



Board of Directors:

SEAN DEBLEY, President  
JARED BOUCHARD, Vice President  
KRISTINA BREWER, Director  
MICHAEL LEBOW, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156  
A PUBLIC ENTITY SERVING CHANNEL ISLANDS BEACHES AND HARBOR · CIBCS.D.COM

# BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

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**NOTICE IS HEREBY GIVEN** that the Board of Directors of the Channel Islands Beach Community Services District will hold a Regular Board Meeting beginning at 5:00 P.M. on Tuesday, May 9, 2023. The meeting will be held at the **District Office Conference Room, 353 Santa Monica Drive, Channel Islands Beach, CA 93035.**

The agenda is as follows:

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

**B. PUBLIC COMMENTS:**

1. Opportunity for members of the public to address the Board on matters under the purview of the District and which are not on the agenda. (Time limit 3 minutes per speaker)

**C. CONSENT CALENDAR:**

1. Approve the Agenda Order
2. Financial Reports:
  - a. Cash Disbursal & Receipt Report – April 2023
3. Minutes:
  - a. April 11, 2023, Regular Board Meeting

**D. OPERATIONS REPORT:**

**E. ACTION CALENDAR:**

**1. FY 2021 – 2022 ANNUAL AUDIT REPORT**

Recommendation:

- 1) Approve Reserve and Allocations (transfers) for June 30, 2022.
- 2) Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2022.
- 3) Authorize staff to present a Final Audit Report.

**2. BID RESULTS AND OPTIONS FOR FUNDING NEW DISTRICT ADMINISTRATION AND OPERATIONS FACILITY (CI 401)**

Recommendation:

- 1) Receive and file.

**3. DRAFT FY 2023-2024 BUDGET**

Recommendation:

- 1) Review and provide feedback to staff on proposed FY 2023-2024 Operating Budget.

**4. A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT RESCINDING RESOLUTION 22-10 DECLARING A LEVEL 2 WATER SUPPLY SHORTAGE AND DECLARING A LEVEL 1 WATER SUPPLY SHORTAGE VIA RESOLUTION 23-04, EFFECTIVE MAY 10, 2023**

Recommendation:

- 1) It is recommended the Board rescind Resolution 22-10 and consider and adopt Resolution 23-04 declaring a Level 1 Water Supply Shortage pursuant to Ordinance No. 75.

**F. INFORMATION CALENDAR:**

1. Report from Board Members of any meeting or conference where compensation for attendance was received.
2. Update on CI 101 Water Pipeline Project

**G. BOARD MEMBER COMMENTS:**

**H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

**AGENDA POSTING CERTIFICATION**

This agenda was posted Thursday, May 4, 2023, by 5:00 PM. The agenda is posted at the District Office and two public notice bulletin boards, which are accessible 24 hours per day. The locations include:

- Hollywood Beach School, 4000 Sunset
- Corner Store, 2425 Roosevelt Blvd.
- District Office, 353 Santa Monica Drive

Agendas are also posted on the District's website at [www.cibcsd.com](http://www.cibcsd.com).

*Peter Martinez*

Peter Martinez  
*General Manager*

**REQUESTS FOR DISABILITY-RELATED MODIFICATION OR ACCOMMODATION, INCLUDING AUXILIARY AIDS OR SERVICES, IN ORDER TO ATTEND OR PARTICIPATE IN A MEETING, SHOULD BE MADE TO THE SECRETARY OF THE BOARD IN ADVANCE OF THE MEETING TO ENSURE THE AVAILABILITY OF REQUESTED SERVICE OR ACCOMODATION. NOTICES, AGENDAS AND PUBLIC DOCUMENTS RELATED TO THE BOARD MEETINGS CAN BE MADE AVAILABLE IN ALTERNATIVE FORMAT UPON REQUEST.**

Channel Islands Beach 2013

5/3/2023 11:17 AM

Register: 1002 · Checking Pacific Western

From 04/01/2023 through 04/30/2023

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/03/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			911.44	610,260.23
04/03/2023	8071	Amazon Capital Serv...	2000 - Accounts Payable		221.80			610,038.43
04/03/2023	8072	Badger Meter	2000 - Accounts Payable		1,726.20			608,312.23
04/03/2023	8073	Elevated Entitlements	2000 - Accounts Payable	VOID:		X		608,312.23
04/03/2023	8074	Famcon Pipe and Su...	2000 - Accounts Payable		250.16			608,062.07
04/03/2023	8075	Hollister & Brace	2000 - Accounts Payable		2,624.54			605,437.53
04/03/2023	8076	Jarrold Lawrence	2000 - Accounts Payable		320.00			605,117.53
04/03/2023	8077	Miguel Zavalza	2000 - Accounts Payable		225.00			604,892.53
04/03/2023	8078	Mission Linen & Uni...	2000 - Accounts Payable		283.10			604,609.43
04/03/2023	8079	Port Hueneme Marin...	2000 - Accounts Payable		207.76			604,401.67
04/03/2023	8080	Proven Print Services	2000 - Accounts Payable		772.20			603,629.47
04/03/2023	8081	State Ready Mix Inc.	2000 - Accounts Payable		363.68			603,265.79
04/03/2023	8082	Underground Service...	2000 - Accounts Payable		32.75			603,233.04
04/03/2023	8083	Visual Edge IT	2000 - Accounts Payable		267.14			602,965.90
04/03/2023	8084	Wilmington Trust, N...	2000 - Accounts Payable	2016 Wastewat...	33,065.63			569,900.27
04/03/2023	8085	Elevated Entitlements	2000 - Accounts Payable		787.50			569,112.77
04/04/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			229.21	569,341.98
04/04/2023	ACH	So. California Edison...	2 - Sewer System Expe...	3-16-23	42.84			569,299.14
04/04/2023	ACH	ACWA/JPIA Health ...	5 - Salaries & Benefits:...	3-2-23 0698892	1,044.31			568,254.83
04/04/2023	ACH	Aflac	*2020 - Payroll Liabilit...	165615 4-15-23	239.30			568,015.53
04/04/2023	ACH	So. California Edison...	2 - Sewer System Expe...	3-15-23	565.89			567,449.64
04/04/2023	ACH	So. California Edison...	2 - Sewer System Expe...	3-15-23	883.27			566,566.37
04/04/2023	ACH	SCE- Office	6 - Administrative Exp...	3-21-23	171.88			566,394.49
04/04/2023	ACH	Spectrum	6 - Administrative Exp...	3-18-23	229.98			566,164.51
04/04/2023	ACH	Cardmember Service	8000 - Suspense	3-1-23	6,179.20			559,985.31
04/04/2023	ACH	Arco	4 - Maintenance Expen...	4-3-23	776.19			559,209.12
04/04/2023	ACH	Spectrum	6 - Administrative Exp...	3-16-23	64.81			559,144.31
04/05/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/3			234.49	559,378.80
04/05/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			472.58	559,851.38
04/05/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			785.58	560,636.96
04/05/2023	ACH	CalPers	-split-	pypd 03-15-23 ...	4,105.16			556,531.80
04/05/2023	ACH	Nationwide Retirement	-split-	pypd 03-18-23 ...	2,718.06			553,813.74
04/05/2023	8086	Sam Hill & Sons, Inc.	2000 - Accounts Payable		1,784.00			552,029.74
04/05/2023	8089	Gustavo Aguilar	2000 - Accounts Payable	tree removal/42...	750.00			551,279.74
04/05/2023		QuickBooks Payroll ...	-split-	Adjusted for vo...	25,823.77			525,455.97
04/05/2023		QuickBooks Payroll ...	-split-	Created by Pay...	4,186.75			521,269.22
04/05/2023	DD	Mark A Espinosa	-split-	VOID: Direct ...		X		521,269.22
04/05/2023	To Print	Carol J Dillon	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	Casey D Johnson	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	E.D. Brock	-split-	Direct Deposit		X		521,269.22

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/05/2023	To Print	Erika F Davis	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	Jesus Navarro	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	Keila E Wilson	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	Peter A. Martinez	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	Erica M Pena	-split-	Direct Deposit		X		521,269.22
04/05/2023	To Print	Mark A Espinosa	-split-	Direct Deposit		X		521,269.22
04/06/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			879.00	522,148.22
04/06/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,130.27	523,278.49
04/06/2023	8090	AWA	2000 - Accounts Payable	J. Navarro, P. ...	480.00			522,798.49
04/06/2023	8091	County of Ventura - ...	2000 - Accounts Payable	Oxnard Ave.	390.00			522,408.49
04/06/2023	8092	County of Ventura - ...	2000 - Accounts Payable		759.60			521,648.89
04/06/2023	8093	Famcon Pipe and Su...	2000 - Accounts Payable		1,079.90			520,568.99
04/06/2023	8094	FCG Environmental	2000 - Accounts Payable		785.00			519,783.99
04/06/2023	8095	FGL Environmental I...	2000 - Accounts Payable		933.00			518,850.99
04/06/2023	8096	S.L. Leonard & Asso...	2000 - Accounts Payable		2,018.75			516,832.24
04/06/2023	8097	Prime Masonry Mate...	2000 - Accounts Payable		371.32			516,460.92
04/07/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,740.86	518,201.78
04/07/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,194.16	522,395.94
04/07/2023	RETCK	QB:Returned Item	1200 - Accounts Recei...	Rompal	324.57			522,071.37
04/10/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,189.04	523,260.41
04/10/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,131.81	526,392.22
04/11/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			491.32	526,883.54
04/11/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			5,035.97	531,919.51
04/12/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			1,809.28	533,728.79
04/12/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			6,949.55	540,678.34
04/13/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			489.00	541,167.34
04/13/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,305.28	544,472.62
04/13/2023	ACH	Frontier	6 - Administrative Exp...	4-1-23	120.28			544,352.34
04/13/2023	ACH	SoCalGas	6 - Administrative Exp...	4-4-23	43.14			544,309.20
04/13/2023	ACH	AT & T	6 - Administrative Exp...	4-1-23	902.33			543,406.87
04/13/2023	ACH	Tampa Hardware 2	1 - Water System Expe...	3-31-23	85.63			543,321.24
04/13/2023	8098	DFA-actuaries, LLC	2000 - Accounts Payable		750.00			542,571.24
04/13/2023	8099	Diener's Electric, Inc.	2000 - Accounts Payable	Los Robles Sta...	425.25			542,145.99
04/13/2023	8100	Famcon Pipe and Su...	2000 - Accounts Payable		1,674.82			540,471.17
04/13/2023	8101	FGL Environmental I...	2000 - Accounts Payable		447.00			540,024.17
04/13/2023	8102	Grainger	2000 - Accounts Payable		286.58			539,737.59
04/13/2023	8103	IVR Technology Gro...	2000 - Accounts Payable		102.32			539,635.27
04/13/2023	8104	Pacific Couriers	2000 - Accounts Payable		298.82			539,336.45
04/13/2023	8105	PHWA	2000 - Accounts Payable		66,376.81			472,959.64
04/13/2023	8106	SSBP	2000 - Accounts Payable		1,110.63			471,849.01

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Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/13/2023	8107	United Rentals, Inc.	2000 - Accounts Payable		762.62			471,086.39
04/13/2023	8108	WHITE CAP	2000 - Accounts Payable		313.90			470,772.49
04/13/2023	8109	Coastal Architects	2000 - Accounts Payable		8,150.00			462,622.49
04/13/2023	8110	CUSI	2000 - Accounts Payable		101.80			462,520.69
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/13			500.00	463,020.69
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/12			724.49	463,745.18
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/13			5,725.46	469,470.64
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/10			5,026.05	474,496.69
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/12			5,944.98	480,441.67
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/12			2,960.75	483,402.42
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/10			12,244.54	495,646.96
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/7			2,014.51	497,661.47
04/14/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/12			136.93	497,798.40
04/14/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			503.07	498,301.47
04/14/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,039.40	500,340.87
04/17/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			339.57	500,680.44
04/17/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,278.87	503,959.31
04/17/2023	ACH	Vanco Chrg	6 - Administrative Exp...	April 2023	93.70			503,865.61
04/17/2023	8111	CIBCS-D-Petty Cash	2000 - Accounts Payable		270.00			503,595.61
04/17/2023	8112	net2phone	2000 - Accounts Payable		339.35			503,256.26
04/17/2023	8113	Vulcan Materials Co...	2000 - Accounts Payable		164.75			503,091.51
04/17/2023	8114	Wex Bank	2000 - Accounts Payable		591.12			502,500.39
04/18/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			210.43	502,710.82
04/18/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			1,509.14	504,219.96
04/18/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Monthly Bank ...			88,364.74	592,584.70
04/18/2023	8115	CUSI	2000 - Accounts Payable		6.00			592,578.70
04/18/2023	8116	XIO, Inc.	2000 - Accounts Payable		1,095.00			591,483.70
04/18/2023	8117	Michael K. Nunley ...	2000 - Accounts Payable		3,633.33			587,850.37
04/18/2023	8118	EJ Harrison & Sons, ...	2000 - Accounts Payable	pr. pd. 3-1-23 t...	51,574.11			536,276.26
04/18/2023	8119	ACWA/Joint Powers...	2000 - Accounts Payable	pr pd 1-1-23 to ...	3,157.99			533,118.27
04/19/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/17			5,182.08	538,300.35
04/19/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/17			12,662.98	550,963.33
04/19/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/19			4,739.33	555,702.66
04/19/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/14			6,839.03	562,541.69
04/19/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,353.33	566,895.02
04/19/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			30,882.76	597,777.78
04/19/2023	ACH	SEIU, Local 721	*2020 - Payroll Liabilit...	4-2023	167.50			597,610.28
04/19/2023		QuickBooks Payroll ...	-split-	Created by Pay...	26,901.97			570,708.31
04/19/2023	To Print	Carol J Dillon	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	E.D. Brock	-split-	Direct Deposit		X		570,708.31

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Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
04/19/2023	To Print	Erica M Pena	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	Erika F Davis	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	Jesus Navarro	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	Keila E Wilson	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	Mark A Espinosa	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	Peter A. Martinez	-split-	Direct Deposit		X		570,708.31
04/19/2023	To Print	Casey D Johnson	-split-	Direct Deposit		X		570,708.31
04/20/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			650.61	571,358.92
04/20/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,566.41	573,925.33
04/20/2023	ACH	CalPers	-split-	pr pd 4-1-23 to ...	4,105.16			569,820.17
04/20/2023	ACH	CalPers	-split-	4-14-23	12,765.02			557,055.15
04/20/2023	RETCK	QB:Returned Item	1200 - Accounts Recei...	Yulish	167.98			556,887.17
04/20/2023	RETCK	QB:Returned Item	1200 - Accounts Recei...	Arevalo	171.72			556,715.45
04/20/2023	8121	Keila Wilson	2000 - Accounts Payable		129.28			556,586.17
04/20/2023		QuickBooks Payroll ...	-split-	Created by Pay...	3,753.02			552,833.15
04/20/2023	8120	Mark A Espinosa	-split-		9,410.60			543,422.55
04/21/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/21			275.95	543,698.50
04/21/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/20			6,481.93	550,180.43
04/21/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/19			27,153.89	577,334.32
04/21/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,298.75	579,633.07
04/21/2023	ACH	So. California Edison...	2 - Sewer System Expe...	4-14-23 1451	669.94			578,963.13
04/21/2023	ACH	SCE- Office	-split-	4-19-23 2274	330.80			578,632.33
04/21/2023	8045	So. California Edison...	2 - Sewer System Expe...	4-18-23 7567	1,078.87			577,553.46
04/21/2023	8122	A to Z Law, LLP	2000 - Accounts Payable		2,670.00			574,883.46
04/21/2023	8123	FGL Environmental I...	2000 - Accounts Payable		171.00			574,712.46
04/24/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			140.00	574,852.46
04/24/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			3,085.01	577,937.47
04/25/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			876.40	578,813.87
04/25/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			4,186.45	583,000.32
04/26/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/25			3,562.54	586,562.86
04/26/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/24			270.00	586,832.86
04/26/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/24			3,198.48	590,031.34
04/26/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/24			18,706.24	608,737.58
04/26/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/26			6,443.75	615,181.33
04/26/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			767.89	615,949.22
04/26/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			2,460.69	618,409.91
04/27/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco			265.87	618,675.78
04/27/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI			557.79	619,233.57
04/27/2023	8124	Coastal Architects	2000 - Accounts Payable		9,214.00			610,019.57
04/27/2023	8125	CUSI	2000 - Accounts Payable		240.00			609,779.57

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04/27/2023	8126	Elevated Entitlements	2000 - Accounts Payable		499.50		609,280.07
04/27/2023	8127	NANCY BLACK	2000 - Accounts Payable	CUSTOMER ...	69.04		609,211.03
04/27/2023	8128	Visual Edge IT	2000 - Accounts Payable		632.77		608,578.26
04/27/2023	8129	Hollister & Brace	2000 - Accounts Payable		7,342.65		601,235.61
04/28/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/27		2,659.98	603,895.59
04/28/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/27		877.18	604,772.77
04/28/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4-26		505.29	605,278.06
04/28/2023	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 4/28		1,153.46	606,431.52
04/28/2023	EDEP	QB:DEPOSIT	6 - Administrative Exp...	CUSI		1,895.54	608,327.06
04/28/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		460.86	608,787.92
04/28/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	Vanco		164.49	608,952.41
04/28/2023	EDEP	QB:DEPOSIT	1200 - Accounts Recei...	CUSI		1,079.02	610,031.43
04/28/2023	ACH	So. California Edison...	2 - Sewer System Expe...	4-17-31	328.95		609,702.48
04/28/2023	ACH	Bay Alarm Company	4 - Maintenance Expen...	4-1-23	300.00		609,402.48
04/28/2023	ACH	Spectrum	6 - Administrative Exp...	4-16-23	64.81		609,337.67
04/28/2023	8130	Base Auto Parts and ...	2000 - Accounts Payable		69.44		609,268.23
04/28/2023	8131	FGL Environmental I...	2000 - Accounts Payable		171.00		609,097.23



MINUTES OF THE  
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT  
REGULAR BOARD MEETING, April 11, 2023

**A. CALL TO ORDER, ROLL CALL, PLEDGE OF ALLEGIANCE:**

President Debley called the meeting to order at 5:01 P.M. In attendance, Vice President Bouchard, Director Brewer, Director Lebow, Director Nast, General Manager, Peter Martinez, Clerk of the Board, Erika Davis, General Counsel, John Mathews, and Office Manager, CJ Dillon.

