16
Check	06/09/2021	EFT	Cal Tec Computers	computer repairs	6524 · Equip. Rep. & Main...	40.00	3,314.16
Check	06/11/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	16.73	3,330.89
Check	06/14/2021		Amazon	ORDER # 111-1009540-4479433 pens \$ 6.5...	6143 · Supplies, Office	6.53	3,337.42
Check	06/16/2021	EFT	Brezden Pest		6542 · Maintenance	65.00	3,402.42
Check	06/16/2021	EFT	Public Employees Retirement Sy...	Kristi 5/16 - 5/31/21	2250 · PERS Liability	232.20	3,634.62
Check	06/16/2021	EFT	Public Employees Retirement Sy...	Kristi 5/16 - 5/31/21	5256 · PERS Co Pd Kristi	37.82	3,672.44
Check	06/16/2021	EFT	Public Employees Retirement Sy...	Kristi 6/1 - 6/15/21	2250 · PERS Liability	194.16	3,866.60
Check	06/16/2021	EFT	Public Employees Retirement Sy...	Kristi 6/1 - 6/15/21	5256 · PERS Co Pd Kristi	31.77	3,898.37
Check	06/17/2021	2977	Nikki Engle Bookkeeping	Inv. 2786 6/9/21	6102 · Accounting	480.00	4,378.37
Check	06/17/2021	2979	McClatchy Company, LLC	Telegram Tribune Public Notices Inv. 31035 ...	6145 · Public Notices	74.55	4,452.92
Check	06/17/2021	2980	Creative Technologies, Inc.	Inv. 6364 Run Date 4/1/21 Customer Numbe...	6142 · Postage & Shipping	149.31	4,602.23
Check	06/17/2021	2980	Creative Technologies, Inc.	Inv. 6471 Run Date 6/2/21	6142 · Postage & Shipping	161.28	4,763.51
Check	06/17/2021	2980	Creative Technologies, Inc.	Inv. 6408 6/2/21 El Dorado Software to Cloud	6117 · Billing Software & ...	850.00	5,613.51
Check	06/17/2021	2981	Price, Postal & Parma LLC	Inv. 184462 6/8/21	6135 · Legal	345.00	5,958.51
Check	06/18/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	12.27	5,970.78
Check	06/23/2021		Staples	Order # 9833506533 Binders	6143 · Supplies, Office	71.60	6,042.38
Check	06/23/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	10.54	6,052.92
Check	06/23/2021		Amazon	Order # 111-1507102-0241801 storage cont...	6143 · Supplies, Office	99.57	6,152.49
Check	06/24/2021	EFT	PG&E	100 San Luis St.	6590 · Utilities	144.43	6,296.92
Check	06/25/2021	EFT	Spectrum	Acct #. 8245100980033571	6585 · Telephone / Internet	224.95	6,521.87
Check	06/30/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	57.03	6,578.90
Total General / Admin							6,578.90

Avila Beach Community Services District
Checks by Fund w/Accounts
 June 2021

07/14/21

Type	Date	Num	Name	Memo	Account	Amount	Balance
Lights							
Check	06/03/2021	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	409.75	409.75
Check	06/03/2021	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	101.86	511.61
Check	06/24/2021	EFT	PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	305.79	817.40
Total Lights							
Sanitary							
Check	06/01/2021	EFT	AT&T	acct # 805 595-9416 904 5	6585 · Telephone / Internet	186.26	186.26
Check	06/02/2021	EFT	South County Sanitary Service	Acct. Number 4120-3104357 2 Yd Dumpster	6590 · Utilities	134.96	321.22
Check	06/02/2021	2970	Brenntag Pacific, Inc.	Inv. BPI 146369 5/20/21	6503 · Chemicals	1,024.95	1,346.17
Check	06/02/2021	2970	Brenntag Pacific, Inc.	Inv. BPI 148491 5/27/21	6503 · Chemicals	1,065.16	2,411.33
Check	06/02/2021	2971	Abalone Coast Analytical, Inc.	Statement 6/1/21 Inv. 5262	6540 · Lab Tests	3,600.00	6,011.33
Check	06/02/2021	2972	Miners Ace Hardware	Acct: 126380 5/31/21	6524 · Equip. Rep. & Main...	53.21	6,064.54
Check	06/08/2021	2973	Hagemann & Associates	Contract Labor Sanitary System	6507 · Contract Labor Ci...	3,335.00	9,399.54
Check	06/08/2021	2974	Wallace Group, Inc.	0245-0011-00 Inv. 53523	6525 · Fat Oil & Grease (...)	97.50	9,497.04
Check	06/08/2021	2974	Wallace Group, Inc.	0245-0012-00 Inv. 53488	8245d · WWTP Wallace ...	21,836.00	31,333.04
Check	06/08/2021	2975	Fluid Resource Management, Inc.	May 2021 Ops. Sanitary Inv. F20872	6505 · Contract Labor O ...	15,136.72	46,469.76
Check	06/08/2021	2975	Fluid Resource Management, Inc.	W20666 Power Failure SCADA Fail Emerge...	6522 · Equip. Rep. & Mai...	2,714.48	49,184.24
Check	06/08/2021	2975	Fluid Resource Management, Inc.	W20629 1st Street Lift Station Pump Remov...	6524 · Equip. Rep. & Main...	586.16	49,770.40
Check	06/14/2021	EFT	AT&T	acct # 287272916182	6585 · Telephone / Internet	23.50	49,793.90
Check	06/17/2021	2976	Speed's, Inc.	Inv.# 65458 5/20/21	6580 · Solids Handling	1,775.00	51,568.90
Check	06/17/2021	2978	Garing, Taylor & Associates, Inc.	Inv. 17660 5/31/21 San Miguel Sewer Line P...	8246c · WW Swr Ln Rpl...	115.00	51,683.90
Check	06/17/2021	2982	Brenntag Pacific, Inc.	Inv. BPI 150245 6/3/21	6503 · Chemicals	1,117.08	52,800.98
Check	06/18/2021	EFT	AT&T	acct # x 0885 Internet	6585 · Telephone / Internet	58.85	52,859.83
Check	06/24/2021	EFT	PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	101.49	52,961.32
Check	06/24/2021	EFT	PG&E	3rd & San Fran St. pump	6590 · Utilities	2,914.42	55,875.74
Check	06/30/2021	ADJ	BALANCE ADJUSTMENT	CC BALANCE ADJ CCS	1280 · Water & Sewer Bil...	611.53	56,487.27
Total Sanitary							
Water							
Check	06/02/2021	2969	SLO Co Health	Cross Connections Inv. IN0132032	6555 · Permits & Fees	65.00	65.00
Check	06/08/2021	2973	Hagemann & Associates	Contract Labor Water System	6507 · Contract Labor Ci...	1,305.00	1,370.00
Check	06/08/2021	2975	Fluid Resource Management, Inc.	May 2021 Ops. Water Inv. F20872	6505 · Contract Labor O ...	5,042.92	6,412.92
Check	06/08/2021	2975	Fluid Resource Management, Inc.	A20743 Chemicals	6503 · Chemicals	26.60	6,439.52
Check	06/24/2021	EFT	PG&E	1717 Cave Landing Rd.	6590 · Utilities	189.75	6,629.27
Check	06/30/2021	ADJ	BALANCE ADJUSTMENT	CC BALANCE ADJ CCS	1280 · Water & Sewer Bil...	611.53	7,240.80
Total Water							
						7,240.80	7,240.80
TOTAL						71,124.37	71,124.37

Avila Beach Community Services District
Profit & Loss
June 2021

	<u>Jun 21</u>
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	88,255.37
4012 · Solid Waste Franchise Fee	2,156.04
4020 · Contract Services-Ambulance	1,089.31
4030 · County Taxes	4,953.40
	<hr/>
Total 4000 · Income Summary	96,454.12
	<hr/>
Total Income	96,454.12
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Gross Profit	96,454.12
	<hr/>
Expense	
5100 · Merchant Credit Card Fees	
5110 · Amex	14.85
5120 · Chase Paymentech	142.40
5140 · Invoice Cloud	413.46
	<hr/>
Total 5100 · Merchant Credit Card Fees	570.71
	<hr/>
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	3,192.25
5012 · Holiday Pay	0.00
5014 · Sick Pay	0.00
5016 · Vacation Pay	0.00
	<hr/>
Total 5210 · Gross Wages	3,192.25
	<hr/>
5230 · Payroll Taxes	57.89
	<hr/>
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	800.00
	<hr/>
Total 5240 · Health & Medical Exp.	800.00
	<hr/>
5250 · PERS Company Pd Expense	
5256 · PERS Co Pd Kristi	269.11
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Total 5250 · PERS Company Pd Expense	269.11
	<hr/>
5280 · Payroll Administration & Misc.	117.12
	<hr/>
Total 5200 · Payroll Expenses	4,436.37

Avila Beach Community Services District
Profit & Loss
June 2021

	<u>Jun 21</u>
6000 · Administrative Overheads	
6102 · Accounting	1,020.00
6117 · Billing Software & Service	850.00
6120 · Dues & Subscriptions	344.77
6135 · Legal	345.00
6140 · Office Supplies & Postage	
6142 · Postage & Shipping	323.59
6143 · Supplies, Office	284.95
	<hr/>
Total 6140 · Office Supplies & Postage	608.54
6145 · Public Notices	74.55
6150 · Rate Assistance	884.03
6170 · Website	200.00
	<hr/>
Total 6000 · Administrative Overheads	4,326.89
6500 · Operating Expenses	
6503 · Chemicals	3,233.79
6505 · Contract Labor O & M	20,179.64
6506 · Contract Labor GM	1,595.00
6507 · Contract Labor Civil Engineer	4,640.00
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	2,714.48
6524 · Equip. Rep. & Maint. Avila Only	679.37
	<hr/>
Total 6520 · Equipment Repair & Maint.	3,393.85
6525 · Fat Oil & Grease (FOG)	97.50
6535 · Insurance P/L	1,919.00
6540 · Lab Tests	3,600.00
6542 · Maintenance	65.00
6555 · Permits & Fees	65.00
6580 · Solids Handling	1,775.00
6585 · Telephone / Internet	493.56
6590 · Utilities	4,302.45
	<hr/>
Total 6500 · Operating Expenses	45,359.79
Total Expense	<hr/> 54,693.76
Net Ordinary Income	41,760.36

Avila Beach Community Services District
Profit & Loss
June 2021

	<u>Jun 21</u>
Other Income/Expense	
Other Income	
7200 · Non-Operating Income	
7210 · Connection Fees	1,000.00
Total 7200 · Non-Operating Income	<u>1,000.00</u>
Total Other Income	1,000.00
Other Expense	
8200 · Non-Operating Expenses	
8230 · Capital Purchases in Prog Sani	
8245 · WWTP Improvement Project	
8245d · WWTP Wallace Group Enginee...	21,836.00
Total 8245 · WWTP Improvement Project	21,836.00
8246 · WW Swr Ln Rplmt San Migl	
8246c · WW Swr Ln Rplmt Sn Migl Pha...	115.00
Total 8246 · WW Swr Ln Rplmt San Migl	<u>115.00</u>
Total 8230 · Capital Purchases in Prog Sani	<u>21,951.00</u>
Total 8200 · Non-Operating Expenses	<u>21,951.00</u>
Total Other Expense	<u>21,951.00</u>
Net Other Income	<u>-20,951.00</u>
Net Income	<u><u>20,809.36</u></u>

Avila Beach Community Services District
Balance Sheet
As of July 31, 2021

	<u>Jul 31, 21</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · Cash Summary	
1005 · Customer Cash	325.00
1008 · Petty Cash	82.83
1010 · Pacific Premier Checking	427,559.43
1050 · LAIF	<u>3,878,008.56</u>
Total 1000 · Cash Summary	<u>4,305,975.82</u>
Total Checking/Savings	<u>4,305,975.82</u>
Accounts Receivable	
1200 · *Accounts Receivable	<u>76,469.00</u>
Total Accounts Receivable	<u>76,469.00</u>
Other Current Assets	
1250 · Receivables	
1255 · Interest Receivable	11,317.42
1270 · Taxes Receivable	23,892.61
1280 · Water & Sewer Billings	<u>145,983.78</u>
Total 1250 · Receivables	<u>181,193.81</u>
1400 · Prepaid Summary	
1410 · Prepaid Insurance	<u>19,749.07</u>
Total 1400 · Prepaid Summary	<u>19,749.07</u>
Total Other Current Assets	<u>200,942.88</u>
Total Current Assets	<u>4,583,387.70</u>
Fixed Assets	
1600 · Fixed Assets & Acc. Depr.	
1605 · Office Equipment	
1606 · Copier Samsung 2012	8,233.58
1609 · Office Equipment Accum Depr	<u>-8,233.58</u>
Total 1605 · Office Equipment	<u>0.00</u>
1610 · Fixed Asset -Office & Admin.	
1612 · Office Furniture cost	4,526.21
1614 · Office Furniture Accum Dep.	<u>-4,526.21</u>

Avila Beach Community Services District
Balance Sheet
As of July 31, 2021

	<u>Jul 31, 21</u>
Total 1610 · Fixed Asset -Office & Ad...	0.00
1620 · Fixed Assets - Sanitary	
1622 · Land	60,314.10
1626 · Collection Assets	
1627 · Collection Assets Cost	1,318,875.26
1628 · Collect Assets Accum Depr	<u>-545,463.32</u>
Total 1626 · Collection Assets	773,411.94
1630 · Disposal Equipment	
1631 · Disposal Equip Cost	611,174.66
1632 · Disposal Equip Accum Depr	<u>-376,478.88</u>
Total 1630 · Disposal Equipment	234,695.78
1634 · Other Equipment	
1634a · Other Equipment Cost	<u>6,973.40</u>
Total 1634 · Other Equipment	6,973.40
1635 · Treatment Plant	
1636 · Treatment Plant Original	105,000.00
1637 · Treatment Plant Addition	2,049,098.30
1638 · Treatment Plant Accum Dep	<u>-1,248,125.98</u>
Total 1635 · Treatment Plant	905,972.32
1642 · Treatment Equipment	
1643 · Treatment Equip Cost	1,087,410.54
1644 · Treatment Equip Accum D...	-704,848.55
1642 · Treatment Equipment - Oth...	<u>205,485.61</u>
Total 1642 · Treatment Equipment	<u>588,047.60</u>
Total 1620 · Fixed Assets - Sanitary	2,569,415.14
1650 · Fixed Assets - Water	
1652 · Equipment	
1653 · Equipment Cost	21,136.28
1654 · Equipment Accum Depr	-21,136.28
1652 · Equipment - Other	<u>74.79</u>
Total 1652 · Equipment	74.79
1656 · Distribution Assets	
1657 · Distribution Assets Cost	1,263,996.77

Avila Beach Community Services District
Balance Sheet
As of July 31, 2021

	<u>Jul 31, 21</u>
1658 · Dist Assets Accum Depr	-690,947.00
Total 1656 · Distribution Assets	573,049.77
Total 1650 · Fixed Assets - Water	573,124.56
1680 · Structures - Fixed Asset	
1681 · Structures GFAAG - Sani & FA	82,207.29
1682 · Gen / Fire Accum Dep	-46,485.99
Total 1680 · Structures - Fixed Asset	35,721.30
1690 · Construction in Progress	248,213.98
Total 1600 · Fixed Assets & Acc. Depr.	3,426,474.98
Total Fixed Assets -	3,426,474.98
Other Assets	
1800 · Deferred Outflows of Resources	24,772.00
Total Other Assets	24,772.00
TOTAL ASSETS	<u>8,034,634.68</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 · Accounts Payable	69,461.88
Total Accounts Payable	69,461.88
Other Current Liabilities	
2200 · Payroll Liabilities	
2201 · Accrued Payroll	2,095.00
2260 · Vacation Payable	1,509.41
2262 · Sick Pay Accrued	787.39
Total 2200 · Payroll Liabilities	4,391.80
2300 · Deposits Held	
2303 · Water Deposits Held	4,610.00
Total 2300 · Deposits Held	4,610.00
Total Other Current Liabilities	9,001.80

Avila Beach Community Services District
Balance Sheet
As of July 31, 2021

	<u>Jul 31, 21</u>
Total Current Liabilities	78,463.68
Long Term Liabilities	
2400 · Net Pension Liability	131,246.00
2500 · Deferred Inflows of Resources	<u>7,928.00</u>
Total Long Term Liabilities	<u>139,174.00</u>
Total Liabilities	217,637.68
Equity	
3000 · Opening Bal Equity	85,498.07
3900 · Retained Earnings	8,032,781.91
Net Income	<u>-301,282.98</u>
Total Equity	<u>7,816,997.00</u>
TOTAL LIABILITIES & EQUITY	<u><u>8,034,634.68</u></u>

**Avila Beach Community Services District
Deposits by Fund
July 2021**

08/04/21

Type	Date	Memo	Split	Amount	Balance
General / Admin					
Deposit	07/08/2021	TCF FY 21 JUNE ME - IMPR # 1 - Gen . 70, Water .25, Lights .05	1010 · Pacific Premier...	-296.12	-296.12
Deposit	07/29/2021	F:0895 A:0760 - AVILA BEACH IMP # 1 - Gen . 70, Water .25, Lights ...	1010 · Pacific Premier...	-3,559.05	-3,855.17
Total General / Admin				-3,855.17	-3,855.17
Lights					
Deposit	07/08/2021	TCF FY 21 JUNE ME - IMPR # 1 - Gen . 70, Water .25, Lights .05	1010 · Pacific Premier...	-21.15	-21.15
Deposit	07/29/2021	F:0895 A:0760 - AVILA BEACH IMP # 1 - Gen . 70, Water .25, Lights ...	1010 · Pacific Premier...	-254.22	-275.37
Total Lights				-275.37	-275.37
Sanitary					
Deposit	07/01/2021	Sani Rec	1010 · Pacific Premier...	-941.14	-941.14
Deposit	07/01/2021	Rate Assistance	1010 · Pacific Premier...	29.61	-911.53
Deposit	07/01/2021	Other 1	1010 · Pacific Premier...	0.00	-911.53
Deposit	07/01/2021	Other 2	1010 · Pacific Premier...	-446.49	-1,358.02
Deposit	07/02/2021	Sani Rec	1010 · Pacific Premier...	-86.30	-1,444.32
Deposit	07/02/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-1,444.32
Deposit	07/02/2021	Other 1	1010 · Pacific Premier...	0.00	-1,444.32
Deposit	07/02/2021	Other 2	1010 · Pacific Premier...	0.00	-1,444.32
Deposit	07/03/2021	Sani Rec	1010 · Pacific Premier...	0.00	-1,444.32
Deposit	07/03/2021	Rate Assistance	1010 · Pacific Premier...	-125.67	-1,569.99
Deposit	07/03/2021	Other 1	1010 · Pacific Premier...	1.90	-1,568.09
Deposit	07/03/2021	Other 2	1010 · Pacific Premier...	0.00	-1,568.09
Deposit	07/03/2021	Other 2	1010 · Pacific Premier...	0.00	-1,568.09
Deposit	07/04/2021	Sani Rec	1010 · Pacific Premier...	-36.42	-1,604.51
Deposit	07/04/2021	Rate Assistance	1010 · Pacific Premier...	7.28	-1,597.23
Deposit	07/04/2021	Other 1	1010 · Pacific Premier...	0.00	-1,597.23
Deposit	07/04/2021	Other 2	1010 · Pacific Premier...	0.00	-1,597.23
Deposit	07/05/2021	Sani Rec	1010 · Pacific Premier...	-150.09	-1,747.32
Deposit	07/05/2021	Rate Assistance	1010 · Pacific Premier...	4.59	-1,742.73
Deposit	07/05/2021	Other 1	1010 · Pacific Premier...	0.00	-1,742.73
Deposit	07/05/2021	Other 2	1010 · Pacific Premier...	0.00	-1,742.73
Deposit	07/06/2021	Sani Rec	1010 · Pacific Premier...	-2,357.23	-4,099.96
Deposit	07/06/2021	Rate Assistance	1010 · Pacific Premier...	4.59	-4,095.37
Deposit	07/06/2021	Other 1	1010 · Pacific Premier...	0.00	-4,095.37
Deposit	07/06/2021	Other 2	1010 · Pacific Premier...	-309.64	-4,405.01
Deposit	07/07/2021	Sani Rec	1010 · Pacific Premier...	-287.43	-4,692.44
Deposit	07/07/2021	Rate Assistance	1010 · Pacific Premier...	5.86	-4,686.58
Deposit	07/07/2021	Other 1	1010 · Pacific Premier...	0.00	-4,686.58
Deposit	07/07/2021	Other 2	1010 · Pacific Premier...	-8.84	-4,695.42
Deposit	07/08/2021	TCF FY 21 JUNE ME - Waste	1010 · Pacific Premier...	-420.60	-5,116.02

**Avila Beach Community Services District
Deposits by Fund
July 2021**

08/04/21

Type	Date	Memo	Split	Amount	Balance
Deposit	07/08/2021	Sani Rec	1010 · Pacific Premier...	-8,215.82	-13,331.84
Deposit	07/08/2021	Rate Assistance	1010 · Pacific Premier...	36.41	-13,295.43
Deposit	07/08/2021	Other 1	1010 · Pacific Premier...	0.00	-13,295.43
Deposit	07/08/2021	Other 2	1010 · Pacific Premier...	-107.88	-13,403.31
Deposit	07/09/2021	Sani Rec	1010 · Pacific Premier...	-400.72	-13,804.03
Deposit	07/09/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-13,804.03
Deposit	07/09/2021	Other 1	1010 · Pacific Premier...	0.00	-13,804.03
Deposit	07/09/2021	Other 2	1010 · Pacific Premier...	0.00	-13,804.03
Deposit	07/10/2021	Sani Rec	1010 · Pacific Premier...	-425.96	-14,229.99
Deposit	07/10/2021	Rate Assistance	1010 · Pacific Premier...	57.97	-14,172.02
Deposit	07/10/2021	Other 1	1010 · Pacific Premier...	0.00	-14,172.02
Deposit	07/10/2021	Other 2	1010 · Pacific Premier...	0.00	-14,172.02
Deposit	07/11/2021	Sani Rec	1010 · Pacific Premier...	-148.08	-14,320.10
Deposit	07/11/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-14,320.10
Deposit	07/11/2021	Other 1	1010 · Pacific Premier...	0.00	-14,320.10
Deposit	07/11/2021	Other 2	1010 · Pacific Premier...	0.00	-14,320.10
Deposit	07/12/2021	Sani Rec	1010 · Pacific Premier...	-3,206.99	-17,527.09
Deposit	07/13/2021	Rate Assistance	1010 · Pacific Premier...	11.87	-17,515.22
Deposit	07/13/2021	Other 1	1010 · Pacific Premier...	-562.21	-18,077.43
Deposit	07/13/2021	Other 2	1010 · Pacific Premier...	-363.46	-18,440.89
Deposit	07/14/2021	Sani Rec	1010 · Pacific Premier...	-2,958.21	-21,399.10
Deposit	07/14/2021	Rate Assistance	1010 · Pacific Premier...	54.47	-21,344.63
Deposit	07/14/2021	Other 1	1010 · Pacific Premier...	0.00	-21,344.63
Deposit	07/14/2021	Other 2	1010 · Pacific Premier...	11.46	-21,333.17
Deposit	07/15/2021	Sani Rec	1010 · Pacific Premier...	-334.14	-21,667.31
Deposit	07/15/2021	Rate Assistance	1010 · Pacific Premier...	12.67	-21,654.64
Deposit	07/15/2021	Other 1	1010 · Pacific Premier...	0.00	-21,654.64
Deposit	07/15/2021	Other 2	1010 · Pacific Premier...	0.00	-21,654.64
Deposit	07/15/2021	Community Park Restrooms 5/29 - 6/25/21	1010 · Pacific Premier...	-2,077.16	-23,731.80
Deposit	07/16/2021	Sani Rec	1010 · Pacific Premier...	-1,256.00	-24,987.80
Deposit	07/16/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-24,987.80
Deposit	07/16/2021	Other 1	1010 · Pacific Premier...	0.00	-24,987.80
Deposit	07/16/2021	Other 2	1010 · Pacific Premier...	0.00	-24,987.80
Deposit	07/17/2021	Sani Rec	1010 · Pacific Premier...	-72.84	-25,060.64
Deposit	07/17/2021	Rate Assistance	1010 · Pacific Premier...	14.57	-25,046.07
Deposit	07/17/2021	Other 1	1010 · Pacific Premier...	0.00	-25,046.07
Deposit	07/17/2021	Other 2	1010 · Pacific Premier...	0.00	-25,046.07
Deposit	07/17/2021	Sani Rec	1010 · Pacific Premier...	-10,886.15	-35,932.22
Deposit	07/17/2021	Rate Assistance	1010 · Pacific Premier...	44.49	-35,887.73
Deposit	07/17/2021	Other 1	1010 · Pacific Premier...	0.00	-35,887.73
Deposit	07/17/2021	Other 2	1010 · Pacific Premier...	295.71	-35,592.02

**Avila Beach Community Services District
Deposits by Fund
July 2021**

08/04/21

Type	Date	Memo	Split	Amount	Balance
Deposit	07/19/2021	Sani Rec	1010 · Pacific Premier...	-6,122.63	-41,714.65
Deposit	07/19/2021	Rate Assistance	1010 · Pacific Premier...	26.93	-41,687.72
Deposit	07/19/2021	1/2 Other 1	1010 · Pacific Premier...	0.00	-41,687.72
Deposit	07/19/2021	1/2 Other 2	1010 · Pacific Premier...	-137.81	-41,825.53
Deposit	07/19/2021	ACH SLOCO booked separately Community Park Restroom 5/29 - 6/...	1010 · Pacific Premier...	2,077.16	-39,748.37
Deposit	07/20/2021	Sani Rec	1010 · Pacific Premier...	-86.30	-39,834.67
Deposit	07/20/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-39,834.67
Deposit	07/20/2021	Other 1	1010 · Pacific Premier...	0.00	-39,834.67
Deposit	07/20/2021	Other 2	1010 · Pacific Premier...	0.00	-39,834.67
Deposit	07/21/2021	Sani Rec	1010 · Pacific Premier...	-773.10	-40,607.77
Deposit	07/21/2021	Rate Assistance	1010 · Pacific Premier...	11.87	-40,595.90
Deposit	07/21/2021	Other 1	1010 · Pacific Premier...	0.00	-40,595.90
Deposit	07/21/2021	Other 2	1010 · Pacific Premier...	8.67	-40,587.23
Deposit	07/22/2021	Sani Rec	1010 · Pacific Premier...	-261.11	-40,848.34
Deposit	07/22/2021	Rate Assistance	1010 · Pacific Premier...	9.98	-40,838.36
Deposit	07/22/2021	Other 1	1010 · Pacific Premier...	0.00	-40,838.36
Deposit	07/22/2021	Other 2	1010 · Pacific Premier...	156.89	-40,681.47
Deposit	07/23/2021	Sani Rec	1010 · Pacific Premier...	-86.30	-40,767.77
Deposit	07/23/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-40,767.77
Deposit	07/23/2021	Other 1	1010 · Pacific Premier...	0.00	-40,767.77
Deposit	07/23/2021	Other 2	1010 · Pacific Premier...	0.00	-40,767.77
Deposit	07/26/2021	Sani Rec	1010 · Pacific Premier...	82.31	-40,685.46
Deposit	07/26/2021	Rate Assistance	1010 · Pacific Premier...	-1,047.90	-41,733.36
Deposit	07/26/2021	Other 1	1010 · Pacific Premier...	12.67	-41,720.69
Deposit	07/26/2021	Other 2	1010 · Pacific Premier...	0.00	-41,720.69
Deposit	07/26/2021	Sani Rec	1010 · Pacific Premier...	0.00	-41,720.69
Deposit	07/28/2021	Rate Assistance	1010 · Pacific Premier...	-239.90	-41,960.59
Deposit	07/28/2021	Other 1	1010 · Pacific Premier...	7.28	-41,953.31
Deposit	07/28/2021	Other 2	1010 · Pacific Premier...	0.00	-41,953.31
Deposit	07/29/2021	Sani Rec	1010 · Pacific Premier...	-147.80	-42,101.11
Deposit	07/29/2021	Rate Assistance	1010 · Pacific Premier...	-1,213.75	-43,314.86
Deposit	07/29/2021	Other 1	1010 · Pacific Premier...	0.00	-43,314.86
Deposit	07/29/2021	Other 2	1010 · Pacific Premier...	0.00	-43,314.86
Deposit	07/29/2021	F:0895 A:0760 - CURR SECURED TAX	1010 · Pacific Premier...	-380.64	-43,695.50
Deposit	07/30/2021	Sani Rec	1010 · Pacific Premier...	-5,135.02	-48,830.52
Deposit	07/30/2021	Rate Assistance	1010 · Pacific Premier...	-505.14	-49,335.66
Deposit	07/30/2021	Other 1	1010 · Pacific Premier...	0.00	-49,335.66
Deposit	07/30/2021	Other 2	1010 · Pacific Premier...	0.00	-49,335.66
Total Sanitary				-49,335.66	-49,335.66

Avila Beach Community Services District
Deposits by Fund
 July 2021

08/04/21

Type	Date	Memo	Split	Amount	Balance
Solid Waste					
Deposit	07/21/2021	Waste Connections Franchise Fee SW	1010 · Pacific Premier...	-2,156.04	-2,156.04
Total Solid Waste				-2,156.04	-2,156.04
Water					
Deposit	07/01/2021	Water Rec	1010 · Pacific Premier...	-862.96	-862.96
Deposit	07/01/2021	Rate Assistance	1010 · Pacific Premier...	46.91	-816.05
Deposit	07/01/2021	Other 1	1010 · Pacific Premier...	0.00	-816.05
Deposit	07/01/2021	Other 2	1010 · Pacific Premier...	0.00	-816.05
Deposit	07/02/2021	Water Rec	1010 · Pacific Premier...	-116.01	-932.06
Deposit	07/02/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-932.06
Deposit	07/02/2021	Other 1	1010 · Pacific Premier...	0.00	-932.06
Deposit	07/02/2021	Other 2	1010 · Pacific Premier...	0.00	-932.06
Deposit	07/03/2021	Water Rec	1010 · Pacific Premier...	-179.61	-1,111.67
Deposit	07/03/2021	Rate Assistance	1010 · Pacific Premier...	9.58	-1,102.09
Deposit	07/03/2021	Other 1	1010 · Pacific Premier...	0.00	-1,102.09
Deposit	07/03/2021	Other 2	1010 · Pacific Premier...	0.00	-1,102.09
Deposit	07/04/2021	Water Rec	1010 · Pacific Premier...	-55.98	-1,158.07
Deposit	07/04/2021	Rate Assistance	1010 · Pacific Premier...	11.20	-1,146.87
Deposit	07/04/2021	Other 1	1010 · Pacific Premier...	0.00	-1,146.87
Deposit	07/04/2021	Other 2	1010 · Pacific Premier...	0.00	-1,146.87
Deposit	07/05/2021	Water Rec	1010 · Pacific Premier...	-166.74	-1,313.61
Deposit	07/05/2021	Rate Assistance	1010 · Pacific Premier...	10.39	-1,303.22
Deposit	07/05/2021	Other 1	1010 · Pacific Premier...	0.00	-1,303.22
Deposit	07/05/2021	Other 2	1010 · Pacific Premier...	0.00	-1,303.22
Deposit	07/06/2021	Water Rec	1010 · Pacific Premier...	-2,303.42	-3,606.64
Deposit	07/06/2021	Rate Assistance	1010 · Pacific Premier...	10.39	-3,596.25
Deposit	07/06/2021	Other 1	1010 · Pacific Premier...	0.00	-3,596.25
Deposit	07/06/2021	Other 2	1010 · Pacific Premier...	0.00	-3,596.25
Deposit	07/07/2021	Water Rec	1010 · Pacific Premier...	-528.24	-4,124.49
Deposit	07/07/2021	Rate Assistance	1010 · Pacific Premier...	3.73	-4,120.76
Deposit	07/07/2021	Other 1	1010 · Pacific Premier...	0.00	-4,120.76
Deposit	07/07/2021	Other 2	1010 · Pacific Premier...	0.00	-4,120.76
Deposit	07/08/2021	TCF FY 21 JUNE ME - IMPR # 1 - Gen . 70, Water .25, Lights .05	1010 · Pacific Premier...	-105.76	-4,226.52
Deposit	07/08/2021	Water Rec	1010 · Pacific Premier...	-3,469.11	-7,695.63
Deposit	07/08/2021	Rate Assistance	1010 · Pacific Premier...	56.00	-7,639.63
Deposit	07/08/2021	Other 1	1010 · Pacific Premier...	0.00	-7,639.63
Deposit	07/08/2021	Other 2	1010 · Pacific Premier...	0.00	-7,639.63
Deposit	07/09/2021	Water Rec	1010 · Pacific Premier...	-415.44	-8,055.07
Deposit	07/09/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-8,055.07

**Avila Beach Community Services District
Deposits by Fund
July 2021**

08/04/21

Type	Date	Memo	Split	Amount	Balance
Deposit	07/09/2021	Other 1	1010 · Pacific Premier...	0.00	-8,055.07
Deposit	07/09/2021	Other 2	1010 · Pacific Premier...	0.00	-8,055.07
Deposit	07/10/2021	Water Rec	1010 · Pacific Premier...	-214.33	-8,269.40
Deposit	07/10/2021	Rate Assistance	1010 · Pacific Premier...	62.48	-8,206.92
Deposit	07/10/2021	Other 1	1010 · Pacific Premier...	0.00	-8,206.92
Deposit	07/10/2021	Other 2	1010 · Pacific Premier...	0.00	-8,206.92
Deposit	07/12/2021	Water Rec	1010 · Pacific Premier...	-180.09	-8,387.01
Deposit	07/12/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-8,387.01
Deposit	07/12/2021	Other 1	1010 · Pacific Premier...	0.00	-8,387.01
Deposit	07/12/2021	Other 2	1010 · Pacific Premier...	0.00	-8,387.01
Deposit	07/13/2021	Water Rec	1010 · Pacific Premier...	-3,213.55	-11,600.56
Deposit	07/13/2021	Rate Assistance	1010 · Pacific Premier...	21.59	-11,578.97
Deposit	07/13/2021	Other 1	1010 · Pacific Premier...	0.00	-11,578.97
Deposit	07/13/2021	Other 2	1010 · Pacific Premier...	0.00	-11,578.97
Deposit	07/14/2021	Water Rec	1010 · Pacific Premier...	-5,704.58	-17,283.55
Deposit	07/14/2021	Rate Assistance	1010 · Pacific Premier...	70.44	-17,213.11
Deposit	07/14/2021	Other 1	1010 · Pacific Premier...	0.00	-17,213.11
Deposit	07/14/2021	Other 2	1010 · Pacific Premier...	0.00	-17,213.11
Deposit	07/15/2021	Water Rec	1010 · Pacific Premier...	-439.02	-17,652.13
Deposit	07/15/2021	Rate Assistance	1010 · Pacific Premier...	12.82	-17,639.31
Deposit	07/15/2021	Other 1	1010 · Pacific Premier...	0.00	-17,639.31
Deposit	07/15/2021	Other 2	1010 · Pacific Premier...	0.00	-17,639.31
Deposit	07/15/2021	San Juan Irrigation 5/29 - 6/25/21	1010 · Pacific Premier...	-1,935.33	-19,574.64
Deposit	07/15/2021	Front Street Irrigation 5/29 - 6/25/21	1010 · Pacific Premier...	-966.72	-20,541.36
Deposit	07/15/2021	Community Park Restrooms 5/29 - 6/25/21	1010 · Pacific Premier...	-1,480.20	-22,021.56
Deposit	07/16/2021	Water Rec	1010 · Pacific Premier...	-383.22	-22,404.78
Deposit	07/16/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-22,404.78
Deposit	07/16/2021	Other 1	1010 · Pacific Premier...	0.00	-22,404.78
Deposit	07/16/2021	Other 2	1010 · Pacific Premier...	0.00	-22,404.78
Deposit	07/17/2021	Water Rec	1010 · Pacific Premier...	-111.96	-22,516.74
Deposit	07/17/2021	Rate Assistance	1010 · Pacific Premier...	22.40	-22,494.34
Deposit	07/17/2021	Other 1	1010 · Pacific Premier...	0.00	-22,494.34
Deposit	07/17/2021	Other 2	1010 · Pacific Premier...	0.00	-22,494.34
Deposit	07/17/2021	Water Rec	1010 · Pacific Premier...	-11,340.66	-33,835.00
Deposit	07/17/2021	Rate Assistance	1010 · Pacific Premier...	58.43	-33,776.57
Deposit	07/17/2021	Other 1	1010 · Pacific Premier...	0.00	-33,776.57
Deposit	07/17/2021	Other 2	1010 · Pacific Premier...	0.00	-33,776.57
Deposit	07/19/2021	Water Rec	1010 · Pacific Premier...	-8,272.95	-42,049.52
Deposit	07/19/2021	Rate Assistance	1010 · Pacific Premier...	35.22	-42,014.30
Deposit	07/19/2021	1/2 Other 1	1010 · Pacific Premier...	0.00	-42,014.30
Deposit	07/19/2021	1/2 Other 2	1010 · Pacific Premier...	0.00	-42,014.30