**B. PUBLIC COMMENTS:**

None.

**C. CONSENT CALENDAR:**

Vice President Bouchard made the motion to approve the Consent Calendar. Director Lebow seconded the motion. The motion passed.

**ROLL CALL VOTE:**

Debley: YES, Bouchard: YES, Brewer: YES, Lebow: YES, Nast: YES      5 - Yes 0 -No

**D. CLOSED SESSION:**

**Vice President Bouchard and General Counsel Mathews excused themselves and did not participate in the Closed Session.**

**The Board went into Closed Session at 5:07 p.m.**

**1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

**Authority: California Government Code § 54956.9(d)(1)**

**The Board returned from Closed Session at 6:05 p.m.**

**Board reported that they met in Closed Session to discuss item D1. No action was taken at this time.**

**Vice President Bouchard and General Counsel Mathews returned and joined the Open Session.**

**E. ACTION CALENDAR:**

**1. AUTHORIZATION TO TRANSFER FROM VENTURA COUNTY TREASURY POOLED FUND TO CALIFORNIA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM (CLASS); APPROVAL OF UPDATED INVESTMENT POLICY; APPROVAL OF RESOLUTION 23-03**

Using a PowerPoint presentation General Manager Martinez explained to the Board the conversations with the Finance Committee Members (Vice President Bouchard and Director Nast) and Finance Professionals (Rick Wood- CSDA, Cindy Byerrum- CPA with Eide Bailly, Carlos Diaz- District OPEB actuary, Karen Lookingbill- CalPERS, and Office Manager CJ Dillon) about the alternative options for investment of the District's Reserve Funds, Prefunding CalPERS Pension and Other Post-Employment Benefits (OPEB). Finance Committee members reported that the recommendation was to approve moving to California Cooperative Liquid Assets Securities System (CLASS) and not to invest in Other Post Employment Benefits (OPEB) at discount rates CERBT 1, 2, or 3 at this time. Finance Committee members stated that the distinct advantage CLASS provides is liquidity, access to the money and the recommendation was to approve opening the CLASS account authorizing General Manager Martinez and Office Manager Dillon to move all of the Districts County Pool Funds into the CLASS account, modify the investment policy to move money from the County pool fund to Class and direct Staff to create sub-accounts in CLASS for CalPERS Pension and OPEB. Board asked questions. There was no public comment. Vice President Bouchard made the motion to approve Staff's five recommendations: 1) receive and file report from Finance Committee members. 2) approve Resolution 23-03, Signature Authorization, and Investment Authorization in the Ventura County Treasury Pool. 3) authorize the transfer of \$8,100,000 from the Ventura County Treasury Pooled Investment Fund to California CLASS. 4) direct staff to create sub-accounts in CLASS for CalPERS Pension and OPEB and 5) approve the updated Investment Policy. Director Nast seconded the motion. The motion passed.

**ROLL CALL VOTE:**

**Bouchard: YES, Debley: YES, Brewer: YES, Lebow: YES, Nast: YES 5 - Yes 0 -No**

**2. CONSIDERATION AND ADOPTION OF RESOLUTION NO. 23-02 A RESOLUTION OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ESTABLISHING ANNUAL INCREASES FOR BOARD COMPENSATION**

Office Manager Dillon explained to change to the Board Compensation amount to a lower annual increase percentage of 4%, Resolution 23-02 needs to be adopted. There was no public comment. Director Brewer made the motion to adopt Resolution No. 23-02 a Resolution of the Channel Islands Beach Community Services District establishing annual increases for Board compensation. Vice President Debley seconded the motion. The motion passed.

**ROLL CALL VOTE:**

Bouchard: YES, Debley: YES, Brewer: YES, Lebow: YES, Nast: YES      5 - Yes 0 -No

**F. INFORMATION CALENDAR:**

1. Eide Bailly Engagement Letter

General Manager Martinez explained that this was Engagement letter from Eide Bailly to procure CPA services from Cindy Byerrum.

2. Report from Board Members for any meeting or conference where compensation for attendance was received.

President Debley said the PHWA meeting was canceled due to lack of quorum.

Vice President Bouchard said that the Finance Committee gave their report earlier under Action Calendar item E-1 recommendation 1.

Director Lebow reported that at the Special Board Meeting it was exciting to attend the Pre-Bid Conference and interesting to see all the bidders, the good turn out and observe the process.

**G. BOARD MEMBER COMMENTS:**

Director Nast confirmed details for the United Tour on Thursday April 13, 2023.

President Debley said he was pleased with the turnout at the Prebid Conference Meeting on Friday, March 24th.

**H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:**

General Counsel had no comments.

General Manager Martinez reported that the Hollywood Beach Realignment project was at 90% completion.

Regarding the new administration building, General Manager Martinez said the bidders' questions were due today. The bids close by April 26, 2023.

The Board Meeting adjourned at 6:40 P.M.

---

Sean Debley, President



Board of Directors:

SEAN DEBLEY, President  
 JARED BOUCHARD, Vice President  
 KRISTINA BREWER, Director  
 MICHAEL LEBOW, Director  
 BOB NAST, Director

PETER MARTINEZ  
 General Manager

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**Regular Board Meeting, May 9, 2023**

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** FY 2021 – 2022 Annual Audit Report  
**Item No.** E-1

**RECOMMENDATION:**

1. Approve Reserve and Allocations (transfers) for June 30, 2022.
2. Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2022.
3. Authorize staff to present a Final Audit Report.

**FINANCIAL IMPACT:** No impact to future budget. Board action validates the independent and professional review of the District’s financial statements to ensure the agency is compliant with all State reporting rules and guidelines.

**BACKGROUND/DISCUSSION:**

Attached for Board review is the Final FY 2021 – 2022 Audit Report prepared by Teaman, Ramirez, & Smith, Inc. Presented to the Board by Richard Teaman, Partner, CPA and Rick Gallo, Lead Field Manager.

The report issues a clean report for the District’s financial statements, internal controls and compliance with fiscal policies set by the Board. The reports indicated the following breakdown of performance by enterprise and can be tied directly to the audit on the page indicated in the table below.

Enterprise/Account	Performance	Page
<b>Water Enterprise</b>	\$266,149	Page 55
<b>Sewer Enterprise</b>	\$515,691	Page 58
<b>Solid Waste Enterprise</b>	(95,553)	Page 60
<b>Community Service</b>	\$55,453	Page 62

Pages 4 through 8 of the Audit Report detail the Financial Highlights of the fiscal year. The conclusions represented in the audit are arrived at based on the following procedures auditors perform during the audit, but are not limited to:

- Review all bank statements and cancelled checks, including bank reconciliations.
- Review accounts receivable, analysis and sampling of customer pay histories and rates and confirm with the customer the actual amount paid during the year.
- Review procedures and policies of the District to ascertain the staff is in compliance.
- Review accounts payable, including verification of payments.
- Review payroll records for accuracy of pay rates, overtime, accrued vacation and sick time.
- Review contracts with vendors to ascertain the District is in compliance with the agreement.
- Prepare the audited financial statements in accordance with Government Auditing Standards and generally accepted accounting principles.

Prior to considering the Audit Report, the Board must approve the allocations, or transfer of funds, between the District's accounts. This is an annual exercise that shifts funds within each Enterprise to help meet the District's established reserve policies. The allocations are summarized in Attachment 1.

**ATTACHMENTS:**

1. Allocations and Reserves for June 30, 2022
2. Final 2022 Financial Statements
3. Final 2022 Internal Control Report

CIB COMMUNITY SERVICES DISTRICT  
 INCOME & INTEREST ALLOCATION  
 Year Ended June 30, 2022

	UNRESTRICTED					BOARD RESTRICTED								OUTSIDE RESTRICTED			Difference								
	TOTAL	WATER	SEWER	TRASH	COMMUNITY SERVICE	WATER OP RESERVE	WATER RM RESERVE	WATER RATE STAB	WATER Debt Service	SEWER OP RESERVE	SEWER RM RESERVE	SEWER RATE STAB	Sewer Debt Service	TRASH OP RESERVE	TRASH RATE STAB	Trash Capital/RM		Comm Serv Operating	Comm Serv Capital/RM	WATER	SEWER	TRASH			
<b>Audited Income B4 Int *</b>	712,478	255,907	499,598	(98,480)	55,453																		712,478	0	
Add:																									
Depreciation	350,218	178,611	161,100	10,507																				350,218	0
Amortization	6,163	0	6,163																					6,163	0
Loss on Joint Venture	80,537	80,537																						80,537	0
Loss on disposal of assets	0	0	0	0																				0	0
Increase in Customer Deposit	9,726																		3,242	3,242	3,242			9,726	0
Increase in Pension related deferral outflows	(36,048)	(14,059)	(14,419)	(6,849)	(721)																			(36,048)	0
Increase in Pension related deferral inflows	2,375	926	950	451	48																			2,375	0
Increase in Pension liability	(26,873)	(10,480)	(10,749)	(5,106)	(537)																			(26,873)	0
Increase in OPEB liability	248,180	96,790	99,272	47,154	4,964																				
Principle Pymts LTD	(477,265)	(367,265)	(110,000)																					(477,265)	0
New loan	0	0																	0	0	0			0	0
Pymts on CIP	(228,650)	(118,898)	(64,022)	(45,730)																				(228,650)	0
Purchase of Assets	(403,773)	(354,005)	(49,768)	0																				(403,773)	0
Development Impact Fees	24,840	24,840																						24,840	0
Proceed on sale of assets	0	0	0	0	0																			0	0
LESS: Gain included in Audit Income	0	0	0	0	0																			0	0
Change in PP & Accruals	(82,459)	(22,712)	(23,989)	(28,619)	(7,139)																			(82,459)	0
<i>Adj net income to draft financials</i>		0	0	0	0																			0	0
Alloc of CS	0																							0	0
Net inc(dec) in cash B4 Int	179,449	(249,808)	494,136	(126,672)	52,067	0	0	0	0	0	0	0	0	0	0	0	0	3,242	3,242	3,242			179,449	0	
Cash beginning of year	8,528,460	35,000	35,000	35,000	0	416,966	2,437,302	180,786	398,000	398,443	3,544,726	173,377	191,000	189,686	89,875	18,570	7,281	282,993	31,485	31,485	31,485			8,528,460	0
Cash @ 6/30/22 B4 Int	8,707,909	(214,808)	529,136	(91,672)	52,067	416,966	2,437,302	180,786	398,000	398,443	3,544,726	173,377	191,000	189,686	89,875	18,570	7,281	282,993	34,727	34,727	34,727			8,707,909	0
<b>AVERAGE CASH</b>	8,618,185	(89,904)	282,068	(28,336)	26,033	416,966	2,437,302	180,786	398,000	398,443	3,544,726	173,377	191,000	189,686	89,875	18,570	7,281	282,993	33,106	33,106	33,106			8,618,184	1
<b>Interest Allocation:</b>																									
Direct Interest	29,264	(309)	969	(97)	89	1,432	8,373	621	1,367	1,369	12,177	596	656	652	309	64	25	972						29,264	0
Total Interest	29,264	(309)	969	(97)	89	1,432	8,373	621	1,367	1,369	12,177	596	656	652	309	64	25	972	0	0	0			29,264	0
Cash @ 6/20 B4 Brd Trans	8,737,173	(215,117)	530,105	(91,769)	52,156	418,398	2,445,675	181,407	399,367	399,812	3,556,903	173,973	191,656	190,338	90,184	18,634	7,306	283,965	34,727	34,727	34,727			8,737,173	0
TRANSFERS		250,117	(495,105)	126,769	(52,156)	(38,784)	(194,404)	(15,562)	(1,367)	(69,043)	592,469	(27,665)	(656)	3,170	1,219	(634)	154	(78,522)						0	0
<b>ACTUAL CASH @ 6/30/22</b>	<b>8,737,173</b>	<b>35,000</b>	<b>35,000</b>	<b>35,000</b>	<b>0</b>	<b>379,614</b>	<b>2,251,271</b>	<b>165,845</b>	<b>398,000</b>	<b>330,769</b>	<b>4,149,371</b>	<b>146,308</b>	<b>191,000</b>	<b>193,508</b>	<b>91,403</b>	<b>18,000</b>	<b>7,460</b>	<b>205,443</b>	<b>34,727</b>	<b>34,727</b>	<b>34,727</b>			<b>8,737,173</b>	<b>0</b>

Reserve calculation at 6/30/2021  
Based on 2022/2023 budget

**Operating and Rate Stabilization Reserves**

	Operating budget 2022/2023	Operating reserve 25% of operating budget	Rate stabilization reserve 10% of operating reserve
Water Enterprise	1,658,454	414,614	165,845
Sewer Enterprise	1,463,076	365,769	146,308
Solid Waste Enterprise	914,032	228,508	91,403
Community Service Enterprise	29,838	7,460	-
Total		<u>1,016,351</u>	<u>403,556</u>

Community service enterprise do not bill to the rate payers, hence no rate stabilization reserve is required.