**Avila Beach Community Services District
Deposits by Fund
July 2021**

08/04/21

Type	Date	Memo	Split	Amount	Balance
Deposit	07/19/2021	ACH SLOCO booked separately Community Park Restroom 5/29 - 6/...	1010 · Pacific Premier...	1,480.20	-40,534.10
Deposit	07/19/2021	ACH SLOCO booked separately Front St Irrigation 5/29 - 6/25/21	1010 · Pacific Premier...	966.72	-39,567.38
Deposit	07/19/2021	ACH SLOCO booked separately San Juan Park Irrigation 5/29 - 6/25/21	1010 · Pacific Premier...	1,935.33	-37,632.05
Deposit	07/20/2021	Water Rec	1010 · Pacific Premier...	-116.01	-37,748.06
Deposit	07/20/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-37,748.06
Deposit	07/20/2021	Other 1	1010 · Pacific Premier...	0.00	-37,748.06
Deposit	07/20/2021	Other 2	1010 · Pacific Premier...	0.00	-37,748.06
Deposit	07/21/2021	Water Rec	1010 · Pacific Premier...	-919.01	-38,667.07
Deposit	07/21/2021	Rate Assistance	1010 · Pacific Premier...	21.59	-38,645.48
Deposit	07/21/2021	Other 1	1010 · Pacific Premier...	0.00	-38,645.48
Deposit	07/21/2021	Other 2	1010 · Pacific Premier...	0.00	-38,645.48
Deposit	07/22/2021	Water Rec	1010 · Pacific Premier...	-248.22	-38,893.70
Deposit	07/22/2021	Rate Assistance	1010 · Pacific Premier...	12.01	-38,881.69
Deposit	07/22/2021	Other 1	1010 · Pacific Premier...	0.00	-38,881.69
Deposit	07/22/2021	Other 2	1010 · Pacific Premier...	0.00	-38,881.69
Deposit	07/23/2021	Water Rec	1010 · Pacific Premier...	-116.01	-38,997.70
Deposit	07/23/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-38,997.70
Deposit	07/23/2021	Other 1	1010 · Pacific Premier...	0.00	-38,997.70
Deposit	07/23/2021	Other 2	1010 · Pacific Premier...	0.00	-38,997.70
Deposit	07/26/2021	Water Rec	1010 · Pacific Premier...	-983.43	-39,981.13
Deposit	07/26/2021	Rate Assistance	1010 · Pacific Premier...	12.82	-39,968.31
Deposit	07/26/2021	Other 1	1010 · Pacific Premier...	0.00	-39,968.31
Deposit	07/26/2021	Other 2	1010 · Pacific Premier...	0.00	-39,968.31
Deposit	07/28/2021	Water Rec	1010 · Pacific Premier...	-313.33	-40,281.64
Deposit	07/28/2021	Rate Assistance	1010 · Pacific Premier...	11.20	-40,270.44
Deposit	07/28/2021	Other 1	1010 · Pacific Premier...	0.00	-40,270.44
Deposit	07/28/2021	Other 2	1010 · Pacific Premier...	0.00	-40,270.44
Deposit	07/29/2021	Water Rec	1010 · Pacific Premier...	-1,329.15	-41,599.59
Deposit	07/29/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-41,599.59
Deposit	07/29/2021	Other 1	1010 · Pacific Premier...	0.00	-41,599.59
Deposit	07/29/2021	Other 2	1010 · Pacific Premier...	0.00	-41,599.59
Deposit	07/29/2021	F:0895 A:0760 - AVILA BEACH IMP # 1 - Gen . 70, Water .25, Lights ...	1010 · Pacific Premier...	-1,271.09	-42,870.68
Deposit	07/30/2021	Water Rec	1010 · Pacific Premier...	-417.23	-43,287.91
Deposit	07/30/2021	Rate Assistance	1010 · Pacific Premier...	0.00	-43,287.91
Deposit	07/30/2021	Other 1	1010 · Pacific Premier...	0.00	-43,287.91
Deposit	07/30/2021	Other 2	1010 · Pacific Premier...	0.00	-43,287.91

Total Water

-43,287.91

TOTAL

-98,910.15

-98,910.15

Avila Beach Community Services District
Checks by Fund w/Accounts
 July 2021

08/04/21

Type	Date	Num	Name	Memo	Account	Amount	Balance	
General / Admin								
Check	07/02/2021	EFT	GetStreamline.com / Digital Depl...	monthly ABCSD Streamline	6170 · Website	200.00	200.00	
Check	07/05/2021	EFT	Adobe.com		6120 · Dues & Subscripti...	14.99	214.99	
Check	07/06/2021		American Express Discount	Amex	5110 · Amex	14.85	229.84	
Check	07/06/2021		Paymenttech	merchant cc fees	5120 · Chase Paymentech	28.77	258.61	
Check	07/07/2021		InvoiceCloud	Invoice Cloud merchant fees	5140 · Invoice Cloud	356.57	615.18	
Check	07/07/2021		Caltronics Business Systems	computer repairs	6550 · Operating Supplies	138.30	753.48	
Check	07/07/2021	EFT	Cal Tec Computers	LAFCo Fees 2021/22 Inv. 7/1/21	6524 · Equip. Rep. & Main...	40.00	793.48	
Check	07/10/2021		SLO CO Auditor Controller		6130 · LAFCo Fees	5,376.30	6,169.78	
Check	07/12/2021	2986	The King General Construction	Inv. 109 6/15/21 Office Building Repairs	6524 · Equip. Rep. & Main...	650.00	6,819.78	
Check	07/12/2021	2987	Fedak & Brown, LLP	FY 2020-21 Audit	6103 · Accounting Audit	110.00	6,929.78	
Check	07/12/2021	2991	Coastline Cleaning Co.	Office Maintenance Inv. 2256 (May 2021)	6542 · Maintenance	165.00	7,094.78	
Check	07/12/2021	2992	Coastline Cleaning Co.	Exterior Clean Up of Leaves, Sand and Debris	6542 · Maintenance	25.00	7,119.78	
Check	07/12/2021	2992	Nikki Engle Bookkeeping	Inv. 2801 6/30/21	6102 · Accounting	660.00	7,779.78	
Check	07/12/2021	2996	SDRMA General Policy	General Policy Property Liability Package 20...	1410 · Prepaid Insurance	7,540.54	15,320.32	
Check	07/12/2021	3003	SDRMA Work Comp	Invoice #69758 Member # 7017 Workers' C...	5260 · Work Comp Insur...	914.81	16,235.13	
Check	07/12/2021	3004	Paymenttech	merchant cc fees	5120 · Chase Paymentech	10.17	16,245.30	
Check	07/13/2021		Brezden Pest		6542 · Maintenance	65.00	16,310.30	
Check	07/18/2021	EFT	Nikki Engle Bookkeeping	Bookkeeping	6102 · Accounting	510.00	16,820.30	
Check	07/19/2021	3005	Hagemann & Associates	Inv. 1149 General Manager June 6th - June ...	6506 · Contract Labor GM	1,885.00	18,705.30	
Check	07/19/2021	3006	Hagemann & Associates	Inv. 1151 General Manager July 1st - July 17 ...	6506 · Contract Labor GM	870.00	19,575.30	
Check	07/19/2021	3006	SLO CO Fire Department	Fire Protection FY 7/1/21 - 6/30/22	6600 · Cal Fire Contract ...	233,822.00	253,397.30	
Check	07/19/2021	3009	Paymenttech	merchant cc fees	5120 · Chase Paymentech	10.42	253,407.72	
Check	07/21/2021		Spectrum	merchant cc fees	5120 · Chase Paymentech	60.41	253,468.13	
Check	07/25/2021	EFT	PG&E	Acct #. 8245100980033571	6585 · Telephone / Internet	224.95	253,693.08	
Check	07/26/2021	EFT	Cal Tec Computers	100 San Luis St.	6590 · Utilities	181.66	253,874.74	
Check	07/27/2021		Public Employees Retirement Sy...	computer repairs	6524 · Equip. Rep. & Main...	149.00	254,023.74	
Check	07/29/2021		Public Employees Retirement Sy...	ID # 1674878206 Kathy Richardson Annual ...	5254 · PERS Co Pd Kathy	13,946.00	267,969.74	
Check	07/29/2021		Public Employees Retirement Sy...	ID # 1674878206 Kristi Dibbern Annual Unfu...	5256 · PERS Co Pd Kristi	1,140.00	269,109.74	
Check	07/29/2021		Public Employees Retirement Sy...	Kristi 6/16 - 6/30/21	2250 · PERS Liability	204.88	269,314.62	
Check	07/29/2021	EFT	Public Employees Retirement Sy...	Kristi 6/16 - 6/30/21	5256 · PERS Co Pd Kristi	33.49	269,348.11	
Check	07/29/2021	EFT	Public Employees Retirement Sy...	Kristi 7/1 - 7/15/21	2250 · PERS Liability	259.86	269,607.97	
Check	07/29/2021	EFT	Public Employees Retirement Sy...	Kristi 7/1 - 7/15/21	5256 · PERS Co Pd Kristi	39.25	269,647.22	
Check	07/29/2021	EFT	Public Employees Retirement Sy...	Kristi 7/16 - 7/31/21	2250 · PERS Liability	217.26	269,864.48	
Check	07/29/2021	EFT	Public Employees Retirement Sy...	Kristi 7/16 - 7/31/21	5256 · PERS Co Pd Kristi	32.98	269,897.46	
Check	07/29/2021	EFT	The Tribune	Kristi 7/16 - 7/31/21	6120 · Dues & Subscripti...	125.48	270,022.94	
Check	07/30/2021		Staples		6143 · Supplies, Office	44.49	270,067.43	
Check	07/30/2021							
Total General / Admin							270,067.43	270,067.43

Avila Beach Community Services District
Checks by Fund w/Accounts
 July 2021

08/04/21

Type	Date	Num	Name	Memo	Account	Amount	Balance
Lights							
Check	07/06/2021	EFT	PG&E	Town Lights acct # 0690976984-3	6590 · Utilities	409.74	409.74
Check	07/06/2021	EFT	PG&E	Colony Lights acct # 5992155362-0	6590 · Utilities	101.86	511.60
Check	07/12/2021	2993	PG&E	Inv. 21-123 7/7/21 Front Street Lighting and ...	6524 · Equip. Rep. & Maint...	1,363.00	1,874.60
Check	07/26/2021	EFT	PG&E	Front St. Lights acct# 5796765606-7	6590 · Utilities	291.21	2,165.81
Total Lights							
						2,165.81	2,165.81
Sanitary							
Check	07/01/2021	2983	Michael McCluskey	Refund Water Bill Avila Beach	6500 · Operating Expens...	9.50	9.50
Check	07/01/2021	EFT	AT&T	acct # 805 595-9416 904 5	6585 · Telephone / Internet	190.16	199.66
Check	07/02/2021	EFT	South County Sanitary Service	Acct. Number 4120-3104357 2 Yd Dumpster	6590 · Utilities	134.96	334.62
Check	07/07/2021		CCH Pools	Derek Ehinger chlorine	6522 · Equip. Rep. & Mai...	326.24	660.86
Check	07/12/2021	2984	Rockwell Engineering & Equipme...	Inv. 19961 Impeller & Cutter Bar	6522 · Equip. Rep. & Mai...	8,128.87	8,789.73
Check	07/12/2021	2985	Fluid Resource Management, Inc.	June 2021 Ops. Sanitary Inv. F20967	6505 · Contract Labor O ...	15,136.72	23,926.45
Check	07/12/2021	2985	Fluid Resource Management, Inc.	A20816 E&H Maintenance Kit Chlorine	6503 · Chemicals	587.80	24,514.25
Check	07/12/2021	2985	Fluid Resource Management, Inc.	W20852 Power Failure SCADA Fail Emerge...	6522 · Equip. Rep. & Mai...	373.16	24,887.41
Check	07/12/2021	2985	Fluid Resource Management, Inc.	W20773 Influent Lift Station Call Out	6522 · Equip. Rep. & Mai...	590.65	25,478.06
Check	07/12/2021	2985	Fluid Resource Management, Inc.	W20855 Influent Pump Call Out	6522 · Equip. Rep. & Mai...	1,333.31	26,811.37
Check	07/12/2021	2990	Speed's, Inc.	Inv. #65724 6/23/21	6580 · Solids Handling	1,840.50	28,651.87
Check	07/12/2021	2994	Wallace Group, Inc.	WWTP Engineering Project # 0245-0012-00 ...	8245d · WWTP Wallace ...	18,155.50	46,807.37
Check	07/12/2021	2995	Brenntag Pacific, Inc.	Inv. BPI154710 6/17/21	6503 · Chemicals	1,383.66	48,191.03
Check	07/12/2021	2995	Brenntag Pacific, Inc.	Inv. BPI157471 6/25/21	6503 · Chemicals	1,519.64	49,710.67
Check	07/12/2021	2997	Garing, Taylor & Associates, Inc.	Inv. 17722 6/30/21 San Miguel Sewer Line ...	8246c · WW Swr Ln Rpl...	661.25	50,371.92
Check	07/12/2021	2998	San Luis Powerhouse, Inc.	Inv. 44980 7/10/21 Quarterly Testing - Lift St...	6530 · Generator Mainte...	165.00	50,536.92
Check	07/12/2021	2998	San Luis Powerhouse, Inc.	Inv. 44981 7/10/21 Quarterly Testing - WWTP	6530 · Generator Mainte...	165.00	50,701.92
Check	07/12/2021	2999	Abalone Coast Analytical, Inc.	Statement 7/1/21 5288	6540 · Lab Tests	3,655.00	54,356.92
Check	07/12/2021	3002	California Electric Supply	FFR Drive WWTP Acct. 62-13491 Inv. 7826-...	6522 · Equip. Rep. & Mai...	862.82	55,219.74
Check	07/12/2021	3001	Brenntag Pacific, Inc.	Inv. BPI152504 6/11/21	6503 · Chemicals	1,167.92	56,387.66
Check	07/12/2021	3003	SDRMA General Policy	General Policy Property Liability Package 20...	1410 · Prepaid Insurance	7,540.54	63,928.20
Check	07/14/2021	EFT	AT&T	acct # 287272916182	6585 · Telephone / Internet	23.50	63,951.70
Check	07/17/2021	EFT	AT&T	acct # x 0885 Internet	6585 · Telephone / Internet	58.85	64,010.55
Check	07/19/2021	3006	Hagemann & Associates	Inv. 1149 Sani System June 6th - June 19th, ...	6507 · Contract Labor Ci...	2,900.00	66,910.55
Check	07/19/2021	3006	Hagemann & Associates	Inv. 1150 Sani System June 30th, 2021	6507 · Contract Labor Ci...	1,885.00	68,795.55
Check	07/19/2021	3006	Hagemann & Associates	Inv. 1151 Sani System July 1st - July 17th, 2...	6507 · Contract Labor Ci...	2,610.00	71,405.55
Check	07/19/2021	3008	DPSI	Gardner	6560 · Plan Checks	330.00	71,735.55
Check	07/19/2021	3008	DPSI	Sanitary System Review	6515 · Engineering	372.50	72,108.05
Check	07/26/2021	EFT	PG&E	3rd & San Fran St. pump	6590 · Utilities	2,764.12	74,872.17
Check	07/26/2021	EFT	PG&E	Lift Station acct# 6338432238-2	6590 · Utilities	107.13	74,979.30
Check	07/29/2021	EFT	AT&T	acct # 805 595-9416 904 5	6585 · Telephone / Internet	189.47	75,168.77
Check	07/31/2021	ADJ	BALANCE ADJUSTMENT	CC BALANCE ADJ Ccs	1280 · Water & Sewer Bil...	711.60	75,880.37
Total Sanitary							
						75,880.37	75,880.37

Avila Beach Community Services District
Checks by Fund w/Accounts
 July 2021

08/04/21

Type	Date	Num	Name	Memo	Account	Amount	Balance
Water							
Check	07/01/2021	2983	Michael McCluskey	Refund for overpayment. Customer Sold Pro...	6500 · Operating Expens...	64.40	64.40
Check	07/12/2021	2985	Fluid Resource Management, Inc.	June 2021 Ops. Water Inv. F20967	6505 · Contract Labor O ...	5,042.92	5,107.32
Check	07/12/2021	2985	Fluid Resource Management, Inc.	W20726 Odor Complaint Call Out	6524 · Equip. Rep. & Main...	373.16	5,480.48
Check	07/12/2021	2988	SLO County Public Works	Inv. 2783 40% of Annual Charges - State W ...	6805 · State Water	39,611.60	45,092.08
Check	07/12/2021	2988	SLO County Public Works	Inv. 2783 State Water Drought Buffer	6805 · State Water	5,930.00	51,022.08
Check	07/12/2021	2989	SLO County Public Works	Inv. 1221 Lopez Water Debt Service	6802 · State Water	11,430.16	62,452.24
Check	07/12/2021	2989	SLO County Public Works	Inv. 1221 Lopez Water Routine O&M	6802 · Lopez	38,625.59	101,077.83
Check	07/12/2021	3000	SLO Co Health	Cross Connections Inv. IN0132182	6555 · Permits & Fees	28.60	101,106.43
Check	07/12/2021	3003	SDRMA General Policy	General Policy Property Liability Package 20...	1410 · Prepaid Insurance	6,463.31	107,569.74
Check	07/19/2021	3006	Hagemann & Associates	Inv. 1149 Water System June 6th - June 19t...	6507 · Contract Labor Ci...	1,450.00	109,019.74
Check	07/19/2021	3006	Hagemann & Associates	Inv. 1151 Water System July 1st- July 17th, ...	6507 · Contract Labor Ci...	1,305.00	110,324.74
Check	07/19/2021	3007	Mary Matakovich	Connection Fees Refund 250 Laurel Street, ...	7210 · Connection Fees	29,240.30	139,565.04
Check	07/19/2021	3010	SLO Co Health	Cross Connections Inv. IN0132285	6555 · Permits & Fees	89.60	139,654.64
Check	07/26/2021	EFT	PG&E	1717 Cave Landing Rd.	6590 · Utilities	197.48	139,852.12
Check	07/31/2021	ADJ	BALANCE ADJUSTMENT	CC BALANCE ADJ CCs	1280 · Water & Sewer Bil...	711.60	140,563.72
Total Water						140,563.72	140,563.72
TOTAL						488,677.33	488,677.33

Avila Beach Community Services District
Profit & Loss
July 2021

	<u>Jul 21</u>
Ordinary Income/Expense	
Income	
4000 · Income Summary	
4010 · Operating Revenue	113,954.21
4012 · Solid Waste Franchise Fee	2,156.04
4030 · County Taxes	11,063.01
4050 · Harbor Charges	
4052 · Front Street Lighting	201.00
4053 · WWTP O&M	17,111.00
	<hr/>
Total 4050 · Harbor Charges	17,312.00
	<hr/>
Total 4000 · Income Summary	144,485.26
	<hr/>
Total Income	144,485.26
	<hr/>
Gross Profit	144,485.26
	<hr/>
Expense	
5100 · Merchant Credit Card Fees	
5110 · Amex	14.85
5120 · Chase Paymentech	109.77
5140 · Invoice Cloud	356.57
	<hr/>
Total 5100 · Merchant Credit Card Fees	481.19
	<hr/>
5200 · Payroll Expenses	
5210 · Gross Wages	
5211 · Regular Pay	3,408.00
5012 · Holiday Pay	204.48
5014 · Sick Pay	0.00
5016 · Vacation Pay	204.48
	<hr/>
Total 5210 · Gross Wages	3,816.96
	<hr/>
5230 · Payroll Taxes	66.95
	<hr/>
5240 · Health & Medical Exp.	
5242 · Health Ins / Other	800.00
	<hr/>
Total 5240 · Health & Medical Exp.	800.00
	<hr/>
5250 · PERS Company Pd Expense	
5254 · PERS Co Pd Kathy	13,946.00
5256 · PERS Co Pd Kristi	1,484.28
	<hr/>
Total 5250 · PERS Company Pd Expense	15,430.28

Avila Beach Community Services District
Profit & Loss
July 2021

	<u>Jul 21</u>
5260 · Work Comp Insurance	914.81
5280 · Payroll Administration & Misc.	104.12
Total 5200 · Payroll Expenses	21,133.12
6000 · Administrative Overheads	
6102 · Accounting	1,170.00
6103 · Accounting Audit	110.00
6120 · Dues & Subscriptions	140.47
6130 · LAFCo Fees	5,376.30
6140 · Office Supplies & Postage	
6143 · Supplies, Office	44.49
Total 6140 · Office Supplies & Postage	44.49
6150 · Rate Assistance	979.59
6170 · Website	200.00
Total 6000 · Administrative Overheads	8,020.85
6500 · Operating Expenses	
6503 · Chemicals	4,659.02
6505 · Contract Labor O & M	20,179.64
6506 · Contract Labor GM	2,755.00
6507 · Contract Labor Civil Engineer	10,150.00
6515 · Engineering	372.50
6520 · Equipment Repair & Maint.	
6522 · Equip. Rep. & Maint-Avila & HD	11,615.05
6524 · Equip. Rep. & Maint. Avila Only	2,575.16
Total 6520 · Equipment Repair & Maint.	14,190.21
6530 · Generator Maintenance	330.00
6535 · Insurance P/L	1,795.32
6540 · Lab Tests	3,655.00
6542 · Maintenance	255.00
6550 · Operating Supplies	138.30
6555 · Permits & Fees	118.20
6560 · Plan Checks	330.00
6580 · Solids Handling	1,840.50
6585 · Telephone / Internet	686.93
6590 · Utilities	4,188.16
6500 · Operating Expenses - Other	73.90
Total 6500 · Operating Expenses	65,717.68
6600 · Cal Fire Contract Labor	233,822.00

Avila Beach Community Services District
Profit & Loss
July 2021

	<u>Jul 21</u>
6800 · Water	
6802 · Lopez	50,055.75
6805 · State Water	45,541.60
	<u>95,597.35</u>
Total 6800 · Water	
	<u>95,597.35</u>
Total Expense	<u>424,772.19</u>
Net Ordinary Income	-280,286.93
Other Income/Expense	
Other Income	
7200 · Non-Operating Income	
7210 · Connection Fees	-29,240.30
7220 · CIP Harbor	27,061.00
	<u>27,061.00</u>
Total 7200 · Non-Operating Income	-2,179.30
	<u>-2,179.30</u>
Total Other Income	-2,179.30
Other Expense	
8200 · Non-Operating Expenses	
8230 · Capital Purchases in Prog Sani	
8245 · WWTP Improvement Project	
8245d · WWTP Wallace Group Enginee...	18,155.50
	<u>18,155.50</u>
Total 8245 · WWTP Improvement Project	18,155.50
	<u>18,155.50</u>
8246 · WW Swr Ln Rplmt San Migl	
8246c · WW Swr Ln Rplmt Sn Migl Pha...	661.25
	<u>661.25</u>
Total 8246 · WW Swr Ln Rplmt San Migl	661.25
	<u>661.25</u>
Total 8230 · Capital Purchases in Prog Sani	18,816.75
	<u>18,816.75</u>
Total 8200 · Non-Operating Expenses	18,816.75
	<u>18,816.75</u>
Total Other Expense	18,816.75
	<u>18,816.75</u>
Net Other Income	-20,996.05
	<u>-20,996.05</u>
Net Income	<u><u>-301,282.98</u></u>



FLUID RESOURCE MANAGEMENT

www.frm-ops.com CA Lic #937346
 OPERATIONS . MAINTENANCE . MECHANICAL
 2385 Precision Drive
 Arroyo Grande, CA 93420

Statement

Date
7/2/21

Phone # 805.597.7100 Fax # 805.597.7171

California Certified Small Business #1120142
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To:
Avila Beach Community Services District P.O. Box 309 100 San Luis Street Avila Beach, CA 93424

Amount Due	Amount Enc.
\$23,437.72	

Date	Transaction	Amount	Balance												
06/30/21	348F11001 Monthly OPS/Maint- INV #F20967. Orig. Amount \$20,179.64.	20,179.64	20,179.64												
06/19/21	348F11001 Monthly OPS/Maint:348FWW11001 Wastewater:348AWW17002 Add Services Wastewater- INV #A20816. Orig. Amount \$587.80.	587.80	20,767.44												
05/31/21	W20726 Call Out About Stinky Water- INV #W20726. Orig. Amount \$373.16.	373.16	21,140.60												
05/31/21	W20773 Influent Lift Station Call Out- INV #W20773. Orig. Amount \$590.65.	590.65	21,731.25												
06/28/21	W20852 SCADA Call Out- INV #W20852. Orig. Amount \$373.16.	373.16	22,104.41												
06/28/21	W20855 Influent Pump Call Out- INV #W20855. Orig. Amount \$1,333.31.	1,333.31	23,437.72												
<table border="1"> <tr> <th>CURRENT</th> <th>1-30 DAYS PAST DUE</th> <th>31-60 DAYS PAST DUE</th> <th>61-90 DAYS PAST DUE</th> <th>OVER 90 DAYS PAST DUE</th> <th>Amount Due</th> </tr> <tr> <td>22,473.91</td> <td>963.81</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> <td>\$23,437.72</td> </tr> </table>		CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due	22,473.91	963.81	0.00	0.00	0.00	\$23,437.72		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	Amount Due										
22,473.91	963.81	0.00	0.00	0.00	\$23,437.72										

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

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: General Manager/District Engineer Report

Zone 3 Technical Advisory Committee

The Zone 3 Technical Advisory Committee most recently met on Wednesday July 14th. The agenda packet for the July 14th meeting is included with this staff report. As of this writing Lopez Lake is at an elevation of 472.7 feet, is at 33.4% of capacity and has approximately 16,500 acre feet of water in storage. The TAC received a draft staff report from County staff that recommended the Board of Supervisors adopt a Resolution adopting certain policies and procedures set forth in Low Reservoir Response Plan and authorizing the Public Works Director to implement the LRRP. The TAC agreed with the recommendations. The item is scheduled for the Board of Supervisors consideration at the August 10th Board of Supervisors meeting or as soon thereafter as possible.

First Street Force Main Relocation Project

Staff is pleased to report that the construction bid documents for the First Street Force Main Relocation Project went out to bid on August 5th, 2021. Contractor bids are due to the District no later than 10:00 AM on Thursday, September 2nd. Staff anticipates awarding the contract at the September 14, 2021, Board meeting with work being completed by late October or early November.

Chevron Avila Point Development Concept Plan

On July 12, Chevron representatives (supported by Nick Franco from County Parks and myself) presented their Concept Development Plan to the Avila Valley Advisory Committee. The Concept Plan seemed to be well received and all agreed that this was just the first step in moving a project forward at Avila Point that would allow Chevron to complete the site cleanup work and transfer the property to public and/or private ownership. The Board will recall that the Plan includes the CSD acquiring approximately 13.5 acres of land that includes the current water tanks, a dedicated access road to the tanks and an area that would be suitable for installation of solar panels. Chevron offered to provide a tour of the site to the AVAC Committee members and any interested CSD Board members. Please let me know if are interested in a tour of the site.

**ZONE 3
TECHNICAL ADVISORY COMMITTEE
Wednesday July 14, 2021
9:00 - 11:00 am**

Agenda

Phone line: +1 (646) 749-3122

Access Code: 617-462-197

OR

Webinar: <https://global.gotomeeting.com/join/617462197>

1. Announcements	All
2. General Operations and Water Report <ul style="list-style-type: none"> • Summary Notes – June • Monthly Operations Report – June • Lopez Storage Projections – June 	David
3. Current Reservoir Conditions	Jenny
4. Capitol Projects Update	David
5. Low Reservoir Response Plan	David
6. Climate Change Modeling	Western Hydraulics
7. Future Agenda items? <ul style="list-style-type: none"> • Project Updates • HCP/Instream Studies • Stored State Water in Lopez - Evaporation • Zone 3 Boundary Change 	All

Attachments:

- A. Summary Notes – June
- B. Lopez Monthly Operations Report – June
- C. Lopez Storage Projections Chart – June
- D. Capitol Projects Update
- E. Staff Report to the Board of Supervisors
- F. Low Reservoir Response Plan Resolution

Next Meeting Date: August 11, 2021

ZONE 3

TECHNICAL ADVISORY COMMITTEE

WEDNESDAY June 9, 2020 (9:00-11:00 AM)

Via Goto Meeting due to COVID-19 Protocol

SUMMARY NOTES - DRAFT

Attendees via GoTo Meeting: Shane Taylor (Arroyo Grande), Ben Fine (Pismo), Greg Ray (Grover Beach), Will Clemens (OCSD), Brad Hagemann (ABCSD), Jim Garing, Vard Ikeda, John Wallace, Dan Heimel (WSC Inc.), David Spiegel (PW Dept), Jill Ogren (PW Dept), Desiree Bravo (PW Dept), Laura Holder (PW Dept), Mark Chiaramonte (PW Dept), Kyle James (PW Dept), Jenny Williamson (LWTP).

1. Announcements –

- Dan Hiemel and Jill Ogren provided an update on the CEQA analysis and contract changes. Only outstanding issues to address is the potential for increased spills associated with the contract changes and the agencies keeping more water stored within the reservoir. **CEQA draft should be available for TAC to review by the end of June.**
- Jill Ogren provided an update on the evaporation of stored state water in Lopez. Desiree Bravo was assigned to the project and will discuss the evaporation concerns at the July TAC meeting.
- City of Pismo Beach is implementing water conservation restrictions.
- City of Arroyo Grande currently preparing for drought announcement and will initiate water use reductions soon.
- City of Oceano will be initiating voluntary measures in water use restrictions until further notice or told otherwise by the County or State.
- David Spiegel discussed the progress on the drought conservation measures the County is trying to move forward with and briefly discussed the water conservation act signed by Governor Brown.

2. General Operations and Water Supply Report –

- No comments on April Summary notes.
- David Spiegel reviewed the Monthly Operations Report.
- David Spiegel reviewed the Storage Projections Chart.
- Jenny Williamson reported the Lake Elev. = 475.93 ft, Storage = 17,845 AF @ 36% Capacity. Downstream releases are at 3.07 MGD (instantaneous reading); WTP at 5.0 MGD; SWP at 0.75 MGD. Rainfall to date 11.28 inches.
- David Spiegel briefly discussed the Flood Control Zone 3 Budget Status report as of the end of April. Currently Zone 3 has used 56% of the budget.

3. 2020 UWMP FCZ 3 –

- Laura Holder, Public Works Utilities Project Manager, and Dan Heimel presented the 2020 Urban Water Management Plan. TAC reviewed and discussed the 2020 Urban Water Management Plan draft.

4. Stored State Water –

- Desiree Bravo, Public Works Zone 3 Engineer, presented the Lopez Reservoir Evaporation Calculations. Current water supply contracts do not allow provision for storage of unused Lopez Entitlement or State Water. Changes to the water supply contracts allow provisions for storage of unused Lopez Entitlement, agencies' share of calculated surplus water and State Water.
- The recommendation is to present TAC with an annual report of the monthly Lopez Reservoir evaporation calculations. This will result in less human error, less QA/QC needed, and less

staff time needed.

5. CIP Project Update –

- David Spiegel reviewed the Zone 3 CIP Projects.

6. In-Person Meetings

- TAC discussed when it would be best to resume in-person meetings. **TAC agreed to delay meeting in-person until further notice.** In-person meetings may resume as early as Fall with optional remote attendance.
- **TAC requested an updated Monthly Operations Report Table to reflect “Declared Surplus Water”.**

7. Future Agenda Items –

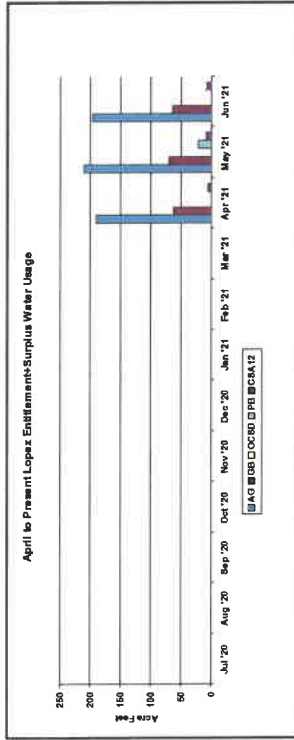
- Project Updates
- HCP/Instream Studies
- Stored State Water in Lopez – Evaporation
- Zone 3 Boundary Change

Next Meeting July 14, 2021

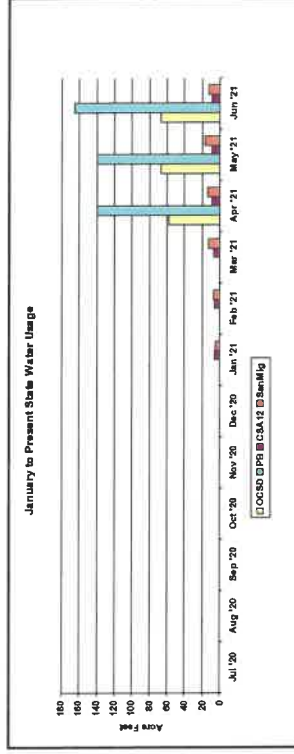
Summary Notes Prepared by Jenny Williamson

San Luis Obispo County Flood Control and Water District Zone 3 - Lopez Project - Monthly Operations Report June, 2021

Contractor	Lopez Water Deliveries												State Water Deliveries						
	This Month				April to Present				This Month				January to Present		This Month		Total Water Deliveries This Month		
	Entl.	Surplus Water Declared	Surplus Requested	Total Available Water	Entitlement Usage	%	Surplus Usage	%	Entitlement Usage	%	Surplus Usage	%	Annual Request	Usage	% of Annual Request	Usage		% of Annual Request	
Arroyo Grande	2290	807.00	807.00	3097	196.31	8.6%	0.00	0.0%	596.14	26.0%	0.00	0.0%	640	66.64	10.4%	191.71	30.0%	196,314	
Oceano CSD	303	314.00	314.00	617	0.00	0.0%	0.00	0.0%	0.00	0.0%	0.00	0.0%	1260	165.58	13.1%	445.66	35.4%	66,641	
Grover Beach	800	282.00	282.00	1082	64.92	8.1%	0.00	0.0%	197.04	24.6%	0.00	0.0%	96	8.50	8.9%	44.76	46.6%	64,923	
Pismo Beach	892	107.00	107.00	999	0.00	0.0%	0.00	0.0%	21.41	2.4%	0.00	0.0%	120	12.36	10.3%	66.65	55.5%	165,582	
CSA 12	245	86.00	86.00	331	7.99	3.3%	0.00	0.0%	21.32	8.7%	0.00	0.0%	2116	253.09	12.0%	748.79	35.4%	16,49	
San Miguelito																			
Total	4530	1596.00	1596.00	6126	269.23	5.9%	0.00	0.0%	835.92	18.5%	0.00	0.0%	2116	253.09	12.0%	748.79	35.4%	522.31	884.38



Note: Deliveries are in acre feet. One acre foot = 325, 850 gallons or 43, 560 cubic feet. Safe yield is 8,730 acre feet.



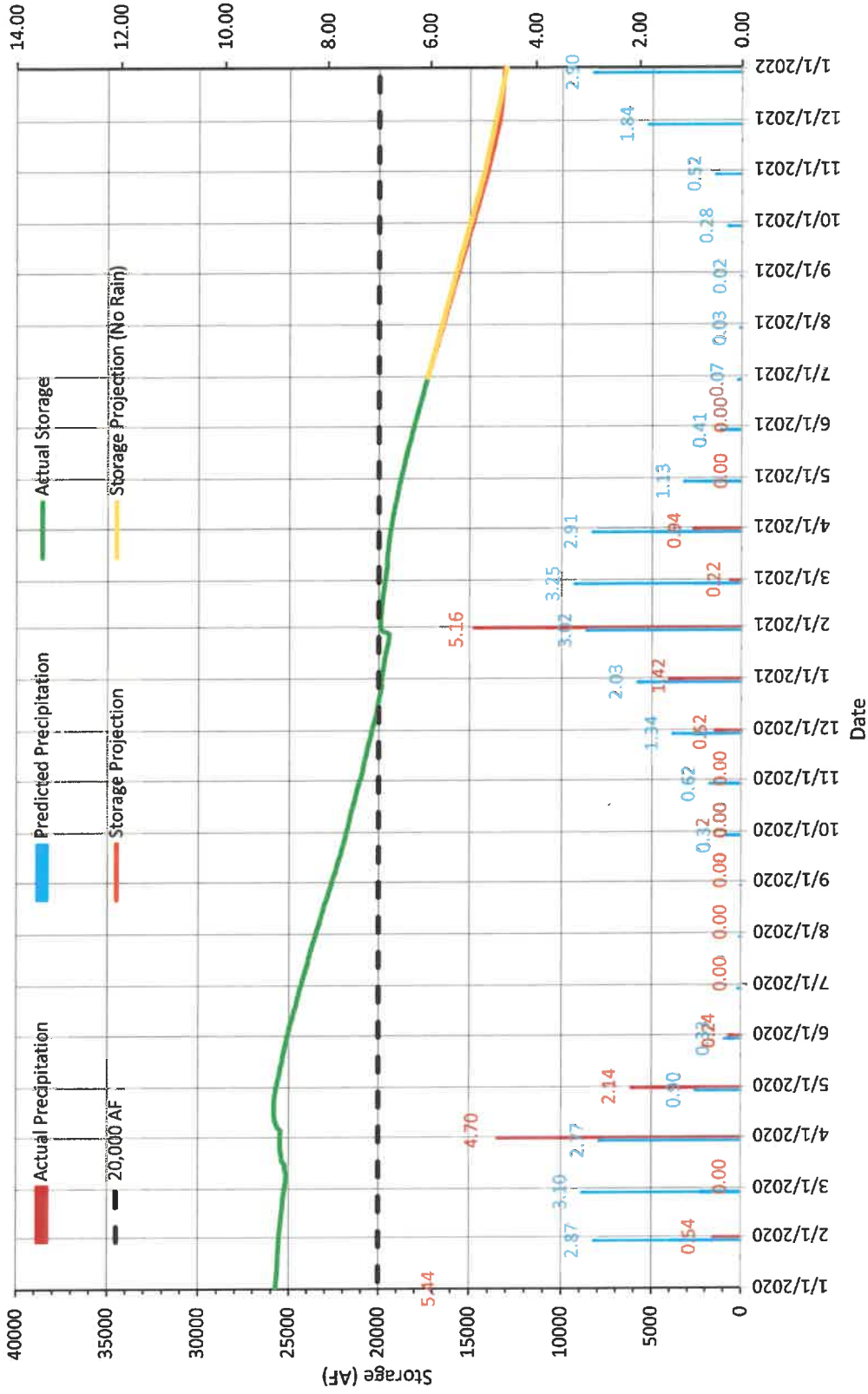
Year to Date is January to present for State water, April to present for Lopez deliveries, and July to present for rainfall.

Comments:

- Oceano supplied water to Canyon Crest via Arroyo Grande's Edna turn out. A total of 2.4 AF delivered to Canyon Crest was added to Oceano's water usage this month and 2.4 AF was subtracted from Arroyo Grande's usage this month.
- On May 12, 2021 Pismo requested to take all SW for April 2021. On May 18th, PB's SW Delivery Request was changed to 1260 AF.

Lopez Dam Operations	This Month	Year to Date
Lake Elevation (full at 522.37 feet)	474.54	-47.83
Storage (full at 49200 acre feet)	17255	35.1%
Rainfall	0	11.31
Downstream Release (4200 acre feet/year)	278.65	615.37
Spillage (acre feet)	0	0.00

LOPEZ RESERVOIR STORAGE PROJECTION



1. Storage projection is based on predicted rainfall from longrangeweather.com, inflow based on predicted rainfall, 20-21 downstream release requests, and municipal usage.
2. Municipal Usage is based on Jan 2010-Dec 2020 average monthly deliveries.
3. Predicted inflow is based off of historical precipitation and storage data. Antecedent moisture conditions are factored into the model. The first rainstorms after months without rain will cause less inflow than rainstorms during the rainy season. If the average daily rainfall for the previous three months is below 1 inch the model will multiply the predicted inflow by 0.1, if the average is above 1 inch the inflow is multiplied by 1.25.



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

TO: Zone 3 Technical Advisory Committee

FROM: David Spiegel, PE

DATE: July 14, 2021

SUBJECT: Zone 3 Projects Update

Project Updates:

- Tesla Battery Storage (No Change)
 - 50% plans are being developed.
 - Budget - Free
- Spillway Assessment and Investigation
 - Preparing staff report for submittal to DSOD
 - Budget ~\$190,000
- Geotechnical Testing & Seismic Alternatives Study of Terminal Reservoir Dam
 - Proposals have been received and are in review
 - Budget ~\$89,829
- Fault Zone Risk Assessment for Dam Left Abutment
 - Rizzo has been selected to complete the assessment
 - Budget ~\$40,000
- Lopez WTP Safety Upgrades (No Change)
 - Staff are looking into additional consultants to do a lifeline system within the membrane building.
 - Multiple consultants have reviewed the project, but none have quoted the project.
 - Budget ~\$53,000
- Cathodic Protection Repair Project
 - Kick off meeting being scheduled
 - Budget ~\$449,933
- Equipment Storage Building
 - Building is being re-solicited due to previous vendor issues
 - Budget ~\$90,000
- CO2 Injection System
 - Project is out to bid
 - Budget ~\$230,000



ZONE 3 Lopez Project

San Luis Obispo County Flood Control and Water Conservation District

Unbudgeted O&M Projects

- Sludge Bed Curtain Wall Rehabilitation (No Change)
 - One sludge bed has developed a leak through the adjacent hillside that leads down to the terminal reservoir's spillway. This bed had an existing underground curtain wall poured in the 90's to fix this issue.
 - Quotes are being received to pressure grout in front of the underground curtain wall to re-seal any cracks that have developed over the last 30 years.
 - ~\$50,000 per initial quote

- Leak at Main Dam outlet works building (No Change)
 - Working with contractor to schedule the work.
 - The District will notify Zone 3 agencies of any planned shutdowns during construction, however, the terminal reservoir should provide enough storage to not cause any delivery issues.

Upcoming Projects for 21/22:

- EQ Pump Upgrade

Completed Projects

- Replacement of Hach Turbidimeter
- Repairs to Terminal Dam Spillway
- Lopez Terminal Dam Monument Survey
- Domestic Tank Repairs

TO: Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District

FROM: David Spiegel, Senior Utilities Engineer

VIA: Kate Ballantyne, Deputy Director of Public Works

DATE: August 10, 2021

SUBJECT: Submittal of a resolution adopting certain policies and procedures set forth in the Low Reservoir Response Plan (LRRP) for San Luis Obispo County Flood Control and Water Conservation District Zone 3, Authorizing the Director of Public Works to implement the LRRP; and finding that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA). District 3 and 4.

Recommendation:

It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District, adopt the attached resolution adopting certain policies and procedures set forth in the Low Reservoir Response Plan (LRRP) for San Luis Obispo County Flood Control and Water Conservation District Zone 3, authorizing the Director of Public Works to implement the LRRP; and find that the project is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA).

Discussion

Zone 3 is the Lopez Water Project in the south county¹. In December 2014, your Board acting as Board of the San Luis Obispo County Flood Control and Water Conservation District (District) adopted certain policies and procedures of the Low Reservoir Response Plan (Resolution No. 2014-377) for Zone 3 of the District in response to an extended drought condition at the time. The County is again experiencing drought conditions and on July 13, 2021 your Board declared a local emergency. It is prudent to again adopt certain policies and procedures of the LRRP which will help extend and preserve the water supply within the Lopez reservoir for three to four years under continuing drought conditions. The LRRP provides a methodology to assess near term reservoir levels and a set of actions that could be taken to mitigate the impacts to essential public services (i.e. municipal, agricultural, and environmental water deliveries) that could result from low reservoir levels.

¹ The Zone 3 contractors are the Cities of Arroyo Grande, Pismo Beach, and Grover Beach; the Oceano Community Services District; and County Service Area 12.

In response to recent drought conditions, along with the knowledge that the reservoir has never fully recovered from the last drought, despite cloud seeding efforts, the Zone 3 Advisory Committee and the Zone 3 Technical Advisory Committee (TAC) together with representatives of the agricultural community are endorsing implementing the LRRP once again. The goal of the LRRP is to reduce municipal diversions and downstream releases from Lopez Reservoir when the lake falls below 20,000 acre feet of storage, to preserve water within the reservoir.

The LRRP sets forth municipal delivery and downstream release reductions in an effort to extend and conserve the Lopez Reservoir supply to the greatest extent possible. The municipal delivery reductions proposed will be triggered at milestones in the reservoir level as listed shown in the table below:

LOPEZ RESERVOIR WATER DELIVERY REDUCTION SCENARIO		
% Available Storage	Total Storage in Acre Feet	Percent Delivery Reduction
35	20,000	0% No deliveries above contract entitlements
24	15,000	10% Delivery reduction
13	10,000	20% Delivery reduction
2	5,000	35% Delivery reduction
0	4,000	100% NO WATER DELIVERIES

The LRRP also provides for two temporary changes to the declaration of "Surplus Water" (that is, unused entitlement water from the previous year). Reductions in downstream releases will not be counted as surplus water, and any surplus water generated by an individual agency will only be available for use by that agency. This temporary water banking mechanism would only apply during the enactment of the LRRP. Agencies may request to continue to be able to use any water they have banked for three years after the LRRP has terminated.

The proposed reductions in downstream releases, which provide water for environmental habitat and agriculture irrigation, were developed through collaboration with the local agricultural community and are shown in the table below:

LOPEZ RESERVOIR DOWNSTREAM RELEASE REDUCTIONS		
Total Storage in Acre Feet	Downstream Release Reduction	Downstream Releases (Acre Feet)
20,000	9.5%	3,800
15,000	9.5%	3,800
10,000	75.6%	1,026
5,000	92.9%	300
4,000	100%	0

The effect of the downstream release reductions is to maintain agricultural and environmental releases at near average amounts for the first two years, thereby allowing agriculture to continue unabated. The releases then fall to an “environmental only” release as amounts under 3,800 will not sustain stream dependent irrigated agriculture. The 300 acre foot number represents an estimated “pass-through” during summer months as required by the project’s water rights permit.

Other Agency Involvement/Impact

All of the Zone 3 contractors took action to adopt resolutions supporting, approving, or endorsing the LRRP in 2014. At their July 15, 2021 meeting the Zone 3 Advisory Committee recommended that the Board of Supervisors adopt a resolution implementing certain policies and procedures of the Low Reservoir Response Plan as reviewed and endorsed by the Zone 3 contractors via the Technical Advisory Committee.

County Counsel has reviewed the attached Resolution as to form and legal effect. The Department of Public Works Environmental Programs Division has reviewed the proposed actions and determined that they are exempt from the California Environmental Quality Act (CEQA).

Financial Considerations

The water supply contracts for Zone 3 are described as “take-or-pay,” meaning that all of the costs of the system are paid for by the Zone 3 contractors at percentages based on the amount of entitlement water in their respective contracts, plus their distance down the delivery system. The majority of costs are for the capital costs of the system, in the form of debt service. Therefore, a temporary reduction in the amount of water delivered will not reduce the financial obligations of the Zone 3 contractors.

Results

Adoption of the Resolution and finding the project exempt from CEQA will help ensure that water supplies from Lopez Lake are managed in as prudent a manner as possible should the current drought continue, thereby contributing to a well governed community.

Attachments: Vicinity Map
Notice of Exemption (CEQA)

Resolution No. 2014-377

Resolution No. 2017-218

Resolution adopting certain policies and procedures in the Low Reservoir Response Plan for the San Luis Obispo County Flood Control and Water Conservation District Zone 3, authorizing the Director of Public Works to implement such policies and procedures consistent with this resolution, and finding that the project is exempt from Section 21000 Et. Seq. of the California Public Resources Code.

File: **CF340.101.01**

Reference:

BEFORE THE BOARD OF SUPERVISORS

of the

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

_____ day _____, 20__

PRESENT: Supervisors

ABSENT:

RESOLUTION NO. _____

**RESOLUTION ADOPTING CERTAIN POLICIES AND PROCEDURES IN THE
LOW RESERVOIR RESPONSE PLAN (LRRP) FOR THE SAN LUIS OBISPO COUNTY
FLOOD CONTROL AND WATER CONSERVATION DISTRICT ZONE 3, AUTHORIZING
THE DIRECTOR OF PUBLIC WORKS TO IMPLEMENT THE LRRP, AND FINDING THAT
THE PROJECT IS EXEMPT FROM SECTION 21000 ET SEQ., OF THE CALIFORNIA
PUBLIC RESOURCES CODE (CEQA)**

The following Resolution is hereby offered and read:

WHEREAS, the San Luis Obispo County Flood Control and Water Conservation District (“District”) constructed, owns and operates the Lopez Dam and Reservoir, the Lopez Water Treatment Facilities, and the Lopez Water Conveyance System; and

WHEREAS, the District and the City of Grover Beach, the City of Pismo Beach, the City of Arroyo Grande, the Oceano Community Services District and County of San Luis Obispo Service Area No. 12 (collectively, the “Zone 3 Contractors”) entered into Water Supply Contracts in or around August 2000 providing that the District shall supply certain quantities of water to the Zone 3 Contractors, and providing that the Zone 3 Contractors shall make certain payments to the District, and setting forth the terms and conditions of such supply and payment (collectively, the “Water Supply Contracts”); and

WHEREAS, the Water Supply Contracts provide for the distribution of Entitlement water (a combined 4,530 acre-feet per year among the Zone 3 Contractors) and Surplus Water to the Zone 3 Contractors as well as for the distribution of certain downstream releases (not to exceed 4,200 acre-feet per year unless required by law) subject to the priorities, conditions and limitations set forth therein; and

WHEREAS, on July 13, 2021, the San Luis Obispo County Board of Supervisors (“Board”) proclaimed a local emergency due to ongoing drought conditions; and

WHEREAS, Article 4 of the Water Supply Contracts provides that the District can curtail delivery of water to the Zone 3 Contractors in certain situations, including but not limited to, drought conditions; and

WHEREAS, the District and the Zone 3 Contractors prepared a Low Reservoir Response Plan in 2014, attached hereto as Attachment 1 (“LRRP”), in consultation with local agricultural operations, for the purpose of providing some predictability regarding the quantities of water that will be delivered to the Zone 3 Contractors during droughts and other declared emergencies when less than twenty thousand (20,000) acre-feet of water is stored in the Lopez Reservoir; and

WHEREAS, on December 16, 2014, the Board adopted a resolution similar to this Resolution, namely Resolution No. 2014-377 (“Prior Adoption Resolution”), adopting certain policies and procedures set forth in the LRRP in response to the last drought (proclamation of local emergency declared by the Board on March 11, 2014 and terminated on May 23, 2017); and

WHEREAS, on August 22, 2017 and notwithstanding the termination of the proclamation of local emergency and the fact that the LRRP was therefore no longer in effect by its terms, the Board adopted Resolution No. 2017-218 (“2017 Resolution”) pursuant to which it authorized the Director of Public Works to continue to implement the policies and procedures adopted in the Prior Adoption Resolution, particularly those provisions related to the availability of Emergency Drought Relief Water based on certain findings therein, and the District continued to make such water available until March 31, 2018; and

WHEREAS, consistent with the intent of LRRP as further described in the Prior Adoption Resolution, implementation of the initial prescribed actions and adaptive management approach together provided that the needs of the Zone 3 Contractors and the beneficiaries of downstream releases were met during the last drought; and

WHEREAS, all of the Zone 3 Contractors adopted resolutions supporting, endorsing, or approving the LRRP when it was originally developed in 2014 and the Zone 3 Advisory Committee did, at its July 15, 2021 meeting, approve a recommendation that the Board of Supervisors again implement the LRRP due to the current drought.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, State of California, that:

1. Pursuant to the July 13, 2021 San Luis Obispo County proclamation of a local emergency due to ongoing drought conditions and Article 4 of the Water Supply Contracts, the District plans to reduce water Entitlements (as defined in the Water Supply Contracts), as described in the initial prescribed actions set forth in the LRRP (“Initial Prescribed Actions”), subject to any adjustments made through implementation of the adaptive management provision contained in the LRRP in accordance with Paragraph 4 below, provided that Entitlement and Surplus Water deliveries do not vary more than ten percent (10%) from the amounts described in the Initial Prescribed Actions.

2. The District plans to use its authority pursuant to the July 13, 2021 San Luis Obispo County proclamation of a local emergency due to ongoing drought conditions to make available “Emergency Drought Relief Water” as necessary to implement the Extended Delivery Provision described in Section 3.6 of the LRRP.
3. The District is relying on the commitments of the Zone 3 Contractors to request and accept only an amount of “Surplus Water” attributable to each agency’s unused Entitlement from the previous Water Year, and makes this Resolution based, in part, on these commitments.
4. The Director of Public Works has the exclusive authority to make adjustments to the Entitlement and Surplus Water deliveries described in the Initial Prescribed Actions in accordance with the adaptive management provision of the LRRP and in coordination with the Zone 3 Technical Advisory Committee and the Zone 3 Advisory Committee provided that Entitlement and Surplus Water deliveries do not vary more than ten percent (10%) from the amounts described in the Initial Prescribed Actions.
5. If the Zone 3 Advisory Committee submits a request to the District and the Director of Public Works determines based on documented findings that conditions warrant a grant of the request (similar to those findings included in the 2017 Resolution), the Director of Public Works may continue to make available or credit Emergency Drought Relief Water or carryover water to the Zone 3 Contractors as necessary to implement the Extended Delivery Provision described in Section 3.6 of the LRRP for up to three (3) years after termination of the LRRP by its terms (i.e. either termination of the proclamation of local emergency or the volume of water in the Lopez Reservoir exceeds twenty thousand (20,000) acre feet). Notwithstanding any action by the Director of Public Works, once the LRRP terminates, the District will calculate and declare the amount of Surplus water available in accordance with the Water Supply Contracts.
6. Nothing contained herein modifies the District’s duty or power to meet downstream release requirements.
7. In the event of a conflict between the terms of this Resolution and the policies and procedures set forth in the LRRP, the terms of this Resolution shall control.
8. The action of adopting policies and procedures set forth in the LRRP for San Luis Obispo County Flood Control and Water Conservation District Zone 3 is exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Section 21080(b)(4) and CEQA Guidelines Section 15269(c) in that adopting policies and procedures set forth in the LRRP is a specific action necessary to prevent or

mitigate an emergency and CEQA Guidelines Section 15061(b)(3) in that it can be seen with certainty that there is no possibility that permitting the Director of Public Works to continue to make water available for a limited time after termination of the LRRP may have a significant effect on the environment.

Upon motion of Supervisor _____, seconded by Supervisor _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted on the ____ day of _____, 20__.

Chairperson of the Board of Supervisors

ATTEST:

Clerk of the Board of Supervisors

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____
Deputy County Counsel

Dated: _____

STATE OF CALIFORNIA, }
County of San Luis Obispo, ss.

I, _____, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this _____ day of _____, 20 _____.

(SEAL)

County Clerk and Ex-Officio Clerk of the Board
of Supervisors

By _____
Deputy Clerk

ATTACHMENT 1
2014 LOW RESERVOIR RESPONSE PLAN

3-10, 101, 01

BEFORE THE BOARD OF SUPERVISORS

of the

**SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER
CONSERVATION DISTRICT**

Tuesday, December 16, 2014

PRESENT: Supervisors Frank R. Mecham, Adam Hill, Caren Ray, Debbie Arnold, and Chairperson
Bruce S. Gibson

ABSENT: None

RESOLUTION NO. 2014-377

**RESOLUTION ADOPTING CERTAIN POLICIES AND PROCEDURES IN THE LOW
RESERVOIR RESPONSE PLAN (LRRP) FOR THE SAN LUIS OBISPO COUNTY FLOOD
CONTROL AND WATER CONSERVATION DISTRICT ZONE 3, AUTHORIZING THE
DIRECTOR OF PUBLIC WORKS TO IMPLEMENT THE LRRP, AND FINDING THAT THE
PROJECT IS EXEMPT FROM SECTION 21000 ET SEQ., OF THE CALIFORNIA PUBLIC
RESOURCES CODE (CEQA).**

The following Resolution is hereby offered and read:

WHEREAS, the San Luis Obispo County Flood Control and Water Conservation District ("District") constructed, owns and operates the Lopez Dam and Reservoir, the Lopez Water Treatment Facilities, and the Lopez Water Conveyance System; and

WHEREAS, the District and the City of Grover Beach, the City of Pismo Beach, the City of Arroyo Grande, the Oceano Community Services District and County of San Luis Obispo Service Area No. 12 (collectively, the "Zone 3 Contractors") entered into Water Supply Contracts in or around August 2000 providing that the District shall supply certain quantities of water to the Zone 3 Contractors, and providing that the Zone 3 Contractors shall make certain payments to the District, and setting forth the terms and conditions of such supply and payment (collectively, the "Water Supply Contracts"); and

WHEREAS, the Water Supply Contracts provide for the distribution of Entitlement water (a combined 4,530 acre-feet per year among the Zone 3 Contractors) and Surplus Water to the Zone 3 Contractors as well as for the distribution of certain downstream releases (not to exceed 4,200 acre-feet per year unless required by law) subject to the priorities, conditions and limitations set forth therein; and

WHEREAS, on January 15, 2014, the United States Department of Agriculture designated San Luis Obispo County along with twenty-six (26) other California counties as a Primary Natural Disaster Area; on January 17, 2014, the Governor of the State of California proclaimed a State of Emergency due to drought; and on March 11, 2014, the San Luis Obispo County Board of Supervisors proclaimed a local emergency due to ongoing drought conditions; and

WHEREAS, Article 4 of the Water Supply Contracts provides that the District can curtail delivery of water to the Zone 3 Contractors in certain situations, including but not limited to, drought conditions; and

WHEREAS, the District and the Zone 3 Contractors have prepared a Low Reservoir Response Plan, attached hereto as Attachment 1 ("LRRP"), for the purpose of providing some predictability regarding the quantities of water that will be delivered to the Zone 3 Contractors during the current and future droughts and other declared emergencies when less than twenty thousand (20,000) acre-feet of water is stored in the Lopez Reservoir; and

WHEREAS, the LRRP includes initial prescribed actions and an adaptive management approach that together will help to provide that the needs of the Zone 3 Contractors and the beneficiaries of downstream releases are met during droughts and other emergencies; and

WHEREAS, during droughts and other emergencies, the LRRP offers incentives for water conservation by the Zone 3 Contractors by extending the period in time that the Zone 3 Contractors can use water that has been allocated to them in accordance with the Water Supply Contracts and/or as provided in the LRRP; and

WHEREAS, the LRRP has been developed in consultation with representatives of local agricultural operations and considers the needs of agriculture and other downstream beneficiaries by prescribing a reduction in water that is requested by the Zone 3 Contractors through elimination of "Surplus Water" allocations to Zone 3 Contractors that would otherwise result from downstream releases; and

WHEREAS, the adaptive management approach in the LRRP provides a reasonable mechanism to manage the Lopez water supply during droughts and other emergencies where conditions can change depending on hydrological and other conditions that persist during droughts and other emergencies; and

WHEREAS, all of the Zone 3 Contractors have adopted resolutions supporting, endorsing, or approving the LRRP and the Zone 3 Advisory Committee did, at its November 20, 2014 meeting, approve a recommendation that the Board of Supervisors implement the LRRP.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, State of California, that:

1. Pursuant to the March 11, 2014 San Luis Obispo County proclamation of a local emergency due to ongoing drought conditions and Article 4 of the Water Supply Contracts, the District plans to reduce water Entitlements as described in the initial prescribed actions set forth in the LRRP ("Initial Prescribed Actions"), subject to any adjustments made through implementation of the adaptive management provision contained in the LRRP in accordance with Paragraph 4 below, provided that Entitlement and Surplus Water deliveries do not vary more

than ten percent (10%) from the amounts described in the Initial Prescribed Actions.

2. The District plans to use its authority pursuant to the March 11, 2014 San Luis Obispo County proclamation of a local emergency due to ongoing drought conditions to make available "Emergency Drought Relief Water" as necessary to implement the Extended Delivery Provision described in Section 3.6 of the LRRP.
3. The District is relying on the commitments of the Zone 3 Contractors to request and accept only an amount of "Surplus Water" attributable to each agency's unused Entitlement from the previous Water Year, and makes this resolution based, in part, on these commitments.
4. The Director of Public Works has the exclusive authority to make adjustments to the Entitlement and Surplus Water deliveries described in the Initial Prescribed Actions in accordance with the adaptive management provision of the LRRP and in coordination with the Zone 3 Technical Advisory Committee and the Zone 3 Advisory Committee provided that Entitlement and Surplus Water deliveries do not vary more than ten percent (10%) from the amounts described in the Initial Prescribed Actions.
5. Nothing contained herein modifies the District's duty or power to meet downstream release requirements.
6. In the event of a conflict between the terms of this Resolution and the policies and procedures set forth in the LRRP, the terms of this Resolution shall control.
7. The action of adopting policies and procedures set forth in the LRRP for San Luis Obispo County Flood Control and Water Conservation District Zone 3 is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Section 21169 and CEQA Guidelines Section 15261(a) in that the storage and annual release of water for various uses is part of the ongoing operation of the Lopez Reservoir; and CEQA Section 21080(b)(5) and CEQA Guidelines Section 15269(c) in that adopting policies and procedures set forth in the LRRP is a specific action necessary to prevent or mitigate an emergency.

Upon motion of Supervisor Ray, seconded by Supervisor Hill, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted on the 16th day of December, 2014.

Bruce S. Gibson
Chairperson of the Board of Supervisors

ATTEST:

JULIE L. RODEWALD
Clerk of the Board of Supervisors

By: Annette Ramirez
Deputy Clerk

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: Patrick J. Foran
Deputy County Counsel

Dated: November 24, 2014

L:\MANAGMNT\DEC14\BOS\2014.12.16 FCZ3 BoS LRRP Reso ver 001.docx.mh.taw

STATE OF CALIFORNIA,
County of San Luis Obispo,} ss.

I, JULIE L. RODEWALD, County Clerk and ex-officio Clerk of the Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District, do hereby certify the foregoing to be a full, true and correct copy of an order made by the Board of Supervisors, as the same appears spread upon their minute book.

WITNESS my hand and the seal of said Board of Supervisors, affixed this 26th day of December, 2014.

JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk of the Board
of Supervisors

(SEAL)

By: Annette Ramirez
Deputy Clerk



August 4, 2021

Avila Beach Community Services District
100 San Luis Street
Avila Beach, CA 93424

**SUBJECT: JUNE 2021 MONTHLY FACILITY REPORT FOR THE AVILA BEACH COMMUNITY SERVICES DISTRICT
WASTEWATER TREATMENT PLANT, WATER SYSTEM AND COLLECTION SYSTEM**

WASTEWATER TREATMENT PLANT

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.

On June 16, 2021, staff responded to issues noted with Influent Pump 2 during the call-out on June 15, 2021. Staff determined issues were due to material (fabric and aluminum) stuck within the pump; when materials were removed, pump worked well. The District purchased materials to rebuild both pumps' choppers. Parts will be installed when they arrive.

WATER SYSTEM

The small water storage tank continues to be used as standby, with FRM staff monitoring the water quality in the tank and flushing as needed. FRM Staff continues to monitor the chlorine residuals and provide additional chlorine as needed. Staff has been performing distribution flushing on an as needed basis.

On June 30, 2021, staff replaced a failed angle stop on San Francisco Street.

COMPLIANCE RECORD AND PLANT PERFORMANCE

Staff compiled the data to complete the monthly Self-Monitoring Report and Discharge Monitoring Report in California Integrated Water Quality System (CIWQS). Once approved, the reports are uploaded into CIWQS and certified by ABCSD Staff.

Plant Design for Influent BOD is 270 mg/L. The permit limit for Effluent TSS and BOD is a Monthly Average of 40 mg/L with a Daily Maximum of 90 mg/L.

Sincerely,

FLUID RESOURCE MANAGEMENT



Carinna Butler
Operations Manager

ATTACHMENTS

- Self-Monitoring Report
- ABCSD Average Daily WWTP Effluent Flow (2019-2021)
- ABCSD Monthly Total WWTP Effluent Flow (2019-2021)
- Port San Luis Monthly Total Flow (2019-2021)
- Monthly Average Influent BOD (2019-2021)
- Monthly Average Effluent BOD (2019-2021)
- Monthly Water Purchased from Lopez (2019-2021)
- ABCSD Monthly Water Sold (2019-2021)



Avila Beach CSD Wastewater Treatment Facility

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

Month: JUNE 2021

Date	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Biweekly Total Coliform	Biweekly Fecal Coliform	Daily Chlorine Residual
1	0.042524	81	30	<2	<2	<0.02
2	0.043197	81	30			<0.02
3	0.043744	76	31	2	<2	<0.02
4	0.053839	84	38			<0.02
5	0.059582	83	34			<0.02
6	0.058429	84	41			<0.02
7	0.045896	79	32			<0.02
8	0.043161	75	30	<2	<2	<0.02
9	0.044823	75	31			<0.02
10	0.049605	68	35	<2	<2	<0.02
11	0.053076	90	37			<0.02
12	0.061762	85	43			<0.02
13	0.064779	91	45			<0.02
14	0.053140	93	37			<0.02
15	0.046945	88	36	<2	<2	<0.02
16	0.054820	84	38			<0.02
17	0.054309	78	38	<2	<2	<0.02
18	0.059425	87	41			<0.02
19	0.071312	92	50			<0.02
20	0.068732	98	48			<0.02
21	0.056541	87	39			<0.02
22	0.055389	92	39	<2	<2	<0.02
23	0.051089	80	36			<0.02
24	0.055122	84	38	2	<2	<0.02
25	0.062432	82	44			<0.02
26	0.073696	98	51			<0.02
27	0.071650	93	50			<0.02
28	0.059604	88	42			<0.02
29	0.053549	86	37	<2	<2	<0.02
30	0.056454	83	39			<0.02
31						
Min	0.042524	68	30	<2	<2	<0.02
Mean	0.055621	85	39	<2	<2	<0.02
Max	0.073696	98	51	2	<2	<0.02
Total	1.668626	Effluent daily (dry weather) flow NTE 0.2 MGD (mean).				

Influent Brine Received	
Date	Volume (Gallons)
	N/A

Sludge Removal	
Date	Gallons
6/8/21	4,800
6/23/21	4,800

Effluent and Influent Monitoring					
Date	Biweekly Effluent BOD (24 HC)	Biweekly Effluent TSS (24 HC)	Biweekly Influent BOD (24 HC)	Biweekly Influent TSS (24 HC)	Monthly Effluent Oil & Grease (Grab)
6/3/21	29	19	368	241	
6/6/21	46	38	467	316	
6/10/21	29	18	380	267	
6/13/21	43	35	369	417	
6/17/21	30	26	530	266	1.8 DNQ
6/18/21	31	25			
6/20/21	39	36	471	267	
6/24/21	25	19	407	304	
6/25/21	24	16			
6/27/21	38	28	1,056	931	
Min	24	16	368	241	1.8 DNQ
Mean	33.4	26.0	506.0	376.1	1.8 DNQ
Max	46	38	1,056	931	1.8 DNQ
BOD Removal: 93.4%			TSS Removal: 93.1%		

Effluent Monitoring				
Date	Weekly Set. Solids (Grab)	Weekly Turbidity (Grab)	Weekly pH (Grab)	Weekly Temp °F (Grab)
6/3/21	<0.1	20.2	6.8	70
6/10/21	<0.1	23.2	6.8	69
6/17/21	<0.1	18.9	6.6	75
6/24/21	<0.1	14.0	6.8	73
Min	<0.1	14.0	6.6	69.0
Mean	<0.1	19.1	6.8	71.8
Max	<0.1	23.2	6.8	75.0

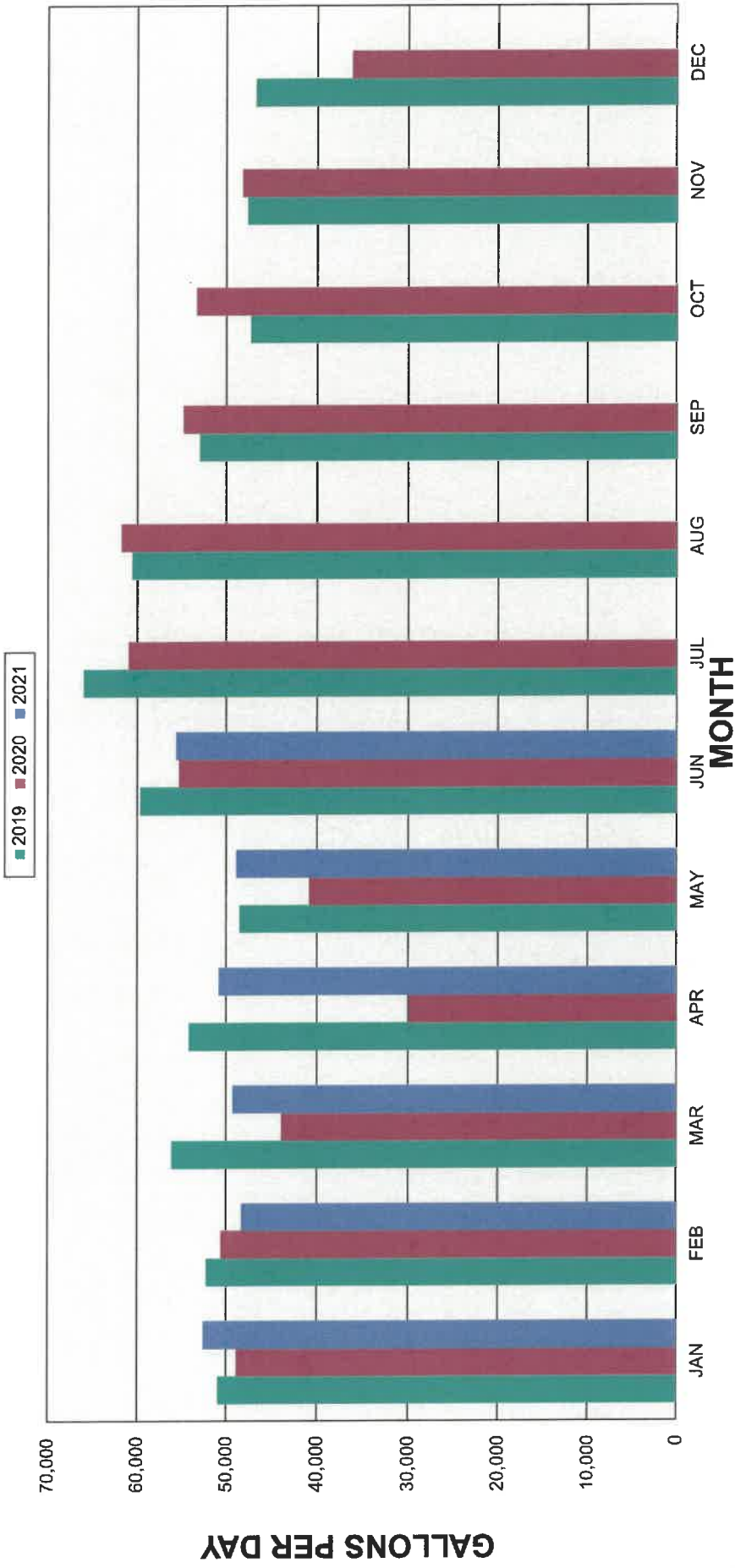
Effluent Limits				
Parameter	Units	Monthly Avg	Weekly Avg	Daily Max
BOD	mg/L	40	60	90
Suspended Solids	mg/L	40	60	90
Oil and Grease	mg/L	25	40	75
Turbidity	NTU	75	100	225
Total Coliform	MPN/100 mL	7 Sample Median: 23		
		More than once in 30 days: 240		
		Daily Maximum: 2,400		
Chlorine Residual	mg/L	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.