**Capital Reserves**

Total Fixed Assets @ 6/30/2022		13,251,855
Capital reserve 3.5% of assets	3.50%	463,815
Allocated between:		
Water:	51%	236,546
Sewer:	46%	213,355
Solid Waste:	3%	13,914

**Debt Service Reserves**

Water Revenue Bonds	100%	313,000	
Sewer Refunding Bonds	100%	191,000	
Water Meter Project	100%	85,000	589,000

**Total Cash Available in each Enterprise**

	Water	Sewer	Solid Waste	Community Service	Total
Total available @ 6/30/2022	3,264,458	4,887,175	372,637	212,903	8,737,173
Less, Unrestricted cash	(35,000)	(35,000)	(35,000)		(105,000)
Outside restricted	(34,727)	(34,727)	(34,727)		(104,181)
Less, board designated reserves:					
Operating reserve	(379,614)	(330,769)	(193,508)	(7,460)	(911,351)
Rate stabilization reserve @ 6.30.22	(165,845)	(146,308)	(91,403)		(403,556)
Capital reserve @ 6.30.22	(2,251,272)	(4,149,371)	(17,999)	(205,443)	(6,624,085)
Debt service reserve 6.30.22	(398,000)	(191,000)			(589,000)
Undesignated reserves (capital reserve)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



CIB COMMUNITY SERVICES DISTRICT  
 CASH ACCOUNT SUMMARY  
 30-Jun-22

	WATER	SEWER	TRASH	COMMUNITY SERVICE	TOTAL
Unrestricted	35,000	35,000	35,000	-	105,000
Board Restricted	3,194,731	4,817,448	302,910	212,903	8,527,992
Outside Restricted	34,727	34,727	34,727	-	104,181
Total Cash	3,264,458	4,887,175	372,637	212,903	8,737,173

**CHANNEL ISLANDS BEACH**  
**COMMUNITY SERVICES DISTRICT**  
**ANNUAL AUDIT REPORT**  
Years Ended June 30, 2022 and 2021



**Channel Islands Beach Community Services District**  
**Annual Audit Report**  
Years Ended June 30, 2022 and 2021

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Channel Islands Beach Community  
Services District  
Oxnard, CA

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of June 30, 2022 and 2021, and the respective changes in financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matters*

##### *Change in Accounting Principle*

As described in Note 1B to the basic financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, No. 92, *Omnibus 2020*, No. 93, *Replacement of Interbank Offered Rates*, No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and No. 98, *The Annual Comprehensive Financial Report*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary section on pages 4 - 8 and 47 - 49 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information section is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other

records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated \_\_\_\_\_, 2023, on our consideration of the District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Riverside, California

\_\_\_\_\_, 2023



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Channel Islands Beach Community Services District, we offer readers of the Channel Islands Beach Community Services District's financial statements this narrative overview and analysis of the Channel Islands Beach Community Services District and its financial activities for the fiscal year ended June 30, 2022.

### OVERVIEW

#### FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements reflect the combined results of the Operating and Capital Programs and include four components: 1) Statements of Net Position; 2) Statements of Revenues, Expenses and Changes in Net Position; 3) Statements of Cash Flows; and, 4) Notes to the Financial Statements. In addition to the basic financial statements, supplementary information is also presented.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation).

The Statement of Cash Flows presents information regarding the District's use of cash during the year. Cash flows will differ from revenues and expenses because the statement accounts only for transactions that resulted in the District's receipt or payment of cash during the year.

### FINANCIAL HIGHLIGHTS

#### SIGNIFICANT EVENTS AND TRANSACTIONS

**The Board of Directors restricted the following amounts to their respective utilities:**

- ◆ Water - \$2,251,271 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$379,614 operating reserve, \$398,000 for debt service and \$165,845 for rate stabilization.
- ◆ Sewer - \$4,149,371 for Capital and future unanticipated repairs and maintenance of sewer system, 330,769 operating reserve, \$191,000 for debt service and \$146,308 for rate stabilization.
- ◆ Trash - \$18,000 for Capital and future unanticipated repairs and maintenance, \$193,508 for operating reserve and \$91,403 for rate stabilization.
- ◆ Community service - \$205,443 for Capital and future unanticipated repairs and maintenance and \$7,460 for operating reserve.

- In 2021, the District hired an outside consultant to conduct a 5-year rate study to calculate the cost of providing services, cost of future maintenance requirements of the District's infrastructure and cost of future capital expenditures. The results of this study gave the District a 5-year rate adjustment schedule from 2021 through 2026 and was implemented via Proposition 218 hearing and notice. Based on the recommendation of the outside consultants, the board of directors has initiated a rate increase with effect from the billing period starting September 1, 2021. There was an increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate. The board of directors also initiated another rate increase of 3% on water rate, 3% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 1, 2022. The board anticipates more changes in rate structure will take place in the near term to maintain the level of services provided by the District.
- In 2022, the District implemented GASB 75, accounting and financial reporting for postemployment benefits other than pension that resulted in the net other postemployment benefits (OPEB) liability of \$248,180. The disclosures related to OPEB are made by the District in the footnotes.
- In 2022, the District paid off Water Revenue Refunding Bonds Series 2012 that was issued to advance refund the 2005B Revenue Refunding Certificates of Participation.

## **FINANCIAL STATEMENTS**

### **NET POSITION**

The District's Net Position as of June 30, 2022, 2021 and 2020 totaled \$15,891,180, \$15,141,538 and \$14,221,366 respectively. At the end of the current year, the District is able to report positive balances in all categories of net position. The District's net position increased by \$749,642 from the prior year.

**FIGURE 1. NET POSITION**

	<u>As of June 30, 2022</u>	<u>As of June 30, 2021</u>	<u>As of June 30, 2020</u>
<b>Assets</b>			
Current Assets	\$ 9,368,653	\$ 9,164,935	\$ 8,886,961
Restricted Assets	104,181	94,455	82,155
Capital Assets, Net	7,181,254	6,899,050	6,399,223
Other Assets	<u>2,772,731</u>	<u>2,848,685</u>	<u>2,953,792</u>
TOTAL ASSETS	<u>\$ 19,426,819</u>	<u>\$ 19,007,125</u>	<u>\$ 18,322,131</u>
<b>Deferred Outflows of Resources</b>			
Pension Related Items	\$ 139,436	\$ 103,388	\$ 74,743
Deferred Amount on Refunding	<u>36,042</u>	<u>50,544</u>	<u>100,444</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 175,478</u>	<u>\$ 153,932</u>	<u>\$ 175,187</u>
<b>Liabilities</b>			
Current Liabilities	\$ 934,660	\$ 1,298,941	\$ 1,074,736
Long-Term Debt	<u>2,774,044</u>	<u>2,720,540</u>	<u>3,201,200</u>
TOTAL LIABILITIES	<u>\$ 3,708,704</u>	<u>\$ 4,019,481</u>	<u>\$ 4,275,936</u>
<b>Deferred Inflows of Resources</b>			
Pension Related Items	<u>\$ 2,413</u>	<u>\$ 38</u>	<u>\$ 16</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 2,413</u>	<u>\$ 38</u>	<u>\$ 16</u>
<b>Net Position</b>			
Net Investment in Capital Assets	\$ 4,621,633	\$ 3,876,666	\$ 2,963,651
Unrestricted	<u>11,269,547</u>	<u>11,264,872</u>	<u>11,257,715</u>
TOTAL NET POSITION	<u>\$ 15,891,180</u>	<u>\$ 15,141,538</u>	<u>\$ 14,221,366</u>

Total assets increased by \$419,694, which is mostly due to an increase in cash account due to current year's operating surplus, and current year's fixed assets addition. Total liabilities decreased by \$310,777 which is due to a decrease in long-term debt due to principal payments made on outstanding sewer and water bonds, and a loan for the water meter project.

**REVENUES, EXPENSES AND CHANGES IN NET POSITION**

Charges for operating services totaled \$5,292,413, \$5,345,159 and \$5,001,824, respectively for the years ended June 30, 2022, 2021, and 2020. The District is reporting operating income of \$798,810, \$924,895, and \$984,295, respectively for the years ended June 30, 2022, 2021 and 2020. Operating expenses before depreciation and amortization totaled \$4,137,222, \$4,046,407 and \$3,648,991, respectively for the years ended June 30, 2022, 2021 and 2020. Depreciation and amortization expenses totaled \$356,381, \$373,857 and \$368,538, respectively as of June 30, 2022, 2021 and 2020.

**FIGURE 2. REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30:**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>			
Charges for Operating Services	\$ 5,292,413	\$ 5,345,159	\$ 5,001,824
Interest	29,265	43,093	134,719
Other Non-Operating Revenues*	6,249	8,074	4,515
Development impact fee	<u>24,840</u>	<u>68,416</u>	<u>41,568</u>
<b>TOTAL REVENUES</b>	<u>\$ 5,352,767</u>	<u>\$ 5,464,742</u>	<u>\$ 5,182,626</u>
<b>Expenses</b>			
Operating Expenses	\$ 4,493,603	\$ 4,420,264	\$ 4,017,529
Other Non-Operating Expenses	92,584	107,368	121,807
Depreciation on Contributed Assets	<u>16,938</u>	<u>16,938</u>	<u>16,938</u>
<b>TOTAL EXPENSES</b>	<u>\$ 4,603,125</u>	<u>\$ 4,544,570</u>	<u>\$ 4,156,274</u>
<b>Change in Net Position</b>	\$ 749,642	\$ 920,172	\$ 1,026,352
<b>Net Position at Beginning of Year</b>	<u>\$ 15,141,538</u>	<u>\$ 14,221,366</u>	<u>\$ 13,195,014</u>
<b>Net Position at End of Year</b>	<u>\$ 15,891,180</u>	<u>\$ 15,141,538</u>	<u>\$ 14,221,366</u>

\* Includes \$80,537, \$88,169 and \$88,170 loss from Joint Venture for year ended June 30, 2022, and 2021 and 2020, respectively.

Total revenues decreased by \$111,975. Most of the decrease is due to a decrease in water and sewer revenue.

Total expenses increased by \$58,555. Most of the increase is due to an increase in retirement benefits.

### CAPITAL ASSETS

The District's Capital Assets for 2020, 2021 and 2022 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2020	\$ 11,787,310	\$ (5,388,087)	\$ 6,399,223
2021	\$ 12,619,433	\$ (5,720,383)	\$ 6,899,050
2022	\$ 13,251,855	\$ (6,070,601)	\$ 7,181,254

During the current year, the District capitalized various operating assets totaling \$403,772. There is also a construction in progress in the current year totaling \$228,650. Please refer to Note 4, *Capital Assets*, presented in the Notes to Financial Statements for additional detail regarding the District's Capital Assets.

## **LONG-TERM DEBT**

At the end of the current fiscal year, the District had \$2,955,029 total long-term debt outstanding. For 2021 and 2020, the District had \$3,197,805 and \$3,664,288 total long-term debt outstanding. Please refer to Note 5, *Long-Term Debt*, presented in the Notes to Financial Statements for additional detail regarding the District's Long-Term Debt.

## **ECONOMIC FACTORS AND BUDGET**

The District does not anticipate any increase in business or water consumption within the Harbor for Fiscal Year 2022-23. However, when the economic climate improves, the District anticipates significant redevelopment or new development to occur within the Channel Islands Harbor resulting in increased consumption and revenues. The District will take that into consideration in future budget years.

Another factor affecting the District's operation is California's ongoing drought and state's mandated water conservation program. Although the District has ample water supplies to meet current customer demands, the District has implemented stage 2 water supply shortage regulations, which includes limits on outdoor watering and wasteful water practices. The District's efforts to comply with state mandated water conservation requirements has resulted in decreased water consumption by District's customers.

## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the Board, the District's Member Agencies, taxpayers, and creditors with a general overview of the Channel Islands Beach Community Services District's accountability for the money it manages. If you have questions about this report or need additional financial information, contact the Channel Islands Beach Community Services District's Administration Department, 353 Santa Monica Drive Oxnard, California, 93035.

## **BASIC FINANCIAL STATEMENTS**



**Channel Islands Beach Community Services District**  
**Statements of Net Position**  
June 30, 2022 and 2021

	2022	2021
<b>ASSETS</b>		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	8,527,992	8,329,005
Accounts Receivable (Note 1)	398,375	418,899
Other Receivable (Note 1)	248,760	248,760
Interest Receivable	12,892	6,012
Prepaid Items (Note 1)	68,471	50,987
Inventory (Note 1)	7,163	6,272
Total Current Assets	9,368,653	9,164,935
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	104,181	94,455
Net Pension Asset	21,521	-
Land and Construction in Progress, Not Being Depreciated (Note 4)	711,177	482,527
Capital Assets, Net of Depreciation (Note 4)	6,470,077	6,416,523
Total Noncurrent Assets	7,306,956	6,993,505
<b>OTHER ASSETS</b>		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 12)	2,751,210	2,848,685
Total Other Assets	2,751,210	2,848,685
Total Assets	19,426,819	19,007,125
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding (Note 1)	36,042	50,544
Pension Related Items (Note 7)	139,436	103,388
Total Deferred Outflows of Resources	\$ 175,478	\$ 153,932

The accompanying notes are an integral part of these statements.



**Channel Islands Beach Community Services District**  
**Statements of Net Position - Continued**  
June 30, 2022 and 2021

	2022	2021
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 431,418	\$ 500,782
Other Liabilities (Note 1)	42,487	52,245
Current Portion of Long-term Debt (Note 5)	180,985	477,265
Accrued Payroll, Taxes and Benefits	148,116	141,148
Customer Deposits	104,181	94,455
Accrued Interest	27,473	33,046
Total Current Liabilities	934,660	1,298,941
Long-term Debt (Note 5):		
Water Refunding Series 2012 Bond Payable, Net	-	303,604
Wastewater Refunding Series 2016 Bond Payable, Net	2,191,186	2,309,525
Loan Payable	515,663	579,324
Net Pension Liability	-	5,352
Net OPEB Liability	248,180	-
Total Long-term Debt, Net of Unamortized Premium (Note 5)	2,955,029	3,197,805
Less Current Portion	(180,985)	(477,265)
Total Long-term Debt	2,774,044	2,720,540
Total Liabilities	3,708,704	4,019,481
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension Related Items (Note 7)	2,413	38
Total Deferred Inflows of Resources	2,413	38
<b>NET POSITION (Notes 1 and 6)</b>		
Net Investment in Capital Assets	4,621,633	3,876,666
Unrestricted	11,269,547	11,264,872
Total Net Position	\$ 15,891,180	\$ 15,141,538

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position**  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>OPERATING REVENUES</b>		
Water Revenue	\$ 2,086,617	\$ 2,134,866
Sewer Revenue	1,396,483	1,453,443
Sewer Revenue - Oxnard	995,039	971,189
Trash Revenue	814,274	785,661
Total Operating Revenues	5,292,413	5,345,159
<b>OPERATING EXPENSES</b>		
Water System Expenses:		
PHWA Water Expenses	754,937	819,697
Water Samples	11,264	11,125
SDHS Annual Administrative Fee	16,646	13,464
Cross Connect Contract Charges	1,500	2,420
Repairs and Maintenance - Distribution	109,509	139,823
Water Quality Report	1,354	1,349
Telemetry	10,310	11,524
Total Water System Expenses	905,520	999,402
Sewer System Expenses:		
Waste Water Transportation - Oxnard	905,371	904,377
Operations and Maintenance	36,291	105,570
Telemetry	32,805	28,878
Power	23,558	21,210
Total Sewer System Expenses	998,025	1,060,035
Trash Expenses:		
Trash Services	592,379	582,779
Total Trash Expenses	592,379	582,779
Maintenance Expenses:		
Vehicle Expenses	19,883	5,456
Building Maintenance and Security	17,405	12,247
Sign and Banner Expense	-	356
Public Landscape Project	5,181	3,827
Employee Workplace Safety	4,232	4,926
Gasoline Expenses	15,337	10,182
Total Maintenance Expenses	62,038	36,994
Salaries and Benefits:		
Regular Salaries	797,226	767,105
Retirement Benefits	263,417	68,407
Uniforms	6,181	4,926
Insurance	148,943	131,756
Payroll Taxes	12,325	11,426
Employee Educational Expense	15,111	10,026
Total Salaries and Benefits	\$ 1,243,203	\$ 993,646

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position - Continued**  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>OPERATING EXPENSES (CONTINUED)</b>		
Administrative Expenses:		
Board Meetings	\$ 8,478	\$ 5,769
Board/Committee Expenses	1,264	821
Conferences and Seminars - Board	2,687	2,207
Dues/ Membership	24,873	23,877
Office Supplies	8,487	7,465
E-Pay Online	4,377	3,733
Communications	20,787	22,509
Printing and Publications	5,285	2,166
Postage and Shipping	12,305	8,946
Utilities	2,753	1,961
Miscellaneous Office Expense	10,249	13,506
Other Professional Services	25,392	72,398
Office Equipment Maintenance	7,343	5,052
Insurance	22,918	31,794
Accounting Services	35,995	43,407
Computer Services	52,869	32,513
Legal Services	29,146	33,052
Engineering Services	49,259	53,110
Bank and Trustee Fees	3,781	3,795
Legal Notices Publication Expense	958	3,303
Public Information	1,942	205
	331,148	371,589
Total Administrative Expenses		
Other Operating Expenses:		
Depreciation (Note 4)	350,218	332,296
Amortization (Note 1)	6,163	41,561
Bad Debt (Note 1)	4,909	1,962
	361,290	375,819
Total Other Operating Expenses		
Total Operating Expenses	4,493,603	4,420,264
<b>OPERATING INCOME</b>	<b>\$ 798,810</b>	<b>\$ 924,895</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Revenues, Expenses and Changes in Net Position - Continued**  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
Investment Earnings	\$ 29,265	\$ 43,093
Net Gain (Loss) from Joint Venture (Note 12)	(80,537)	(88,169)
County Tax Apportionment (Note 1)	86,786	83,329
Miscellaneous Revenues	-	12,914
Interest Expense	(92,584)	(107,368)
Total Non-Operating Revenues and Expenses	(57,070)	(56,201)
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>741,740</b>	<b>868,694</b>
<b>CAPITAL CONTRIBUTIONS (NOTE 1)</b>		
Developmental Impact Fee	24,840	68,416
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	7,902	51,478
<b>CHANGE IN NET POSITION</b>	<b>749,642</b>	<b>920,172</b>
<b>NET POSITION, BEGINNING OF YEAR</b>	<b>15,141,538</b>	<b>14,221,366</b>
<b>NET POSITION, END OF YEAR</b>	<b>\$ 15,891,180</b>	<b>\$ 15,141,538</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Cash Flows**  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Water, Sewer and Trash Services	\$ 5,308,028	\$ 5,297,216
Cash Payments to Contract and Water System Services	(2,575,917)	(2,493,210)
Cash Payments to Maintenance and Administration Services	(400,964)	(409,029)
Cash Payments to Employees for Services	(1,048,601)	(965,865)
	<b>1,282,546</b>	<b>1,429,112</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
County Tax Apportionment	86,786	83,329
	<b>86,786</b>	<b>83,329</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(632,422)	(832,123)
Capital Contributions	24,840	68,416
Principal Paid on Debt	(477,265)	(463,088)
Interest Paid on Debt	(98,157)	(112,778)
	<b>(1,183,004)</b>	<b>(1,339,573)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Earnings	22,385	78,130
	<b>22,385</b>	<b>78,130</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>208,713</b>	<b>250,998</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>8,528,460</b>	<b>8,277,462</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 8,737,173</b>	<b>\$ 8,528,460</b>

The accompanying notes are an integral part of these statements.