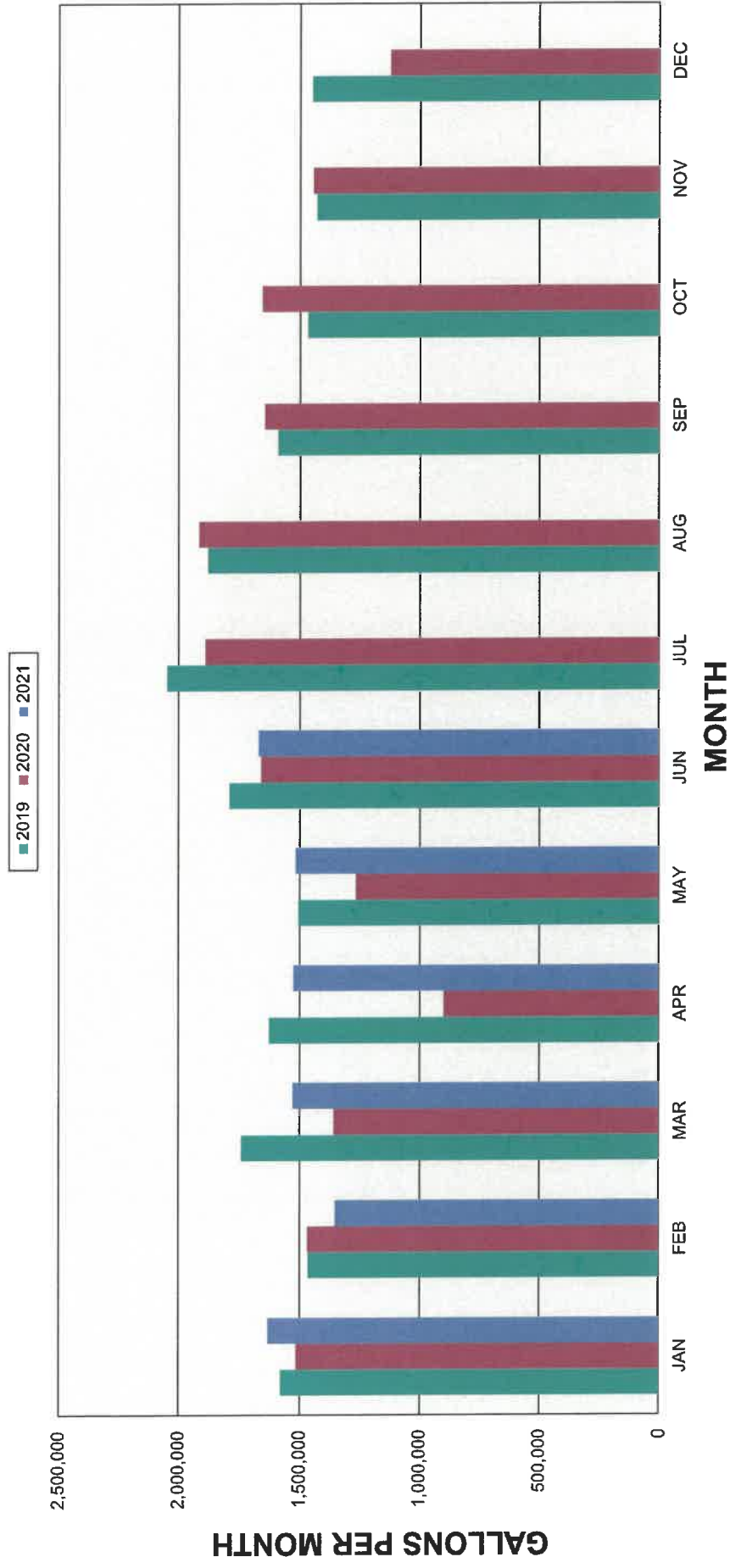
SIGNATURE: 
 PRINTED NAME: Carinna Butler

DATE: 07/19/2021
 TITLE: FRM Operations Manager

ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2019 - 2021)

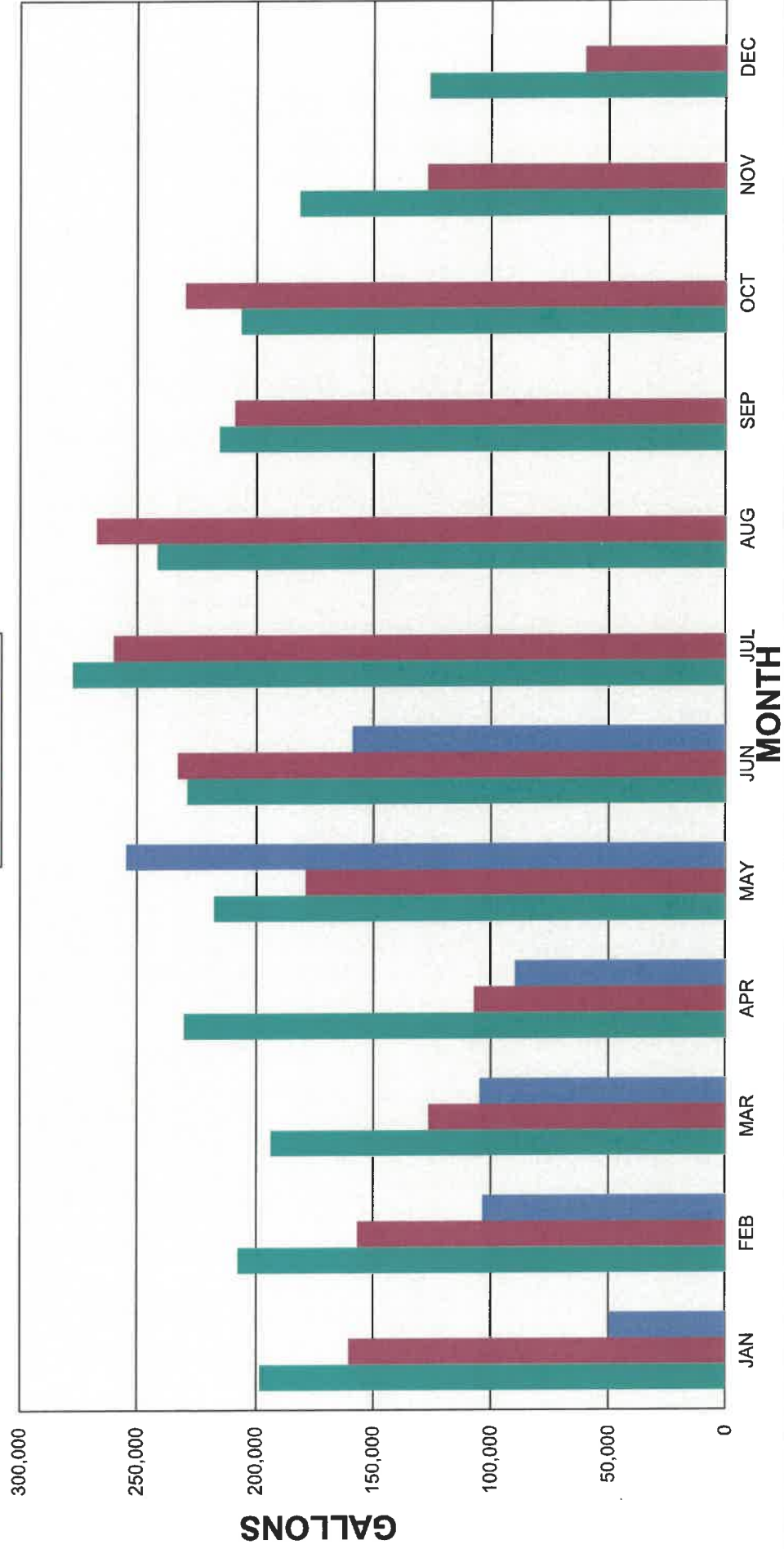


ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2019 - 2021)



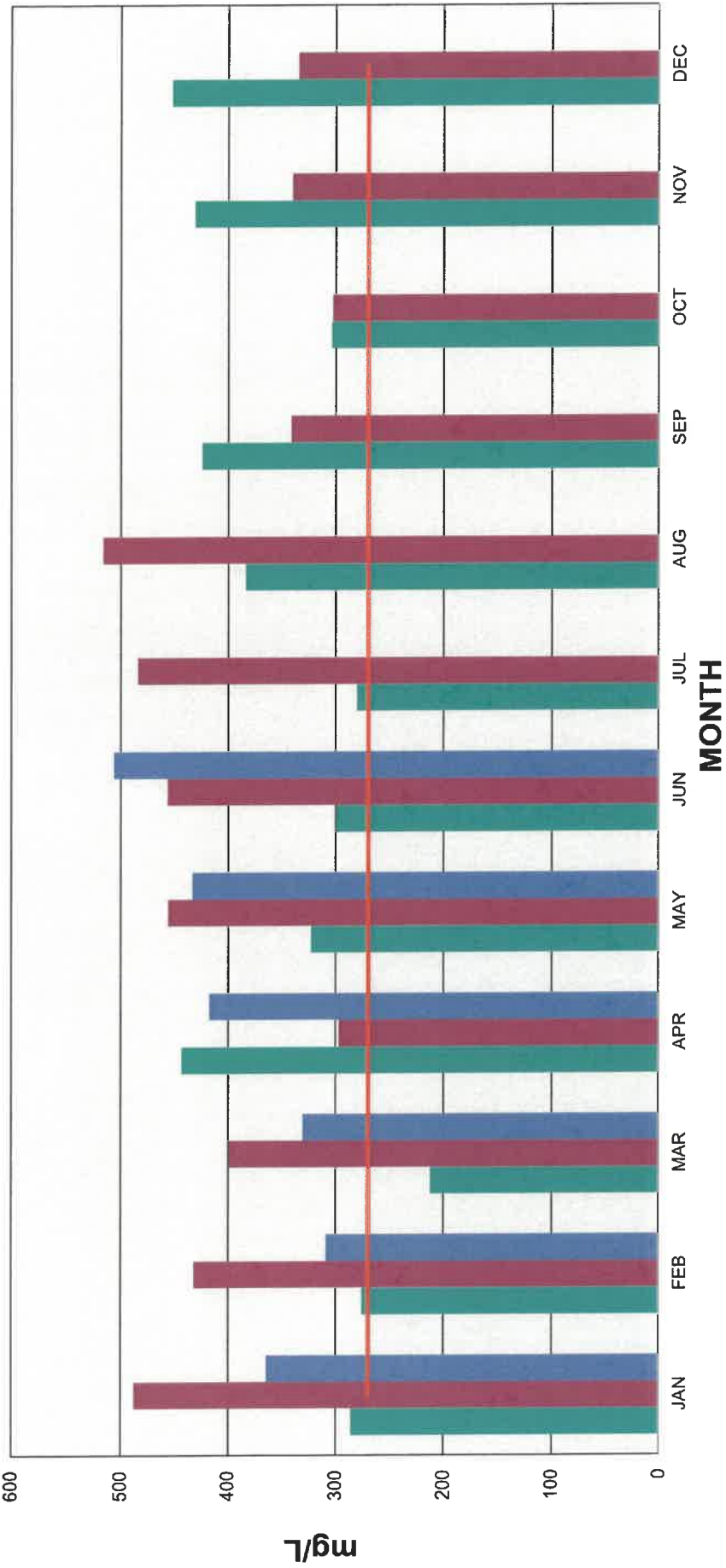
PORT SAN LUIS MONTHLY TOTAL FLOW (2019 - 2021)

2019 2020 2021



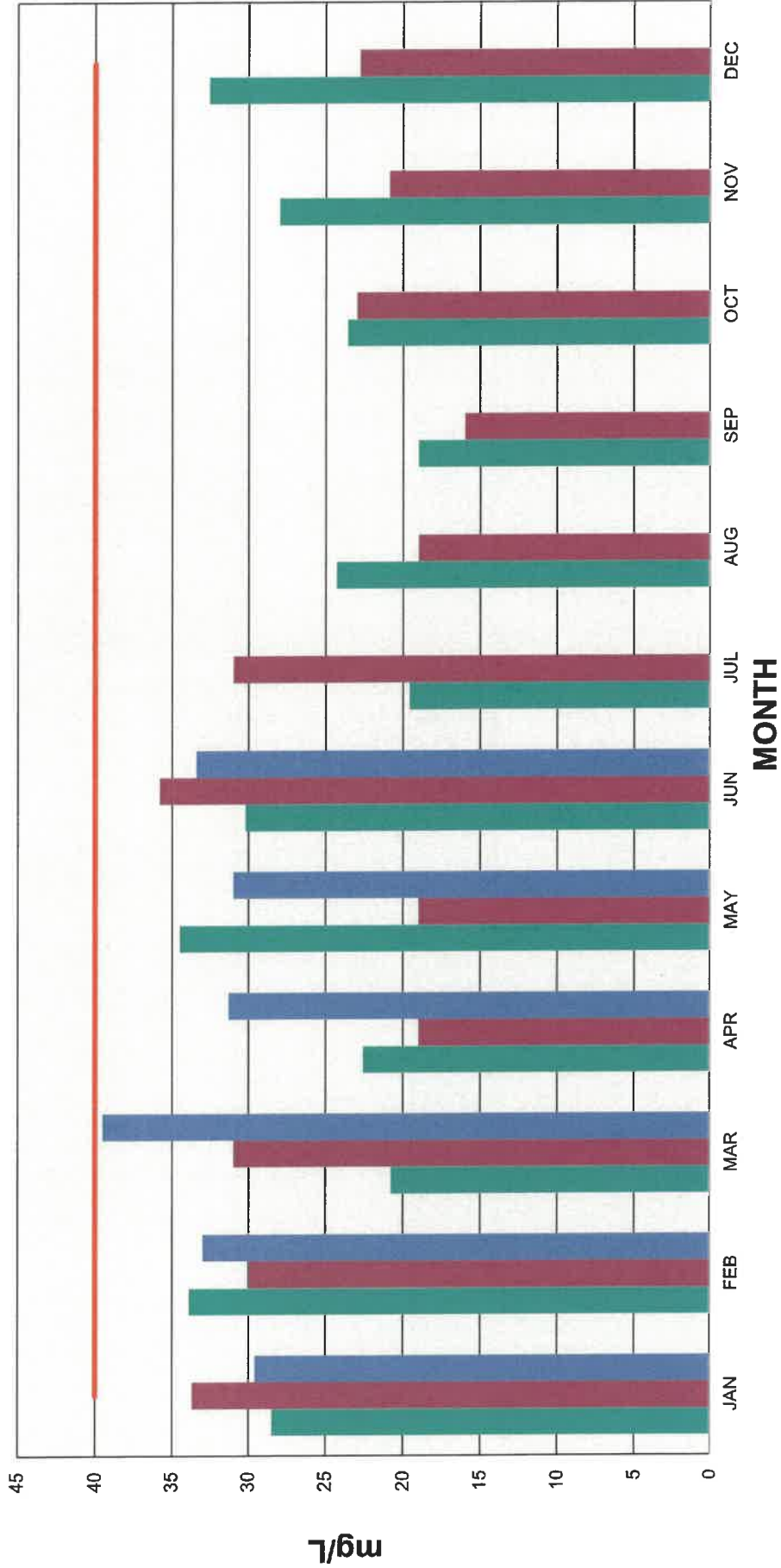
ABCSD MONTHLY AVERAGE INFLUENT BOD (2019 - 2021)

■ 2019
 ■ 2020
 ■ 2021
 — WWTP Design

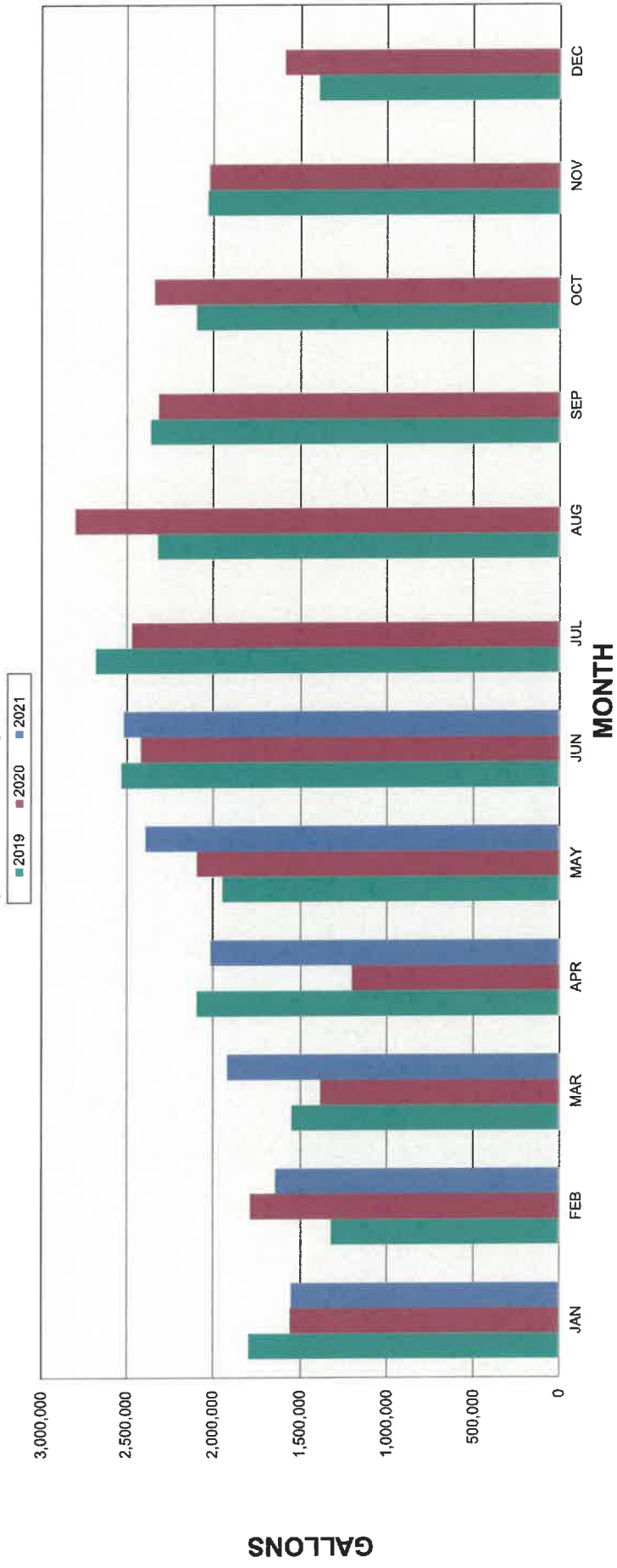


ABCSD MONTHLY AVERAGE EFFLUENT BOD (2019 - 2021)

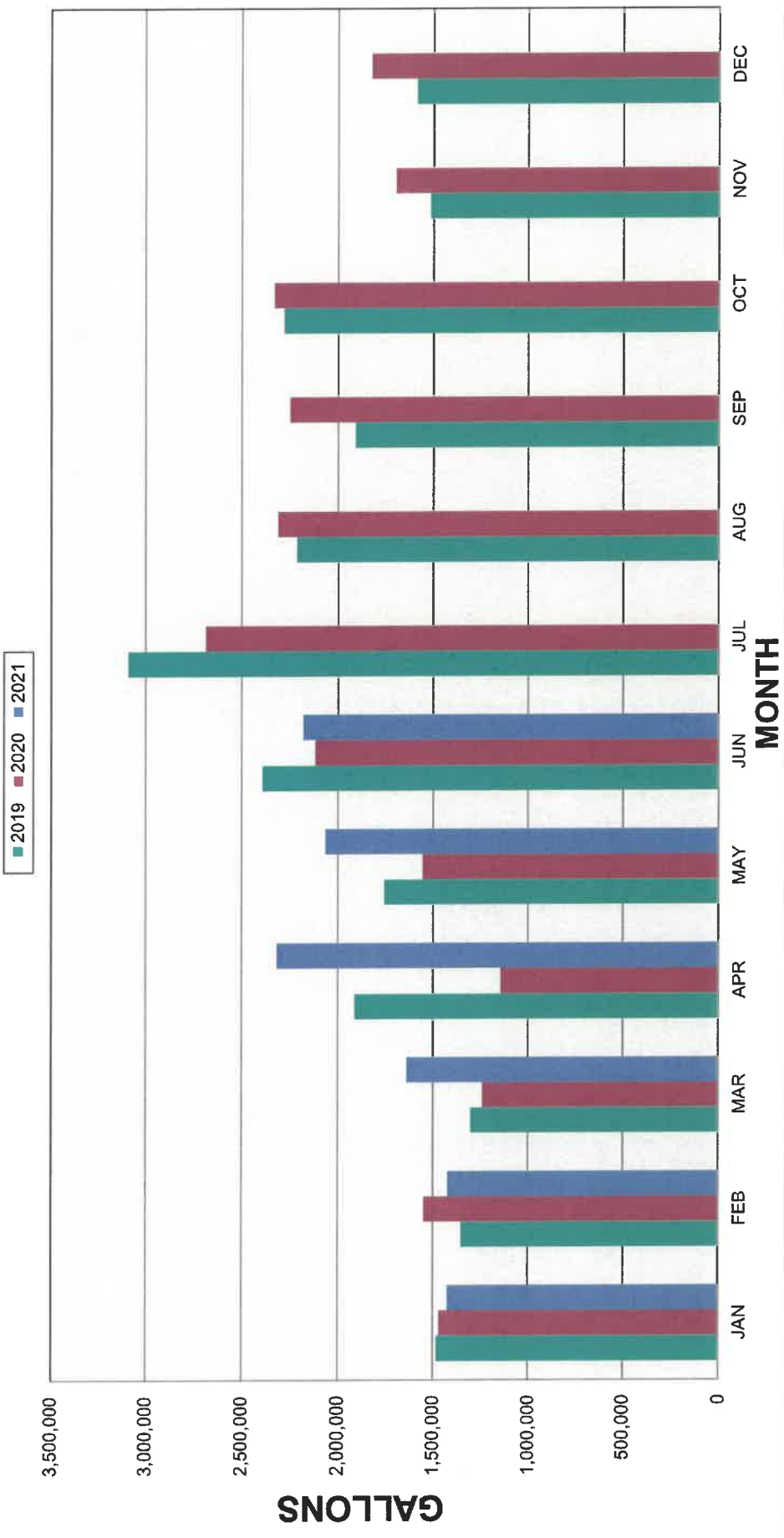
■ 2019
 ■ 2020
 ■ 2021
 — 30 Day Average Limit



ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2019 - 2021)



ABCSD MONTHLY WATER SOLD (2019 - 2021)





August 4, 2021

Avila Beach Community Services District
100 San Luis Street
Avila Beach, CA 93424

**SUBJECT: JULY 2021 MONTHLY FACILITY REPORT FOR THE AVILA BEACH COMMUNITY SERVICES DISTRICT
WASTEWATER TREATMENT PLANT, WATER SYSTEM AND COLLECTION SYSTEM**

WASTEWATER TREATMENT PLANT

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.

On July 8, 2021, staff replaced the existing air scrubber at the wastewater treatment plant. The air scrubber controls odors coming from the wastewater plant in accordance with the plant's Air Pollution Control District Permit.

On July 17, 2021, staff responded to an alarm at the influent lift station; one of the influent pumps had tripped and was reset to restore normal operations.

WATER SYSTEM

The small water storage tank continues to be used as standby, with FRM staff monitoring the water quality in the tank and flushing as needed. FRM Staff continues to monitor the chlorine residuals and provide additional chlorine as needed. Staff has been performing distribution flushing on an as needed basis.

Staff responded to a report of a water leak on San Luis Street on July 27, 2021; the leak was on the customer's side of the meter and staff assisted the customer with turning water off to the property so the customer could coordinate repairs.

COMPLIANCE RECORD AND PLANT PERFORMANCE

Staff compiled the data to complete the monthly Self-Monitoring Report and Discharge Monitoring Report in California Integrated Water Quality System (CIWQS). Once approved, the reports are uploaded into CIWQS and certified by ABCSD Staff.

Plant Design for Influent BOD is 270 mg/L. The permit limit for Effluent TSS and BOD is a Monthly Average of 40 mg/L with a Daily Maximum of 90 mg/L.

Sincerely,

FLUID RESOURCE MANAGEMENT



Carinna Butler
Operations Manager

ATTACHMENTS

- Self-Monitoring Report
- ABCSD Average Daily WWTP Effluent Flow (2019-2021)
- ABCSD Monthly Total WWTP Effluent Flow (2019-2021)
- Port San Luis Monthly Total Flow (2019-2021)
- Monthly Average Influent BOD (2019-2021)
- Monthly Average Effluent BOD (2019-2021)
- Monthly Water Purchased from Lopez (2019-2021)
- ABCSD Monthly Water Sold (2019-2021)



Avila Beach CSD Wastewater Treatment Facility

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

Month: JULY 2021

Date	Daily Flow (MGD)			Effluent Monitoring		
	Total	Max (gpm)	Avg (gpm)	Biweekly Total Coliform	Biweekly Fecal Coliform	Daily Chlorine Residual
1	0.043524	82	30	<2	<2	<0.02
2	0.063697	84	45			<0.02
3	0.070400	93	49			<0.02
4	0.071808	95	50			<0.02
5	0.064100	99	45			<0.02
6	0.058245	88	41	<2	<2	<0.02
7	0.619480	87	43			<0.02
8	0.060215	87	42	<2	<2	<0.02
9	0.060727	91	42			<0.02
10	0.069519	95	48			<0.02
11	0.071080	96	50			<0.02
12	0.060910	91	42			<0.02
13	0.062027	97	45	<2	<2	<0.02
14	0.060685	91	44			<0.02
15	0.058513	87	44	<2	<2	<0.02
16	0.062826	90	44			<0.02
17	0.069884	99	49			<0.02
18	0.066600	94	46			<0.02
19	0.057741	90	40			<0.02
20	0.056288	89	39	<2	<2	<0.02
21	0.058872	83	41			<0.02
22	0.061954	89	43	<2	<2	<0.02
23	0.061470	91	43			<0.02
24	0.069297	96	44			<0.02
25	0.068743	92	48			<0.02
26	0.058355	116	47			<0.02
27	0.059360	86	41	<2	<2	<0.02
28	0.061063	84	43			<0.02
29	0.056369	79	39	<2	<2	<0.02
30	0.059079	92	41			<0.02
31	0.071424	95	50			<0.02
Min	0.043524	79	30	<2	<2	<0.02
Mean	0.080460	91	44	<2	<2	<0.02
Max	0.619480	116	50	<2	<2	<0.02
Total	2.494255	Effluent daily (dry weather) flow NTE 0.2 MGD (mean).				

Influent Brine Received

Date	Volume (Gallons)
	N/A

Sludge Removal

Date	Gallons
7/8/21	4,800
7/30/21	4,800

Effluent and Influent Monitoring

Date	Biweekly Effluent BOD (24 HC)	Biweekly Effluent TSS (24 HC)	Biweekly Influent BOD (24 HC)	Biweekly Influent TSS (24 HC)	Monthly Effluent Oil & Grease (Grab)
7/1/21	28	27	323	165	
7/4/21	38	35	395	237	
7/8/21	45	33	350	230	
7/11/21	34	33	408	404	
7/15/21	43	22	196	188	1.8 DNQ
7/18/21	39	28	287	177	
7/22/21	37	32	336	191	
7/25/21	38	42	326	260	
7/29/21	36	37	421	217	
7/30/21	28	18			
Min	28	18	196	165	1.8 DNQ
Mean	36.6	30.7	338.0	229.9	1.8 DNQ
Max	45	42	421	404	1.8 DNQ
BOD Removal: 89.2%			TSS Removal: 86.6%		

Effluent Monitoring

Date	Weekly Set. Solids (Grab)	Weekly Turbidity (Grab)	Weekly pH (Grab)	Weekly Temp °F (Grab)
7/1/21	<0.1	18.9	6.8	73
7/8/21	<0.1	23.2	6.7	73
7/15/21	<0.1	22.4	6.4	74
7/22/21	<0.1	27.0	6.7	73
7/29/21	<0.1	21.5	6.7	74
Min	<0.1	18.9	6.4	73
Mean	<0.1	22.6	6.7	73
Max	<0.1	27.0	6.8	74

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.

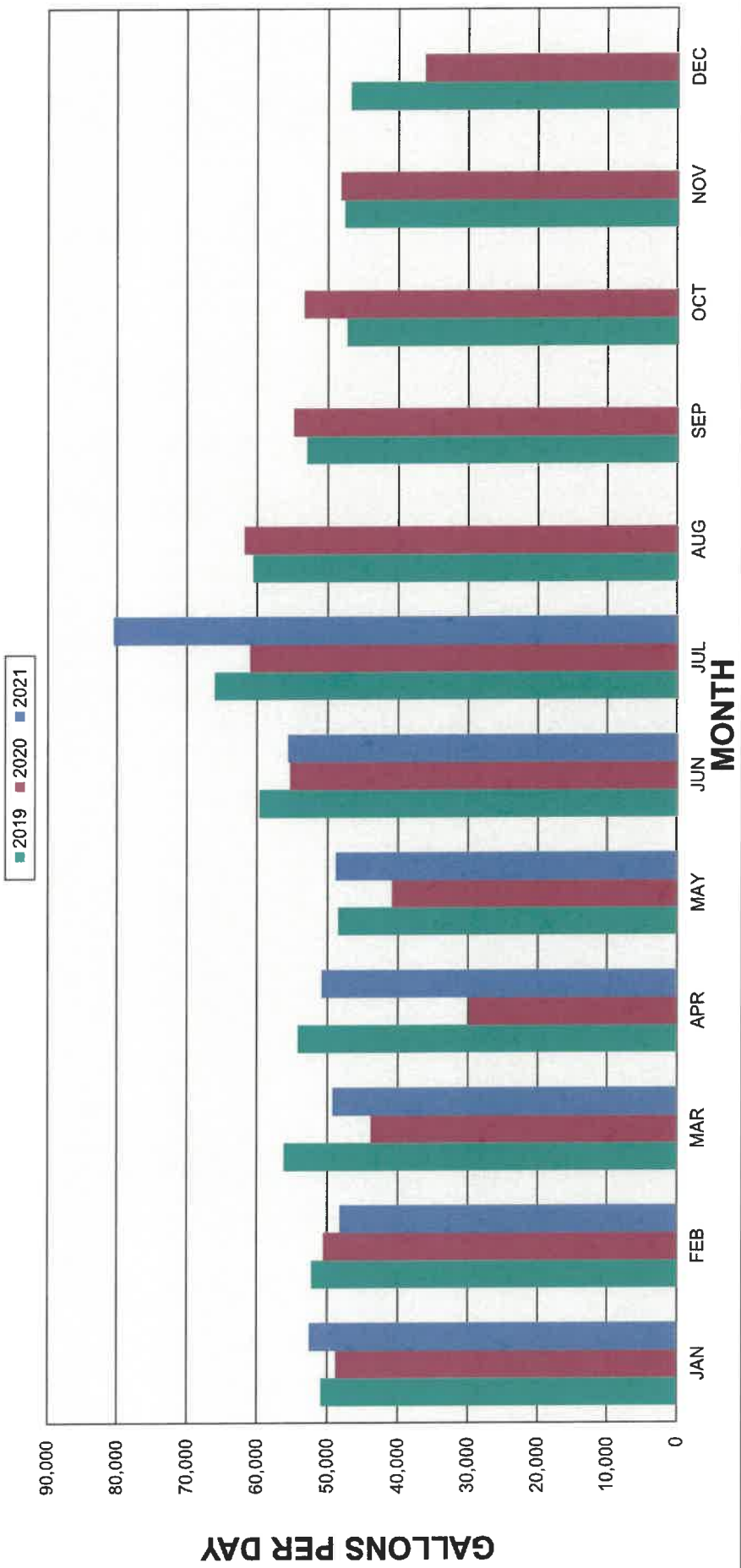
SIGNATURE: _____

DATE: _____

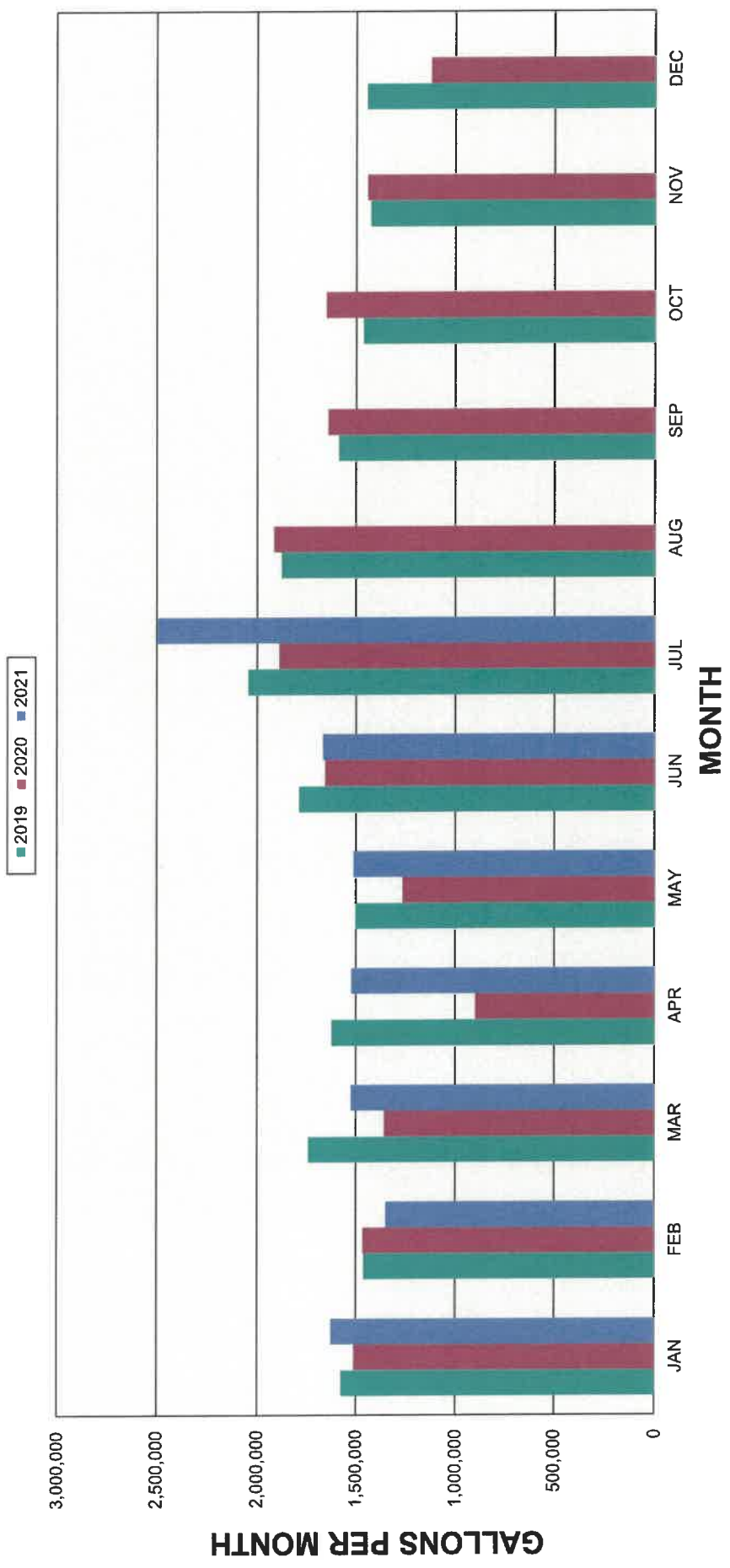
PRINTED NAME: _____

TITLE: _____

ABCSD AVERAGE DAILY WWTP EFFLUENT FLOW (2019 - 2021)

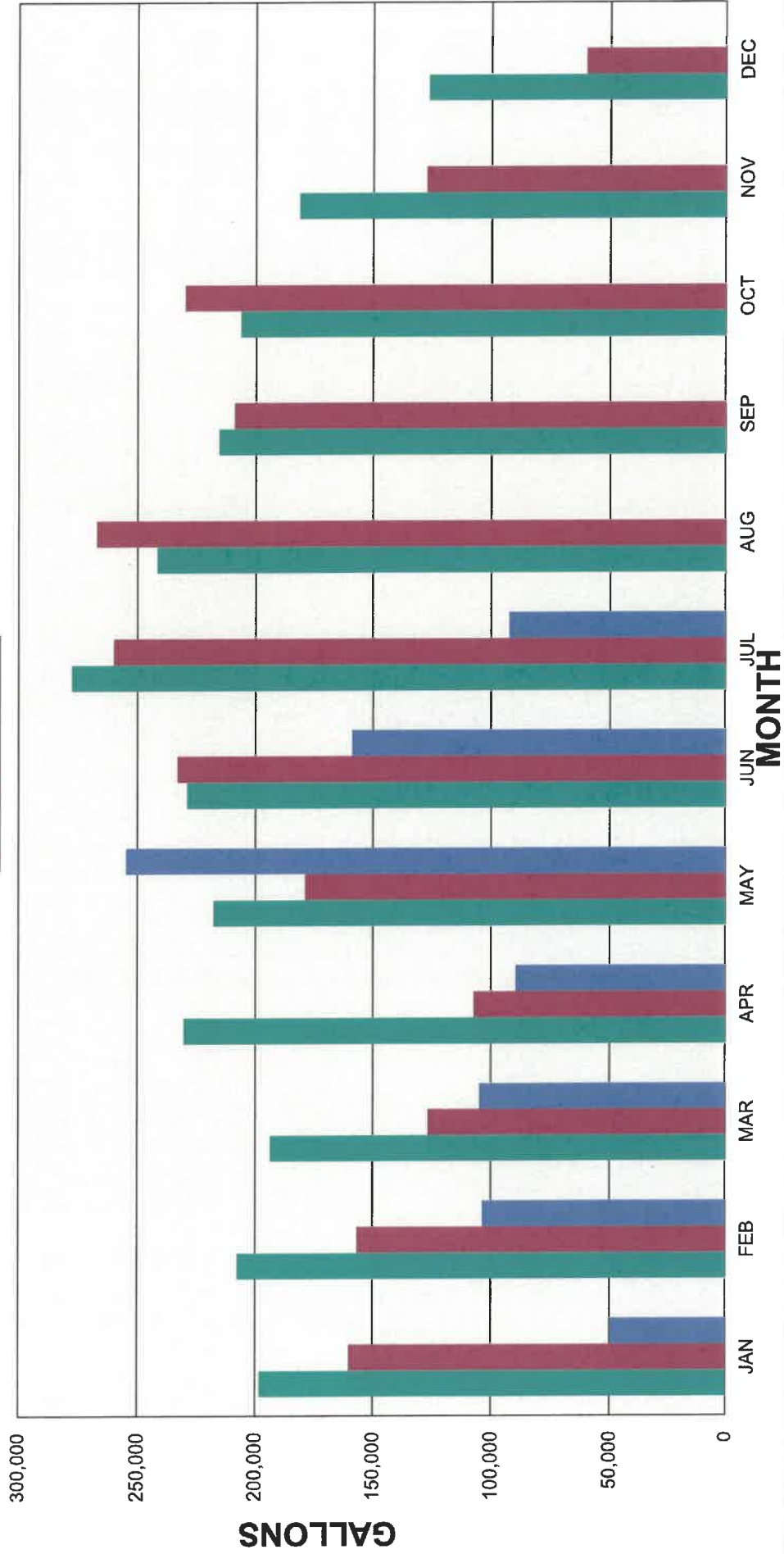


ABCSD MONTHLY TOTAL WWTP EFFLUENT FLOW (2019 - 2021)



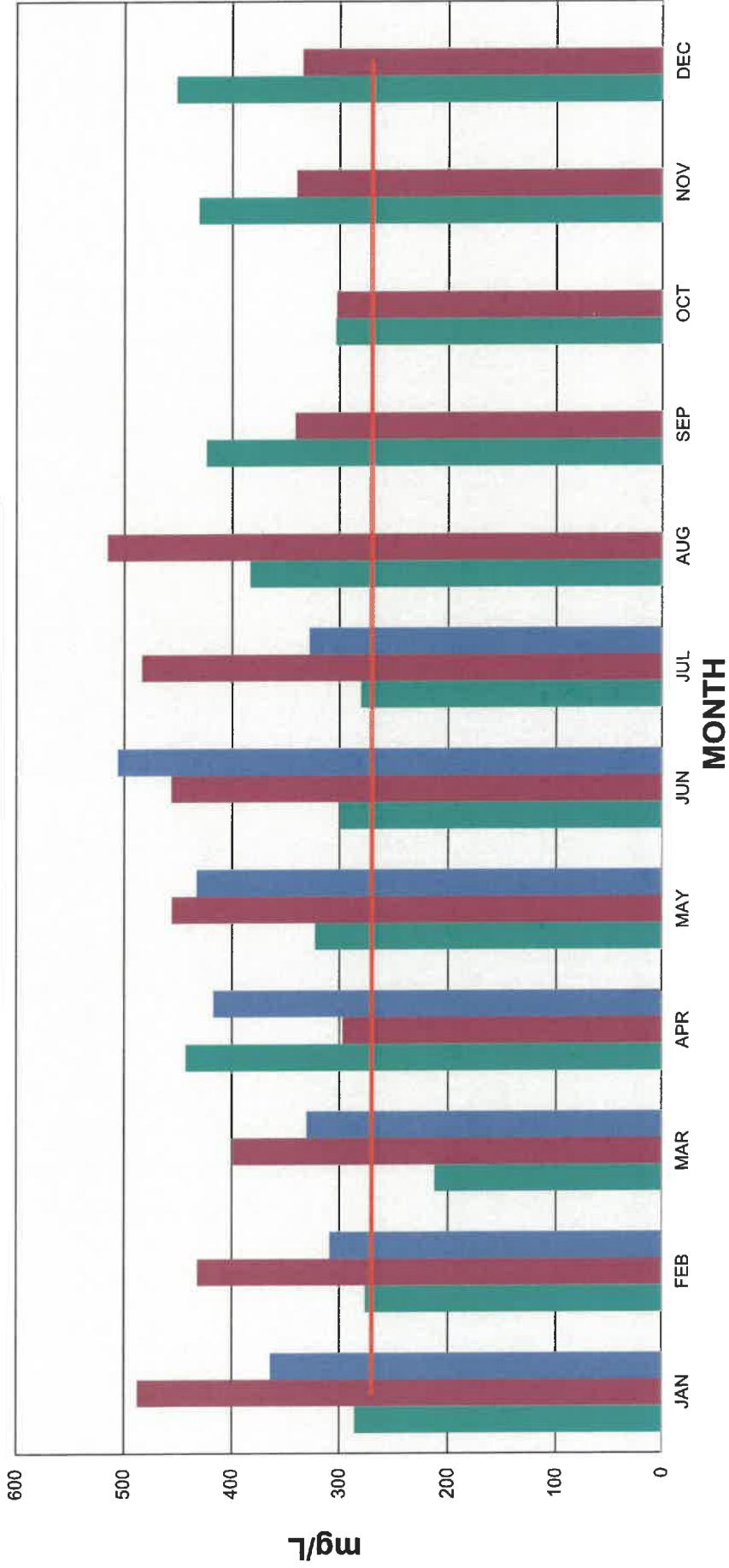
PORT SAN LUIS MONTHLY TOTAL FLOW (2019 - 2021)