**Channel Islands Beach Community Services District**  
**Statements of Cash Flows - Continued**  
Years Ended June 30, 2022 and 2021

	2022	2021
<b>RECONCILIATION OF OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Operating Income	\$ 798,810	\$ 924,895
<b>ADJUSTMENTS TO RECONCILE NET OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Miscellaneous Revenues	-	12,914
Depreciation and Amortization	356,381	373,857
Bad Debt Expense	4,909	1,962
(Increase) Decrease in Accounts and Other Receivables	15,615	(47,943)
(Increase) Decrease in Prepaid Items	(17,484)	(27,884)
(Increase) Decrease in Inventory	(891)	(448)
(Increase) Decrease in Net Pension Asset	(21,521)	-
(Increase) Decrease in Deferred Outflows - Pension Related Items	(33,635)	(28,645)
Increase (Decrease) in Accounts Payable and Other Liabilities	(79,122)	151,678
Increase (Decrease) in Accrued Payroll, Taxes and Benefits	6,968	51,460
Increase (Decrease) in Customer Deposits	9,726	12,300
Increase (Decrease) in Net Pension Liability	(5,352)	4,944
Increase (Decrease) in Net OPEB Liability	248,180	-
Increase (Decrease) in Deferred Inflows - Pension Related Items	(38)	22
<b>TOTAL ADJUSTMENTS</b>	483,736	504,217
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	\$ 1,282,546	\$ 1,429,112
<b>SUPPLEMENTAL DISCLOSURES</b>		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,527,992	8,329,005
Restricted Cash and Cash Equivalents	104,181	94,455
Total	\$ 8,737,173	\$ 8,528,460
Non-cash Investing and Financing Activities consisted of the following:		
Amortization Related to Long-term Debt	\$ 6,163	\$ 41,561
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

The accompanying notes are an integral part of these statements.

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**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

<u>NOTE</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
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**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Reporting Entity**

The Channel Islands Beach Community Services District, a public agency, was created by election held on November 2, 1982 as the first such district in Ventura County. The District began operations December 13, 1982 pursuant to the Community Services District Law of the State of California, as amended, with authority under the Government Code, Section 61000 et. seq. The District's major utility operations include the provision of water, sewer and trash utility services.

The Channel Islands Beach Community Services District is a successor district to its first predecessor agency, the Oxnard Beach County Water District ("OBCWD"), which was organized on January 28, 1960. Its inception resulted from the merging of three mutual water companies for the purpose of more economically providing water services to the beach communities and County of Ventura Channel Islands Harbor facilities. The District's immediate predecessor agency, the Channel Islands County Water District, succeeded OBCWD in 1973, followed by the Channel Islands Beach Community Services Districts' succession by its formation in 1982.

The Channel Islands Beach Community Services District is located on the coastal plain of Ventura County. The District comprises an unincorporated total of 6,630 acres; however, the major portion of this acreage is in a seaward extension to the three-mile limit. The developed portion of the District, which is on the county assessment rolls, lies around the Channel Islands Harbor and comprises about 151 acres. The District is bound on the east by the United States Naval Base Ventura County, Port Hueneme, on the north and west by portions of the Cities of Oxnard and Port Hueneme, and on the south by the Pacific Ocean.

The Channel Islands Beach Community Services District serves the communities of Hollywood Beach, Hollywood by the Sea and Silver Strand. The District also serves an adjacent incorporated portion of the Channel Islands Harbor, which is outside the District's boundaries, pursuant to existing service agreements with the County of Ventura and the City of Oxnard.

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

**GASB Statements Implemented as of June 30, 2022**

Governmental Accounting Standard Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. The intent of this Statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement for reporting periods beginning after June 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. Currently, this statement has no effect on the District's financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

**GASB Statements Implemented as of June 30, 2022 - Continued**

Governmental Accounting Standard Board Statement No. 89

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2020. This statement is required to be implemented in the 2022 fiscal year by the District. Currently, this statement has no effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 92

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. Currently, this statement has no effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 93

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. This statement is required to be implemented in the 2022 fiscal year by the District. Currently, this statement has no effect on the financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

**GASB Statements Implemented as of June 30, 2022 - Continued**

Governmental Accounting Standard Board Statement No. 97

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. Currently, this statement has no effect on the financial statements.

Governmental Accounting Standard Board Statement No. 98

In October of 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Statement No. 98 is effective for fiscal years ending after December 15, 2021. This statement is required to be implemented in the 2022 fiscal year by the District. Currently, this statement has no effect on the financial statements.

**Pending Accounting Standards**

GASB has issued the following statements which impact the District's financial reporting requirements in the future:

Governmental Accounting Standard Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. Due to the COVID-19 pandemic, GASB No. 95 delayed the implementation of this Statement by one year for reporting periods beginning after December 15, 2021. This statement is required to be implemented in the 2023 fiscal year by the District. The District has elected not to early implement GASB No. 91 and has not determined its effect on the District's financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

**Pending Accounting Standards - Continued**

Governmental Accounting Standard Board Statement No. 94

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. The District has elected not to early implement GASB No. 94 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 96

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 96 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. This statement is required to be implemented in the 2023 fiscal year by the District. The District has elected not to early implement GASB No. 96 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 99

In April of 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Statement No. 99 is effective upon issuance except for requirements related to leases, PPPs, and SBITAs which is effective for fiscal years beginning after June 15, 2022, and requirements related to financial guarantees and the classification and reporting of derivative instructions within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023. This statement is required to be implemented in the 2024 fiscal year by the District. The District has elected not to early implement GASB No. 99 and has not determined its effect on the District's financial statements.

Governmental Accounting Standard Board Statement No. 100

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023. This statement is required to be implemented in the 2024 fiscal year by the District. The District has elected not to early implement GASB No. 100 and has not determined its effect on the District's financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued**

**Pending Accounting Standards - Continued**

Governmental Accounting Standard Board Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for fiscal years beginning after December 15, 2023. This statement is required to be implemented in the 2025 fiscal year by the District. The District has elected not to early implement GASB No. 101 and has not determined its effect on the District's financial statements.

**C) Basis of Presentation**

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as they are applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies reflected in the financial statements are summarized as follows:

**D) Basis of Accounting and Measurement Focus**

The District reports its activities as an enterprise fund, which is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the District is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The District financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from those revenues and expenses that are non-operating. Operating revenues are those revenues that are generated by water sales and services while operating expenses pertain directly the furnishing of those services. Non-operating revenues and expenses are those revenues and expenses generated that are not directly associated with the normal business of supplying water and services.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**E) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows/inflows of resources and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**F) Budgetary Data**

Formal budgetary accounting is employed as a management control for the District. Annual operating budgets are adopted each fiscal year on the budgetary basis in accordance with existing legal requirements. Budgetary control is exercised at the utility enterprise divisional program level. The District did not modify their adopted operating budget for the year ended June 30, 2022.

The encumbrance method of accounting for budget information is not employed by the District.

**G) Investments**

As a governmental entity other than an external investment pool in accordance with GASB, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

In applying GASB, the District utilized the following methods and assumptions:

- 1) Fair value is based on quoted market prices as of the valuation date;
- 2) The portfolio did not hold investments in any of the following:
  - a) Items required to be reported at amortized cost,
  - b) Items in external pools that are not SEC registered,
  - c) Items subject to involuntary participation in an external pool,
  - d) Items associated with a fund other than the fund to which the income is assigned;
- 3) The gain/loss resulting from valuation will be reported within the revenue account "investment earnings" on the Statement of Revenues and Expenses.

In accordance with GASB, for purposes of the statement of cash flows, all cash and investments with original maturities of 90 days or less are considered cash or cash equivalents.

**H) Accounts Receivable**

The District has established a reserve for doubtful accounts based on the prior three years of bad debts. The amount of the reserve for doubtful accounts at June 30, 2022 and 2021 was \$5,000 and \$5,000, respectively. The Bad Debt expense was \$4,909 and \$1,962 as of June 30, 2022 and 2021, respectively.

**I) Other Receivables and Other Liabilities**

Other receivables include \$248,760 and \$248,760 from the City of Oxnard as of June 30, 2022 and 2021. The District and the City of Oxnard share a pipeline for wastewater transportation and treatment in which the City of Oxnard reimburses the District for the estimated cost for their portion of the use of the pipeline. Other liabilities include unearned COVID-19 relief funds of \$42,487 as of June 30, 2022 and accrued amounts for water purchases of \$52,245 as of June 30, 2021.



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**J) Inventory and Prepaid Items**

Inventory is valued at the lower of cost (first-in, first-out) or market.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items include \$19,131 for insurance and dues, and \$49,340 for water purchases (Port Hueneme Water Agency true-up) as of June 30, 2022. Prepaid items include \$12,244 for insurance and dues, and \$38,743 for waste water transportation, as of June 30, 2021.

**K) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District only has the following items that qualify for reporting in this category. The District has deferred charges on refunding reported in the statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The District also has deferred outflows related to pensions for pension contributions subsequent to the measurement date of the net pension liability, and other amounts (see Note 7), which are amortized by an actuarial determined period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows related to pensions. These amounts (see Note 7) are amortized by an actuarial determined period.

**L) Compensated Absences**

Employees are entitled to annual leave at a rate of 6.77 hours (1 to 4 years of service), 8.30 hours (5 to 9 years of service) and 9.84 hours (10 years or more of services) per pay period, depending on the number of years of service completed. The annual maximum accrued leave is limited to 500 hours. All hours over that will be paid out to the employee after the pay period in which it was earned. Upon termination, separation, or retirement, each employee is paid for all their annual leave hours at the hourly rate then in effect. In accordance with accounting principles generally accepted in the United States of America, the liability is reflected in the line item for accrued payroll, taxes and benefits on the statement of net position and the current year allocation has been expensed.

**M) Bond Discounts and Premiums**

The District amortizes bond discounts and premiums using the straight-line method over the term of the related bond issue. The current related bond issue is the 2016 Wastewater Refunding Bond Series.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**N) Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additional to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**O) Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	January 1, 2022 to June 30, 2022

**P) Net Position**

GASB requires that the difference between assets, liabilities and deferred outflows/inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position classified as net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding principal of related debt. Restricted net position is the net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

**Q) County Tax Apportionment**

Taxes are considered revenue in the year in which collections are made, as that is when they are both measurable and available.

The District utilizes the services of Ventura County for the assessment and collection of taxes (special benefit assessments and general property taxes). These taxes are collected at the same time and on the same tax rolls as are county, cities, school districts and other special district taxes. Assessed valuations are the same for both District and County taxing purposes. The District receives an apportionment of the County's one percent (1%) maximum property tax levy. The percentage of tax that the District receives is determined by a formula prepared by the Ventura County Tax Assessor in



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**Q) County Tax Apportionment - Continued**

accordance with State law. The valuation of property is determined as of March 1 of each year. Secured taxes are payable in two installments the first is due November 1, and the second due February 1. Such taxes are considered delinquent if not paid by December 10 and April 10 immediately following their respective due dates. Taxes on unsecured property are due March 1 and become delinquent August 31 and such taxes are levied at the prior years' secured tax rate. The county wide 1% levy has been pledged to debt service of the District.

**R) Contributed Capital**

Contributed capital represents cash or utility plant additions contributed to the District by property owners or developers desiring services that require capital expenditures or capacity commitment. In accordance with GASB Statement 33 all such capital contributions are reflected as revenues.

**S) Reclassifications**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**2) CASH AND INVESTMENTS**

The District has defined cash for purposes of the statement of cash flows to include cash on hand, demand deposits and cash with the County Treasurer.

The District participates in the County Pool Investment Program with interest being allocated on the basis of deposit in the Treasury. Investment policies and associated risk factors applicable to District monies are those of the County of Ventura and are included in the County's Annual Financial Report. The carrying value and estimated market value of the County of Ventura Pool at June 30, 2022, were \$3,784,920,807 and \$3,723,151,281 respectively and at June 30, 2021, were \$3,024,814,033 and \$3,019,796,642. The District's share of the Pool at June 30, 2022 and 2021 was approximately 0.215 percent and 0.261 percent.

The District utilized a commercial bank for all operational transactions. The District invests cash with the County Treasurer and in Union Bank (fiscal agent for proceeds of debt). At June 30, 2022 and 2021 the carrying amount of the District's petty cash, deposits and investments were \$8,737,173 and \$8,528,460 and are broken down as follows:

	2022	2021
Petty Cash	\$ 2,100	\$ 750
County Treasury	7,997,999	7,888,828
Pacific Western Bank	737,074	638,882
Total	\$ 8,737,173	\$ 8,528,460

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**2) CASH AND INVESTMENTS - Continued**

The District has adopted an investment policy, which authorizes the District's investment in local obligations, obligations of the United States Treasury and agencies, the County Pool Investment Program, savings and other interest-bearing accounts. The District selects its investments based on safety, liquidity and yield.

Cash and Investments are classified in the accompanying financial statements as follows:

	<u>2022</u>	<u>2021</u>
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	8,527,992	8,329,005
Restricted Cash and Cash Equivalents	<u>104,181</u>	<u>94,455</u>
 Total Cash and Investments	 <u>\$ 8,737,173</u>	 <u>\$ 8,528,460</u>

Cash and investments consist of the following:

	<u>2022</u>	<u>2021</u>
Cash on Hand	\$ 2,100	\$ 750
Deposits with Financial Institutions	737,074	638,882
Ventura County Treasurer's Pooled Investments	<u>7,997,999</u>	<u>7,888,828</u>
 Total Cash and Investments	 <u>\$ 8,737,173</u>	 <u>\$ 8,528,460</u>

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of *Portfolio</u>	<u>Maximum Investment In One Issuer</u>
Money Market Funds	N/A	20%	None
County Pooled Investment Funds	N/A	None	None

\*Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**2) CASH AND INVESTMENTS - Continued**

**Investments Authorized by Debt Agreements**

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The District had the following investments:

	2022		2021	
	Amount	Maturity Date	Amount	Maturity Date
Ventura County Treasurer's Pooled Investments	\$ 7,997,999	N/A	\$ 7,888,828	N/A
Total	<u>\$ 7,997,999</u>		<u>\$ 7,888,828</u>	

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

**June 30, 2022**

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	\$ 7,997,999	N/A	\$ -	\$ 7,997,999	\$ -	\$ -
Total	<u>\$ 7,997,999</u>		<u>\$ -</u>	<u>\$ 7,997,999</u>	<u>\$ -</u>	<u>\$ -</u>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**2) CASH AND INVESTMENTS - Continued**

**June 30, 2021**

<u>Investment Type</u>		<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
Ventura County Treasurer's Pooled Investments	\$ 7,888,828	N/A	\$ -	\$ 7,888,828	\$ -	\$ -
Total	<u>\$ 7,888,828</u>		<u>\$ -</u>	<u>\$ 7,888,828</u>	<u>\$ -</u>	<u>\$ -</u>

The investment policy of the District contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Government Code. The District has no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of the total District's investments.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Entity's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2022 and 2021, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**Cash and Investments with Fiscal Agent - Restricted Assets**

Cash and investments held and invested by fiscal agents on behalf of the District are pledged for payment or security of certain long-term debt issuances and construction projects. Fiscal agents are mandated by bond indentures as to the types of investments in which debt proceeds can be invested. The investments predominately consist of Governments securities which are held in book entry form by the trustee.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**2) CASH AND INVESTMENTS - Continued**

**Board Restricted Cash**

Cash is Board restricted for the following:

	2022	2021
Capital and Unanticipated Repairs and Maintenance	\$ 6,624,085	\$ 6,283,592
Rate Stabilization	403,556	444,038
Reserved for Operations	911,351	1,012,375
Debt Service	589,000	589,000
Total	\$ 8,527,992	\$ 8,329,005

**Restricted Cash**

Cash is restricted for the following:

	2022	2021
Customer Deposits	\$ 104,181	\$ 94,455
Total	\$ 104,181	\$ 94,455

**3) FAIR VALUE MEASUREMENTS**

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority. The three levels of the fair value hierarchy are as follows:

*Level 1* inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within *Level 1* that are observable for the asset or liability, either directly or indirectly. *Level 2* inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

*Level 3* inputs are unobservable inputs for the asset or liability.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**3) FAIR VALUE MEASUREMENTS - Continued**

Fair value of assets measured on a recurring basis are as follows:

	2022		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 7,997,999	\$ -	\$ 7,997,999
Total Investments	<u>\$ 7,997,999</u>	<u>\$ -</u>	<u>\$ 7,997,999</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,751,210	\$ 2,751,210	\$ -
Total Other Assets	<u>\$ 2,751,210</u>	<u>\$ 2,751,210</u>	<u>\$ -</u>
	2021		
	Fair Value	Significant Unobservable Inputs (Level 3)	Uncategorized
Investments:			
Ventura County Treasurer's Pooled Investments	\$ 7,888,828	\$ -	\$ 7,888,828
Total Investments	<u>\$ 7,888,828</u>	<u>\$ -</u>	<u>\$ 7,888,828</u>
Other Assets:			
Investment in Water JPA, Net of Accumulated Depreciation	\$ 2,848,685	\$ 2,848,685	\$ -
Total Other Assets	<u>\$ 2,848,685</u>	<u>\$ 2,848,685</u>	<u>\$ -</u>

The Ventura County Treasurer's Pooled Investments and money market funds and money market mutual funds are exempt under GASB No. 72 fair value measurements. The Investment in Water JPA, Net of Accumulated Depreciation, classified in Level 3 is valued using the equity method. See Note 12.

**4) CAPITAL ASSETS**

Minor expenditures for renewals and betterment are charged to expense. Major expenditures for renewals and betterment are capitalized. Costs of assets sold, retired or otherwise disposed of have been eliminated from accounts, and gains or losses on disposition are included in operations. Public domain (infrastructure) fixed assets are capitalized and include water distribution systems and sewer collection systems. Donated land or other donated capital assets are recorded at their estimated acquisition value rather than fair market value on the date contributed.

**Channel Islands Beach Community Services District**  
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**4) CAPITAL ASSETS - Continued**

The cost of capital assets is depreciated over the estimated lives of the assets on the straight-line method of depreciation. Estimated useful lives are:

Category	Life in years
Office Furniture and Equipment	5 to 10
Mobile Equipment	3 to 5
Tools and Shop Equipment	10
Office Building	20
Water System/Plant	25 to 50
1911 Act Sewer Lines	40

A summary of changes in capital assets for the year is as follows:

	2022			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	440,467	228,650	-	669,117
Total Capital Assets, Not Depreciated	482,527	228,650	-	711,177
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	-	-	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	301,996	153,495	-	455,491
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	7,576,306	49,768	-	7,626,074
Water Distribution System	3,862,780	200,509	-	4,063,289
Total Capital Assets, Being Depreciated	12,136,906	403,772	-	12,540,678
Less Accumulated Depreciation:				
Office Furniture and Equipment	(88,351)	(12,525)	-	(100,876)
Vehicles	(175,867)	-	-	(175,867)
Tools and Shop Equipment	(229,063)	(23,653)	-	(252,716)
Office Building	(89,332)	(1,505)	-	(90,837)
1911 Act Sewer Line	(2,413,542)	(180,690)	-	(2,594,232)
Water Distribution System	(2,724,228)	(131,845)	-	(2,856,073)
Total Accumulated Depreciation	(5,720,383)	(350,218)	-	(6,070,601)
Total Capital Assets, Being Depreciated, Net	6,416,523	53,554	-	6,470,077
Capital Assets, Net of Depreciation	\$ 6,899,050	\$ 282,204	\$ -	\$ 7,181,254

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**4) CAPITAL ASSETS - Continued**

	2021			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Construction in Progress	177,815	836,923	574,271	440,467
Total Capital Assets, Not Depreciated	<u>219,875</u>	<u>836,923</u>	<u>574,271</u>	<u>482,527</u>
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	110,901	-	-	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	301,996	-	-	301,996
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	7,006,835	569,471	-	7,576,306
Water Distribution System	3,862,780	-	-	3,862,780
Total Capital Assets, Being Depreciated	<u>11,567,435</u>	<u>569,471</u>	<u>-</u>	<u>12,136,906</u>
Less Accumulated Depreciation:				
Office Furniture and Equipment	(73,888)	(14,463)	-	(88,351)
Vehicles	(175,867)	-	-	(175,867)
Tools and Shop Equipment	(214,368)	(14,695)	-	(229,063)
Office Building	(87,603)	(1,729)	-	(89,332)
1911 Act Sewer Line	(2,243,037)	(170,505)	-	(2,413,542)
Water Distribution System	(2,593,324)	(130,904)	-	(2,724,228)
Total Accumulated Depreciation	<u>(5,388,087)</u>	<u>(332,296)</u>	<u>-</u>	<u>(5,720,383)</u>
Total Capital Assets, Being Depreciated, Net	<u>6,179,348</u>	<u>237,175</u>	<u>-</u>	<u>6,416,523</u>
Capital Assets, Net of Depreciation	<u>\$ 6,399,223</u>	<u>\$ 1,074,098</u>	<u>\$ 574,271</u>	<u>\$ 6,899,050</u>



**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**5) LONG-TERM DEBT**

The following is a summary of the changes in Long-Term Debt:

Changes in Long-Term Debt	2022				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 303,604	\$ -	\$ 303,604	\$ -	\$ -
2016 Wastewater Refunding Bonds Series	2,190,000	-	110,000	2,080,000	115,000
Premiums on Bonds	119,525	-	8,339	111,186	-
Subtotal	<u>2,309,525</u>	<u>-</u>	<u>118,339</u>	<u>2,191,186</u>	<u>115,000</u>
Direct Borrowing - Loan Payable	579,324	-	63,661	515,663	65,985
Net Pension Liability	5,352	46,689	52,041	-	-
Net OPEB Liability	-	248,180	-	248,180	-
Total	<u>\$ 3,197,805</u>	<u>\$ 294,869</u>	<u>\$ 537,645</u>	<u>\$ 2,955,029</u>	<u>\$ 180,985</u>

Changes in Long-Term Debt	2021				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 600,273	\$ -	\$ 296,669	\$ 303,604	\$ 303,604
2016 Wastewater Refunding Bonds Series	2,295,000	-	105,000	2,190,000	110,000
Premiums on Bonds	127,864	-	8,339	119,525	-
Subtotal	<u>2,422,864</u>	<u>-</u>	<u>113,339</u>	<u>2,309,525</u>	<u>110,000</u>
Direct Borrowing - Loan Payable	640,743	-	61,419	579,324	63,661
Net Pension Liability	408	44,698	39,754	5,352	-
Total	<u>\$ 3,664,288</u>	<u>\$ 44,698</u>	<u>\$ 511,181</u>	<u>\$ 3,197,805</u>	<u>\$ 477,265</u>

**Bonds Payable**

In June 2012, the District issued \$2,716,072 in Water Revenue Refunding Bonds Series 2012 to advance refund the 2005B Revenue Refunding Certificates of Participation. The bonds interest rate is 3.05%. Interest on the bonds is payable September 1<sup>st</sup> and March 1<sup>st</sup> of each year. Principal on the bonds is payable in annual installment ranging from \$240,984 to \$303,604 commencing September 1, 2012 through September 1, 2021. The District paid off the bond during the 2022 fiscal year.

In September 2016, the District issued \$2,605,000 in Wastewater Revenue Refunding Bonds Series 2016 to advance refund the 2005A Sewer Revenue Certificates of Participation. The bonds interest rates range from 2% to 4%. Interest on the bonds is payable November 1<sup>st</sup> and May 1<sup>st</sup> of each year. Principal on the bonds is payable in annual installments, ranging from \$95,000 to \$180,000, commencing November 1, 2017 through November 1, 2035.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**5) LONG-TERM DEBT - Continued**

Future debt requirements are as follows:

Year Ending June 30,	Wastewater Bond Series 2016	
	Principal	Interest
2023	\$ 115,000	\$ 68,431
2024	120,000	63,731
2025	125,000	58,831
2026	130,000	53,731
2027	135,000	48,431
2028-2032	760,000	159,991
2033-2036	695,000	41,513
<b>Total</b>	<b>\$ 2,080,000</b>	<b>\$ 494,659</b>

**Revenues Pledged**

The District has pledged a portion of future sewer revenues and a portion of investment earnings to repay the District’s Wastewater Revenue Refunding Bonds Series 2016. The District’s Wastewater Revenue Refunding Bonds are payable solely from sewer revenues and a portion of investment earnings. Total principal and interest remaining on the Wastewater Revenue Refunding Bonds are \$2,574,659, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$110,000 and \$72,381, respectively.

**Direct Borrowing - Loan Payable**

In August 2018, the District received a loan of \$700,000 from the California Special District Association (CSDA) Municipal Finance Corporation for a water meter project. The loan has a 3.4% interest rate with annual payments of \$84,807 per year for ten years. In the event of default, all remaining installments, including accrued interest, become immediately due and payable if the District does not remedy the event of default within 10 days of written notice. This agreement has no pledged collateral or acceleration clauses.

Year Ending June 30,	Loan Payable	
	Principal	Interest
2023	\$ 65,985	\$ 18,822
2024	68,393	16,413
2025	70,890	13,917
2026	73,477	11,329
2027	76,159	8,648
2028-2029	160,759	8,854
<b>Total</b>	<b>\$ 515,663</b>	<b>\$ 77,983</b>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**6) NET POSITION**

Net position consisted of the following:

	2022	2021
Net Position:		
Net Investment in Capital Assets:		
Land and Construction in Progress, Not Being Depreciated	\$ 711,177	\$ 482,527
Capital Assets, Net of Depreciation	6,470,077	6,416,523
Capital Related Deferred Outflows:		
Deferred Charges on Refunding	36,042	50,544
Less Capital Related Debt:		
2012 Water Refunding Bonds Series	-	(303,604)
2016 Wastewater Refunding Bonds Series	(2,080,000)	(2,190,000)
Loan Payable	(515,663)	(579,324)
	4,621,633	3,876,666
Subtotal	4,621,633	3,876,666
Unrestricted Net Position	11,269,547	11,264,872
	\$ 15,891,180	\$ 15,141,538
Total Net Position		

<sup>(1)</sup> The bond premiums of the 2016 Wastewater Refunding Bonds series were excluded from the above calculation since the premiums were used for non-capital costs (debt issuance costs).

**7) CALPERS RETIREMENT PLAN**

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

***Plan Description***

The District entered into a retirement contract with CalPERS effective May 5, 2018. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding provisions, assumptions and membership information that can be found on the CalPERS website.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**7) CALPERS RETIREMENT PLAN - Continued**

**A) General Information about the Pension Plans - Continued**

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2022 and 2021 are summarized as follows:

	<u>Miscellaneous</u>
	On or After
Hire Date	<u>January 1, 2013</u>
Benefit Formulas	2.0% at 62
Benefit Vesting Schedule	5 Years Service
Benefit Payments	Monthly for Life
Retirement Age	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	1.0% - 2.5%
Required Employee Contribution Rates	6.75%
Required Employer Contribution Rates	
2022	7.59%
2021	7.732%

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The District's contributions to the Plan for the years ended June 30, 2022 and 2021 were \$53,438 and \$52,041, respectively.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**7) CALPERS RETIREMENT PLAN - Continued**

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

As of June 30, 2022 and 2021, the District's net pension liability (asset) for its proportionate share of the net pension liability of the Plan was \$(21,521) and \$5,352.

The District's net pension liability (asset) for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021 for the 2022 fiscal year, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The net pension liability of the plan is measured as of June 30, 2020 for the 2021 fiscal year, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability (asset) for the Plan was as follows:

	2022		2021
Proportion - June 30, 2021	0.00013%	Proportion - June 30, 2020	0.00001%
Proportion - June 30, 2022	(0.000113)%	Proportion - June 30, 2021	0.00013%
Change - Increase (Decrease)	(0.00126)%	Change - Increase (Decrease)	0.00012%

For the years ended June 30, 2022 and 2021, the District recognized pension expense(credit) of \$(7,108) and \$28,363, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2022	2021	2022	2021
Pension contributions subsequent to measurement date	\$ 53,438	\$ 52,041	\$ -	\$ -
Differences between actual and expected experience	-	276	2,413	-
Changes in assumptions		-	-	38
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	67,211	50,912	-	-
Net differences between projected and actual earnings on plan investments	18,787	159	-	-
Total	\$ 139,436	\$ 103,388	\$ 2,413	\$ 38

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
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**7) CALPERS RETIREMENT PLAN - Continued**

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

The District reported \$53,438 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows/Inflows of Resources
2023	\$ 37,509
2024	26,525
2025	14,359
2026	5,192
Total	\$ 83,585

***Actuarial Assumptions***

The total pension liabilities in the June 30, 2020 and 2019 actuarial valuations were determined using the following actuarial assumptions:

	2022	2021
Valuation Date	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.5%
Salaries Increases	Varies <sup>(1)</sup>	Varies <sup>(1)</sup>
Mortality Rate Table	CalPERS Membership Data <sup>(2)</sup>	CalPERS Membership Data <sup>(2)</sup>
Post Retirement Benefit Increase	See Footnote <sup>(3)</sup>	See Footnote <sup>(3)</sup>

<sup>(1)</sup> Depending on age, service and type of employment.

<sup>(2)</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

<sup>(3)</sup> Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

**Channel Islands Beach Community Services District**  
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**7) CALPERS RETIREMENT PLAN - Continued**

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

*Change of Assumptions*

In the 2021 measurement period, the accounting discount rate remained unchanged at 7.15 percent.

*Discount Rate*

The discount rate used to measure the total pension liability at June 30, 2021 and 2020 measurement dates was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
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**7) CALPERS RETIREMENT PLAN - Continued**

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

***Long-term Expected Rate of Return - Continued***

The table below reflects the expected real rates of return by asset class.