■ 2019
 ■ 2020
 ■ 2021

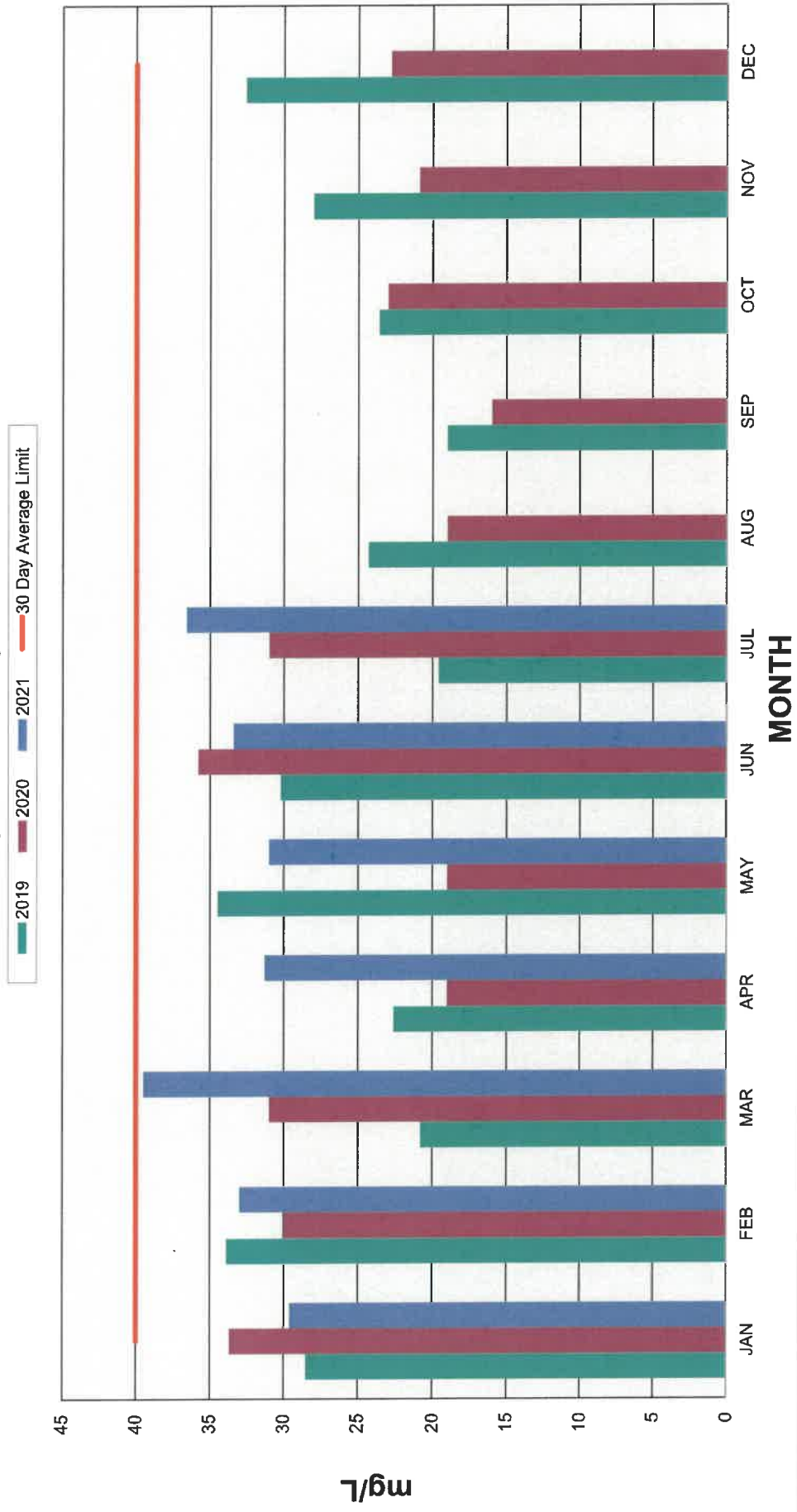


ABCSD MONTHLY AVERAGE INFLUENT BOD (2019 - 2021)

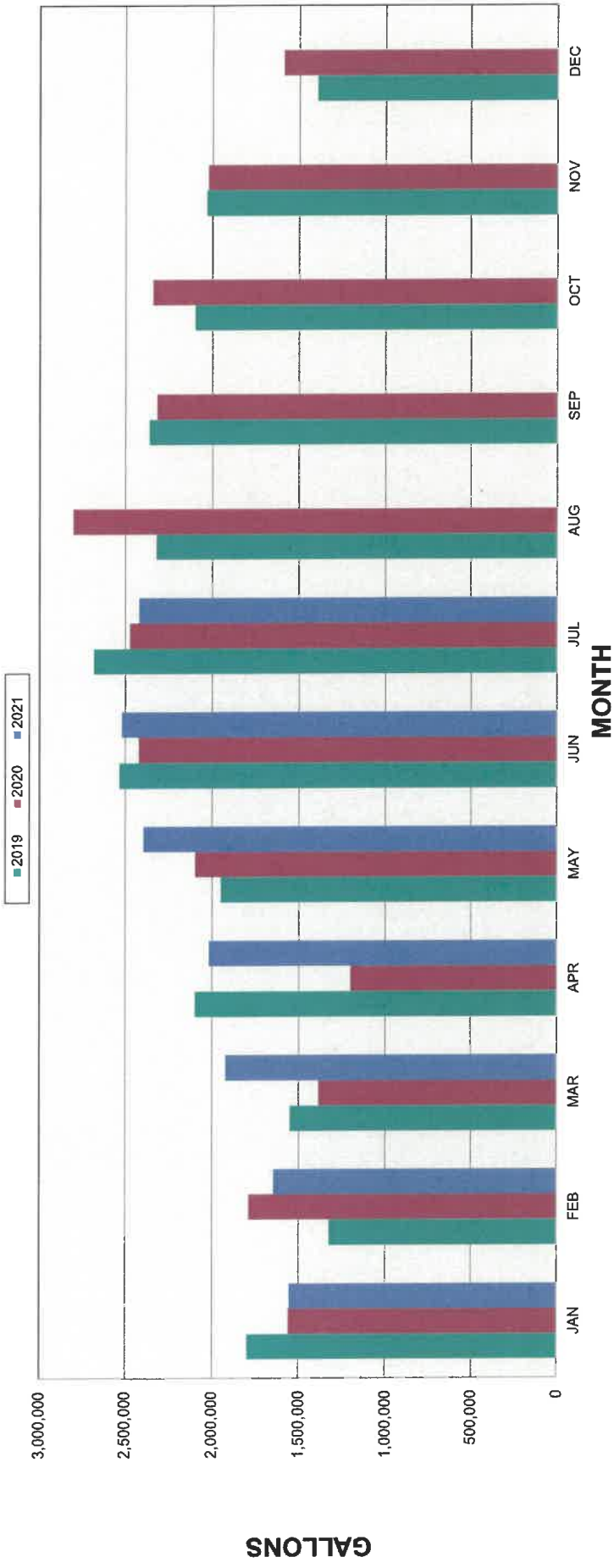
■ 2019
 ■ 2020
 ■ 2021
 — WWTP Design



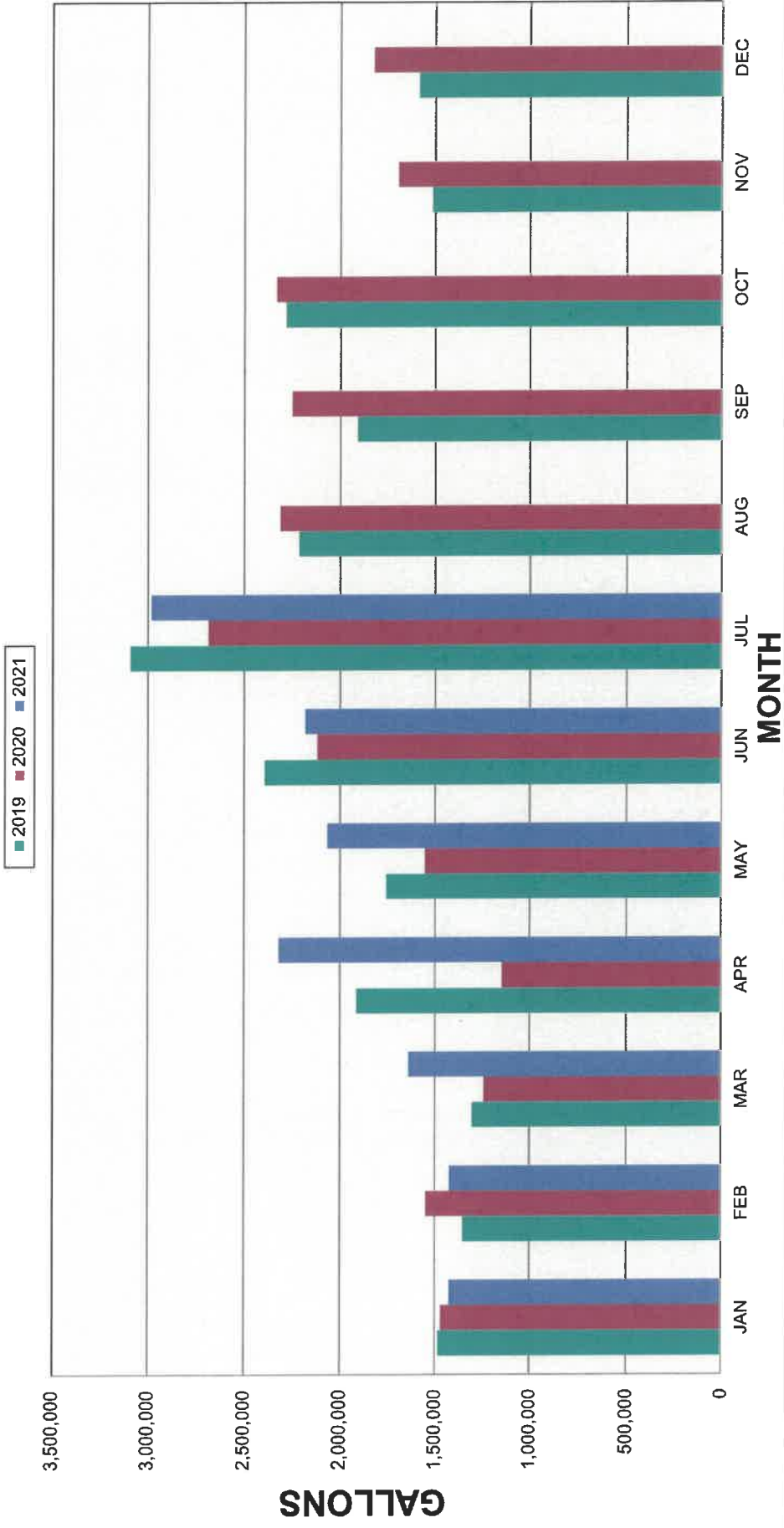
ABCSD MONTHLY AVERAGE EFFLUENT BOD (2019 - 2021)



ABCSD MONTHLY WATER PURCHASED FROM LOPEZ (2019 - 2021)



ABCSD MONTHLY WATER SOLD (2019 - 2021)




**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Award Contract Amendment to Wallace Group for Final Design and Bid Services for Wastewater Treatment Plant Redundancy Project

Recommendation:

Approve the increase in the Scope of Services and the associated Contract Amendment for Engineering Services with Wallace Group.

Discussion:

At the November 10, 2020, Board meeting the Board approved a contract with Wallace Group to provide Final Design & Bid Documents, and Bid Phase Services for the WWTP Redundancy Project. Wallace Group has been working closely with the Membrane Bioreactor manufacture, Cloacina Inc., and District staff to prepare the final design and bid documents. During the final design and integration process we identified several needed project improvements that can most effectively be provided as part of the overall WWTP project. Those improvements include but are not limited to:

SCADA System upgrade – The existing SCADA system was installed over fifteen years ago and has reached its capacity and useful life. The MBR system includes a modern, integrated SCADA system. It is most cost effective to upgrade the entire WWTP SCADA system as part of this project.

Replacement of Primary Clarifier Effluent Pipe – This pipe was installed as part of the initial WWTP construction in the early 1960s. We identified flow issues in the pipe and recommend replacing this pipe as part of this project.

Ground (MBR Foundation) Improvements and Site Drainage – As we moved through the final design and integration process we determined additional foundation stability would be required and that the entire site drainage needed to be re-designed.

Cloacina Change Order Review and Coordination. – As part of the integration process, we anticipated that we would have a number of project scope changes that would increase the functionality and overall capability of the wastewater treatment plant. The most significant change was the addition of a wastewater influent equalization tank. Operations staff has been requesting an EQ tank for many years. The EQ tank will allow operations staff to flatten the peak hourly flows and feed the treatment system with a more steady state flow. Other changes include installing a cover of a portion of the MBR unit; upgrading the influent micro screens; installing an influent lift station bypass pump and controls; and adding a sludge tank. Including these additional components as part of the larger project will provide more functionality in the most cost effective manner.

Staff has discussed these engineering scope changes with Wallace Group and agrees that a Contract Amendment is warranted. Wallace Group proposes a fee revision based on a time and materials basis for not to exceed amount of \$29,896. Staff agrees this is a fair and reasonable estimate.

Staff recommends the Board approve the Contract Amendment as detailed in Wallace Group's June 30, 2021, provided as an attachment to this staff report.

CONTRACT AMENDMENT



CIVIL AND
TRANSPORTATION
ENGINEERING

CONSTRUCTION
MANAGEMENT

LANDSCAPE
ARCHITECTURE

MECHANICAL
ENGINEERING

PLANNING

PUBLIC WORKS
ADMINISTRATION

SURVEYING /
GIS SOLUTIONS

WATER RESOURCES

WALLACE GROUP
A California Corporation

612 CLARION CT
SAN LUIS OBISPO
CALIFORNIA 93401

T 805 544-4011
F 805 544-4294

www.wallacegroup.us

Project Name: Avila CSD Site Prep & Utility Connections	CA No. 1
Client Name: Avila Beach CSD	Project/Phase No. 0245-0012/0003
Attention: Brad Hagemann	Date: June 30, 2021
Address: PO Box 309, Avila Beach, California, 93424	

Wallace Group requests the Client's authorization to proceed with revisions to the contract agreement for the above referenced project as herein described. Approval below incorporates this document as a part of the original contract signed November 19, 2020. If approved, please return one signed original Contract Amendment to Wallace Group.

Description and Purpose of the Revision(s)

This contract amendment encompasses several scope additions that have come out of the project, organized into 5 major categories. The attached breakdown summarizes the fee totals for each category, broken out as time already billed, and time remaining, for each category.

SCADA Improvements - Wallace Group organized several meetings both onsite and remote to determine the strategy for upgrading the overall plant SCADA system once the Cloacina MBR system has been installed. Wallace Group worked with Fluid Resource Management as the operations team to summarize the various plant parameters that will require SCADA equipment upgrades or additions. FRM listed out the devices needed for the upgrades and plans to submit a proposal to the District for these devices for installation as a separate project from the MBR system improvements. Remaining work for Wallace Group includes design and drafting of a recirculation loop auto valve and flowmeter as well as an influent pipe flowmeter.

Primary Clarifier Effluent Pipe Analysis and Replacement - Wallace Group conducted an analysis of the primary clarifier effluent pipe after observation of the plant struggling to maintain influent capacity during a large 2021 storm. Based on operator interviews, record drawing review, and design calculations, it was determined that the primary clarifier effluent pipe leading to the FFR sump is in need of replacement. The current line is likely full of sediment and does not have any cleanout access. Remaining time includes final design and drafting of end connections and configuration of the tee fitting that routes effluent directly to the secondary sedimentation basin if needed.

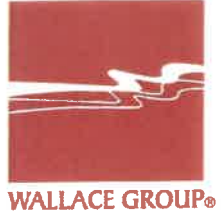
Ground Improvements and Additional Site Drainage Design - Wallace Group, in partnership with Cloacina, Yeh and Associates, and Taylor & Syfan, have determined that the preliminary design was not sufficient for plant reliability due to excessive differential settlement of up to 3". It was determined that rigid inclusions would be required to improve bearing capacity, similar to construction of the current site structures. Wallace Group also found that the site drainage required significant redesign to prevent ponding during wet weather events. The design includes updates to drainage to the entire site, not just the MBR system area, as a wholistic approach is necessary. Design of grading and drainage is finalized, remaining work includes sheet production for the construction document set.

Cloacina Change Order Review and Coordination - there have been multiple change orders issued by Cloacina based on interaction with Wallace Group and the District. These changes have resulted in some major design changes that required some rework for Wallace Group. The latest submittals from Cloacina show the MBR system to be shorter in length than originally planned and will require some minor grading and drainage changes yet to be made.

Miscellaneous Scope Items - these include coordination of survey, retrieval of record drawings for scanning and sharing with the design team, and some analysis and redesign of the Preliminary Engineering Report. Those changes mainly include the overall approach to send influent through the

primary clarifier before entering the new MBR system, to reduce solids and overall loading. This resulted in rework of the lift station design from the PER, inclusion of an influent equalization tank and associated pump skid and appurtenances.

Feel free to contact Bryan Childress with any questions regarding the above explanations. Thank you for your understanding.



Revision(s) Represent:

- a change in previous instructions
- a change in Scope of Services
- other:

Revision(s) Fee:

- hourly (time & materials) \$29,896.50
- progress billing: \$
- not-to-exceed w/o authorization: \$

Revision(s) will be invoiced as:

- increase to an item within the existing contract
- a new item added to existing contract

Issued by,
WALLACE GROUP, a California Corporation

APPROVED BY CLIENT:

Bryan D. Childress, PE M37934/C88775
Senior Mechanical Engineer
612 Clarion Court
San Luis Obispo
California 93401
T 805 544-4011
F 805 544-4294
www.wallacegroup.us

Signature

Printed Name

Title

Date

CA1 Breakdown

Budget Remaining as of 6/30/21

00001 Project Mgmt	\$5,840.52
00002 Pre-Selected Vendor Design Coordination	\$287.50
00003 Civil Engineering Design	-\$7,103.73
<i>Do not consider other phases for remaining budget as they are for subcontractors and future phases (Electrical/Structural/ESDC/Bid Phase Services)</i>	
Total	-\$975.71

Scope Added to Project	Billed	Remaining	Notes
SCADA Improvements	\$2,000.00	\$1,650.00	10 hrs to design and draft flowmeters and valve for recirculation and influent lines
Primary Clarifier Effluent Pipe Analysis and Replacement	\$2,712.50	\$1,320.00	8 hrs to draft detailed connections and isolation of secondary sed pipe changes
Ground Improvements and Add'l Site Drainage Design	\$7,755.00	\$6,600.00	30 hrs left for grading/drainage sheet drawings, 10 hrs left for wall profiles and elevations
Cloacina Change Order Review and Coordination	\$3,564.75	\$640.00	4 hrs to adjust to latest Cloacina revisions
Misc Out of Scope Items	\$3,654.25	\$0.00	Survey coordination, drawing retrieval, MKN PER redesign work (lift station, EQ tank, etc)
Total	\$19,686.50	\$10,210.00	


Total Contract Amendment (CA1) \$29,896.50

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Consider Approval of Resolution No. 2021-04 approving the adoption of a District Debt Management Policy in Accordance with SB 1029

Recommendation:

Staff recommends the Board of Directors adopt Resolution No. 2021-04 approving a Debt Management Policy in accordance with SB 1029 for local agencies wishing to enter into debt financing transactions.

Background

Local agencies in California that wish to enter into debt financing transactions must have a debt management policy that is compliant with SB 1029 (2016), which became effective on January 1, 2017. Resolution 20-07 provides for the District to adopt a SB 1029-compliant debt management policy.

Discussion

In order to obtain funds for the WWTP improvement project the District intends to enter into a private placement equipment lease. Prior to entering into this transaction, the District will need to submit to the California Debt and Investment Advisory Commission (CDIAC) a preliminary report of debt issuance which will include a certification that the District has adopted a Debt Policy that meets the requirements of SB 1029, which became effective on January 1, 2017, and which are found in California Government Code 8855. Adoption of the Debt Policy by the Board is required for compliance with the legislation.

In accordance with Government Code 8855, a local debt policy must include all the following:

- (A) The purposes for which the debt proceeds may be used.
- (B) The types of debt that may be issued.
- (C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
- (D) Policy goals related to the issuer's planning goals and objectives.
- (E) The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The attached draft Debt Management Policy meets all these requirements.

**AVILA BEACH COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2021-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE AVILA BEACH
COMMUNITY SERVICES DISTRICT ADOPTING A DEBT MANAGEMENT POLICY**

WHEREAS, the Board of Directors (the “Board”) of the Avila Beach Community Services District (the “District”) recognizes that cost-effective access to the capital markets depends on prudent management of the District’s debt program; and

WHEREAS, Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a report of the proposed issuance (the “Report of Proposed Debt Issuance”), and must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies (the “CDIAC Requirements”); and

WHEREAS, the Board wishes to set parameters for issuing debt, managing the debt portfolio and providing guidance to decision makers; and

WHEREAS, the Board finds and determines that adoption of the attached Debt Management Policy (the “Debt Management Policy”) will help ensure that debt is issued and managed prudently in order to maintain sound fiscal policy, and is in compliance with the CDIAC Requirements; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Avila Beach Community Services District hereby orders and determines as follows:

Section 1. Recitals. The Board hereby specifically finds and declares that each of the recitals set forth above are true and correct and are hereby incorporated in conjunction with the respective staff report.

Section 2. Approval of the Debt Management Policy. This Board hereby declares that the proposed Debt Management Policy attached hereto, is hereby approved as the Avila Beach Community Services District Debt Management Policy to be effective on the date of approval.

Section 3. Authorization to Manage Debt Issuance Functions. The General Manager, or a designee thereof, is hereby authorized to manage debt issuance functions for the District in accordance with the Debt Management Policy.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED, APPROVED AND ADOPTED by the Board of Directors of the Avila Beach Community Services District on the 10th day of August 2021, by the following roll call vote:

AYES:

NOES:

ABSENT:

APPROVED:

Pete Kelley, President
Board of Directors

ATTEST:

Brad Hagemann
General Manager, Board Secretary

**AVILA BEACH COMMUNITY SERVICES DISTRICT
DEBT MANAGEMENT POLICY**

This Debt Management Policy (the “Debt Policy”) of the Avila Beach Community Services District (the “District”) was approved by the Board of Directors of the District (the “Board”) on August 10, 2021. The Debt Policy may be amended by the Board as it deems appropriate from time to time in the prudent management of the debt of the District. This Debt Policy shall also apply to any improvement districts formed by the District.

The Debt Policy has been developed to provide guidance in the issuance and management of debt by the District and is intended to comply with Government Code Section 8855, effective on January 1, 2017. The main objectives are to establish conditions for the use of debt; to ensure that debt capacity and affordability are adequately considered; to minimize the District's interest and issuance costs; to maintain the highest possible credit rating; to provide complete financial disclosure and reporting; and to maintain financial flexibility for the District.

Debt, properly issued and managed, is a critical element in any financial management program. It assists in the District's effort to allocate limited resources to provide the highest quality of service to the public. The District understands that poor debt management can have ripple effects that hurt other areas of the District. On the other hand, a properly managed debt program promotes economic growth and enhances the vitality of the District for its residents and businesses.

1. FINDINGS

Unless waived by the District, this Debt Policy shall govern all debt undertaken by the District. The District hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the District's credit-worthiness.
- Ensure that all debt is structured in order to protect both current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.
- Encourage those that benefit from a facility/improvement to pay the cost of that facility/improvement without the need for the expenditure of limited general fund resources.

2. POLICIES

A. Purposes For Which Debt May Be Issued

The District will consider the use of debt financing for capital improvement projects (“CIP”) primarily when the project's useful life will equal or exceed the term of the financing and when resources are identified sufficient to fund the debt service requirements. An exception to this section’s focus is the issuance of short-term instruments such as tax and revenue anticipation

notes, which are to be used for prudent cash management purposes and conduit financing, as described below.

- i. Long-Term Debt. To the extent permitted by law, long-term debt may be issued to finance or refinance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and/or operated by the District.
 - (a) Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
 - (b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
 - (c) The District may use long-term debt financings subject to the following conditions:
 - The project to be financed has been or will be approved by the Board.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not cause the District to violate any covenants to maintain the tax-exempt status of such debt, if applicable.
 - The District estimates that sufficient income or revenues will be available to service the debt through its maturity.
 - The District determines that the issuance of the debt will comply with the applicable requirements of state and federal law.
 - The District considers the improvement/facility to be of vital, time-sensitive need of the community and there are no plausible alternative financing sources
 - (d) Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refunding will be considered (within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refunding. Refundings which are non-economic may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service profile.

In general, refundings which produce a net present value savings of at least three percent (3%) of the refunded debt will be considered economically viable. Refundings which produce a net present value savings of less than three percent (3%) or negative savings will be

considered on a case-by-case basis and are subject to Board approval.

- ii. Short-Term Debt. To the extent permitted by law, short-term borrowing may be issued to generate funding for cash flow needs in the form of Tax and Revenue Anticipation Notes (TRAN).

To the extent permitted by law, other types of short-term borrowings, such as commercial paper, and lines of credit, will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and, unless the Board determines that extraordinary circumstances exist, must not exceed seven (7) years.

Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Types of Debt

In order to maximize the financial options available to benefit the public, it is the policy of the District to allow for the consideration of issuing all generally accepted types of debt, including, but not exclusive to the following:

- General Obligation (GO) Bonds: General Obligation Bonds are suitable for use in the construction or acquisition of improvements to real property that benefit the public at large. Examples of projects include but, are not limited to: street improvements, libraries, parks, and public safety facilities. All GO bonds shall be authorized by the requisite number of voters in order to pass.
- Lease-Backed Debt/Certificates of Participation (COP): Issuance of lease-backed debt is a commonly used form of debt that allows a District to finance projects where the debt service is secured via a lease, lease/purchase agreement or installment agreement. Further, the District may enter into installment sale agreements or installment purchase contracts payable from revenues of the District's water enterprise or wastewater enterprise.

The District may from time to time find that other forms of debt to, the extent permitted by law, would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

To maintain a predictable debt service burden, the District will only issue debt that carries a fixed interest rate.

C. Relationship Of Debt To Capital Improvement Program And Budget

The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes. The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

D. Policy Goals Related To Planning Goals And Objectives

The District is committed to financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operating budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12;
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues;
- any required reporting to be filed with the California Debt and Investment Advisory Commission (CDIAC); and
- the District's investment policies as they relate to the investment of bond proceeds.

The General Manager or designee can recommend future changes to the Debt Management Policy as deemed necessary.

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Consider Approval of Resolution No. 2021-05 approving a Private Placement with Municipal Finance Corporation and Associated Lease Agreement Documents for the District's Wastewater Treatment Plant Improvement Project

Recommendation:

Staff recommends the Board of Directors adopt Resolution No. 2021-05 approving a

Discussion:

For the past two years the District has investigating and designing an upgrade to the District's wastewater treatment plant (WWTP). Upgrade will include adding a 50,000 gallon per day membrane bioreactor (MBR), upgrading the power system, making improvements to the influent lift station and upgrading the overall treatment plant supervisory control and data acquisition (SCADA) system. In October 2020, the Board awarded a contract to Cloacina to build and deliver the MBR to the WWTP site. In November 2020, the Board awarded a professional services contract to Wallace Group to prepare final design, integration and construction bid documents. The final design is nearing completion and we anticipate circulating the construction bid documents within the next 30 days.

The Community Services District (CSD) and the Port San Luis Harbor District (Harbor District) have been covering design and initial MBR construction costs on a "pay as we go" basis for the last two years. At this point the MBR manufacturer is requesting the first sizable payment for construction of the MBR and associated integration. Therefore, staff moved forward with soliciting a firm quote and preparation of financing documents with the California Special Districts Association (CSDA) Foundation and Municipal Finance Corporation (MFC).

Staff has been working with the CSDA Foundation for the last six months in determining financing options, terms and their process. MFC solicited banks that were interested in providing funding for the District project and determined that US Bank and CN Financing provided the best project financing terms. The project financing terms are provided as an attachment to Resolution No. 2021-05 include: \$3,000,000 finance

amount, \$20,000 Documentation and Administration fee; 20 year term at 3.15% per year interest rate. Payments are due annually in arrears, which mean the first payment will be due in September 2022.

CSD staff and legal counsel have reviewed the financing documents, met with and provided comments to the Municipal Finance Corporation representative. The MFC representative has agreed to CSD legal counsel comments. At the time of this writing we are waiting for a response from CN Financing/US Bank on our proposed comments on the Project Funding Agreement. We will provide an update at the Board meeting.

Coordination with the Harbor District –

The Board will recall that in accordance with our 2016 Wastewater Service Agreement, the Harbor District has rights to 33% of the WWTP capacity and also is responsible for 33% of the capital improvement program costs. The CSD and Harbor District Boards have conducted several joint Board meetings over the last two to discuss and reach agreement on the project and specifically on the project funding mechanism. Article 12 of the Wastewater Service Agreement addresses funding capital expenditures and states that “the CSD shall not issue new debt that would obligate the Harbor District without prior approval by the CSD and Harbor District by resolution of their respective governing bodies.”

At the recent joint Board meeting, the Harbor District and the CSD reached consensus on the funding mechanism, but they could not adopt a resolution without having the funding mechanism details that we now have. Staff recommends that the CSD Board adopt Resolution No. 2021-05 and include a condition of approval that requires the Harbor District to also adopt a Resolution at their next regular Board meeting that approves the funding mechanism.

Staff recommends that the Board adopt Resolution No. 2021-05 approving a private placement with Municipal Finance Corporation and the Associated attached lease agreement documents that include:

1. Lease Agreement
2. Project Fund Agreement
3. Memorandum of Lease Agreement
4. Site Lease

RESOLUTION NO. 2021-05

RESOLUTION OF THE AVILA BEACH COMMUNITY SERVICES DISTRICT APPROVING A SITE LEASE, LEASE AGREEMENT AND PROJECT FUND AGREEMENT; MAKING CERTAIN DETERMINATIONS RELATING THERETO; AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the Avila Beach Community Services District (the “District”) is a community services district duly organized and validly existing under the laws of the State of California; and

WHEREAS, Municipal Finance Corporation (the “Corporation”), as consultant to the CSDA Finance Corporation Lease Program, has made a lease purchase financing proposal to provide financing to the District; and

WHEREAS, in order to provide funds for the financing of the acquisition, construction and installation of certain improvements to real property of the District consisting of wastewater treatment plant improvements (the “Project”), the District will lease certain real property owned by the District (the “Site”) to the Corporation under a Site Lease, currently dated as of September 1, 2021, (the “Site Lease”) between the District and the Corporation and the Corporation will lease the Site to the District under a Lease Agreement, currently dated as of September 1, 2021 (the “Lease Agreement”) between the Corporation and the District; and

WHEREAS, there have been presented at this meeting forms of the Site Lease and the Lease Agreement; and

WHEREAS, the Corporation intends to assign its rights under the Site Lease and the Lease Agreement to CN Financing, Inc. (the “Assignee”); and

WHEREAS, Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) (“SB 450”) requires that the Board obtain from an underwriter, municipal advisor or private lender and disclose, prior to authorization of the issuance of bonds, including debt instruments such as the Lease Agreement, with a term of greater than 13 months, good faith estimates of the following information in a meeting open to the public: (a) the true interest cost of the lease payments made pursuant to the Lease Agreement (the “Lease Payments”), (b) the sum of all fees and charges paid to third parties with respect to the Lease Agreement, (c) the amount of proceeds of the Lease Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Lease Agreement, and (d) the sum total of all Lease Payments with respect to the Lease Agreement calculated to the final Lease Payment Date under the Lease Agreement plus the fees and charges paid to third parties not paid with the proceeds of the Lease Agreement; and

WHEREAS, in compliance with SB 450, the required good faith estimates are disclosed and set forth on Exhibit A attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Avila Beach Community Services District (the “Board”) as follows:

Section 1. Approval of Site Lease. The form of Site Lease, as presented to the District at this meeting, is hereby approved. The President, Vice President, and the District Manager or any other officers duly designated by the District (collectively, the “Officers”) are hereby authorized and directed,

for and on behalf of the District, to execute, acknowledge and deliver the Site Lease, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District's General Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 2. Approval of Lease Agreement. The form of Lease Agreement, as presented to the District at this meeting, along with the Memorandum of Lease, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Lease Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District's General Counsel, such approval to be conclusively evidenced by the execution and delivery thereof; provided that the aggregate principal component of the portion of the Lease Payments (as defined in the Lease Agreement) due under the Lease Agreement shall not exceed \$3,020,000, the scheduled term of the financing does not exceed October 1, 2041 and the interest rate is not greater than 3.15% per annum.

Section 3. Approval of Project Fund Agreement. The Project Fund Agreement, as presented to the District at this meeting, is hereby approved. The Officers are hereby authorized and directed, for and on behalf of the District, to execute, acknowledge and deliver the Project Fund Agreement, in substantially the form presented to the District at this meeting, with such changes therein as such Officers may require or approve, with the advice and approval of the District's General Counsel, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Bank Qualified. The Lease Payments due under the Lease Agreement are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Board hereby finds and determines that the aggregate face amount of all tax exempt obligations (other than private activity bonds) issued by the District (and all subordinate entities thereof) during calendar year 2021 is not expected to exceed \$10,000,000.

Section 5. SB 450 Good Faith Estimates. In accordance with SB 450, good faith estimates of the following are set forth on Exhibit A attached hereto: (a) the true interest cost of the lease payments made pursuant to the Lease Agreement, (b) the sum of all fees and charges paid to third parties with respect to the Lease Agreement, (c) the amount of proceeds of the Lease Agreement expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Lease Agreement, and (d) the sum total of all Lease Payments with respect to the Lease Agreement calculated to the final Lease Payment Date under the Lease Agreement plus the fees and charges paid to third parties not paid with the proceeds of the Lease Agreement.

Section 6. Reimbursement of Prior Expenditures. The District declares its official intent to be reimbursed from the proceeds of the Lease Agreement approved hereby for a maximum principal amount of \$3,000,000.00 of expenditures occurring no earlier than sixty days prior to the adoption of this Resolution. All reimbursed expenditures will be capital expenditures as defined in Section 1.150-1(b) of the Federal Income Tax Regulations.

Section 7. Official Actions. The Officers are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions which they, or any of them, may deem necessary or advisable in order to consummate the transactions as described herein in connection with the financing of the Project. Whenever is this resolution any officer of the District is directed to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 8. Ratification of Prior Actions. All actions heretofore taken (not inconsistent with the provisions of this Resolution) by the Board or by the officers, employees and agents of the District directed toward the financing of the Project for the purposes herein set forth are hereby ratified, approved and confirmed.

Section 9. Effective Date. This Resolution shall take effect immediately upon adoption and the Secretary shall certify to its adoption.

PASSED, APPROVED, and ADOPTED at a regular meeting of the Board of Directors of the Avila Beach Community Services District, this 10th day of August, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

President

Attest:

Secretary

I hereby certify that the above Resolution No. _____ was duly introduced, read and adopted by the District at a regular meeting held on August 10, 2021.

Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The following information is provided in compliance with Senate Bill 450 (Chapter 625 of the 2017-2018 Session of the California Legislature) with respect to the Lease Agreement:

1. *True Interest Cost of the Lease Agreement.* A good faith estimate of the true interest cost of the lease payments made pursuant to the Lease Agreement (the "Lease Payments"), which means the rate necessary to discount the amounts allocable as principal and interest components and payable on the respective Lease Payment Dates, as described under the Lease Agreement to the purchase price received for Lease Agreement, is 3.15% so long as an event of default or an event of taxability has not occurred.

2. *Finance Charge of the Lease Agreement.* A good faith estimate of the District's finance charge of the Lease Agreement, which means the sum of all fees and charges paid to third parties (or costs associated with the Lease Agreement), is \$20,000.00.

3. *Amount of Proceeds to be Received by the District.* A good faith estimate of the amount of proceeds expected to be received by the District for sale of the Lease Agreement less the finance charge of the Lease Agreement described in paragraph 2 above, is \$3,000,000.

4. *Total Payment Amount.* A good faith estimate of the total payment amount, which means the sum total of all Lease Payments the District will make to pay its obligations on the Lease Agreement plus the finance charge of the Lease Agreement described in paragraph 2 above not paid with the proceeds of the Lease Agreement, calculated to the final Lease Payment Date under the Lease Agreement, is \$4,116,339.80.

PREPARED BY CSDA FINANCE CORPORATION , DATE: July 26, 2021
 PROPOSED INSTALLMENT PURCHASE FOR: Avila Beach Community Services District
 RE: Wastewater Treatment Plant Improvements
 NOTE: TERMS ARE BASED UPON LEASE BEING BANK QUALIFIED
 Prepayment Option amount is exclusive of the installment payment due on same
 Interest rate quote is valid for an acceptance within 15 days and
 funding within 60 days.