Asset Class <sup>(a)</sup>	Assumed Asset Allocation		Real Return Years 1 - 10 <sup>(b)</sup>		Real Return Years 11+ <sup>(c)</sup>	
	2021	2020	2021	2021	2021	2020
Global Equity	50.0%	50.0%	4.80%	4.80%	5.98%	5.98%
Fixed Income	28.0%	28.0%	1.00%	1.00%	2.62%	2.62%
Inflation Assets	-	-	0.77%	0.77%	1.81%	1.81%
Private Equity	8.0%	8.0%	6.30%	6.30%	7.23%	7.23%
Real Estate	13.0%	13.0%	3.75%	3.75%	4.93%	4.93%
Liquidity	1.0%	1.0%	-	-	-0.92%	-0.92%
Total	100%	100%				

<sup>(a)</sup> In the System's Annual Comprehensive Financial Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(b)</sup> An expected inflation of 2.00% used for this period.

<sup>(c)</sup> An expected inflation of 2.92% used for this period.

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	2022	2021
1% Decrease	6.15%	6.15%
Net Pension Liability (Asset)	\$ 8,792	\$ 19,955
Current Discount Rate	7.15%	7.15%
Net Pension Liability (Asset)	\$ (21,521)	\$ 5,352
1% Increase	8.15%	8.15%
Net Pension Liability (Asset)	\$ (46,581)	\$ (6,715)



**Channel Islands Beach Community Services District**  
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**7) CALPERS RETIREMENT PLAN - Continued**

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

*Pension Plan Fiduciary Net Position*

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

*Payable to the Pension Plan*

At June 30, 2022 and 2021, the District reported, in accrued payroll, taxes and benefits, a payable of \$400 and \$1,723, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2022 and 2021.

**8) OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The District’s defined benefit postemployment healthcare plan, (District Retiree Healthcare Plan, DRHP), provides medical benefits to eligible retired employees. Effective January 1, 2022, the District began sponsoring healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. Participation in PEMHCA is financed in part by the District contributing the statutory minimum (PEMHCA Minimum) for each covered employee. The statutory minimum is \$149 per month for 2022 and \$151 per month for 2023 and will be indexed with medical inflation (CPI) for years 2024 and thereafter.

**Funding Policy**

The District offers lifetime PEMHCA coverage to individuals who retire under the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan administered by the California Public Employees’ Retirement System (CalPERS). The employer contribution for each annuitant is the amount necessary to pay the full cost of his/her enrollment (including the enrollment of family members) up to a maximum of the PEMHCA Minimum (\$149 per month for 2022 and \$151 per month for 2023). The District also pays PEMHCA an administrative fee of percent-of-premium for all active employees and retirees.

**Employees Covered**

As of June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the DRHP:

Active employees	8
Inactive employees or beneficiaries currently receiving benefits	-
<b>Total</b>	<u>8</u>

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Contributions**

Currently, the District is under a pay-as-you-go method under which contributions to the plan are generally made the same time and in the same amount as retiree benefits and expenses come due. For the fiscal year ended June 30, 2022, the District was not required to make any cash contributions.

**Net OPEB Liability**

The District’s net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022 based on the following actuarial methods and assumptions:

**Actuarial Assumptions**

Valuation Date	June 30, 2022
Valuation of Fiduciary Net Position	No assets held in an irrevocable trust as of the measurement date.
Actuarial Cost Method	Entry Age, Level Percentage of Pay
Amortization Method	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB.
Salary Increases	3.00%
Inflation Rate	3.00%
Healthcare Cost Trend Rate	6.00% for 2022-2023, 5.20 percent for 2024-2069, and 4.50 percent for 2070 and later years; Medicare ages: 4.50 percent for all years.
Pre-retirement Mortality	Pre-retirement Mortality Rates from CalPERS Experience Study (2000-2019).
Post-retirement Mortality	Post-retirement Mortality Rates for Health Recipients from CalPERS Experience Study (2000-2019).

Actuarial assumptions used in the June 30, 2022 valuation were based on a review of plan experience during the period January 1, 2022 to June 30, 2022.

**Discount Rate**

For OPEB Plans that are not administered through trusts that meet the criteria in Paragraph 4, GASB 75 requires a discount rate that is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The discount rate used to measure the District’s Total OPEB liability is based on the following information:

Reporting Date	Measurement Date	Fidelity GO AA 20 Years Municipal Index	Discount Rate
June 30, 2022	June 30, 2022	3.69%	3.69%

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Changes in the OPEB Liability**

The changes in the net OPEB liability for CBRHP are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at January 1, 2022 <sup>(1)</sup> <i>(Measurement Date June 30, 2022)</i>	\$ 232,941	\$ -	\$ 232,941
Changes Recognized for the Measurement Period:			
Service Cost	10,783	-	10,783
Interest	4,456	-	4,456
Differences between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Benefit Payments	-	-	-
Net Changes	15,239	-	15,239
Balance at June 30, 2022 <i>(Measurement Date June 30, 2022)</i>	\$ 248,180	\$ -	\$ 248,180

<sup>(1)</sup>The District entered into the plan effective January 1, 2022. This is the estimated beginning balance measured by the actuarial valuation as of effective date of the plan.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Net OPEB Liability	\$ 365,239	\$ 248,180	\$ 175,738

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 167,342	\$ 248,180	\$ 383,382

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**8) OTHER POST-EMPLOYMENT BENEFITS - Continued**

**OPEB Plan Fiduciary Net Position**

Currently, the City is under a pay-as-you-go method, and the CBRHP has no fiduciary net position.

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. Currently the District does not have any deferred outflows or inflows of resources related to OPEB.

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2022, the City recognized OPEB expense (credit) of \$248,180. As of the fiscal year ended June 30, 2022, the District had no deferred outflows or inflows of resources related to OPEB.

**9) DEFERRED COMPENSATION**

The District established a retirement plan for all eligible District employees during the year ended June 30, 1986. All full time, classified employees qualify. The plan is an Internal Revenue Service Code Section 457, Public Employees Deferred Compensation Plan. Contributions by employees are voluntary, and may be in any fixed amount, with modifications available at fixed intervals. The District contributes up to 10% of gross pay, with all contributions being currently funded. The District begins to deposit its contributions to the employee's annuity account upon successful completion of the employee's initial six (6) month probationary period. Vesting of the District's contributions begins at the end of the first year of employment. Thirty three and one third percent (33.3%) vests at the end of the first year, sixty-six and two thirds percent (66.6%) vests at the end of the second year, and one-hundred percent (100%) or full vesting occurs at the end of the third year of service, as measured from the date of initial hire of the employee. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions for the fiscal years ended June 30, 2022 and 2021 were \$26,879 and \$26,049, respectively.

Participants may select from various investment fund options for the investment of their contributions and matching employer contributions. Employees may also select retirement benefit options ranging from lump sum distributions to life annuities upon separation from service.

The Deferred Compensation Plan is administered by Nationwide Retirement Solutions, Inc.

As a result of legislative changes, all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to the legislative changes, these amounts were solely the property and rights of the District subject only to the claims of the District's general creditors. As a result, as of June 30, 1999, the deferred compensation investments are no longer reported in the District's financial statements.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**10) INCOME TAX**

The District is exempt from income taxes.

**11) JOINT POWERS AGENCY (ACWAJPIA)**

The District is a member of the Association of California Water Agency Joint Powers Insurance Authority (ACWAJPIA). The District receives the benefits of the pooled insurance risk program, but not as an equity member of the authority. Total insurance payments for the year ended June 30, 2022 and 2021 were \$ 22,918 and \$31,794, respectively.

**12) PORT HUENEME WATER AGENCY/JOINT VENTURE**

In 1994, the CIBCSD entered into a Joint Powers Agency Agreement (JPA) with the City of Port Hueneme (COPH) to create the Port Hueneme Water Agency (PHWA). The JPA was formed in order to develop a subregional Water Quality Improvement Program to address the need for area-wide planning, coordination, development, financing, constructions and operation of a water desalination plant and the necessary transport facilities to service the water need of CIBCSD, COPH, the US Navy installations at the Naval Base Ventura County, Port Hueneme. The PHWA is responsible to design, construct and operate facilities necessary to deliver a combination of ground water and imported water.

Financial statements for the PHWA can be obtained through the COPH.

CIBCSD's percentage share in PHWA's cost of the improvements and related liabilities varies from 0% to 86%, based on each party's share of the facilities - overall the total cost of improvements through June 30, 2022 was \$12,436,844, of which CIBCSD's share was \$2,457,701 and through June 30, 2021 was \$12,930,102, of which CIBCSD's share was \$2,555,176. CIBCSD's share in ongoing operating costs vary from 12% to 16% for certain fixed costs; other variable operating costs are allocated based on the volume of water delivered to each party.

CIBCSD uses the equity method to account for its share of the JPA according to the joint venture agreement. The initial investment was recorded at cost.

CIBCSD's share of joint venture's net income is reported in CIBCSD's operating statement as a profit or loss in the joint venture. Nonoperating transactions between CIBCSD and the joint venture increase or decrease the equity interest.

**Channel Islands Beach Community Services District**  
**Notes to Financial Statements**  
Years Ended June 30, 2022 and 2021

**12) PORT HUENEME WATER AGENCY/JOINT VENTURE - Continued**

A summary of the assets, liabilities and results of operations of PHWA are as follows.

	2022	2021
Total Assets	\$ 15,519,519	\$ 15,560,967
Total Liabilities	1,597,415	1,145,605
Net Position		
Net Investment in Capital Assets	11,974,913	12,466,755
Restricted for Operations	461,933	463,349
Unrestricted	1,485,258	1,485,258
Total Net Position	\$ 14,415,362	\$ 14,415,362
Total Revenues	\$ 5,343,355	\$ 6,361,381
Total Expenses	(5,836,613)	(6,893,263)
Net Increase (Decrease) in Net Position	\$ (493,258)	\$ (531,882)
CIBCS D’s report its share of the PHWA as follows:		
Investment in PHWA	\$ 2,751,210	\$ 2,848,685
Profit (Loss) in PHWA Joint Venture	\$ (80,537)	\$ (88,169)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

**13) CONTINGENCIES**

**COVID-19 Pandemic**

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end, which may affect supply chains, revenue sources and also could cause subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the District’s operational and financial performance is uncertain at this time.

**14) SUBSEQUENT EVENTS**

On November 8, 2022, the District entered into a sewer use agreement with the City of Oxnard. The City and the District share a sewer pipeline, which currently, the District pays for the sewer treatment related to the shared pipeline and is reimbursed quarterly by the City for their estimated share of the costs. The new agreement is effective January 1, 2023 to December 31, 2033 would just have the City bill the District for their estimated actual costs of the shared sewer pipeline. This would eliminate the City of Oxnard’s quarterly sewer reimbursement revenues from the effective date and lower the sewer treatment costs paid by the District.

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## **REQUIRED SUPPLEMENTARY INFORMATION**





**Channel Islands Beach Community Services District**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
As of June 30, 2022

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018*	0.00000%	\$ -	\$ -	N/A	N/A
2019*	0.00000%	\$ -	\$ 91,605	N/A	N/A
2020	0.00001%	\$ 408	\$ 603,461	0.07%	97.17%
2021	0.00013%	\$ 5,352	\$ 569,126	0.94%	95.12%
2022	0.00113%	\$ (21,521)	\$ 673,063	(3.20)%	109.37%

**Notes to Schedule:**

**Benefit Changes.** On May 5, 2018, the District entered into a retirement contract with CalPERS.

**Changes in Assumptions.** In 2018 (for the June 30, 2017 measurement period), the discount rate reduced from 7.65% to 7.15%.

**Plan's Fiduciary Net Position.** The Plan's Fiduciary Net Position is based on the District's proportionate share of the CalPERS Miscellaneous Risk Pool.

\* Fiscal year 2018 was the 1<sup>st</sup> year the District entered into a retirement contract with CalPERS. For fiscal years 2018 and 2019, the District has no net pension liability since its proportionate share was not included in the most recent (available) actuarial valuations. Future years' information will be displayed up to 10 years as information becomes available.

**Channel Islands Beach Community Services District**  
**Schedule of Contributions**  
**CalPERS Pension Plan**  
**Last Ten Years\***  
As of June 30, 2022

Fiscal Year	Contractually Required Contribution (Actuarially Determined)	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	\$ 5,985	\$ (5,985)	\$ -	\$ 91,605	6.53%
2019	\$ 43,807	\$ (43,807)	\$ -	\$ 603,461	7.26%
2020	\$ 39,754	\$ (39,754)	\$ -	\$ 569,126	6.99%
2021	\$ 52,041	\$ (52,041)	\$ -	\$ 673,063	7.73%
2022	\$ 53,438	\$ (53,438)	\$ -	\$ 704,053	7.59%

\* Fiscal year 2018 was the 1<sup>st</sup> year the District entered into a retirement contract with CalPERS. Future years' information will be displayed up to 10 years as information becomes available.

**Channel Islands Beach Community Services District**  
**Schedule of Changes in the Net OPEB Liability (Asset) and Related Ratios**  
For the Measurement Periods Ended June 30,

Measurement Period	2021
<b>Total OPEB Liability</b>	
Service Cost	\$ 10,783
Interest on the Total OPEB Liability	4,456
Actual and Expected Experience Difference	-
Changes in Assumptions	-
Changes in Benefit Terms	-
Benefit Payments	-
	-
<b>Net Change in Total OPEB Liability</b>	<b>15,239</b>
<b>Total OPEB Liability - Beginning<sup>(1)</sup></b>	<b>232,941</b>
	<b>232,941</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 248,180</b>
	<b>248,180</b>
<b>Plan Fiduciary Net Position</b>	
Contributions - Employer	\$ -
Net Investment Income	-
Benefit Payments	-
Administrative Expense	-
	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>-</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>-</b>
	<b>-</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ -</b>
	<b>-</b>
<b>Net OPEB Liability (Asset) - Ending (a)-(b)</b>	<b>\$ 248,180</b>
	<b>248,180</b>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0%
Covered-employee Payroll <sup>(2)</sup>	\$ 789,608
Net OPEB Liability as a Percentage of Covered-employee Payroll <sup>(2)</sup>	31.43%

**Notes to Schedule:**

- <sup>(1)</sup> The District began sponsoring healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA") effective January 1, 2022. The beginning balance for the 2021 fiscal year total OPEB liability was measured as of January 1, 2022 by the actuary.
- <sup>(2)</sup> Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.
- <sup>(3)</sup> Contributions are determined by an actuarial valuation based on eligible participants' estimated medical benefits. Currently, no amounts have been contributed to a trust requiring an actuarial valuation.