Documentation Fee: \$20,000

Payments: Annually in arrears 20 Years 3.15%

PMT #	Due Date	Installment Payment	To Principal	To Interest	Prepayment Option
1		\$205,816.99	\$110,686.99	95,130.00	
2		205,816.99	114,173.63	91,643.36	
3		205,816.99	117,770.10	88,046.89	
4		205,816.99	121,479.86	84,337.13	
5		205,816.99	125,306.47	80,510.52	
6		205,816.99	129,253.63	76,563.36	
7		205,816.99	133,325.12	72,491.87	
8		205,816.99	137,524.86	68,292.13	2,050,784.13
9		205,816.99	141,856.89	63,960.10	1,907,508.67
10		205,816.99	146,325.38	59,491.61	1,759,720.04
11		205,816.99	150,934.63	54,882.36	1,607,276.06
12		205,816.99	155,689.07	50,127.92	1,450,030.10
13		205,816.99	160,593.28	45,223.71	1,287,830.89
14		205,816.99	165,651.97	40,165.02	1,120,522.40
15		205,816.99	170,870.00	34,946.99	947,943.70
16		205,816.99	176,252.41	29,564.58	769,928.77
17		205,816.99	181,804.36	24,012.63	586,306.36
18		205,816.99	187,531.20	18,285.79	396,899.85
19		205,816.99	193,438.43	12,378.56	201,527.04
20		205,816.99	199,531.72	6,285.27	0.00

TOTALS: \$4,116,339.80 \$3,020,000.00 \$1,096,339.80

Approved and agreed to:

Avila Beach Community Services District

By: _____

Title: _____

Date: _____

LEASE AGREEMENT

Dated as of September 1, 2021

between

MUNICIPAL FINANCE CORPORATION

and the

AVILA BEACH COMMUNITY SERVICES DISTRICT

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LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease Agreement"), dated as of September 1, 2021, is between the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California, as lessor (the "Corporation"), and the AVILA BEACH COMMUNITY SERVICES DISTRICT, a community services district organized and existing under and by virtue of the laws of the State of California, as lessee (the "District");

WITNESSETH:

WHEREAS, pursuant to that certain Site Lease, dated as of September 1, 2021 (the "Site Lease"), the District has leased that certain real property situated in the County of San Luis Obispo, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements thereon (the "Facility" and, with the Site, the "Property"), to the Corporation, all for the purpose of enabling the District to finance the acquisition, construction and installation of certain improvements to real property of the District consisting of wastewater treatment plant improvements (the "Project");

WHEREAS, the Corporation proposes to lease the Property back to the District pursuant to this Lease Agreement and to assign all of its rights, title and interest in, to and under this Lease Agreement, including its right to receive lease payments under this Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under this Lease Agreement in the event of a default hereunder by the District and its rights under the Site Lease, to CN Financing, Inc., including its successors and assigns (the "Assignee"), pursuant to that certain Assignment Agreement, dated as of September 1, 2021, between the Corporation and the Assignee; and

WHEREAS, the District and the Corporation have agreed to enter into this Lease Agreement providing for Lease Payments with an aggregate principal component in the amount of \$3,020,000.00 for the purpose of implementing the transaction described above; and

WHEREAS, the District and the Corporation agree to mutually cooperate now and hereafter, to the extent possible, in order to sustain the intent of this Lease Agreement and the bargain of both parties hereto.

AGREEMENT:

NOW, THEREFORE, for and in consideration of the premises and the covenants hereinafter contained and for other good and valuable consideration, the parties hereto hereby formally covenant, agree and bind themselves as follows:

ARTICLE I DEFINITIONS; RULES OF INTERPRETATION

Section 1.1. Definitions. All terms defined in this Section 1.1 have the meanings herein specified for all purposes of this Lease Agreement.

“Additional Payments” means the amounts specified as such in Section 4.3(b) of this Lease Agreement.

“Applicable Environmental Laws” means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter- Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 1300 et seq.; the Air Resources Act, California Health & Safety Code Sections 3900 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (a) the existence, cleanup, and/or remedy of contamination on property;
- (b) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (c) the control of hazardous wastes; or
- (d) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

“Assignee” means (a) initially, CN Financing, Inc., a California corporation, as assignee of all rights, title and interests of the Corporation hereunder, and (b) any other entity to whom the rights of the Corporation hereunder are assigned, including subsequent assignees of the Assignee, as provided in Section 7.4.

“Assignment Agreement” means the Assignment Agreement, dated as of September 1, 2021, between the Corporation, as assignor of its rights under the Site Lease and this Lease Agreement, and the Assignee, as assignee, as originally executed or as thereafter amended under any duly authorized and executed amendments thereto.

“Bond Counsel” means any attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

“Business Day” means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State.

“Closing Date” means September ___, 2021.

“Corporation” means Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California.

“Corporation Representative” means the President or the designee of any such official, or any other person authorized by resolution of the Corporation delivered to the Assignee to act on behalf of

the Corporation under or with respect to the Site Lease, the Lease Agreement and the Assignment Agreement.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District relating to the authorization and execution of the Lease Agreement, including but not limited to filing and recording fees, fees, charges and disbursements of attorneys, including counsel to the Assignee, counsel to the Corporation, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Lease Agreement, administrative costs of the District and the Corporation incurred in connection with the issuance of the Lease Agreement, and any other cost, charge or fee in connection with the original issuance of the Lease Agreement.

“Default Rate” means 3% plus the interest rate equal to the interest component of Lease Payments.

“Determination of Taxability” means any determination, decision or decree by the Commissioner of Internal Revenue, or any District Director of Internal Revenue, or any court of competent jurisdiction, to the effect that an Event of Taxability shall have occurred; provided, however, that the District shall have the opportunity to take such remedial action necessary to restore the tax-exempt status of the interest component of Lease Payments under the Lease Agreement. A Determination of Taxability also shall be deemed to have occurred on the date when the District files any statement, supplemental statement, or other tax schedule, return or document, which discloses that an Event of Taxability shall have occurred.

“District” means the Avila Beach Community Services District, a community services district organized and existing under the laws of the State of California and also known as the Avila Sanitary District.

“District Representative” means the President, Vice President, District Manager, or the designee of any such official, or any other person authorized by resolution delivered to the Corporation and the Assignee to act on behalf of the District under or with respect to the Site Lease and this Lease Agreement.

“Event of Default” means any of the events of default as defined in Section 8.1.

“Event of Taxability” means, with respect to the Lease Agreement: (a) the application of the proceeds of the advance rental payment by the Corporation pursuant to the Site Lease in such manner that the Lease Agreement becomes an “arbitrage bond” within the meaning of Tax Code Sections 103(b)(2) and 148, and with the result that interest component of the Lease Payments is or becomes includable in a recipient’s gross income (as defined in Tax Code Section 61); or (b) if as the result of any act, failure to act or use of the proceeds of the advance rental payment or any misrepresentation or inaccuracy in any of the representations, warranties or covenants contained in the Lease Agreement or the Site Lease by the District the interest component of Lease Payments is or becomes includable in a recipient’s gross income (as defined in Tax Code Section 61).

“Facility” means those certain facilities existing on the Site.

“Federal Securities” means any direct general non-callable obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of

the Treasury of the United States of America), or obligations the timely payment of principal of and interest on which are directly guaranteed by the United States of America.

“Fiscal Year” means each twelve-month period during the Term of this Lease Agreement commencing on July 1 in any calendar year and ending on June 30 in the next succeeding calendar year, or any other twelve-month period selected by the District as its fiscal year period.

“Governmental Authority” means any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government, or any arbitrator, mediator or other person with authority to bind a party at law.

“Gross Up Rate” means an interest rate equal to 6%.

“Hazardous Substance” means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.).

“Lease Agreement” means this Lease Agreement, dated as of September 1, 2021, between the Corporation and the District, as amended and supplemented hereafter.

“Lease Payment Date” means the annual payments on September ___ in each year, commencing September ___, 2022, and continuing to and including the date on which the Lease Payments are paid in full.

“Lease Payments” means all payments required to be paid by the District under Section 4.3, including any prepayment thereof under Section 9.1 or 9.2.

“Material Adverse Effect” means an event or occurrence which adversely affects in a material manner (a) the assets, liabilities, condition (financial or otherwise), business, facilities or operations of the District, (b) the ability of the District to carry out its business in the manner conducted as of the date of this Lease Agreement or to meet or perform its obligations under this Lease Agreement on a timely basis, (c) the validity or enforceability of this Lease Agreement, or (d) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes.

“Material Litigation” means any action, suit, proceeding, inquiry or investigation against the District in any court or before any arbitrator of any kind or before or by any Governmental Authority which, (i) if determined adversely to the District, may have a Material Adverse Effect, (ii) seeks to restrain or enjoin any of the transactions contemplated by this Lease Agreement, or (iii) may adversely affect (A) the exclusion of the interest component of the Lease Payments from gross income for federal income tax purposes or the exemption of such interest for state income tax purposes or (B) the ability of the District to perform its obligations under this Lease Agreement.

“Net Proceeds” means any insurance or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

“Permitted Encumbrances” means, as of any time: (a) liens for general *ad valorem* taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under Article VI of this Lease Agreement; (b) the Site Lease, this Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (d) the exceptions disclosed in the title insurance policy issued with respect to the Property issued as of the Closing Date; and (e) any easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Property for its intended purposes.

“Property” means, collectively, the Site and the Facility.

“Rental Period” means each period during the Term of the Lease commencing on and including September ____ in each year and extending to and including the next succeeding September _____. The first Rental Period begins on the Closing Date and ends on September ___, 2022.

“Site” means that certain real property more particularly described in Exhibit A to the Site Lease and in Exhibit A to the Lease Agreement.

“Site Lease” means the Site Lease, dated as of September 1, 2021, between the District, as lessor, and the Corporation, as lessee, together with any duly authorized and executed amendments thereto.

“State” means the State of California.

“Tax Code” means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

“Term of this Lease Agreement” or “Term” means the time during which this Lease Agreement is in effect, as provided in Section 4.2.

Section 1.2. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Lease Agreement; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II COVENANTS, REPRESENTATIONS AND WARRANTIES

Section 2.1. Covenants, Representations and Warranties of the District. The District makes the following covenants, representations and warranties to the Corporation and the Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence.* The District is a community services district, organized and existing under and by virtue of the laws of the State, has full legal right, power and authority under the laws of the State to enter into the Site Lease and this Lease Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the District has duly authorized the execution and delivery by the District of the Site Lease and this Lease Agreement.

(b) *Due Execution.* The representative of the District executing the Site Lease and this Lease Agreement has been fully authorized to execute the same by a resolution duly adopted by the Board of Directors of the District.

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease and this Lease Agreement have been duly authorized, executed and delivered by the District and constitute the legal, valid and binding agreements of the District enforceable against the District in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Site Lease and this Lease Agreement, the consummation of the transactions therein and herein contemplated and the fulfillment of or compliance with the terms and conditions thereof and hereof, do not and will not conflict with or constitute a material violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the District is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the District, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease or this Lease Agreement or the financial condition, assets, properties or operations of the District.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the District or of the voters of the District, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease and this Lease Agreement, or the consummation of any transaction therein and herein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* To the best knowledge of the District, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the District or, to the knowledge of the District after reasonable investigation, threatened against or affecting the District or the assets, properties or operations of the District which, if determined adversely to the District or its interests, would have a Material Adverse Effect upon the consummation of the transactions contemplated by or the validity of the Site Lease and this Lease Agreement or upon the financial condition, assets, properties or operations of the District, and the District is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Lease Agreement, or the financial condition, assets, properties or operations of the District.

(g) *Sufficient Funds.* The District reasonably believes that sufficient funds can be obtained to make all Lease Payments and all other amounts required to be paid pursuant to this Lease Agreement.

(h) *No Defaults.* The District has never non-appropriated or materially defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease Agreement, or under any of its bonds, notes, or other debt obligations.

(i) *Fee Title.* The District is the owner in fee of title to the Property. No lien or encumbrance on the Property materially impairs the District's use of the Property for the purposes for which it is, or may reasonably be expected to be, held.

(j) *Use of the Property.* During the term of this Lease Agreement, the Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority

(k) *Change in Financial Condition.* The District has experienced no material change in its financial condition since June 30, 2020.

(l) *Flooding Risk.* The Property is not located in a flood hazard area and has never been subject to material damage from flooding.

(m) *Value of Property.* The value of the Property (insurance and/or assessed value) as improved by the Project is not less than \$3,020,000.00.

(n) *Essential to District Operations.* The Property is essential to the District's efficient and economic operations and the lease thereof for use by the District is in the best interest of the District.

(o) *Financial Statements.* The statement of financial position of the District as of June 30, 2020 and the related statement of activities and statement of cash flows and changes in financial position for the year then ended and the auditors' reports with respect thereto, copies of which have heretofore been furnished to the Assignee, are complete and correct and fairly present the financial condition, changes in financial position and results of operations of the District at such date and for such period, and were prepared in accordance with generally accepted accounting principles.

Since the period of such statements, there has been no (i) change which would have a Material Adverse Effect, and (ii) no material increase in the indebtedness of the District.

(p) *Compliance with Seismic Building Code Requirements.* To the best knowledge of the District, and without independent investigation, the improvements on the Property were built in compliance with seismic building code requirements of the State of California at the time such improvements were constructed.

(q) *No Material Adverse Change.* Since the most current date of the information, financial or otherwise, supplied by the District to the Assignee:

(i) There has been no change in the assets, liabilities, financial position or results of operations of the District which might reasonably be anticipated to cause a Material Adverse Effect.

(ii) The District has not incurred any obligations or liabilities which might reasonably be anticipated to cause a Material Adverse Effect.

(iii) The District has not (A) incurred any material indebtedness on, or lease obligations payable from, its general fund, other than the Lease Payments, and trade accounts payable arising in the ordinary course of the District's business and not past due, or (B) guaranteed the indebtedness of any other person.

(r) *Accuracy of Information.* All information, reports and other papers and data furnished by the District to the Assignee were, at the time the same were so furnished, complete and accurate in all material respects and insofar as necessary to give the Assignee a true and accurate knowledge of the subject matter and were provided in expectation of the Assignee's reliance thereon in entering into the transactions contemplated by this Lease Agreement. No fact is known to the District which has had or, so far as the District can now reasonably foresee, may in the future have a Material Adverse Effect, which has not been set forth in the financial statements previously furnished to the Assignee or in other such information, reports, papers and data or otherwise disclosed in writing to the Assignee prior to the Closing Date. Any financial, budget and other projections furnished to the Assignee by the District or its or their agents were prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair and reasonable in light of the conditions existing at the time of delivery of such financial, budget or other projections, and represented, and as of the date of this representation, represent the District's best estimate of its future financial performance. No document furnished nor any representation, warranty or other written statement made to the Assignee in connection with the negotiation, preparation or execution of this Lease Agreement contains or will contain any untrue statement of a material fact or omits or will omit to state (as of the date made or furnished) any material fact necessary in order to make the statements contained herein or therein, in light of the circumstances under which they were or will be made, not misleading.

(s) *Hazardous Substances.* The Property is free of all Hazardous Substances (other than substances used in the operation of the Facility), and the District is in full compliance with all Applicable Environmental Laws.

(t) *No Financial Advisory or Fiduciary Relationship.* The District represents, warrants and covenants that: (i) the transaction contemplated herein and in the Assignment

Agreement is an arm's length commercial transaction among the District, the Corporation and the Assignee and its affiliates, (ii) in connection with such transaction, the Assignee and its affiliates are acting solely as a principal and not as an advisor including, without limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the District, (iii) the Assignee and its affiliates are relying on the bank exemption in the Municipal Advisor Rules, (iv) the Assignee and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or by the Assignment Agreement and the discussions, undertakings and procedures leading thereto (whether or not the Assignee, or any affiliate of the Assignee, has provided other services or advised, or is currently providing other services or advising the District on other matters), (v) the Assignee and its affiliates have financial and other interests that differ from those of the District, and (vi) the District has consulted with their own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

Section 2.2. Covenants, Representations and Warranties of the Corporation. The Corporation makes the following covenants, representations and warranties to the District and Assignee as of the date of the execution and delivery of this Lease Agreement:

(a) *Due Organization and Existence.* The Corporation is a non-profit public benefit corporation, duly organized and existing under the laws of the State, has full legal right, power and authority to enter into the Site Lease, this Lease Agreement and the Assignment Agreement and to carry out and consummate all transactions on its part contemplated hereby and thereby, and by proper action the Corporation has duly authorized the execution and delivery by the Corporation of the Site Lease, this Lease Agreement and the Assignment Agreement.

(b) *Due Execution.* The representative of the Corporation executing the Site Lease, this Lease Agreement and the Assignment Agreement is fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(c) *Valid, Binding and Enforceable Obligations.* The Site Lease, this Lease Agreement and the Assignment Agreement have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding agreements of the Corporation, enforceable against the Corporation in accordance with their respective terms.

(d) *No Conflicts.* The execution and delivery of the Site Lease, this Lease Agreement and the Assignment Agreement, the consummation of the transactions herein and therein contemplated and the fulfillment of or compliance with the terms and conditions hereof and thereof, do not and will not conflict with or constitute a material violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or any indenture, mortgage, deed of trust, lease, contract or other agreement or instrument to which the Corporation is a party or by which it or its properties are otherwise subject or bound, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation, which conflict, violation, breach, default, lien, charge or encumbrance would have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement and the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(e) *Consents and Approvals.* No consent or approval of any trustee or holder of any indebtedness of the Corporation, and no consent, permission, authorization, order or license of, or filing or registration with, any Governmental Authority is necessary in connection with the execution and delivery of the Site Lease, this Lease Agreement or the Assignment Agreement, or the consummation of any transaction herein or therein contemplated, except as have been obtained or made and as are in full force and effect.

(f) *No Litigation.* To the best knowledge of the Corporation, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other Governmental Authority pending and notice of which has been served on the Corporation or, to the knowledge of the Corporation after reasonable investigation, threatened against or affecting the Corporation or the assets, properties or operations of the Corporation which, if determined adversely to the Corporation or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Site Lease, this Lease Agreement or the Assignment Agreement, or upon the financial condition, assets, properties or operations of the Corporation, and the Corporation is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other Governmental Authority, which default might have consequences that would materially and adversely affect the consummation of the transactions contemplated by the Site Lease, this Lease Agreement or the Assignment Agreement or the financial condition, assets, properties or operations of the Corporation.

(g) *Continued Existence of the Corporation.* The Corporation will take or cause to be taken all actions reasonably necessary to continue its existence until such time as the Lease Payments have been paid in full.

(h) *Municipal Advisor Rules.* The Corporation is not acting as an advisor to the District, including, without limitation, as a "Municipal Advisor" as such term is defined in the Municipal Advisor Rules, or an agent or a fiduciary of the District and the Corporation has not provided any advice or assumed any advisory or fiduciary responsibility in favor of the District with respect to the transaction contemplated hereby or by the Site Lease and the discussions, undertakings and procedures leading thereto.

ARTICLE III DEPOSIT AND APPLICATION OF FUNDS

Section 3.1. Deposit of and Application of Funds. The amount of \$3,020,000.00 shall be derived from amounts paid by the Assignee under the Assignment Agreement. On the Closing Date, the Assignee shall cause the amount of \$3,000,000.00 to be transferred to the US Bank National Association pursuant to the Project Fund Agreement among the District, the Corporation and the Custodian, to pay the costs of the Project. On the Closing Date, the Assignee shall transfer the sum in the amount of \$20,000.00 to the Corporation to pay Costs of Issuance of this Lease Agreement.

ARTICLE IV LEASE OF PROPERTY; LEASE PAYMENTS

Section 4.1. Lease of Property by the Corporation Back to the District.

(a) The Corporation hereby leases the Property to the District, and the District hereby and pursuant to the Site Lease, leases the Property from the Corporation, upon the terms and conditions set forth in this Lease Agreement and the Site Lease, respectively.

(b) The leasing of the Property by the District to the Corporation pursuant to the Site Lease shall not affect or result in a merger of the District's leasehold estate pursuant to this Lease Agreement and its fee estate as lessor under the Site Lease. This Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the District to the Corporation pursuant to the Site Lease is and shall be independent of this Lease Agreement; this Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Corporation under the Site Lease.

Section 4.2. Term. The Term of this Lease Agreement commences on the Closing Date and ends on September ____, 2041, or the date on which all of the Lease Payments have been paid in full. If on September ____, 2041, the Lease Payments payable hereunder shall have been abated at any time and for any reason and not otherwise paid from rental interruption insurance or other sources, or the District shall have defaulted in its payment of Lease Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, as necessary to accommodate the final payment of all Lease Payments due hereunder, not to exceed seven (7) years. The provisions of this Section 4.2 are subject to the provisions of Section 6.1 relating to the taking in eminent domain of the Property or any portion thereof.

Section 4.3. Lease Payments.

(a) *Obligation to Pay.* Subject to the provisions of Sections 6.1 and 6.3 and the provisions of Article IX, the District agrees to pay to the Corporation, its successors and assigns, the Lease Payments (denominated into components of principal and interest) in the amounts specified in Exhibit B attached hereto (including any supplements thereto) and by this reference incorporated herein, to be due and payable in immediately available funds on each of the respective Lease Payment Dates specified in Exhibit B. The Lease Payments payable in any Rental Period with respect to the Property shall be for the use of the Property during such Rental Period. The interest component of the portion of the Lease Payments has been calculated based on a tax-exempt interest rate of 3.15% per annum, on the basis of a 360-day year of twelve 30-day months. In the event the District does not make any Lease Payment by the applicable Lease Payment Date, the interest component of the portion of the Lease Payment shall be calculated based on the Default Rate.

(b) *Additional Payments.* In addition to the Lease Payments set forth herein, the District agrees to pay as Additional Payments all of the following:

(i) all taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and specific lien special assessments and gross receipts taxes, if any, levied upon the Property or upon any interest of the Corporation therein or in this Lease Agreement; provided, however, the District may, at the District's expense and in its name, in good faith contest any such taxes and assessments and, in the event of such contest, may permit such taxes and assessments to remain unpaid during the period of such contest and appeal therefrom unless the Corporation shall notify the District that, in the opinion of Bond Counsel, by nonpayment of any such items, the interest of the Corporation in the Property will be materially endangered or the Property, or any

portion thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes and assessments or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation;

(ii) insurance premiums, if any, on all insurance required under the provisions of Article V hereof;

(iii) any amounts required to be paid as rebate to the United States pursuant to the Tax Certificate; and

(iv) upon the occurrence of a Determination of Taxability with respect to this Lease Agreement, the District shall, with respect to future Lease Payments, make Additional Payments resulting from the application of the Gross Up Rate thereto directly to the Corporation equal to the difference between the interest component of the Lease Payments calculated at the interest rate provided in this Lease Agreement and the interest component of the Lease Payments calculated at the Gross Up Rate; provided, however, in no event shall the total of the Lease Payments and the aggregate Additional Payments under this Section 4.3(b)(v) for any Fiscal Year exceed the annual fair rental value of the Property. In addition, the District shall make immediately upon demand of the Corporation an Additional Payment to the Corporation sufficient to indemnify the Corporation for any prior Lease Payments determined to be taxable as a consequence of a Determination of Taxability such that the taxable prior Lease Payments will be calculated at the Gross Up Rate instead of the interest rate set forth in this Lease Agreement; provided, however, in no event shall the total of the Lease Payments and the aggregate Additional Payments under this Section 4.3(b)(v) for any Fiscal Year exceed the annual fair rental value of the Property. To the extent that all such Additional Payments have not been paid to the Corporation at the end of the term of the Lease Agreement, the Term shall be extended in accordance with Section 4.2 hereof.

Amounts constituting Additional Payments payable hereunder shall be paid by the District directly to the person or persons to whom such amounts shall be payable. The District shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 30 days after notice in writing from the Corporation to the District stating the amount of Additional Payments then due and payable and the purpose thereof.

(c) *Effect of Prepayment.* If the District prepays all Lease Payments in full under Section 9.1 or 9.2, the District's obligations under this Section will thereupon cease and terminate. If the District prepays the Lease Payments in part but not in whole under Section 9.1, or 9.2, the principal components of the remaining Lease Payments will be reduced on a pro rata basis; and the interest component of each remaining Lease Payment will be reduced on a pro rata basis.

(d) *Rate on Overdue Payments.* If the District fails to make any of the payments required in this Section 4.3, the payment in default will continue as an obligation of the District until the amount in default has been fully paid, and the District agrees to pay the same with interest thereon, from the date of default to the date of payment at the Default Rate per annum.

(e) *Fair Rental Value.* The Lease Payments coming due and payable during each Rental Period constitute the total rental for the Property for such Rental Period, and will be paid by the District in each Rental Period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Property during each Rental Period. The parties

hereto have agreed and determined that the total Lease Payments due during each Rental Period are not in excess of the fair rental value of the Property during such Rental Periods. In making this determination, consideration has been given to the estimated fair market value of the Property, the estimated replacement cost of the Property, the uses and purposes which may be served by the Property and the benefits therefrom which will accrue to the District and the general public.

(f) *Source of Payments; Budget and Appropriation.* The Lease Payments and Additional Payments are payable from any source of legally available funds of the District, subject to the provisions of Sections 6.1 and 6.3. The District covenants to take such action as may be necessary to include all Lease Payments and Additional Payments in each of its annual budgets during the Term of this Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Additional Payments. The covenants on the part of the District herein contained constitute duties imposed by law and it is the duty of officials of the District vested with the authority to execute the terms of this Lease Agreement to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the District.

(g) *Allocation of Lease Payments.* All Lease Payments received shall be applied first to the interest components of the Lease Payments due hereunder, then to the principal components of the Lease Payments due hereunder, but no such application of any payments that are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

(h) *No Offsets.* Notwithstanding any dispute between the Corporation, or Assignee as the Corporation's assignee, and the District, the District shall make all Lease Payments when due without deduction or offset of any kind and shall not withhold any Lease Payments pending the final resolution of such dispute.

(i) *Assignment Agreement.* The District understands and agrees that all Lease Payments have been assigned by the Corporation to the Assignee under the Assignment Agreement executed concurrently herewith, and the District hereby consents to such assignment. The Corporation hereby directs the District, and the District hereby agrees, to pay to the Assignee (or to its assignees as directed pursuant to Section 7.4 hereof) all payments payable by the District under this Section 4.3 and all amounts payable by the District under Article IX. Lease Payments shall be paid to the Assignee in accordance with wire instructions provided by the Assignee from time to time.

Section 4.4. Quiet Enjoyment. Throughout the Term of this Lease Agreement, the Corporation will provide the District with quiet use and enjoyment of the Property and the District will peaceably and quietly have and hold and enjoy the Property, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease Agreement. The Corporation will, at the request of the District and at the District's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation and the Assignee have the right to inspect the Property as provided in Sections 5.13(c) and 7.2.

Section 4.5. Title. At all times during the Term of this Lease Agreement, the District shall hold title to the Property, including all additions which comprise fixtures, repairs, replacements or

modifications thereto, subject to Permitted Encumbrances and subject to the provisions of Section 7.2.

Upon the termination of this Lease Agreement (other than under Section 8.2(b) hereof), all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. Upon the payment in full of all Lease Payments allocable to the Property, or upon the deposit by the District of security for such Lease Payments as provided in Section 9.3, all right, title and interest of the Corporation in and to the Property shall be transferred to and vested in the District. The Corporation agrees to take any and all steps and execute and record any and all documents reasonably required by the District to consummate any such transfer.

Section 4.6. Release of Excess Property. The District may, at any time and from time to time, release any portion of the Property (the "Released Property") from the Lease, with the prior written consent of the Assignee, which consent shall be at the Assignee's sole discretion, and upon satisfaction of all of the following requirements which are conditions precedent to such release:

(a) The District shall certify to the Corporation and the Assignee that no Event of Default has occurred and is continuing, and no event giving rise to an abatement of Lease Payments under Section 6.3 has occurred or is continuing with respect to the Property to be remaining following release of the Released Property;

(b) The District shall file with the Corporation and the Assignee, and cause to be recorded in the office of the San Luis Obispo County Recorder, an amendment to this Lease Agreement which deletes the Released Property from the description of the Property;

(c) The District shall file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated value of the real property which will remain leased under this Lease Agreement following such release is at least equal to the original principal components of the Lease Payments and upon request of the Assignee, the District shall provide to the Assignee additional information and documents to evidence the value of the remaining portion of the Property;

(d) The District shall file with the Corporation and the Assignee a written certificate of the District stating the District's determination that the estimated fair rental value, for each remaining Rental Period and in the aggregate, of the Property remaining after release of the Released Property is at least equal to the remaining Lease Payments for each remaining Rental Period and in the aggregate;

(e) The District shall furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that the release of the Released Property does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State; and

(f) The District shall file with the Corporation and the Assignee such other information, documents and instruments as the Corporation or the Assignee shall reasonably request, including (if requested by the Assignee) evidence of the insurable value of the Property to be remaining following release of the Released Property, indicating that such value is in excess of the then unpaid principal component of the Lease Payments and such endorsements to the title policy delivered on the Closing Date.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release. The Corporation and the District shall execute, deliver and cause to be recorded all documents required to discharge this Lease Agreement of record against the Released Property.

Section 4.7. Substitution of Property. (a) In the event of damage or destruction of the Property due to earthquake or other uninsured casualty for which rental interruption insurance is not available or in the event that following the condemnation of all or a portion of the Property the fair rental value of the Property remaining after such condemnation is less than the remaining Lease Payments due under this Lease Agreement, the District shall substitute under the Site Lease and this Lease Agreement one or more parcels of unimpaired and unencumbered real property, the fair rental value of which, for each remaining Rental Period and in the aggregate, shall be at least equal to the remaining unpaid principal components of the Lease Payments hereunder.

(b) If for any reason the District is unable to so substitute real property for the Property with a fair rental value at least equal to the remaining unpaid principal components of the Lease Payments hereunder, the District shall use its best efforts to obtain other financing in an amount necessary to prepay the principal component of the Lease Payments not supported by the fair rental value of the substituted property, if any.

(c) The District, with Assignee's prior written consent, which consent shall be at the Assignee's sole discretion, has the option at any time and from time to time, to substitute other real property (the "Substitute Property") for the Property or any portion thereof (the "Former Property"), upon satisfaction of all of the following requirements which are hereby declared to be conditions precedent to such substitution:

(i) No Event of Default has occurred and is continuing.

(ii) The District has filed with the Corporation and the Assignee, and caused to be recorded in the office of the San Luis Obispo County Recorder sufficient memorialization of an amendment hereof which adds the legal description of the Substitute Property to Exhibit A and deletes therefrom the legal description of the Former Property.

(iii) The District has obtained an ALTA policy of title insurance insuring the District's leasehold estate hereunder in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the remaining Lease Payments.

(iv) The District has certified in writing to the Corporation and the Assignee that the Substitute Property serves the public purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District.

(v) The Substitute Property does not cause the District to violate any of its covenants, representations and warranties made herein.

(vi) The District has filed with the Corporation and the Assignee a written certificate of the District or other written evidence stating that (i) the value of the Property

after such substitution is at least equal to the remaining unpaid principal components of the Lease Payments, (ii) the fair rental of the Property after such substitution is at least equal to the Lease Payments thereafter coming due and payable, and (iii) the useful life of the Substitute Property at least extends to September ____, 2041.

(vii) The District shall furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that the Substitute Property does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

Upon the satisfaction of all such conditions precedent, the Term of this Lease Agreement will thereupon end as to the Former Property and commence as to the Substitute Property, and all references to the Former Property will apply with full force and effect to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of any substitution of property under this Section. The Corporation and the District will execute, deliver and cause to be recorded all documents required to discharge the Site Lease, this Lease Agreement and the Assignment Agreement of record against the Former Property and to cause the Substitute Property to become subject to all of the terms and conditions of the Site Lease, this Lease Agreement and the Assignment Agreement.

ARTICLE V MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS

Section 5.1. Maintenance, Utilities, Taxes and Assessments. Throughout the Term of this Lease Agreement, as part of the consideration for the rental of the Property, all improvement, repair and maintenance of the Property are the sole responsibility of the District and the District will maintain the Property in good condition. The District will pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the District or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Property, as hereinbefore more specifically set forth. The District waives the benefits of subsections 1 and 2 of Section 1932, Section 1933(4) and Sections 1941 and 1942 of the California Civil Code, but such waiver does not limit any of the rights of the District under the terms of this Lease Agreement.

The District will pay or cause to be paid all taxes and assessments of any type or nature, if any, charged to the Corporation or the District affecting the Property or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District is obligated to pay only such installments as are required to be paid during the Term of this Lease Agreement as and when the same become due.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Corporation shall notify the District that, in its reasonable

opinion, by nonpayment of any such items the interest of the Corporation in the Property will be materially endangered or the Property or any part thereof will be subject to loss or forfeiture, in which event the District will promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation. The District shall promptly notify the Assignee of any tax, assessment, utility or other charge it elects to contest.

Section 5.2. Modification of Property. The District has the right, at its own expense, to make additions, modifications and improvements to the Property or any portion thereof. All additions, modifications and improvements to the Property will thereafter comprise part of the Property and become subject to the provisions of this Lease Agreement. Such additions, modifications and improvements may not in any way damage the Property, prevent the District's beneficial use of the property, or cause the Property to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made thereto under this Section, must be of a value which is not substantially less than the value thereof immediately prior to the making of such additions, modifications and improvements.

Section 5.3. Commercial General Liability Insurance. The District shall maintain or cause to be maintained throughout the Term of this Lease Agreement a standard commercial general liability insurance policy or policies in protection of the District, the Assignee and their respective members, officers, agents, employees and assigns, and shall name the Assignee as an additional insured. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Property. Such policy or policies must provide coverage with limits and subject to such deductibles as the District shall deem adequate and prudent, and in all events in form and amount (including any deductibles) satisfactory to the Assignee. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the proceeds of such liability insurance toward extinguishment or satisfaction of the liability with respect to which such proceeds have been paid.

Section 5.4. Casualty Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, casualty insurance against loss or damage to all buildings situated on the Property and owned by the District, in an amount at least equal to the greater of the replacement value of the insured buildings and the aggregate principal amount of the Lease Payments outstanding, with a lender's loss payable endorsement in favor of the Assignee. Such insurance must, as nearly as practicable, cover loss or damage by all "special form" perils. Earthquake insurance shall only be carried if available from reputable insurers at a reasonable cost as determined by the District Manager of the District. Such insurance shall be subject to a deductible of not to exceed \$1,000. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including, with the Assignee's prior written consent, a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.5. Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the Property and the improvements situated thereon as a result of any of the hazards covered in the insurance required by Section 5.4, in an amount at least equal to the maximum Lease Payments coming due and payable during any future 24 month period. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such rental interruption insurance shall not be self-insured by the District. The District will apply the Net Proceeds of such insurance towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Section 5.6. Worker's Compensation Insurance. If required by applicable California law, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Property and, upon request, shall furnish to the Corporation certificates evidencing such coverage throughout the Term of this Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District (including a self-insurance program), and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance.

Section 5.7. Recordation Hereof; Title Insurance. On or before the Closing Date, the District shall, at its expense, (a) cause this Lease Agreement, the Site Lease and the Assignment Agreement, or a memorandum hereof or thereof in form and substance approved by Bond Counsel, to be recorded in the office of the San Luis Obispo County Recorder with respect to the Property, and (b) obtain a CLTA or ALTA title insurance policy insuring the Assignee's interests in the leasehold estate established under the Site Lease and hereunder in the Property, subject only to Permitted Encumbrances, in an amount equal to the original principal components of the Lease Payments. The District will apply the Net Proceeds of such insurance as provided in Section 6.2.

Section 5.8. Insurance Net Proceeds; Form of Policies. All insurance policies (or riders) required by this Article V and provided by third party insurance carriers shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State, and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least ten days before the cancellation or revision becomes effective. Each insurance policy or rider required by Sections 5.3, 5.4 and 5.5 and provided by third party insurance carriers shall name the District and the Assignee as insured parties and the Assignee as loss payee and shall include a lender's loss payable endorsement for the benefit of the Assignee. In the case of coverage pursuant to Section 5.3, the Corporation and the Assignee shall be added as additional insureds. Prior to the Closing Date, the District will deposit with the Assignee policies (and riders and endorsements, if applicable) evidencing any such insurance procured by it, or a certificate or certificates of the respective insurers stating that such insurance is in full force and effect. Before the expiration of any such policy (or rider), the District will furnish to the Assignee evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article V unless such insurance is no longer obtainable, in which event the District shall notify the Assignee of such fact.

Section 5.9. Installation of District's Personal Property. The District may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other

items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the District, in which the Corporation has no interest, and may be modified or removed by the District at any time. The District must repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items. Nothing in this Lease Agreement prevents the District from purchasing or leasing items to be installed under this Section under a lease or conditional sale agreement, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest may attach to any part of the Property.

Section 5.10. Liens. The District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Property, other than as herein contemplated and except for such encumbrances as the District certifies in writing to the Assignee do not materially and adversely affect the leasehold estate in the Property hereunder and for which the Assignee provides its prior written approval, which approval shall be at Assignee's sole discretion. Except as expressly provided in this Article V, the District will promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The District will reimburse the Assignee for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 5.11. Advances. If the District fails to perform any of its obligations under this Article V, the Corporation may take such action as may be necessary to cure such failure, including the advancement of money, and the District shall be obligated to repay all such advances as additional rental hereunder, with interest at the rate set forth in Section 4.3(d).

Section 5.12. District Consent to Assignment Agreement. The Corporation's rights under this Lease Agreement (excluding the right to receive notices, the right to reimbursement of costs and to indemnification), including the right to receive and enforce payment of the Lease Payments, and the Site Lease, are being assigned to the Assignee pursuant to the Assignment Agreement. The District hereby consents to such assignment and to any additional assignment of such rights by the Assignee or its assignees. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, which may be reasonably requested by the Assignee or its assignees to protect their interests in the Property and in this Lease Agreement.

Section 5.13. Environmental Covenants.

(a) *Compliance with Laws; No Hazardous Substances*. The District will comply with all Applicable Environmental Laws with respect to the Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Property.

(b) *Notification of Assignee*. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Property and any operations conducted thereon or any conditions existing thereon to the Assignee, and the District will notify the Assignee in writing immediately of any release, discharge, spill, or deposit of any Hazardous Substance that has occurred or is occurring that in any way affects or threatens to affect the Property,

or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Assignee.

(c) *Access for Inspection.* The District will permit the Assignee, its agents, or any experts designated by the Assignee to have full access to the Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Assignee has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

ARTICLE VI EMINENT DOMAIN; USE OF NET PROCEEDS

Section 6.1. Eminent Domain. If all of the Property shall be taken permanently under the power of eminent domain or sold to a governmental entity threatening to exercise the power of eminent domain, the Term of this Lease Agreement shall cease as of the day possession shall be so taken. If less than all of the Property shall be taken permanently, or if all of the Property or any part thereof shall be taken temporarily under the power of eminent domain, (1) this Lease Agreement shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments in an amount equal to the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, in an amount to be agreed upon by the District and the Assignee such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portion of the Property.

Section 6.2. Application of Net Proceeds.

(a) *From Insurance Award.*

(i) Any Net Proceeds of insurance against damage to or destruction of any part of the Property collected by the District in the event of any such damage or destruction shall be deposited by the District promptly upon receipt thereof in a special fund with the Assignee designated as the "Insurance and Condemnation Fund."

(ii) Within ninety (90) days following the date of such deposit, the District shall determine and notify the Corporation and the Assignee in writing of its determination either (A) that the replacement, repair, restoration, modification or improvement of the Property is not economically feasible or in the best interest of the District and the Net Proceeds, together with other moneys available therefor, are sufficient to cause the prepayment of the principal components of all unpaid Lease Payments pursuant to Section 9.2 hereof, or (B) that all or a portion of such Net Proceeds are to be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property and the fair rental value of the Property following such repair, restoration, replacement, modification or improvement will at least equal the unpaid principal component of the Lease Payments.

(iii) In the event the District's determination is as set forth in clause (A) of subparagraph (ii) above, such Net Proceeds shall be promptly applied to the prepayment of the unpaid principal component of the Lease Payments and other amounts pursuant to Section 9.2 of this Lease Agreement; *provided, however*, that in the event of damage or

destruction of the Property in full, such Net Proceeds may be so applied only if sufficient, together with other moneys available therefor, to cause the prepayment of the principal components of all unpaid Lease Payments, all accrued and unpaid interest, and all other costs related to such prepayments pursuant to Section 9.2 of this Lease Agreement and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property; *provided further, however*, that in the event of damage or destruction of the Property in part, such Net Proceeds may be applied to the prepayment of the unpaid principal component of the Lease Payments only if the resulting Lease Payments following such prepayment from Net Proceeds represent fair consideration for the remaining portions of the Property and otherwise such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the Property, evidenced by a certificate signed by a District Representative.

(iv) In the event the District's determination is as set forth in clause (B) of subparagraph (ii) above, such Net Proceeds shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Property by the District, and until the Property has been restored to its prior condition, the District shall not place any lien or encumbrance on the Property that is senior to this Lease Agreement without the prior written consent of the Assignee, at its sole discretion.

(b) *From Eminent Domain Award.* If all or any part of the Property shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited by the District in the Insurance and Condemnation Fund and shall be applied and disbursed as follows:

(i) If the District has given written notice to the Corporation and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are not needed for repair or rehabilitation of the Property, the District shall so certify to the Corporation and the Assignee, and the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.2 of this Lease Agreement.

(ii) If the District has given written notice to the Corporation and the Assignee of its determination that (A) such eminent domain proceedings have not materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under this Lease Agreement, and (B) such proceeds are needed for repair, rehabilitation or replacement of the Property, the District shall so certify to the Corporation and the Assignee, and the District shall apply such amounts for such repair or rehabilitation.

(iii) If (A) less than all of the Property shall have been taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District has given written notice to the Corporation and the Assignee of its determination that such eminent domain proceedings have materially affected the operation of the Property or the ability of the District to meet any of its obligations with respect to the Property under the Lease Agreement or (B) all of the Property shall have been taken in such eminent domain proceedings, then the District shall credit such proceeds towards the prepayment of the Lease Payments pursuant to Section 9.2 of this Lease Agreement.

(iv) In making any determination under this Section 6.2(b), the District may, but shall not be required to, obtain at its expense, the report of an independent engineer or other independent professional consultant, a copy of which shall be filed with the Corporation and the Assignee. Any such determination by the District shall be final.

(c) *From Title Insurance.* The Net Proceeds from a title insurance award shall be deposited by the District in the Insurance and Condemnation Fund and credited towards the prepayment of Lease Payments required to be paid pursuant to Section 9.2 of this Lease Agreement.

Section 6.3. Abatement of Lease Payments in the Event of Damage or Destruction. Lease Payments shall be abated during any period in which, by reason of damage or destruction, there is substantial interference with the use and occupancy by the District of the Property or any portion thereof to the extent to be agreed upon by the District and the Assignee. The parties agree that the amounts of the Lease Payments under such circumstances shall not be less than the amounts of the unpaid Lease Payments as are then set forth in Exhibit B, unless such unpaid amounts are determined to be greater than the fair rental value of the portions of the Property not damaged or destroyed, based upon an appropriate method of valuation, in which event the Lease Payments shall be abated such that they represent said fair rental value. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction as evidenced by a Certificate of a District Representative to the Corporation and the Assignee. In the event of any such damage or destruction, this Lease Agreement shall continue in full force and effect and the District waives any right to terminate this Lease Agreement by virtue of any such damage and destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 to the extent that (a) the proceeds of rental interruption insurance, or (b) amounts in the Insurance and Condemnation Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3, it being hereby declared that such proceeds and amounts constitute special funds for the payment of the Lease Payments.

ARTICLE VII OTHER COVENANTS OF THE DISTRICT

Section 7.1. Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROPERTY OR ANY PORTION THEREOF. THE DISTRICT ACKNOWLEDGES THAT THE DISTRICT LEASES THE PROPERTY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Corporation liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease Agreement for the existence, furnishing, functioning or use of the Property by the District.

Section 7.2. Access to the Property; Grant and Conveyance of Right of Entry. The District agrees that the Corporation, and the Corporation's successors or assigns, has the right at all reasonable times, following at least 48 hours written notice provided to the District, to enter upon and to examine and inspect (to the extent permitted by law and public policy) the Property or any part thereof. The District further agrees that the Corporation, and the Corporation's successors or assigns shall have such rights of access to the Property or any component thereof, following at least 48 hours

written notice provided to the District, as may be reasonably necessary to cause the proper maintenance of the Property if the District fails to perform its obligations hereunder. Neither the Corporation nor any of its assigns has any obligation to cause such proper maintenance.

The District further grants, conveys and confirms to the Corporation, for the use, benefit and enjoyment of the Corporation, its successors in interest to the Property, including the Assignee, and its sublessees, and their respective employees, invitees, agents, independent contractors, patrons, customers, guests and members of the public visiting the Property, a right of entry which shall be irrevocable for the Term of this Lease Agreement over, across and under the property of the District adjacent to the Property to and from the Property for the purpose of: (a) ingress, egress, passage or access to and from the Property by pedestrian or vehicular traffic; (b) installation, maintenance and replacement of utility wires, cables, conduits and pipes; and (c) other purposes and uses necessary or desirable for access to and from and for operation and maintenance of the Property.

Section 7.3. Release and Indemnification Covenants. The District hereby indemnifies the Corporation, the Assignee and their respective directors, officers, agents, employees, successors and assigns against all claims, losses and damages, including legal fees and expenses, arising out of (a) the use, maintenance, condition or management of, or from any work or thing done on the Property by the District or the District's employees, agents, contractors, invitees or licensees, (b) any breach or default on the part of the District in the performance of any of its obligations under this Lease Agreement, (c) any negligence or willful misconduct of the District or of any of its agents, contractors, servants, employees or licensees with respect to the Property, (d) any intentional misconduct or negligence of any sublessee of the District with respect to the Property, (e) the acquisition, construction, improvement and equipping of the Property, (f) the clean-up of any Hazardous Substances or toxic wastes from the Property, or (g) any claim alleging violation of any Applicable Environmental Laws, or the authorization of payment of the costs thereof. No indemnification is made under this Section 7.3 or elsewhere in this Lease Agreement for willful misconduct or gross negligence under this Lease Agreement by the Corporation, the Assignee, or their respective officers, agents, employees, successors or assigns. The indemnification hereunder shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease Agreement or the termination of the Term of this Lease Agreement for any reason. The District and the Corporation each agree to promptly give notice to each other and the Assignee of any claim or liability hereby indemnified against following learning thereof.

Section 7.4. Assignment Agreement by the Corporation. The Corporation's rights, title and interests under this Lease Agreement, including the right to receive and enforce payment of the Lease Payments to be made by the District hereunder, have been assigned to the Assignee; provided that the Corporation's rights to indemnification and payment or reimbursement for any costs or expenses hereunder have been retained by the Corporation to the extent such rights accrue to the Corporation and shall have been assigned to the Assignee to the extent such rights accrue to the Assignee. The District hereby consents to such assignment. Whenever in this Lease Agreement any reference is made to the Corporation, such reference shall be deemed to refer to the Assignee (including its assignees).

The Assignee may make additional assignments of its rights, title and interests herein; provided such assignment is to (i) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, or (ii) a "qualified institutional buyer" within the meaning of Rule 144A promulgated under the Securities Act of 1933, as amended, and is in compliance with all applicable securities laws, but no such assignment will be effective as against the

District unless and until the Assignee has filed with the District at least five (5) Business Days' prior written notice thereof and an executed copy of an investor's letter addressed to the District and the Corporation substantially in the form of the letter delivered by the Assignee on the Closing Date. The District shall pay all Lease Payments hereunder to the Assignee, as provided in Section 4.3(i) hereof, or under the written direction of the assignee named in the most recent assignment or notice of assignment filed with the District. During the Term of this Lease Agreement, the District will keep a complete and accurate record of all such notices of assignment.

Section 7.5. Assignment Agreement and Subleasing by the District. This Lease Agreement may not be assigned, mortgaged, pledged or transferred by the District. The District may sublease the Property, or any portion thereof, with the prior written consent of the Assignee, at the Assignee's sole discretion, subject to all of the following conditions:

(a) This Lease Agreement and the obligation of the District to make Lease Payments hereunder shall remain obligations of the District, and any sublease shall be subject and subordinate to this Lease Agreement.

(b) The District shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Assignee a true and complete copy of such sublease.

(c) No such sublease by the District may cause the Property to be used for a purpose other than as may be authorized under the provisions of the laws of the State.

(d) The District shall furnish the Corporation and the Assignee with a written opinion of Bond Counsel stating that such sublease does not cause the interest components of the Lease Payments to become includable in gross income for purposes of federal income taxation or to become subject to personal income taxation by the State.

(e) Any such sublease shall be subject and subordinate in all respects to the Site Lease and this Lease Agreement.

Notwithstanding the foregoing, in connection with any sublease entered into for financing purposes, the principal component of the then remaining Lease Payments plus the principal component of the sublease payments shall not exceed the fair market value of the Property.

Section 7.6. Amendment of Lease Agreement. This Lease Agreement may be amended with the prior written consent of the Corporation and the Assignee (at the Assignee's sole discretion) provided such amendment does not, in the Assignee's sole judgment, adversely affect the Assignee.

Section 7.7. Tax Covenants. The District shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest components of the Lease Payments to become includable in gross income for federal income tax purposes. To that end, the District hereby makes the following specific covenants:

(a) The District hereby covenants that it shall not make or permit any use of the proceeds of this Lease Agreement that may cause the Lease Agreement to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The District covenants that the proceeds of the Lease Agreement will not be used so as to cause the proceeds on the Lease Agreement to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The District covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Lease Agreement to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) The District represents and covenants that it, together with its subordinate entities, has not and will not issue during the calendar year 2021 obligations (other than private activity bonds (except qualified 501(c)(3) bonds) as defined in Section 145 of the Code) the interest on which is exempt from federal income tax under Section 103 of the Code which, when aggregated with all obligations the interest on which is exempt from federal income tax under Section 103 of the Code, will exceed an aggregate principal amount of \$10,000,000.

Section 7.8. Financial Statements. Within two hundred seventy (270) days following the end of each Fiscal Year of the District during the Term of this Lease Agreement, the District will provide the Assignee with a copy of its audited financial statements for such Fiscal Year. Such audited financial statements shall include the District’s audited financial statements, including such information as is required by applicable Government Accounting Standards Board pronouncements and applicable State law. Within thirty (30) days following the approval of the District’s budget, the District will provide the Assignee with a copy of said budget. Additionally, the District shall provide the Assignee with timely notice of any updates from the State regarding any State investigations, material litigation and notices of default. The District hereby agrees to provide the Assignee with such other information as may be reasonably requested by the Assignee.

Section 7.9. Records and Accounts. The District covenants and agrees that it shall keep proper books of record and accounts of its operations, in which complete and correct entries shall be made of all transactions relating to the District. Said books and records shall at all reasonable times be subject to the inspection of the Assignee upon 72 hours’ prior notice.

Section 7.10. Observance of Laws and Regulations. The District will well and truly keep, observe and perform or cause to be kept, observed and performed all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired and enjoyed by the District, including the District’s right to exist and carry on business as a community services district, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

Section 7.11. Notices. During the Term of this Lease Agreement, the District shall provide to the Assignee:

(a) immediate notice by telephone, promptly confirmed in writing, of any event, action or failure to take any action which constitutes an Event of Default under this Lease Agreement, together with a detailed statement by a District Representative of the steps being taken by the District to cure the effect of such Event of Default.

(b) within ten (10) days of knowledge by the District written notice of any Material Litigation or Material Adverse Effect, or any investigation, inquiry or similar proceeding by any Governmental Authority.

(c) with reasonable promptness, such other information respecting the District, and the operations, affairs and financial condition of the District as the Assignee may from time to time reasonably request.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. Any one or more of the following events constitutes an Event of Default hereunder:

(a) Failure by the District to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed hereunder, other than as referred to in the preceding clause (a) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Assignee. However, if in the reasonable opinion of the District the failure stated in the notice can be corrected, but not within such 30-day period, the Corporation and the Assignee shall not unreasonably withhold their consent to an extension of such time (for a period not to exceed 60 days) if corrective action is instituted by the District within such 30-day period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Code, as amended, or under any similar federal or State act now existing or which may hereafter be enacted.

(d) Any statement, representation or warranty of a material nature made by the District in or pursuant to this Lease Agreement or its execution, delivery or performance shall have been false, incorrect, misleading or breached in any material respect on the date when made.

(e) Any default occurs under any other agreement for borrowing money, lease financing of property or otherwise receiving credit under which the District is an obligor, if such default arises under any other agreement for borrowing money, lease financing of property or provision of credit provided by the Assignee or any affiliate of the Assignee.

(f) Any default by the District to observe any material covenant, condition or agreement on its part to be observed or performed under the Site Lease.

(g) Any court of competent jurisdiction shall find or rule that the Site Lease or this Lease Agreement is not valid or binding against the District.

- (h) Any Material Adverse Effect shall exist.

Section 8.2. Remedies on Default. Whenever any Event of Default has happened and is continuing, the Corporation may exercise any and all remedies available under law or granted under this Lease Agreement; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the District is expressly made a condition and upon the breach thereof the Corporation may exercise any and all rights granted hereunder; provided, that no termination of this Lease Agreement shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. Upon the occurrence and during the continuance of any Event of Default, the Corporation may exercise any one or more of the following remedies:

(a) *Enforcement of Payments Without Termination.* If the Corporation does not elect to terminate this Lease Agreement in the manner hereinafter provided for in subparagraph (b) hereof, the District agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-leasing of the Property, or, if the Corporation is unable to re-lease the Property, then for the full amount of all Lease Payments to the end of the Term of this Lease Agreement, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinabove provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Property or the exercise of any other remedy by the Corporation. The District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to enter upon and re-lease the Property upon the occurrence and continuation of an Event of Default and to remove all personal property whatsoever situated upon the Property, to place such property in storage or other suitable place in San Luis Obispo County for the account of and at the expense of the District, and the District hereby exempts and agrees to hold harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-leasing of the Property and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Lease Agreement constitute full and sufficient notice of the right of the Corporation to re-lease the Property in the event of such re-entry without effecting a surrender of this Lease Agreement, and further agrees that no acts of the Corporation in effecting such re-leasing shall constitute a surrender or termination of this Lease Agreement irrespective of the term for which such re-leasing is made or the terms and conditions of such re-leasing, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease Agreement shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The District agrees to surrender and quit possession of the Property upon demand of the Corporation for the purpose of enabling the Property to be re-let under this paragraph. Any rental obtained by the Corporation in excess of the sum of Lease Payments plus costs and expenses incurred by the Corporation for its services in re-leasing the Property shall be paid to the District.

(b) *Termination of Lease.* If an Event of Default occurs and is continuing hereunder, the Corporation at its option may terminate this Lease Agreement and re-lease all or any portion of the Property, subject to the Site Lease. If the Corporation terminates this Lease Agreement at its option and in the manner hereinafter provided due to a default by the District (and

notwithstanding any re-entry upon the Property by the Corporation in any manner whatsoever or the re-leasing of the Property), the District nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments and Additional Payments. Any surplus received by the Corporation from such re-leasing shall be applied by the Corporation to Lease Payments due under this Lease Agreement. Neither notice to pay rent or to deliver up possession of the premises given under law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease Agreement, and no termination of this Lease Agreement on account of default by the District shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease Agreement. The District covenants and agrees that no surrender of the Property, or of the remainder of the Term hereof or any termination of this Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(c) *Proceedings at Law or In Equity.* If an Event of Default occurs and continues hereunder, the Corporation may take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due hereunder or to enforce any other of its rights hereunder.

(d) *Remedies under the Site Lease.* If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Corporation is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article VIII it shall not be necessary to give any notice, other than such notice as may be required in this Article VIII or by law.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. If any party to this Lease Agreement defaults under any of the provisions hereof and the non-defaulting party should employ attorneys (including in-house legal counsel) or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party the reasonable fees of such attorneys (including allocable costs and expenses of in-house legal counsel, if any) and such other expenses so incurred by the non-defaulting party.

Section 8.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease Agreement is breached by either party and thereafter waived by the other party, such waiver is limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.6. Assignee to Exercise Rights. Such rights and remedies as are given to the Corporation under this Article VIII have been assigned by the Corporation to the Assignee, to which

assignment the District hereby consents. Such rights and remedies shall be exercised solely by the Assignee.

ARTICLE IX PREPAYMENT OF LEASE PAYMENTS

Section 9.1. Optional Prepayment. The District may prepay, commencing on any Lease Payment Date on or after September __, 2029, with 30 days written notice, any of the remaining Lease Payments in whole or in part, from any available source of funds at a prepayment price equal to the principal component of the Lease Payments to be redeemed, together with a 1% prepayment premium thereon, plus accrued interest to the date of prepayment.

Section 9.2. Mandatory Prepayment From Net Proceeds of Insurance or Eminent Domain. The District shall be obligated to prepay the unpaid principal components of the Lease Payments in whole or in part in such order of prepayment as shall be selected by the District on any date, together with any accrued and unpaid interest, a prepayment premium, if applicable, and any other costs related to such prepayment, from and to the extent of any proceeds of insurance award or condemnation award with respect to the Property to be used for such purpose under Section 6.2. The District and the Corporation hereby agree that such proceeds, to the extent remaining after payment of any delinquent Lease Payments, shall be credited towards the District's obligations under this Section 9.2.

Section 9.3. Security Deposit. Notwithstanding any other provision of this Lease Agreement, the District may on any date secure the payment of the Lease Payments in whole or in part by depositing with the Corporation or a fiduciary reasonably satisfactory to the Corporation, in trust, an amount of cash, which shall be held in a segregated trust or escrow fund under a trust or escrow agreement that is in form and content acceptable to the Corporation, which cash so held is either (a) sufficient to pay such Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment schedule set forth in Exhibit B, or (b) invested in whole in non-callable Federal Securities maturing not later than the dates such funds will be required to make Lease Payments or any prepayment in an amount which is sufficient, in the opinion of an independent certified public accountant (which opinion must be in form and substance, and with such an accountant, acceptable to the Corporation and addressed and delivered to the Corporation), together with interest to accrue thereon and without reinvestment and together with any cash which is so deposited, to pay such Lease Payments when due under Section 4.3(a) or when due on any optional prepayment date under Section 9.1, as the District instructs at the time of said deposit; provided, however, that at or prior to the date on which any such security deposit is established, the District shall deliver to the Corporation an opinion of Bond Counsel (in form and substance acceptable to the Corporation) to the effect that any such security deposit will not adversely affect the excludability of the interest component of Lease Payments from gross income of the Assignee for federal income tax purposes. In the event of a security deposit under this Section with respect to all unpaid Lease Payments, (i) the Term of this Lease Agreement shall continue, (ii) all obligations of the District under this Lease Agreement, and all security provided by this Lease Agreement for said obligations, shall thereupon cease and terminate, excepting only (A) the obligation of the District to make, or cause to be made, all of the Lease Payments from such security deposit and, to the extent of any deficiency, as rent payable from other legally available funds of the District, and (B) the release and indemnification obligations of the District under Section 7.3, and (iii) under Section 4.5, the Corporation's leasehold interest in the Property will vest in the District on the date of said deposit automatically and without further action by the District or the Corporation. The District hereby

grants a first priority security interest in and the lien on said security deposit and all proceeds thereof in favor of the Corporation. Said security deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease Agreement and, notwithstanding anything to the contrary herein, Lease Payments therefrom shall not be subject to abatement under Section 6.03 hereof to the extent payable from the funds held by the Corporation or the fiduciary as described in the first sentence of this Section 9.3.

ARTICLE X MISCELLANEOUS

Section 10.1. Notices. Any notice, request, complaint, demand or other communication under this Lease Agreement shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or by facsimile transmission or other form of telecommunication, at its number set forth below. Notice shall be effective either (a) upon transmission by facsimile transmission or other form of telecommunication, (b) 48 hours after deposit in the United States of America first class mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The Corporation, the District and the Assignee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the District: Avila Beach Community Services District
100 San Luis Street; PO Box 309
Avila Beach, CA 93424
Attention: District Manager
Phone: (805) 595-2664

If to the Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: President
Phone: (805) 719-1236

If to the Assignee: CN Financing, Inc.
555 South Flower Street, 21st Floor
Los Angeles, CA 90071
Attention: Credit Management
Phone: (213) 673-9013

Section 10.2. Binding Effect. This Lease Agreement inures to the benefit of and is binding upon the Corporation, the District and their respective successors and assigns. The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 10.3. Severability. If any provision of this Lease Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 10.4. Net-net-net Lease. This Lease Agreement is a “net-net-net lease” and the District hereby agrees that the Lease Payments are an absolute net return to the Corporation, free and clear of any expenses, charges or set-offs whatsoever.

Section 10.5. Further Assurances and Corrective Instruments. The Corporation and the District agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property hereby leased or intended so to be or for carrying out the expressed intention of this Lease Agreement.

Section 10.6. Waiver of Personal Liability. No member, officer, agent or employee of the District or the Corporation shall be individually or personally liable for the payment of Lease Payments; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 10.7. Execution in Counterparts. This Lease Agreement may be executed in several counterparts, each of which is an original and all of which constitutes one and the same instrument.

Section 10.8. Applicable Law. This Lease Agreement is governed by and construed in accordance with the laws of the State.

Section 10.9. Captions. The captions or headings in this Lease Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or section of this Lease Agreement.

Section 10.10. Waiver of Jury Trial; Agreement for Judicial Reference. To the fullest extent permitted by law, each of the District and the Corporation hereby waives its right to trial by jury in any action, proceeding and/or hearing on any matter whatsoever arising out of, or in any way connected with, this Agreement or any related documents, or the enforcement of any remedy under any law, statute, or regulation.

To the extent the foregoing waiver of a jury trial is unenforceable under applicable California law, each of the District and the Corporation agrees to refer, for a complete and final adjudication, any and all issues of fact or law involved in any litigation or proceeding (including all discovery and law and motion matters, pretrial motions, trial matter and post-trial motions up to and including final judgment), brought to resolve any dispute (whether based on contract, tort or otherwise) between the parties hereto arising out of, in connection with or otherwise related or incidental to this Agreement to a judicial referee who shall be appointed under a general reference pursuant to California Code of Civil Procedure Section 638, which referee’s decision will stand as the decision of the court. Such judgment will be entered on the referee’s statement of judgment in the same manner as if the action had been tried by the court. The parties shall select a single neutral referee, who shall be a retired state or federal judge with at least five years of judicial experience in civil matters; provided that the event the parties cannot agree upon a referee, the referee will be appointed by the court.

IN WITNESS WHEREOF, the Corporation and the District have caused this Lease Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

MUNICIPAL FINANCE CORPORATION

By: _____
Stefan Morton
Vice President

AVILA BEACH COMMUNITY SERVICES DISTRICT

By: _____
President of the Board

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to in this Lease Agreement is situated in the County of San Luis Obispo, State of California, and is described as follows:

EXHIBIT B

SCHEDULE OF LEASE PAYMENTS

Lease Payment Date	Principal Component	Interest Component⁽¹⁾	Total Lease Payment
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Total

PROJECT FUND AGREEMENT

This Project Fund Agreement (this "Agreement"), dated as of September 1, 2021, is among MUNICIPAL FINANCE CORPORATION, a California corporation (the "Corporation"), AVILA BEACH COMMUNITY SERVICES DISTRICT, a political subdivision of the State of California (the "District") and U.S. BANK NATIONAL ASSOCIATION (the "Custodian").

Reference is made to that certain Lease Agreement dated as of September 1, 2021 between the Corporation and the District (the "Lease"), covering the financing of a certain project described therein (the "Project"). It is a requirement of the Lease that the funds for the acquisition and construction of the Project be deposited with the Custodian hereunder for the purpose of providing a mechanism for the application of such amounts to the payment of Project costs. Capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings given such terms in the Lease.

The parties agree as follows:

1. Creation of Project Fund.

(a) There is hereby created an account to be known as the "Avila Beach Community Services District Project Fund" (the "Project Fund") to be held by the Custodian for the purposes stated herein, for the benefit of the Corporation and the District, to be held, disbursed and returned in accordance with the terms hereof. On the Closing Date, the District has caused the amount of \$3,000,000.00 to be transferred to the Custodian for deposit into the Project Fund.

(b) The Custodian shall invest and reinvest moneys on deposit in the Project Fund in Qualified Investments in accordance with written instructions received from the District. The District shall be solely responsible for ascertaining that all proposed investments and reinvestments are Qualified Investments and that they comply with federal, state and local laws, regulations and ordinances governing investment of such funds and for providing appropriate notice to the Custodian for the reinvestment of any maturing investment. Accordingly, neither the Custodian nor the Corporation shall be responsible for any liability, cost, expense, loss or claim of any kind, directly or indirectly arising out of or related to the investment or reinvestment of all or any portion of the moneys on deposit in the Project Fund, and the District agrees to and does hereby release and hold harmless the Custodian and the Corporation from any such liability, cost, expenses, loss or claim. Interest on the Project Fund shall become part of the Project Fund, and gains and losses on the investment of the moneys on deposit in the Project Fund shall be borne by the Project Fund. For purposes of this agreement, "Qualified Investments" means any investments which meet the requirements of Section 53601 of the California Government Code. The custodian is hereby authorized and directed to invest and re-invest all amounts in the Project Fund in the U.S. Bank Money Market Deposit Account further described in Schedule 2 attached hereto.

(c) Unless the Project Fund is earlier terminated in accordance with the provisions of paragraph (d) below, amounts in the Project Fund shall be disbursed by the Custodian in payment of amounts described in Section 2 hereof upon receipt of written authorization(s) from the Corporation, as is more fully described in Section 2 hereof. If the amounts in the Project Fund are insufficient to pay such amounts, the District shall be solely responsible for the balance of the funds needed to complete the acquisition and construction of the Project. Any moneys remaining in the Project Fund after September 30, 2021 (the "Acquisition and Construction Period") shall be applied as provided in Section 4 hereof.

(d) The Project Fund shall be terminated at the earliest of (i) the final distribution of amounts in the Project Fund or (ii) written notice given by the Corporation of the occurrence of a default or termination of the Lease.

(e) The Custodian may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine and may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument. The Custodian shall not be liable in any manner for the sufficiency or correctness as to form, manner of execution, or validity of any instrument nor as to the identity, authority, or right of any person executing the same; and its duties hereunder shall be limited to the receipt of such moneys, instruments or other documents received by it as the Custodian, and for the disposition of the same in accordance herewith.

(f) Unless the Custodian is guilty of gross negligence or willful misconduct with regard to its duties hereunder, the District agrees to and does hereby release and indemnify the Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Custodian under this agreement; and in connection therewith, does to the extent permitted by law indemnify the Custodian against any and all expenses; including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

(g) If the District and the Corporation shall be in disagreement about the interpretation of the Lease, or about the rights and obligations, or the propriety of any action contemplated by the Custodian hereunder, the Custodian may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Custodian shall be reimbursed by the losing party in such civil litigation District for all costs, including reasonable attorneys' fees, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under the Lease until a final judgment in such action is received. If the Custodian is a losing party, it shall reimburse the District for the District's reasonable attorneys' fees and shall be liable for any damage caused by Custodian suspending all or part of its activities under the Lease.

(h) The Custodian, the District, and the Corporation may consult with counsel of its own choice and shall have full and complete authorization and protection with the opinion of such counsel. The Custodian shall otherwise not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind unless caused by its willful misconduct.

(i) In the event of civil litigation, the District losing party shall reimburse the Custodian prevailing party for all reasonable costs and expenses, including those of the Custodian's prevailing party's attorneys, agents and employees incurred, including with respect to the Custodian those reasonable costs and expenses incurred for extraordinary administration of the Project Fund and the performance of the Custodian's powers and duties hereunder in connection with any Event of Default under the Lease, or in connection with any dispute between the Corporation and the District concerning the Project Fund.

2. Acquisition and Construction of Project.

(a) Acquisition and Construction Contracts. The District will arrange for, supervise and provide for, or cause to be supervised and provided for, the acquisition and construction of the Project, with moneys available in the Project Fund. The District represents the estimated costs of the Project are within the funds estimated to be available therefor, and the Corporation makes no warranty or representation with respect thereto. The Corporation shall have no liability under any of the acquisition or construction contracts. The District shall obtain all necessary permits and approvals, if any, for the acquisition, construction, equipping and installation of the Project, and the operation and maintenance thereof.

(b) Authorized Project Fund Disbursements. Disbursements from the Project Fund shall be made for the purpose of paying (including the reimbursement to the District for advances from its own funds to accomplish the purposes hereinafter described) the cost of acquiring and constructing the Project.

(c) Requisition Procedure. No disbursement from the Project Fund shall be made unless and until the Corporation has approved such requisition. Prior to disbursement from the Project Fund there shall be filed with the Custodian a requisition for such payment in the form of Disbursement Request attached hereto as Schedule 1, stating each amount to be paid and the name of the person, firm or the Corporation to whom payment thereof is due. Each such requisition shall be signed by an authorized representative of the District (an "Authorized Representative") and by the Corporation. The District shall provide to the Corporation a Certificate of Completion along with the final Disbursement Request.

3. Deposit to Project Fund. Upon satisfaction of the conditions specified in the Lease, the Corporation will cause the Lease Proceeds to be deposited in the Project Fund. The District agrees to pay any costs with respect to the Project in excess of amounts available therefor in the Project Fund.

4. Excessive Moneys in the Project Fund. Following the final disbursement from the Project Fund at the end of the Acquisition and Construction Period, or termination of the Project Fund as otherwise provided herein, the Custodian shall, upon written instruction from the Corporation transfer any remainder from the Project Fund to the Corporation or its assignee (or to the District at the Corporation's written direction) for application to amounts owed under the Lease in accordance with Section 6 of the Lease.

5. Security Interest. The Custodian and the District acknowledge and agree that the Project Fund and all proceeds thereof are being held by Custodian for disbursement or return as set forth herein. The District hereby grants to the Corporation a first priority perfected security interest in the Project Fund, and all proceeds thereof, and all investments made with any amounts in the Project Fund. If the Project Fund, or any part thereof, is converted to investments as set forth in this agreement, such investments shall be made in the name of Custodian and the Custodian hereby agrees to hold such investments as custodian for the Corporation so that the Corporation is deemed to have possession of such investments for the purpose of perfecting the Corporation's security interest. Nothing in this Agreement shall constitute a waiver of any of the Custodian's rights as a securities intermediary under Uniform Commercial Code Section 9-206. None of the provisions of this Agreement shall require the Custodian to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties under this Agreement or in the exercise of any of its rights or powers under this Agreement.

6. Control of Project Fund. In order to perfect the Corporation's security interest by means of control in (i) the Project Fund established hereunder, (ii) all securities entitlements, investment property and other financial assets now or hereafter credited to the Project Fund, (iii) all of the District's rights in respect of the Project Fund, such securities entitlements, investment property and other financial assets, and (iv) all products, proceeds and revenues of and from any of the foregoing personal property (collectively, the "Collateral"), the Corporation, the District and Custodian further agree as follows:

(a) All terms used in this Section 6 which are defined in the Commercial Code of the State of California (the "Commercial Code") but are not otherwise defined herein shall have the meanings assigned to such terms in the Commercial Code, as in effect on the date of this Agreement.

(b) The Custodian will comply with all entitlement orders originated by the Corporation with respect to the Collateral, or any portion of the Collateral, without further consent by the District.

(c) As of the date hereof, the Custodian hereby represents and warrants (a) that the records of Custodian show that the District is the sole owner of the Collateral, (b) that the Custodian has not been served with any notice of levy or received any notice of any security interest in or other claim to the Collateral, or any portion of the Collateral, other than the Corporation's claim pursuant to this Agreement, and (c) that the Custodian is not presently obligated to accept any entitlement order from any person with respect to the Collateral, except for entitlement orders that the Custodian is obligated to accept from the Corporation under

this Agreement and entitlement orders that the Custodian, subject to the provisions of paragraph (e) below, is obligated to accept from the District.

(d) Without the prior written consent of the Corporation, the Custodian will not enter into any agreement by which the Custodian agrees to comply with any entitlement order of any person other than the Corporation or, subject to the provisions of paragraph (e) below, the District, with respect to any portion or all of the Collateral. The Custodian shall promptly notify the Corporation if any person requests the Custodian to enter into any such agreement or otherwise asserts or seeks to assert a lien, encumbrance or adverse claim against any portion or all of the Collateral.

(e) Except as otherwise provided in this paragraph (e) and subject to Section 1(b) hereof, the Custodian may allow the District to effect sales, trades, transfers and exchanges of Collateral within the Project Fund, but will not, without the prior written consent of the Corporation, allow the District to withdraw any Collateral from the Project Fund. The Custodian acknowledges that the Corporation reserves the right, by delivery of written notice to the Custodian, to prohibit the District from effecting any withdrawals (including withdrawals of ordinary cash dividends and interest income), sales, trades, transfers or exchanges of any Collateral held in the Project Fund. Further, the Custodian hereby agrees to comply with any and all written instructions delivered by the Corporation to the Custodian (once it has had a reasonable opportunity to comply therewith) and has no obligation to, and will not, investigate the reason for any action taken by the Corporation, the amount of any obligations of the District to the Corporation, the validity of any of the Corporation's claims against or agreements with the District, the existence of any defaults under such agreements, or any other matter.

(f) The District hereby irrevocably authorizes Custodian to comply with all instructions and entitlement orders delivered by the Corporation to Custodian.

(g) The Custodian will not attempt to assert control, and does not claim and will not accept any security or other interest in, any part of the Collateral, and the Custodian will not exercise, enforce or attempt to enforce any right of setoff against the Collateral, or otherwise charge or deduct from the Collateral any amount whatsoever.

(h) The Custodian and the District hereby agree that any property held in the Project Fund shall be treated as a financial asset under such section of the Commercial Code as corresponds with Section 8-102 of the Uniform Commercial Code, notwithstanding any contrary provision of any other agreement to which the Custodian may be a party.

(i) The Custodian is hereby authorized and instructed, and hereby agrees, to send to the Corporation at its address set forth in Section 7 below, concurrently with the sending thereof to the District, duplicate copies of any and all monthly Project Fund statements or reports issued or sent to the District with respect to the Project Fund.

7. The Custodian.

(a) If, at any time, (i) there shall exist any dispute with respect to the holding or disposition of all or any portion of the Project Fund or any other obligations of the Custodian hereunder, (ii) the Custodian is unable to determine its sole satisfaction, the proper disposition of all or any portion of funds held or hereunder or the Custodian's proper actions with respect to its obligations hereunder, or (iii) the Custodian has not been replaced within 30 days of the furnishing by the Custodian of a notice of termination, then the Custodian may, in its sole discretion, take either or both of the following actions:

(A) suspend the performance of any of its obligations (including without limitation any disbursement obligations) under this Agreement until such dispute or uncertainty shall be resolved to the sole satisfaction of the Custodian or until a successor custodian shall have been appointed.

(B) petition (by means of an interpleader action or any other appropriate method) any court for instructions with respect to such dispute or uncertainty, and to the extent required or permitted by law, pay into such court, for holding and disposition in accordance with the instructions of such court, all funds held hereunder, after deduction and payment to the Custodian of all fees and expenses (including court costs and attorneys' fees) payable to, incurred by, or expected to be incurred by the Custodian in connection with the performance of its duties and the exercise of its rights hereunder.

The Custodian shall have no liability to any person or entity with respect to any such suspension of performance or disbursement into court.

(b) All parties hereto acknowledge that the Custodian is not a fiduciary with respect to any asset or as to any of the parties hereto. The Custodian shall have no duty to make any evaluation or to advise anyone of the prudence, suitability, or propriety of action or proposed action in any particular transaction involving an asset or the suitability or propriety of retaining any particular investment as an asset. The Custodian shall have no duty to review, question, approve, or make inquiries as to any investment directions received under this Agreement. The Custodian shall be under no duty to review the securities or other property held in any account with respect to prudence or diversification. The Custodian shall not be liable for any loss or diminution of assets by reason of investment experience or for its actions taken in reliance upon a direction received under this Agreement. The Custodian shall have no duty to monitor or otherwise investigate the actions or omissions of any party hereto or any of their respective agents. The Custodian shall have no responsibility for the accuracy of asset valuations quoted by outside services or sources. The Custodian shall only be responsible for the performance of such duties as are expressly set forth in this Agreement and no implied covenants, duties, responsibilities, representations, warranties, or obligations shall be read into this Agreement against the Custodian. The Custodian shall have no duty to act as trustee of any assets held hereunder. The Custodian shall have no duty to act as investment manager of any assets held hereunder. The Custodian shall have no duty to render investment advice with respect to any assets held hereunder. The Custodian shall have no duty to determine, monitor, or collect any contributions to any fund held hereunder or monitor compliance with any applicable funding requirements. The Custodian shall have no duty to maintain or defend any legal proceeding in the absence of indemnification, to the Custodian's satisfaction, against all expenses and liabilities which it may sustain by reason thereof. The Custodian shall have no duty to inspect or execute any contract, declaration of trust, lease, loan agreement, note, offering memorandum, subscription agreement, or other instrument which may establish rights to income, principal, or other distributions on any asset. The Custodian shall have no duty to collect any income, principal, or other distribution due and payable on any asset if the asset is in default or if payment is refused after due demand. The Custodian shall have no duty to question whether any direction received under this agreement is prudent or contrary to applicable law; to solicit directions; or to question whether any direction received under this Agreement is unreliable or has been compromised, such as by identity theft. The Custodian shall not be liable for a failure to take an action required under this Agreement in the event and to the extent that the taking of the action is prevented or delayed by war (whether declared or not and including existing wars), revolutions, insurrection, riot, civil commotion, acts of God, accident, fire, explosion, stoppage of labor, strikes or other differences with employees, laws, regulations, orders or other acts of any governmental authority or any other cause whatsoever beyond its reasonable control; nor shall any such failure or delay give any party hereto the right to terminate this Agreement.