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## **SUPPLEMENTAL INFORMATION**



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Revenue	\$ 2,332,000	\$ 2,086,617	\$ (245,383)
Sewer Revenue	1,500,000	1,396,483	(103,517)
Sewer Revenue - Oxnard	970,000	995,039	25,039
Trash Revenue	769,000	814,274	45,274
	<u>5,571,000</u>	<u>5,292,413</u>	<u>(278,587)</u>
<b>OPERATING EXPENSES</b>			
Water System Expenses:			
PHWA Water Expense	1,000,000	754,937	245,063
Water Samples	15,000	11,264	3,736
SDHS Annual Admin. Fee	16,000	16,646	(646)
Cross Connect Contract Charges	2,600	1,500	1,100
Repairs and Maintenance - Distribution	130,000	109,509	20,491
Water Quality Report	4,000	1,354	2,646
Telemetry	11,000	10,310	690
	<u>1,178,600</u>	<u>905,520</u>	<u>273,080</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	940,000	905,371	34,629
Operations and Maintenance	109,000	36,291	72,709
Telemetry	34,000	32,805	1,195
Power	21,000	23,558	(2,558)
	<u>1,104,000</u>	<u>998,025</u>	<u>105,975</u>
Trash Expenses:			
Trash Services	600,000	592,379	7,621
	<u>600,000</u>	<u>592,379</u>	<u>7,621</u>
Maintenance Expenses:			
Vehicle Expenses	12,000	19,883	(7,883)
Building Security	3,000	1,606	1,394
Building Maintenance	17,000	15,799	1,201
Sign and Banner Expense	1,500	-	1,500
Public Landscape Project	4,500	5,181	(681)
Employee Workplace Safety	5,000	4,232	768
Gasoline Expenses	15,000	15,337	(337)
Emergency Preparedness Expense	1,500	-	1,500
	<u>\$ 59,500</u>	<u>\$ 62,038</u>	<u>\$ (2,538)</u>



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Salaries and Benefits:			
Regular Salaries	\$ 769,000	\$ 797,226	\$ (28,226)
Retirement Benefits	104,000	263,417	(159,417)
Uniforms	5,100	6,181	(1,081)
Group Insurance	140,000	136,270	3,730
Worker's Compensation Insurance	12,500	12,673	(173)
Payroll Taxes	33,000	12,325	20,675
Employee Educational Expense	18,000	15,111	2,889
	<u>1,081,600</u>	<u>1,243,203</u>	<u>(161,603)</u>
Administrative Expenses:			
Regular Board Payments	10,000	7,425	2,575
Special Board Meetings	3,000	1,054	1,946
Board/Committee Expenses	2,000	1,264	736
Conferences and Seminars - Board	5,000	1,803	3,197
Board Travel and Lodging	8,500	883	7,617
Dues/Membership - District	25,000	24,873	127
Office Supplies	8,000	8,487	(487)
E-Pay Online	6,000	4,377	1,623
Communications	23,000	20,787	2,213
Printing and Publications	6,000	5,285	715
Postage and Shipping	12,000	12,305	(305)
Utilities	3,800	2,753	1,047
Miscellaneous Office Expense	15,500	10,249	5,251
Other Professional Services	10,000	25,392	(15,392)
Office Equipment Maintenance	7,000	7,343	(343)
Equipment Purchases	8,000	-	8,000
Insurance	41,000	22,918	18,082
Accounting Services	50,000	35,995	14,005
Computer Services	46,000	52,869	(6,869)
Legal Services	60,000	29,146	30,854
Engineering Services	75,000	49,259	25,741
Bank and Trustee Fees	4,000	3,781	219
Legal Notices Publication Expense	7,000	958	6,042
Public Information Expense	10,000	1,942	8,058
	<u>\$ 445,800</u>	<u>\$ 331,148</u>	<u>\$ 114,652</u>
Total Administrative Expenses			

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Other Operating Expenses:			
Depreciation	\$ -	\$ 350,218	\$ (350,218)
Amortization	-	6,163	(6,163)
Bad Debt	-	4,909	(4,909)
Total Other Operating Expenses	-	361,290	(361,290)
Total Operating Expenses	4,469,500	4,493,603	(24,103)
<b>OPERATING INCOME (LOSS)</b>	<b>1,101,500</b>	<b>798,810</b>	<b>(302,690)</b>
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenue:			
Investment Earnings	90,000	29,265	(60,735)
Net Gain (Loss) from Joint Venture	-	(80,537)	(80,537)
County Tax Apportionment	105,000	86,786	(18,214)
Total Nonoperating Revenues	195,000	35,514	(159,486)
Nonoperating Expenses:			
Interest Expense	140,000	92,584	47,416
Total Nonoperating Expenses	140,000	92,584	47,416
Total Nonoperating Revenues and Expenses	55,000	(57,070)	(112,070)
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>\$ 1,156,500</b>	<b>\$ 741,740</b>	<b>\$ (414,760)</b>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Water Revenue	\$ 2,332,000	\$ 2,086,617	\$ (245,383)
Total Operating Revenues	<u>2,332,000</u>	<u>2,086,617</u>	<u>(245,383)</u>
<b>OPERATING EXPENSES</b>			
Water System Expenses:			
PHWA Water Expense	1,000,000	754,937	245,063
Water Samples	15,000	11,264	3,736
SDHS Annual Admin. Fee	16,000	16,646	(646)
Cross Connect Contract Charges	2,600	1,500	1,100
Repairs and Maintenance - Distribution	130,000	109,509	20,491
Water Quality Report	4,000	1,354	2,646
Telemetry	11,000	10,310	690
Total Water System Expenses	<u>1,178,600</u>	<u>905,520</u>	<u>273,080</u>
Maintenance Expenses:			
Vehicle Expenses	5,160	8,549	(3,389)
Building Security	990	530	460
Building Maintenance	5,610	5,213	397
Sign and Banner Expense	495	-	495
Employee Workplace Safety	2,150	1,820	330
Gasoline Expenses	6,450	6,595	(145)
Total Maintenance Expenses	<u>20,855</u>	<u>22,707</u>	<u>(1,852)</u>
Salaries and Benefits:			
Regular Salaries	299,910	310,918	(11,008)
Retirement Benefits	40,560	102,733	(62,173)
Uniforms	2,193	2,658	(465)
Group Insurance	54,600	53,146	1,454
Worker's Compensation Insurance	4,875	4,943	(68)
Payroll Taxes	12,870	4,806	8,064
Employee Educational Expense	7,020	5,894	1,126
Total Salaries and Benefits	<u>\$ 422,028</u>	<u>\$ 485,098</u>	<u>\$ (63,070)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses:			
Regular Board Payments	\$ 3,900	\$ 2,896	\$ 1,004
Special Board Meetings	1,170	411	759
Board/Committee Expenses	780	493	287
Conferences and Seminars - Board	1,950	703	1,247
Board Travel and Lodging	3,315	344	2,971
Dues/Membership - District	9,465	9,452	13
Office Supplies	2,640	2,800	(160)
E-Pay Online	2,460	1,795	665
Communications	7,590	6,860	730
Printing and Publications	1,980	1,744	236
Postage and Shipping	3,960	4,061	(101)
Utilities	1,254	908	346
Miscellaneous Office Expense	6,295	4,202	2,093
Other Professional Services	4,100	10,411	(6,311)
Office Equipment Maintenance	2,310	2,423	(113)
Equipment Purchases	2,640	-	2,640
Insurance	16,810	9,396	7,414
Accounting Services	20,500	14,758	5,742
Computer Services	18,860	21,677	(2,817)
Legal Services	36,400	17,779	18,621
Engineering Services	30,750	20,196	10,554
Bank and Trustee Fees	1,640	1,550	90
Legal Notices Publication Expense	2,310	316	1,994
Public Information Expense	3,300	641	2,659
	<u>186,379</u>	<u>135,816</u>	<u>50,563</u>
Other Operating Expenses:			
Depreciation	-	178,611	(178,611)
Bad Debt	-	1,669	(1,669)
	<u>-</u>	<u>180,280</u>	<u>(180,280)</u>
	<u>1,807,862</u>	<u>1,729,421</u>	<u>78,441</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 524,138</u>	<u>\$ 357,196</u>	<u>\$ (166,942)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Water - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenues:			
Investment Earnings	\$ 31,500	\$ 10,242	\$ (21,258)
Net Gain (Loss) from Joint Venture	-	(80,537)	(80,537)
Total Nonoperating Revenues	<u>31,500</u>	<u>(70,295)</u>	<u>(101,795)</u>
Nonoperating Expenses:			
Interest Expense	<u>30,000</u>	<u>20,752</u>	<u>9,248</u>
Total Nonoperating Expenses	<u>30,000</u>	<u>20,752</u>	<u>9,248</u>
Total Nonoperating Revenues and Expenses	<u>1,500</u>	<u>(91,047)</u>	<u>(92,547)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u><u>\$ 525,638</u></u>	<u><u>\$ 266,149</u></u>	<u><u>\$ (259,489)</u></u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Sewer Revenue	\$ 1,500,000	\$ 1,396,483	\$ (103,517)
Sewer Revenue - Oxnard	970,000	995,039	25,039
Total Operating Revenues	<u>2,470,000</u>	<u>2,391,522</u>	<u>(78,478)</u>
<b>OPERATING EXPENSES</b>			
Sewer System Expense:			
Waste Water Transportation - Oxnard	940,000	905,371	34,629
Operations and Maintenance	109,000	36,291	72,709
Telemetry	34,000	32,805	1,195
Power	21,000	23,558	(2,558)
Total Sewer System Expenses	<u>1,104,000</u>	<u>998,025</u>	<u>105,975</u>
Maintenance Expenses:			
Vehicle Expenses	4,920	8,152	(3,232)
Building Security	1,020	546	474
Building Maintenance	5,780	5,372	408
Sign and Banner Expense	510	-	510
Employee Workplace Safety	2,050	1,735	315
Gasoline Expenses	6,150	6,288	(138)
Total Maintenance Expenses	<u>20,430</u>	<u>22,093</u>	<u>(1,663)</u>
Salaries and Benefits:			
Regular Salaries	307,600	318,890	(11,290)
Retirement Benefits	41,600	105,367	(63,767)
Uniforms	2,091	2,534	(443)
Group Insurance	56,000	54,508	1,492
Worker's Compensation Insurance	5,000	5,069	(69)
Payroll Taxes	13,200	4,930	8,270
Employee Educational Expense	7,200	6,044	1,156
Total Salaries and Benefits	<u>\$ 432,691</u>	<u>\$ 497,342</u>	<u>\$ (64,651)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses:			
Regular Board Payments	\$ 4,000	\$ 2,969	\$ 1,031
Special Board Meetings	1,200	422	778
Board/Committee Expenses	800	506	294
Conferences and Seminars - Board	2,000	721	1,279
Board Travel and Lodging	3,400	353	3,047
Dues/Membership - District	10,040	9,949	91
Office Supplies	2,720	2,886	(166)
E-Pay Online	2,640	1,926	714
Communications	7,820	7,067	753
Printing and Publications	2,040	1,797	243
Postage and Shipping	4,080	4,183	(103)
Utilities	1,292	937	355
Miscellaneous Office Expense	6,700	4,407	2,293
Other Professional Services	4,400	11,172	(6,772)
Office Equipment Maintenance	2,380	2,497	(117)
Equipment Purchases	2,720	-	2,720
Insurance	18,040	10,084	7,956
Accounting Services	22,000	15,838	6,162
Computer Services	20,240	23,262	(3,022)
Legal Services	17,600	8,452	9,148
Engineering Services	33,000	21,674	11,326
Bank and Trustee Fees	1,760	1,664	96
Legal Notices Publication Expense	2,380	326	2,054
Public Information Expense	3,400	660	2,740
	<u>176,652</u>	<u>133,752</u>	<u>42,900</u>
Other Operating Expenses:			
Depreciation	-	161,100	(161,100)
Amortization	-	6,163	(6,163)
Bad Debt	-	1,620	(1,620)
	<u>-</u>	<u>168,883</u>	<u>(168,883)</u>
	<u>1,733,773</u>	<u>1,820,095</u>	<u>(86,322)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ 736,227</u>	<u>\$ 571,427</u>	<u>\$ (164,800)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenues:			
Investment Earnings	\$ 49,500	\$ 16,096	\$ (33,404)
Total Nonoperating Revenues	49,500	16,096	(33,404)
Nonoperating Expenses:			
Interest Expense	110,000	71,832	38,168
Total Nonoperating Expenses	110,000	71,832	38,168
Total Nonoperating Revenues and Expenses	(60,500)	(55,736)	4,764
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<b>\$ 675,727</b>	<b>\$ 515,691</b>	<b>\$ (160,036)</b>



**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
Trash Revenue	\$ 769,000	\$ 814,274	\$ 45,274
Total Operating Revenues	<u>769,000</u>	<u>814,274</u>	<u>45,274</u>
<b>OPERATING EXPENSES</b>			
Trash Expense:			
Trash Service	<u>600,000</u>	<u>592,379</u>	<u>7,621</u>
Total Trash Expense	<u>600,000</u>	<u>592,379</u>	<u>7,621</u>
Maintenance Expenses:			
Vehicle Expenses	1,680	2,784	(1,104)
Building Security	990	530	460
Building Maintenance	5,610	5,214	396
Sign and Banner Expense	495	-	495
Employee Workplace Safety	700	592	108
Gasoline Expenses	<u>2,100</u>	<u>2,147</u>	<u>(47)</u>
Total Maintenance Expenses	<u>11,575</u>	<u>11,267</u>	<u>308</u>
Salaries and Benefits:			
Regular Salaries	146,110	151,473	(5,363)
Retirement Benefits	19,760	50,049	(30,289)
Uniforms	714	865	(151)
Group Insurance	26,600	25,891	709
Worker's Compensation Insurance	2,375	2,408	(33)
Payroll Taxes	6,270	2,342	3,928
Employee Educational Expense	<u>3,420</u>	<u>2,871</u>	<u>549</u>
Total Salaries and Benefits	<u>205,249</u>	<u>235,899</u>	<u>(30,650)</u>
Administrative Expenses:			
Regular Board Payments	\$ 1,900	\$ 1,411	\$ 489
Special Board Meetings	570	200	370
Board/Committee Expenses	380	240	140
Conferences and Seminars - Board	950	343	607
Board Travel and Lodging	1,615	168	1,447
Dues/Membership - District	5,277	5,223	54
E-Pay Online	900	656	244

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING EXPENSES (CONTINUED)</b>			
Administrative Expenses: (Continued)			
Office Supplies	\$ 2,640	\$ 2,801	\$ (161)
Communications	7,590	6,860	730
Printing and Publications	1,980	1,744	236
Postage and Shipping	3,960	4,061	(101)
Utilities	1,254	908	346
Miscellaneous Office Expense	2,445	1,640	805
Other Professional Services	1,500	3,809	(2,309)
Office Equipment Maintenance	2,310	2,423	(113)
Equipment Purchases	2,640	-	2,640
Insurance	6,150	3,438	2,712
Accounting Services	7,500	5,399	2,101
Computer Services	6,900	7,930	(1,030)
Legal Services	6,000	2,915	3,085
Engineering Services	11,250	7,389	3,861
Bank and Trustee Fees	600	567	33
Legal Notices Publication Expense	2,310	316	1,994
Public Information Expense	3,300	641	2,659
	<u>81,921</u>	<u>61,082</u>	<u>20,839</u>
Other Operating Expenses:			
Depreciation	-	10,507	(10,507)
Bad Debt	-	1,620	(1,620)
	<u>-</u>	<u>12,127</u>	<u>(12,127)</u>
	<u>898,745</u>	<u>912,754</u>	<u>(14,009)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(129,745)</u>	<u>(98,480)</u>	<u>31,265</u>
Nonoperating Revenues:			
Investment Earnings	9,000	2,927	(6,073)
	<u>9,000</u>	<u>2,927</u>	<u>(6,073)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ (120,745)</u>	<u>\$ (95,553)</u>	<u>\$ 25,192</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Community Service**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES</b>			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>OPERATING EXPENSES</b>			
Maintenance Expenses:			
Vehicle Expenses	240	398	(158)
Public Landscape Project	4,500	5,181	(681)
Employee Workplace Safety	100	85	15
Gasoline Expenses	300	307	(7)
Emergency Preparedness Expense	<u>1,500</u>	<u>-</u>	<u>1,500</u>
Total Maintenance Expenses	<u>6,640</u>	<u>5,971</u>	<u>669</u>
Salaries and Benefits:			
Regular Salaries	15,380	15,945	(565)
Retirement Benefits	2,080	5,268	(3,188)
Uniforms	102	124	(22)
Group Insurance	2,800	2,725	75
Worker's Compensation Insurance	250	253	(3)
Payroll Taxes	660	247	413
Employee Educational Expense	<u>360</u>	<u>302</u>	<u>58</u>
Total Salaries and Benefits	<u>21,632</u>	<u>24,864</u>	<u>(3,232)</u>
Administrative Expenses:			
Regular Board Payments	200	149	51
Special Board Meetings	60	21	39
Board/Committee Expenses	40	25	15
Conferences and Seminars - Board	100	36	64
Board Travel and Lodging	170	18	152
Dues/Membership - District	218	249	(31)
Miscellaneous Office Expense	<u>60</u>	<u>-</u>	<u>60</u>
Total Administrative Expenses	<u>848</u>	<u>498</u>	<u>350</u>
Other Operating Expenses:			
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Operating Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Expenses	<u>29,120</u>	<u>31,333</u>	<u>(2,213)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>\$ (29,120)</u>	<u>\$ (31,333)</u>	<u>\$ (2,213)</u>

**Channel Islands Beach Community Services District**  
**Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued**  
Year Ended June 30, 2022

	Original and Final Budget	Actual	Variance Positive (Negative)
<b>NONOPERATING REVENUES AND EXPENSES</b>			
Nonoperating Revenue:			
County Tax Apportionment	\$ 105,000	\$ 86,786	\$ (18,214)
Total Nonoperating Revenues	<u>105,000</u>	<u>86,786</u>	<u>(18,214)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>\$ 75,880</u>	<u>\$ 55,453</u>	<u>\$ (20,427)</u>

**Independent Auditors' Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Channel Islands Beach Community  
Services District  
Oxnard, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Channel Islands Beach Community Services District (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated \_\_\_\_\_, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Riverside, California  
\_\_\_\_\_, 2023

\_\_\_\_\_, 2023

Board of Directors  
Channel Islands Beach Community  
Services District  
Oxnard, CA

We have audited the financial statements of the Channel Islands Beach Community Services District (the “District”) for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 8, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. As described in Note 1B to the financial statements, the District changed accounting policies related to leases and other matters by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 87, *Leases*, No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, No. 92, *Omnibus 2020*, No. 93, *Replacement of Interbank Offered Rates*, No. 97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, and No. 98, *The Annual Comprehensive Financial Report* in fiscal year 2022. These statements had no significant impact on the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management’s estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of capital assets depreciation is based on historical estimates of each capitalized item’s useful life. We evaluated the key factors and assumptions used to develop the capital assets depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management’s estimate of the investment in the Port Hueneme Water Agency is based on a percentage from financial information provided by the agency. We evaluated the key factors and assumptions used to develop the investment in the Port Hueneme Water Agency in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of debt related amortizations (premiums and on refunding) are based on the terms and amounts included in the debt documents. We evaluated the key factors and assumptions used to develop the debt related amortizations in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension liability and related pension deferred outflows and inflows of resources are based on an actuarial valuation and pension contributions made during the year. We evaluated the key factors and assumptions used to develop the net pension liability and related pension deferred outflows and inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of net other postemployment benefits (OPEB) liability and related OPEB deferred outflows and inflows of resources are based on an actuarial valuation and OPEB contributions made during the year. We evaluated the key factors and assumptions used to develop the net OPEB liability and related deferred outflows and inflows of resources in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Notes 2 and 3 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of capital assets in Note 4 to the financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of the Port Hueneme Water Agency/Joint Venture in Note 12 to the financial statements is based on financial information provided by the agency which could differ from actual results.