(c) Custodian Fees to be paid by the District as agreed on Schedule 3

8. Term of Agreement. Subject to Section 1(e), and with the exception of the covenants in Section 1(g), which shall continue until payment in full of all fees and expenses due to the Custodian, this Agreement shall remain in effect until the earlier of: (A) the District delivers a written statement to the Custodian indicating that all applicable amounts to be paid have been remitted, (B) this Agreement is amended or terminated in writing by the parties hereto, or (C) disbursement by the Custodian of all monies held by it hereunder.

9. Miscellaneous. This Agreement may not be amended except in writing signed by all parties hereto. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original instrument and each shall have the force and effect of an original and all of which together constitute, and shall be deemed to constitute, one and the same instrument. Notices hereunder shall be made in writing and shall be deemed to have been duly given when personally delivered or when deposited in the mail, first class postage prepaid, or delivered to an express carrier, charges prepaid, or sent by facsimile with electronic confirmation, addressed to each party at its address below:

If to the Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attn: President

If to the District: Avila Beach Community Services District
100 San Luis Street; PO Box 309
Avila Beach, CA 93424
Attn: District Manager

If to Custodian: U.S. Bank National Association
633 West Fifth Street, 24th Floor
LM-CA-T24T
Los Angeles, CA 90071
Attn: Ilse Vlach

THE PARTIES HERETO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR ANY OF THE RELATED DOCUMENTS, ANY DEALINGS RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, AND/OR THE RELATIONSHIP THAT IS BEING ESTABLISHED HEREUNDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT (INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS). THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING, AND THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, ANY RELATED DOCUMENTS, OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY RELATED TRANSACTIONS, IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity the Filing Agent may require documentation to verify its customer's formation and existence as a legal entity.

The Filing Agent may also require financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

In Witness Whereof, the parties have executed this Project Fund Agreement as of the date first above written.

MUNICIPAL FINANCE CORPORATION

AVILA BEACH COMMUNITY SERVICES DISTRICT

By: _____

By: _____

Title: _____

Title: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____

Title: _____

SCHEDULE 1

FORM OF DISBURSEMENT REQUEST

Re: Lease Agreement dated as of September 1, 2021 by and between Municipal Finance Corporation and Avila Beach Community Services District (the "Lease")

In accordance with the terms of the Project Fund Agreement, dated as of September 1, 2021 (the "Project Fund Agreement") by and among Municipal Finance Corporation (the "Corporation"), Avila Beach Community Services District ("the District") and U.S. Bank National Association (the "Custodian"), the undersigned hereby requests the Custodian pay the following persons the following amounts from the Project Fund created under the Project Fund Agreement (the "Project Fund") for the following purposes.

Payee's Name and Address	Invoice Number	Dollar Amount	Purpose

The undersigned hereby certifies as follows:

(i) An obligation in the stated amount has been incurred by the District, and the same is a proper charge against the Project Fund for costs relating to the Project identified in the Lease and has not been paid. Attached hereto is the original invoice with respect to such obligation.

(ii) The undersigned, as Authorized Representative, has no notice of any vendor's, mechanic's or other liens or rights to liens, chattel mortgages, conditional sales contracts or security interest which should be satisfied or discharged before such payment is made.

(iii) This requisition contains no item representing payment on account, or any retained percentages which the District is, at the date hereof, entitled to retain.

(iv) The Site is insured in accordance with the Lease.

(v) No Event of Default, and no event which with notice or lapse of time, or both, would become an Event of Default, under the Lease has occurred and is continuing at the date hereof.

(vi) The disbursement shall occur during the Acquisition and Construction Period set forth in this Agreement.

(vii) No material adverse change in the District's financial condition shall have occurred since the date of the Lease.

Dated: _____

AVILA BEACH COMMUNITY SERVICES DISTRICT

By: _____
Authorized Representative

Disbursement of funds from the Project
Fund in accordance with the foregoing
Disbursement Request hereby is authorized

MUNICIPAL FINANCE CORPORATION

By: _____
Title: Authorized Representative

SCHEDULE 2

F-2004.1-1.

U.S. BANK NATIONAL ASSOCIATION MONEY MARKET ACCOUNT AUTHORIZATION FORM DESCRIPTION AND TERMS

The U.S. Bank Money Market account is a U.S. Bank National Association (“U.S. Bank”) interest-bearing money market deposit account designed to meet the needs of U.S. Bank’s Corporate Trust Services Escrow Group and other Corporate Trust customers of U.S. Bank. Selection of this investment includes authorization to place funds on deposit and invest with U.S. Bank.

U.S. Bank uses the daily balance method to calculate interest on this account (actual/365 or 366). This method applies a daily periodic rate to the principal balance in the account each day. Interest is accrued daily and credited monthly to the account. Interest rates are determined at U.S. Bank’s discretion, and may be tiered by customer deposit amount.

The owner of the account is U.S. Bank as agent for its corporate trust customers. U.S. Bank’s corporate trust department performs all account deposits and withdrawals. Deposit accounts are FDIC Insured per depositor, as determined under FDIC Regulations, up to applicable FDIC limits.

U.S. BANK, WHEN ACTING AS AN INDENTURE TRUSTEE OR IN A SIMILAR CAPACITY, IS NOT REQUIRED TO REGISTER AS A MUNICIPAL ADVISOR WITH THE SECURITIES AND EXCHANGE COMMISSION FOR PURPOSES OF COMPLYING WITH THE DODD-FRANK WALL STREET REFORM & CONSUMER PROTECTION ACT. INVESTMENT ADVICE, IF NEEDED, SHOULD BE OBTAINED FROM YOUR FINANCIAL ADVISOR.

AUTOMATIC AUTHORIZATION

In the absence of specific written direction to the contrary, U.S. Bank is hereby directed to invest and reinvest proceeds and other available moneys in the U.S. Bank Money Market Account. The U.S. Bank Money Market Account is a permitted investment under the operative documents and this authorization is the permanent direction for investment of the moneys until notified in writing of alternate instructions

SCHEDULE 3

Services as Custodian For Avila Beach Community Services District

CTS01010A	Acceptance Fee The acceptance fee includes the administrative review of documents, initial set-up of the account, and other reasonably required services up to and including the closing. This is a one-time, non-refundable fee, payable at closing.	\$1,000.00
CTS04050	Custodian Annual fee for the standard custodian services associated with the administration of the account. Administration fees are payable in advance.	\$1,200.00
	Direct Out of Pocket Expenses Reimbursement of expenses associated with the performance of our duties, including but not limited to publications, legal counsel after the initial close, travel expenses and filing fees.	At Cost
	Extraordinary Services Extraordinary Services are duties or responsibilities of an unusual nature, including termination, but not provided for in the governing documents or otherwise set forth in this schedule. A reasonable charge will be assessed based on the nature of the services and the responsibility involved. At our option, these charges will be billed at a flat fee or at our hourly rate then in effect.	

Account approval is subject to review and qualification. Fees are subject to change at our discretion and upon written notice. Fees paid in advance will not be prorated. The fees set forth above and any subsequent modifications thereof are part of your agreement. Finalization of the transaction constitutes agreement to the above fee schedule, including agreement to any subsequent changes upon proper written notice. In the event your transaction is not finalized, any related out-of-pocket expenses will be billed to you directly. Absent your written instructions to sweep or otherwise invest, all sums in your account will remain uninvested and no accrued interest or other compensation will be credited to the account. Payment of fees constitutes acceptance of the terms and conditions set forth.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:
To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a Trust or other legal entity we will ask for documentation to verify its formation and existence as a legal entity. We may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

AFTER RECORDATION RETURN TO:

Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: President

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

MEMORANDUM OF LEASE AGREEMENT

This Memorandum of Lease Agreement (this “Memorandum of Lease Agreement”), is entered into as of September 1, 2021, between the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California, as lessor (the “Corporation”), and the AVILA BEACH COMMUNITY SERVICES DISTRICT, a community services district organized and existing under and by virtue of the laws of the State of California, as lessee (the “District”), who agree as follows:

Section 1. The Lease. The District leases from the Corporation, and the Corporation leases to the District, certain real property described in Section 2 hereof, and the improvements situated upon said real property, upon the terms and conditions, and for the term, more fully set forth in the Lease Agreement, dated as of September 1, 2021, between the Corporation, as lessor, and the District, as lessee (the “Lease Agreement”), all of the provisions of which are hereby incorporated into this Memorandum of Lease Agreement by reference.

Section 2. Leased Premises; Term. The Corporation leases, lets and demises unto the District and the District leases, hires and takes from the Corporation, that certain parcel of real property situated in San Luis Obispo County, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the “Site”), and those certain improvements on the Site (the “Facility”). The Lease Agreement is for a term commencing on the date of recordation of this Memorandum of Lease Agreement and ending on September __, 2041, or such earlier or later date on which the Lease Payments (as defined in the Lease Agreement) are paid in full or provision has been made for such payment in accordance with the Lease Agreement.

Section 3. Assignment of Lessor’s Rights Under Lease Agreement; No Merger of Title. The parties hereto acknowledge that pursuant to the Assignment Agreement, dated as of September 1, 2021, between the Corporation and CN Financing, Inc., and its successors and assigns (the “Assignee”), recorded concurrently herewith, the Corporation has assigned, transferred and delivered to the Assignee, all of its rights, title and interest in, to and under the Site Lease (as defined in the Lease Agreement) and the Lease Agreement.

Section 4. Provisions Binding on Successors and Assigns. Subject to the provisions of the Lease Agreement relating to assignment and subletting, the Lease Agreement shall inure to the benefit of and shall be binding upon the Corporation and the District and their respective successors and assigns, including the Assignee.

Section 5. Purpose of Memorandum. This Memorandum of Lease Agreement is prepared for the purpose of recordation, and it in no way modifies the provisions of the Lease Agreement.

Section 6. Execution. This Memorandum of Lease Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7. State Law. This Memorandum of Lease shall be governed by and construed in accordance with the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Corporation has caused this Memorandum of Lease Agreement to be executed in its corporate name by its duly authorized officer; and the District has caused this Memorandum of Lease Agreement to be executed in its name by its duly authorized officer, as of the date first above written.

MUNICIPAL FINANCE CORPORATION

By: _____
Stefan Morton
Vice President

**AVILA BEACH COMMUNITY
SERVICES DISTRICT**

By: _____
President of the Board

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to in this Memorandum of Lease is situated in the County of San Luis Obispo, State of California, and is described as follows:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Memorandum of Lease, dated as of September 1, 2021, from the Municipal Finance Corporation (the "Corporation") as lessor, to the Avila Beach Community Services District (the "District"), as lessee, is hereby accepted by the undersigned officer on behalf of the District, pursuant to authority conferred by resolution of the District Board adopted on August 10, 2021, and the District consents to recordation thereof by its duly authorized officer.

Dated: _____, 2021

**AVILA BEACH COMMUNITY
SERVICES DISTRICT**

By: _____
President of the Board

AFTER RECORDATION PLEASE RETURN TO:

Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: President

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX
PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE.
THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383
OF THE CALIFORNIA GOVERNMENT CODE.

SITE LEASE

Dated as of September 1, 2021

between the

AVILA BEACH COMMUNITY SERVICES DISTRICT

and

MUNICIPAL FINANCE CORPORATION

SITE LEASE

THIS SITE LEASE (the "Site Lease"), dated as of September 1, 2021, is between the AVILA BEACH COMMUNITY SERVICES DISTRICT, a community services district organized and existing under and by virtue of the laws of the State of California (the "District"), as lessor, and the MUNICIPAL FINANCE CORPORATION, a corporation duly organized and existing under the laws of the State of California (the "Corporation"), as lessee;

WITNESSETH:

WHEREAS, pursuant to this Site Lease, the District proposes to lease certain real property situated in the County of San Luis Obispo, State of California, more particularly described in Exhibit A attached hereto and made a part hereof (the "Site"), and those certain improvements thereon (the "Facility" and, with the Site, the "Property"), to the Corporation, all for the purpose of assisting the District in financing the acquisition, construction and installation of certain improvements to the Property consisting of wastewater treatment plant improvements (the "Project");

WHEREAS, the Corporation proposes to lease the Property back to the District pursuant to that certain Lease Agreement, dated as of September 1, 2021, a memorandum of which is recorded concurrently herewith (the "Lease Agreement") and to assign all of its rights, title and interest in, to and under this Site Lease and the Lease Agreement, including its right to receive lease payments under the Lease Agreement (the "Lease Payments"), its right to enforce payment of the Lease Payments and otherwise to enforce its interest and rights under the Lease Agreement in the event of a default thereunder by the District, to CN Financing, Inc., a California corporation, including its successors and assigns (the "Assignee") pursuant to that certain Assignment Agreement, dated as of September 1, 2021, between the Corporation and the Assignee, and recorded concurrently herewith;

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED, as follows:

Section 1. Definitions. Capitalized terms used, but not otherwise defined, in this Site Lease shall have the meanings ascribed to them in the Lease Agreement.

Section 2. Site Lease. The District hereby leases to the Corporation and the Corporation hereby leases from the District, on the terms and conditions hereinafter set forth, the Property.

Section 3. Term. The term of this Site Lease shall commence on the Closing Date, as defined in the Lease Agreement, and shall end on September __, 2041, unless such term is extended or sooner terminated as hereinafter provided. If, on September __, 2041, the aggregate amount of Lease Payments (as defined in and as payable under the Lease Agreement) shall not have been paid by reason of abatement, default or otherwise, or provision shall not have been made for their payment in accordance with the Lease Agreement, then the term of this Site Lease shall be extended until such Lease Payments shall be fully paid or provision made for such payment, but in no event later than September __, 2051. If, prior to September __, 2041, all Lease Payments shall be fully paid or provision made for such payment in accordance with the Lease Agreement, the term of this Site Lease shall end.

Section 4. Advance Rental Payment. The District agrees to lease the Property to the Corporation in consideration of the payment by the Corporation of an advance rental payment of

\$3,020,000.00. The District and the Corporation agree that by reason of the assignment of the Lease Payments to the Assignee under and pursuant to the Assignment Agreement, the advance rental payment referenced in the preceding sentence shall be deemed to have been paid.

Section 5. Purpose. The Corporation shall use the Property solely for the purpose of leasing the Property to the District pursuant to the Lease Agreement and for such purposes as may be incidental thereto; *provided, however*, that in the event of default by the District under the Lease Agreement, the Corporation and its assigns may exercise the remedies provided in the Lease Agreement.

Section 6. District's Interest in the Property. The District covenants that it is the owner in fee of the Property.

Section 7. Assignments and Subleases. Unless the District shall be in default under the Lease Agreement, the Corporation may not assign its rights under this Site Lease or sublet the Property, except as provided in the Lease Agreement and the Assignment Agreement, without the written consent of the District and the Assignee. If the District is in default under the Lease Agreement, the Assignee (including its successors and assigns under the Lease Agreement) may fully and freely assign and sublease the Property or any portion thereof, subject to this Site Lease.

Section 8. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

Section 9. Termination. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Property in the same good order and condition as the same were in at the time of commencement of the term hereunder, reasonable wear and tear excepted, and agrees that any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the District.

Section 10. Default. In the event the Corporation shall be in default in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Lease Agreement shall be deemed to occur as a result thereof and the District shall have no right to terminate this Site Lease as a remedy for such default. Notwithstanding the foregoing, so long as the Lease Agreement remains in effect, the District will continue to pay the Lease Payments to the Assignee. In the event of the occurrence of an Event of Default under the Lease Agreement, the Corporation may (i) exercise the remedies provided in the Lease Agreement, (ii) use the Property for any lawful purpose, subject to any applicable legal limitations or restrictions, and (iii) exercise all options provided herein.

Section 11. Quiet Enjoyment. The Corporation, at all times during the term of this Site Lease, shall peaceably and quietly have, hold and enjoy all of the Property subject to the provisions of the Lease Agreement.

Section 12. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation and the District hereby releases each and every board member, director, officer, employee and agent of the Corporation of and from any

personal or individual liability under this Site Lease. No board member, director, officer, employee or agent of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site Lease for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. All assessments of any kind or character and all taxes, including possessory interest taxes, levied or assessed upon the Property or the Corporation's interest in the Property created by this Site Lease (including both land and improvements) will be paid by the District in accordance with the Lease Agreement.

Section 14. Eminent Domain. In the event the whole or any part of the Property is taken by eminent domain proceedings, the interest of the Corporation shall be recognized and is hereby determined to be the amount of the then unpaid principal component of the Lease Payments, any then unpaid interest component of the Lease Payments and any premium due with respect to the prepayment of Lease Payments to the date such amounts are remitted to the Corporation or its assignee, and, subject to the provisions of the Lease Agreement, the balance of the award, if any, shall be paid to the District. The District hereby waives, to the extent permitted by law, any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Property through the eminent domain powers of the District. However, the District hereby agrees, to the extent permitted by law, that the compensation to be paid in any condemnation proceedings brought by or on behalf of the District with respect to the Property shall be in an amount not less than the total unpaid principal component of Lease Payments, the interest component of Lease Payments accrued to the date of payment of all Lease Payments and any premium due with respect to the prepayment of Lease Payments under the Lease Agreement.

Section 15. Use of the Proceeds. The District and the Corporation hereby agree that the lease to the Corporation of the District's right and interest in the Property pursuant to Section 2 serves the public purposes of the District.

Section 16. Partial Invalidity. If any one or more of the terms, provisions, covenants or conditions of this Site Lease shall, to any extent, be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding, order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 17. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid, at the addresses set forth in the Lease Agreement, or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 18. Binding Effect. This Site Lease shall inure to the benefit of and shall be binding upon the District and the Corporation and their respective successors and assigns. The Assignee is hereby made a third party beneficiary hereunder with all rights of a third party beneficiary.

Section 19. Amendment. This Site Lease may not be amended except as permitted under the Lease Agreement.

Section 20. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 21. Applicable Law. This Site Lease shall be governed by and construed in accordance with the laws of the State of California applicable to contracts made and performed in California.

Section 22. No Merger. Neither this Site Lease, the Lease Agreement nor any provisions hereof or thereof shall be construed to effect a merger of the title of the District to the Property under this Site Lease and the District's leasehold interest therein under the Lease Agreement.

Section 23. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original but all together shall constitute but one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the District and the Corporation have caused this Site Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

**AVILA BEACH COMMUNITY
SERVICES DISTRICT**

By: _____
President of the Board

MUNICIPAL FINANCE CORPORATION

By: _____
Stefan Morton
Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.
WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me, _____, Notary Public,
personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

EXHIBIT A

DESCRIPTION OF THE SITE

The land referred to in this Site Lease is situated in the County of San Luis Obispo, State of California, and is described as follows:

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Site Lease, dated as of September 1, 2021, from the Avila Beach Community Services District, as lessor (the "District"), to the Municipal Finance Corporation (the "Corporation"), as lessee, is hereby accepted by the undersigned officer on behalf of the Corporation, pursuant to authority conferred by the Board of Directors of the Corporation adopted on August 10, 2021, and the lessee consents to recordation thereof by its duly authorized officer.

Dated: [_____], 2021

MUNICIPAL FINANCE CORPORATION

By: _____
Authorized Representative

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Request from Avila Valley Advisory Committee (AVAC) to use the District Office Board Room for Committee and Regular Monthly Meetings

Recommendation:

Staff recommends the Board of Directors receive the Staff Report and Provide Direction to Staff

Discussion:

Representatives from the Avila Valley Advisory Committee contacted District staff with a request for AVAC to use the District office Board Room for their regular monthly meetings and committee meetings as needed. Prior to COVID, the monthly AVAC meetings were held at the PG&E Energy Education Center on Ontario Road. Apparently that facility is no longer available, and AVAC is looking for a new meeting location. Staff understands that AVAC has also talked with the representatives from the Avila Beach Community Center for use of their facility.

The AVAC regular meetings are generally held on the 2nd Monday of the month, from 7:00 – 9:00 PM. Prior to COVID, there was generally 35 – 45 persons in attendance at the regular meetings that included approximately 15 council members (and alternates), approximately 12 agency staff members (County Planning, Public Works, Parks, Cal Fire, Sheriff, Highway Patrol and the County Supervisor) and a number of public members. The District Board Room has an approved capacity of approximately 45 persons based on the square footage of the meeting room.

Issues for the Board to consider include but are not necessarily limited to: The District Board meeting room is not currently being used at the time of the regular AVAC meetings; Committee meetings appear to be generally during day time hours that don't conflict with existing District operations; District staff do not regularly attend the AVAC meetings, so logistics to open and close up the meeting room would need to be addressed; District confidential records and files will need to be secured; There will be an increased liability exposure by having additional meetings at the District offices and does the District's existing insurance liability policy cover claims from agencies other than the CSD; the restroom and other public areas should be cleaned after each use; If the Board chooses to allow use of the Board Room, should the District require a fee for such use?

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Avila Community Plan

Recommendation:

Staff recommends the Board of Directors receive the Staff Report and Provide Direction to Staff

Discussion:

In early May 2021, the San Luis Obispo County Planning Department circulated the draft Avila Community Plan and requested comments by August 13, 2021. On August 5, 2021, the County held a Workshop to provide an overview of the Public Review Draft of the Plan, including key changes and proposed Planning Area Standards. The Avila Beach CSD Board of Directors were provided a copy of the draft plan in June and were encouraged to review the Plan and provide their comments to staff and/or provide their comments at the August 10th, 2021 Regular Board meeting.

The purpose of this item is to provide an opportunity for Board members to provide their comments on the Plan, reach consensus on the comments and consolidate the comments so that staff can submit the comments to the County Planning Department by Friday August 13.



Community of Avila, California

AVILA COMMUNITY PLAN

PUBLIC WORKSHOP #3

Public Review Draft

Come join us for a virtual workshop which will provide an overview of the Public Review Draft of the Avila Community Plan, including key changes and proposed Planning Area Standards.

WHEN:

*Thursday,
August 5th
6:00pm—8:00pm*

WHERE:

*Zoom Meeting
(please use
the link below)*

*For any questions, please contact Planning and Building at 805-781-5198
or email asingewald@co.slo.ca.us*

*Due to the COVID-19 Pandemic, all workshops will be hosted virtually.
Please join the Zoom Meeting virtually at <https://bit.ly/3hAHcqa>
or by phone +1 669 900 9128 US (San Jose)
+1 253 215 8782 US (Tacoma)*

Thank you in advance for your attendance and participation in this process!

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Preliminary Intent to Serve Request: Gardner Project, 498 Front Street, Multi-Use project with 4 residential Condominiums on the 2nd floor and 3 or 4 Commercial spaces on the ground floor and 10 parking spaces in the basement. APNs 076-216-014 and 076-216-021

Recommendation:

Receive Staff Report; Conditionally Approve the Preliminary Intent to Serve Request

Funding:

The applicant provided a check # 1009, dated May 28, 2021, in the amount of \$1,000 for the application processing fee as described in Resolution No. 97-2 for processing an "Intent to Serve" letter review. In addition the applicant has provided an Engineering and Inspection Agreement to cover any additional District costs for review and processing of the Will Serve Application

Discussion:

Attached for Board consideration is a Preliminary Will Serve Application dated May 24, 2021, from Mr. John Gardner owner of the subject property. The applicant is requesting water and sewer service for the existing vacant lot at 498 Front Street. The applicant is requesting service for the multi-use development of the project: 4 residential condominiums on the 2nd floor and 3 or 4 Commercial spaces on the ground floor and 10 parking spaces in the basement.

Staff is in the process of preparing an estimated Connection Fee worksheet for the proposed project. The Connection Fee estimate will be based on project engineering and architectural drawings submitted by the applicants and applying the fees from Resolution No. 2013-08, adopted by the Board in December 2013.

Staff recommends approval of Preliminary Will Serve Application. The District's existing water and sewer systems have the capacity to provide the requested level of service.

**Avila Beach Community Services District
PRELIMINARY WILL SERVE APPLICATION**

1. Owner Name: John M. Gardner
2. Business Address: 490 or 498 Front St, Avila Beach, CA 93424
3. Mailing Address: 6413 Furlong Road, McLean, VA 22101
4. Phone Number (e-mail): 805-668-9288 (avilalight@yahoo.com)
5. Agent's Name: Ian McCarville, Land Use Planner, Kirk Consulting
6. Mailing Address: 8830 Morro Road, Atascadero, CA 93422
7. Phone Number & e-mail: 805.461.5765 (ian@kirk-consulting.net)
8. Assessor's Parcel Numbers: APN 076-216-014 and APN 076-216-021
9. Project's Location: Corner of Front & San Francisco Streets in Avila Beach, CA
10. SLO County Planning Department Development # Land Use Permit Application to be filed in June, 2021
11. Number of Residential Units and the number of Bedrooms: Unit 1 - Studio Unit #2 - Two bedrooms
Unit 3 - Two bedrooms Unit #4 - One Bedroom
12. Type of Use:
 Single Family Residence Duplex Triplex Multi-Family
 Subdivision
 Commercial
 Multi-use Description: 4 residential condominiums on the 2nd floor
3 (or 4) commercial condominiums on the ground floor
10 parking spaces in the basement
Type: Condominiums

- Remodel
13. Applications for multi-use projects, commercial projects, projects that exceed two (2) residential units, or multi-family projects will not be approved until the following have been submitted to the District for its review:
- r. Two (2) separate sets of site plans that show the approximate square footage of each unit, the site topography and an estimate of the number of water fixtures to serve each unit in the project;
and
s. An engineer or architect's estimate of monthly water and sewer demand (in gallons per month) for the project.
14. The Applicant agrees that in accordance with generally accepted construction practices, Applicant shall assume sole and complete responsibility for the condition of the job site during the course of the project, including the safety of persons and property; that this requirement shall apply continuously and not be limited to normal working hours; and the Applicant shall defend, indemnify, and hold the District and District's agents, employees and consultants harmless from any and all claims, demands, damages, costs, expenses (including attorney's fees) judgements or liabilities arising out of the performance or attempted performance of the work on this project; except those claims, demands, damages, costs, expenses (including attorney's fees) judgements or liabilities resulting from the negligence or willful misconduct of the District.

Nothing in the foregoing indemnity provision shall be construed to require Applicant to indemnify District against any responsibility or liability or contravention of Civil Code §2782. The undersigned acknowledges receipt of the Avila Beach Community Services District Application for District Service Policy and Guidelines (attached).

Date: 5/24/21 Owner: 
John M. Gardner

Avila Beach Community Services District
PRELIMINARY WILL SERVE APPLICATION

PRELIMINARY WILL SERVE TIME LINE

Preliminary Will Serve expires 24 months after issuance.

Upon request by the applicant, a 12-month extension to the PWS may be granted by the District

The applicant shall request a Final Will Serve prior to the expiration of the Preliminary Will Serve

Final Will Serve expires one year after issuance

**Avila Beach Community Services District
PRELIMINARY WILL SERVE APPLICATION**

ENGINEERING CHECKING AND INSPECTION AGREEMENT

Whereas, John M. Gardner, of the County of San Luis Obispo, State of California, hereinafter referred to as "Applicant", has applied for and received, preliminary approval of 490&498 Front Street, (hereinafter "Project") from the Avila Beach Community Services District, a political sub-division of the County of San Luis Obispo, hereinafter referred to as the "District",

NOW THEREFORE, THIS AGREEMENT made and entered into this 24th day of NOV, 2019, by and between the Applicant and District;

WITNESSETH:

1. The Applicant shall reimburse the District for the cost of checking the subdivision map, the project improvement plans, and the cost of inspection of any such improvements by the District's staff and agents. For all services rendered by District staff, the Applicant shall be charged and pay to the District the actual costs. The District shall invoice the Applicant for such plans checking and/or inspection costs, if any; and amounts unpaid thirty days from the date of the District's invoice shall bear interest at the rate of 1½ percent per month beginning thirty days after the date of said invoice.

2. Permission is hereby granted to the District, or its authorized agent, to enter upon the land which is the subject of the Project for the purpose of inspection of any and/or all work to be done under the agreement.

3. The Applicant shall employ an Engineer of Work to provide inspection during the course of construction, to certify to the District that the improvements were installed in accordance with approved plans, and to submit as built plans to the District. If the Engineer of Work is other than the designing engineer or is replaced during the course of construction, the District shall be notified in writing; and each such engineer of work shall certify as to their respective involvement. The District may make such additional inspections as is deemed necessary and shall be available to review field conditions and/or proposed changes with the Engineer of Work.

4. It is understood and agreed by the between the Parties hereto that this agreement shall bind the heirs, executors, administrators' successors and assigns of the respective Parties to this agreement.

5. The Applicant shall defend, indemnify and save harmless the District, its officers, agents and employees from any and all claims, demands, damages, costs, expenses, or liability occasioned by the performance or attempted performance of the provisions hereof, or in any way arising out of the Agreement, including, but not limited to, inverse condemnation, equitable relief, or any wrongful act or any negligent act or omission to act on the part of the Applicant or of agents, employees, or independent contractors directly responsible to the Applicant, providing further than the foregoing shall apply to any wrongful acts, or any actively or passively negligent acts or omissions to act, committed jointly or concurrently by the Applicant, the Applicant's agents, employees, or independent contractors. Nothing contained in the foregoing indemnity provisions shall be construed to require the Applicant to indemnify the District against any responsibility or liability in contravention of Section 2782 of the Civil Code.

IN WITNESS WHEREOF the Applicant has hereunto set his hand and the District has caused these presents to be signed and its corporate seal hereto affixed by its duly sworn and authorized officers the day and year first herein above written.

Applicant: _____

John M. Gardner

Billing Address: 6413 Furlong Road, McLean, VA 22101
Phone: 805-668-9288
Email: avilalight@yahoo.com

General Manager:
Avila Beach Community Services District

Bradley Hagemann

**AVILA BEACH
COMMUNITY SERVICES DISTRICT**

Post Office Box 309, Avila Beach, CA. 93424

MEMORANDUM

TO: Board of Directors

FROM: Brad Hagemann, General Manager 

DATE: August 10, 2021

SUBJECT: Consider Nominating a Director to fill the vacant Special District's alternate position to serve on the San Luis Obispo County Integrated Waste Management Authority (IWMA) Board of Directors.

Recommendation:

Staff recommends the Board of Directors receive the Staff Report and Provide Direction to Staff

Discussion:

On May 21, 2021, the Integrated Waste Management Authority (IWMA) issued a letter noting that Robert Enns is currently serving as the Special Districts representative to the IWMA Board of Directors, but there is not an alternate appointed to the position. The IWMA letter states that apparently there is no formal process established to elect an alternate to the Special District position.

Marshall Ochylski, the president of the local chapter of the California Special Districts Association sent out an email on July 31, requesting nominations for alternate representative position. Nominations are due no later than September 15 and if there is more than one nomination, then voting will take place with ballots due no later than October 31.

The purpose of this item is to provide an opportunity for the Board of Directors to seek nominations and if someone is interested in the position and if so, taking an action to formally nominate them for the Special Districts alternate position on the IWMA Board of Directors. The May 21, 2021 IWMA letter and the July 31, 2021 email from Mr. Ochylski is attached to this staff report.



SAN LUIS OBISPO COUNTY INTEGRATED WASTE MANAGEMENT AUTHORITY

Connecting the Community to Waste Solutions

Robert Enns - President,
Special Districts

Charles Bourbeau - Vice President,
City of Atascadero

Keith Storton - Past President Vacated,
City of Arroyo Grande

Karen Bright,
City of Grover Beach

Jeff Heller,
City of Morro Bay

John Hamon,
City of Paso Robles

Scott Newton,
City of Pismo Beach

Jan Marx,
City of San Luis Obispo

Debbie Arnold - Supervisor,
San Luis Obispo County Dist. 5

Lynn Compton - Supervisor,
San Luis Obispo County Dist. 4

Bruce Gibson - Supervisor,
San Luis Obispo County Dist. 2

Dawn Ortiz-Legg - Supervisor,
San Luis Obispo County Dist. 3

John Peschong - Supervisor,
San Luis Obispo County Dist. 1

IWMA Staff

Brooks Stayer,
Executive Director

Patti Toews,
Program Director

Kelly York,
Program Manager

Barbara Aspernelson,
Accountant

Cheryl Price,
Clerk of the Board

Jeffrey Minnery
Legal Counsel

San Luis Obispo County Integrated Waste Management Authority
870 Osos Street
San Luis Obispo, CA 93401
805-782-8530

May 21, 2021

Dear Authorized District of the IWMA,

The Authorized Districts participate in the San Luis Obispo County Integrated Waste Management Authority ("IWMA") pursuant to a Memorandum of Agreement ("MOA") (a copy of which is enclosed with this Correspondence). Pursuant to Section 2.B. of the MOA, the appointment of one (1) Authorized District's representative and one (1) alternate were to be made following procedures "to be established" after the execution of the MOA. It has come to the attention of the IWMA Executive Committee that the appointed process has historically occurred in coordination with other local agency appointments administered by the local chapter of the California Special Districts Association ("SLO CSDA"). However, the IWMA is aware of no formal procedures adopted and/or approved by the Authorized Districts if such procedures were even established. Currently, the Authorized District's are represented by Robert Enns, Board President of the Cayucos Sanitary District. Yet at this time, there is no alternate representative appointed and the position is vacant. The IWMA has recently been contacted by at least two elected officials servicing member agencies that have expressed interest in appointment to the Authorized Districts alternate position.

The IWMA Executive Committee has directed staff to inform your agency of the current vacancy and the apparent lack of formal process. If the Authorized District's desire to continue coordination with the SLO CSDA, we suggest you contact the SLO CSDA directly. The local President of the SLO CSDA is Marshall Ochylski and his contact information is provided below.

Marshall Ochylski
Los Osos Community Services District
2122 9th St #102
Los Osos, CA 93402
Phone: (805)-528-9370

If you have any questions in regards to this correspondence, please contact the IWMA directly.

Best regards,

A handwritten signature in blue ink that reads "Brooks Stayer".

Brooks Stayer
Executive Director

Enclosure: Memorandum of Agreement
cc IWMA Executive Committee Members: Charles Bourbeau, Robert Enns, Keith Storton



Bradley Hagemann <hagemann.associates@gmail.com>

CSD's IWMA Alternate Representative

1 message

Marshall Ochylski <mochylski@slollegal.com>

Sat, Jul 31, 2021 at 5:12 PM

To: Bradley Hagemann <hagemann.associates@gmail.com>, Kristi Dibbern <avilacsd@gmail.com>, "cvcsd3094@gmail.com" <cvcsd3094@gmail.com>, "jweigold@camabriacsd.org" <jweigold@camabriacsd.org>, "csteidel@camabriacsd.org" <csteidel@camabriacsd.org>, "hdodson@camabriacsd.org" <hdodson@camabriacsd.org>, "kdean@camabriacsd.org" <kdean@camabriacsd.org>, "mbland@camabriacsd.org" <mbland@camabriacsd.org>, "rkoon@cayucossd.org" <rkoon@cayucossd.org>, "ggood@cayucossd.org" <ggood@cayucossd.org>, "gm@groundsquirrelhollowcsd.org" <gm@groundsquirrelhollowcsd.org>, "scott@heritageranchcsd.ca.gov" <scott@heritageranchcsd.ca.gov>, Kristen Gelos <kristen@heritageranchcsd.ca.gov>, Ron Munds <rmunds@losososcsd.org>, Laura Durban <ldurban@losososcsd.org>, "miglesias@ncsd.ca.gov" <miglesias@ncsd.ca.gov>, "will@oceanocsd.org" <will@oceanocsd.org>, Carey Casciola <Carey@oceanocsd.org>, "nicole@oceanocsd.org" <nicole@oceanocsd.org>, "tamara.parent@sanmiguelcsd.org" <tamara.parent@sanmiguelcsd.org>, "ashley.sangster@sanmiguelcsd.org" <ashley.sangster@sanmiguelcsd.org>, "admin@sansimeoncsd.org" <admin@sansimeoncsd.org>, "jbriltz@templetoncsd.org" <jbriltz@templetoncsd.org>, Jeffrey Minnery <jminnery@ammcglaw.com>

Cc: Marshall Ochylski <mochylski@slollegal.com>

All,

After we received the letter earlier this week from the Integrated Waste Management Authority regarding the CSD's representatives on the IWMA Board, your Board of Directors met to discuss implementing the process we have in place for selecting our representatives to the IWMA, and in particular the current vacant alternate representative position.

As a result, we are requesting nominations for the alternate representative from the Community Service Districts which have solid waste powers. If you are receiving this email, then you are one of those District with those solid waste powers and are eligible to vote.

The alternate representative will serve until her/his current term expires at the end of 2022.

The timeframe is that nominations are due no later than September 15th which will allow each of the Board of Directors of these Districts the opportunity to meet and discuss this matter. If you choose a nominee please include her/his full name and a brief statement (no more than one page) either from your Board or the nominee of her/his qualification and why she/he should be elected. Please email it directly to me and do not copy all.

If there is more than one nomination, then voting will take place with ballots due no later than October 31st.

Please contact me directly if you have any questions.

Thank you.

Marshall E. Ochylski,
Attorney at Law

*The Law Office of Marshall E. Ochylski
Mailing Address: Post Office Box 6701
Los Osos, California 93412-6701*

Telephone: 805-544-4546 (Direct Line)