The disclosure of debt related amortizations (premiums and on refundings) in Notes 1.K, 1.M, and 5 to the financial statements are based on the terms and amounts included in the related debt documents which could differ from actual results.

The disclosure of the employees' retirement, net pension liability and related pension deferred outflows and inflows of resources in Notes 1.M, 1.N and 7 to the financial statements represents management's estimate based on an actuarial valuation and pension contributions made during the year. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The disclosure of other postemployment benefits and the net OPEB liability and related OPEB deferred outflows and inflows of resources in Notes 1.O and 8 to the financial statements represents management's estimate based on an actuarial valuation and OPEB contributions made during the year. Actual results could differ depending on the key factors and assumptions used for the actuarial valuation.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, the audit was delayed in waiting for financial information from the Port Hueneme Water Agency.



### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management: Reclassification of a \$153,495 crane truck from vehicles to equipment.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated \_\_\_\_\_, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to management's discussion and analysis and the required supplementary section which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental information section, which accompany the financial statements but are not RSI. With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

As part of the audit, we assisted with the preparation of the financial statements and related notes and the calculation of the investment in the Port Hueneme Water Agency. However, these services, does not constitute an audit under *Government Auditing Standards* and are considered nonaudit services. Management has reviewed, approved, and accepted responsibility for the results of these services.

Restrictions on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Board of Directors:

SEAN DEBLEY, President  
JARED BOUCHARD, Vice President  
KRISTINA BREWER, Director  
MICHAEL LEBOW, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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A

**Regular Board Meeting, May 9, 2023**

**To: Board of Directors**  
**From: Peter Martinez, *General Manager***  
**Subject: BID RESULTS AND OPTIONS FOR FUNDING NEW DISTRICT  
ADMINISTRATION AND OPERATIONS FACILITY (CI 401)**  
**Item No. E-2**

**RECOMMENDATION:** Receive and file.

Staff to provide presentation of the bid results and potential funding options for the new District Administration and Operations Facility (CI 401).



Board of Directors:

SEAN DEBLEY, President  
 JARED BOUCHARD, Vice President  
 KRISTINA BREWER, Director  
 MICHAEL LEBOW, Director  
 BOB NAST, Director

PETER MARTINEZ  
 General Manager

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**Regular Board Meeting, May 9, 2023**

To: **Board of Directors**  
 From: **Peter Martinez, General Manager**  
 Subject: **DRAFT FY 2023-2024 BUDGET**  
 Item No. **E-3**

**RECOMMENDATION:**

Review and provide feedback to staff on proposed FY 2023-2024 Operating Budget.

**FINANCIAL IMPACT:**

Provides guidance and spending limits for the District for operating and capital needs from July 1, 2023 through June 30, 2024.

**DISCUSSION/ANALYSIS:**

In review, the proposed Operating Budget represents a 2.8% decrease from the FY 2022 –2023 Operating Budget, most of which is driven by sewer system expense costs. The table below illustrates the proposed operating budget for each cost category.

	FY 2022-2023	FY 2023-2024	% Change
<b>Total Water System Expense</b>	\$1,028,700	\$1,172,700	13.9%
<b>Total Sewer System Expense</b>	\$833,000	\$439,000	-47.3%
<b>Total Trash Expense</b>	\$615,000	\$631,000	2.6%
<b>Total Maintenance Expense</b>	\$64,000	\$65,100	1.7%
<b>Total Salaries &amp; Benefits</b>	\$1,137,000	\$1,230,000	8.2%
<b>Total Admin Expense</b>	\$445,700	\$470,400	5.5%
<b>Total Operating Expense</b>	\$4,123,400	\$4,008,200	-2.8%

The proposed CIP Budget will be provided at the Regular Board Meeting in June. Members of the public may access the full Budget document any time by visiting [www.cibcsd.com/budget](http://www.cibcsd.com/budget) or may request a copy from the Clerk of the Board.

**ATTACHMENTS:**

1. FY 2023-2024 Proposed Budget

Draft

FY 2023 - 2024 OPERATING BUDGET

Sheet No.	Account	Adopted	Actual Through	Projected	Draft	Percent	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total	
		FY 2022 - 2023	2/28/2023	June 2023	FY 2023 - 2024	Expended	\$	%	\$	%	\$	%	\$	%		
<b>OPERATING REVENUES</b>																
<b>Rate Revenues</b>																
1	Water Revenue	3110	2,316,000	1,317,480	2,258,540	2,316,000	98%	2,316,000	100%	0	0%	0	0%	0	0%	2,316,000
2	Sewer Revenue	3120	2,080,000	1,421,992	2,337,700	1,470,000	112%	0	0%	1,470,000	100%	0	0%	0	0%	1,470,000
3	Solid Waste Revenue	3130	769,000	556,071	828,166	813,000	108%	0	0%	0	0%	813,000	100%	0	0%	813,000
<b>Total Rate Revenues</b>			\$ 5,165,000	\$ 5,424,406	\$ 4,599,000	105%	\$ 2,316,000		\$ 1,470,000		\$ 813,000		\$ -		\$ 4,599,000	
<b>OPERATING EXPENSES</b>																
<b>Water System Expense</b>																
4	PHWA Water Contract	4210	850,000	534,091	800,624	971,000	94%	971,000	100%	0	0%	0	0%	0	0%	971,000
5	Water Sampling	4215	15,000	9,231	14,000	16,000	93%	16,000	100%	0	0%	0	0%	0	0%	16,000
6	SWRCB Annual Admin Fee	4220	18,000	18,582	18,582	20,500	103%	20,500	100%	0	0%	0	0%	0	0%	20,500
7	Annual Water Quality Report	4225	1,500	0	1,500	1,500	100%	1,500	100%	0	0%	0	0%	0	0%	1,500
8	Cross Connect Contract Charge	4230	2,600	2,650	2,650	2,700	102%	2,700	100%	0	0%	0	0%	0	0%	2,700
9	Water Repair & Maintenance	4235	130,000	92,000	130,000	150,000	100%	150,000	100%	0	0%	0	0%	0	0%	150,000
10	Telemetry	4240	11,000	7,360	10,515	11,000	96%	11,000	100%	0	0%	0	0%	0	0%	11,000
<b>Total Water System Expense</b>			\$ 1,028,100	\$ 977,871	\$ 1,172,700	95%	\$ 1,172,700		\$ -		\$ -		\$ -		\$ 1,172,700	
<b>Sewer System Expense</b>																
11	Wastewater Transportation	4260	660,000	496,786	584,786	265,000	89%	0	0%	265,000	100%	0	0%	0	0%	265,000
12	Sewer Repair & Maintenance	4265	109,000	69,908	109,000	109,000	100%	0	0%	109,000	100%	0	0%	0	0%	109,000
13	Telemetry	4270	35,000	32,805	35,200	36,000	101%	0	0%	36,000	100%	0	0%	0	0%	36,000
14	Power	4275	29,000	18,000	27,500	29,000	95%	0	0%	29,000	100%	0	0%	0	0%	29,000
<b>Total Sewer System Expense</b>			\$ 833,000	\$ 756,486	\$ 439,000	91%	\$ -		\$ 439,000		\$ -		\$ -		\$ 439,000	
<b>Trash Expense</b>																
15	Contract Trash Services	4285	615,000	401,784	602,675	631,000	98%	0	0%	0	0%	631,000	100%	0	0%	631,000
<b>Total Trash Expense</b>			\$ 615,000	\$ 602,675	\$ 631,000	98%	\$ -		\$ -		\$ 631,000		\$ -		\$ 631,000	
<b>Maintenance Expenses</b>																
16	Gasoline	4310	20,000	16,352	23,652	24,000	118%	10,320	43%	9,840	41%	3,360	14%	480	2%	24,000
17	Vehicle Maintenance	4320	12,000	1,970	12,000	12,000	100%	5,160	43%	4,920	41%	1,680	14%	240	2%	12,000
18	Building Security	4330	1,800	1,100	1,800	200	100%	66	33%	68	34%	66	33%	0	0%	200
19	Building Maintenance	4340	17,000	6,000	17,000	17,000	100%	5,610	33%	5,780	34%	5,610	33%	0	0%	17,000
20	Signs & Banners	4350	1,500	0	1,500	2,000	100%	660	33%	680	34%	660	33%	0	0%	2,000
21	Public Landscaping	4360	5,200	2,860	5,200	3,400	100%	0	0%	0	0%	0	0%	3,400	100%	3,400
22	Employee Workplace Safety	4370	5,000	790	5,000	5,000	100%	2,150	43%	2,050	41%	700	14%	100	2%	5,000
23	Emergency Preparedness	4380	1,500	0	0	1,500	0%	0	0%	0	0%	0	0%	1,500	100%	1,500
<b>Total Maintenance Expenses</b>			\$ 64,000	\$ 66,152	\$ 65,100	103%	\$ 23,966		\$ 23,338		\$ 12,076		\$ 5,720		\$ 65,100	

Draft

FY 2023 - 2024 OPERATING BUDGET

Sheet No.	Account	Adopted	Actual Through	Projected	Draft	Percent	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total				
		FY 2022 - 2023	2/28/2023	June 2023	FY 2023 - 2024	Expended	\$	%	\$	%	\$	%	\$	%					
<b>Salaries &amp; Benefits</b>																			
24	Regular Salaries	4400	829,000	603,679	866,650	899,000	105%	350,610	39%	359,600	40%	170,810	19%	17,980	2%	899,000			
25	Payroll Taxes	4500	14,000	8,100	13,890	15,000	99%	5,850	39%	6,000	40%	2,850	19%	300	2%	15,000			
26	Group Insurance	4525	157,000	105,827	150,000	173,000	96%	67,470	39%	69,200	40%	32,870	19%	3,460	2%	173,000			
27	Retirement Benefits	4550	104,000	63,426	99,000	104,000	95%	40,560	39%	41,600	40%	19,760	19%	2,080	2%	104,000			
28	Uniforms	4575	5,500	1,645	4,500	5,500	82%	2,365	43%	2,255	41%	770	14%	110	2%	5,500			
29	Workers' Comp Insurance	4600	13,500	9,543	12,500	14,500	93%	5,655	39%	5,800	40%	2,755	19%	290	2%	14,500			
30	Employee Education	4650	14,000	15,020	13,000	19,000	93%	7,410	39%	7,600	40%	3,610	19%	380	2%	19,000			
<b>Total Salaries &amp; Benefits</b>		\$	1,137,000	\$	1,159,540	\$	1,230,000	102%	\$	479,920	\$	492,055	\$	233,425	\$	24,600	\$	1,230,000	
<b>Administrative Expenses</b>																			
31	Regular Board Payments	5010	10,000	1,925	7,000	9,500	70%	3,705	39%	3,800	40%	1,805	19%	190	2%	9,500			
32	Special Board Meetings	5020	3,000	1,284	3,000	4,000	100%	1,560	39%	1,600	40%	760	19%	80	2%	4,000			
33	Board/ Committee Expenses	5030	2,000	60	1,961	2,000	98%	780	39%	800	40%	380	19%	40	2%	2,000			
34	Board Conferences & Seminars	5040	5,000	1,013	2,000	5,000	40%	1,950	39%	2,000	40%	950	19%	100	2%	5,000			
35	Travel & Lodging	5050	8,500	7,239	8,000	10,000	94%	3,900	39%	4,000	40%	1,900	19%	200	2%	10,000			
36	District Dues & Memberships	5100	25,000	26,036	26,136	28,000	105%	10,285	37%	11,725	42%	5,756	21%	234	1%	28,000			
37	Office Supplies	5210	8,000	1,447	8,000	10,000	100%	3,300	33%	3,400	34%	3,300	33%	0	0%	10,000			
38	On-Line Bill Paying	5215	6,000	2,241	5,532	6,000	92%	2,460	41%	2,640	44%	900	15%	0	0%	6,000			
39	Communications	5220	25,000	11,654	24,000	25,000	96%	8,250	33%	8,500	34%	8,250	33%	0	0%	25,000			
40	Printing & Publications	5230	6,000	0	6,000	6,000	100%	1,980	33%	2,040	34%	1,980	33%	0	0%	6,000			
41	Postage & Shipping	5240	12,000	8,500	12,000	12,000	100%	3,960	33%	4,080	34%	3,960	33%	0	0%	12,000			
42	Miscellaneous Office Expense	5250	16,400	7,000	16,850	18,100	103%	7,341	41%	7,804	43%	2,875	16%	80	0%	18,100			
43	Office Utilities	5260	3,800	2,200	3,500	3,800	92%	1,254	33%	1,292	34%	1,254	33%	0	0%	3,800			
44	Office Equipment Maintenance	5290	7,000	3,200	8,000	11,000	114%	3,630	33%	3,740	34%	3,630	33%	0	0%	11,000			
45	Capital Replacement	5295	8,000	0	8,700	8,000	109%	2,640	33%	2,720	34%	2,640	33%	0	0%	8,000			
46	Insurance	5400	37,000	31,000	40,300	42,000	109%	17,220	41%	18,480	44%	6,300	15%	0	0%	42,000			
47	Legal Services	5510	60,000	12,000	40,000	60,000	67%	36,400	61%	17,600	29%	6,000	10%	0	0%	60,000			
48	Accounting Services	5520	50,000	20,000	45,000	50,000	90%	20,500	41%	22,000	44%	7,500	15%	0	0%	50,000			
49	Computer Services & Subscriptions	5530	47,000	18,300	52,000	57,000	111%	23,370	41%	25,080	44%	8,550	15%	0	0%	57,000			
50	Engineering Services	5540	75,000	29,000	36,123	75,000	48%	30,750	41%	33,000	44%	11,250	15%	0	0%	75,000			
51	Bank & Trustee Fees	5560	4,000	2,540	4,000	4,000	100%	1,640	41%	1,760	44%	600	15%	0	0%	4,000			
52	Other Professional Services	5565	10,000	1,400	10,000	10,000	100%	4,100	41%	4,400	44%	1,500	15%	0	0%	10,000			
53	Legal Notices Publication	5600	7,000	515	1,500	4,000	21%	1,320	33%	1,360	34%	1,320	33%	0	0%	4,000			
54	Public Information & Outreach	5650	10,000	0	1,000	10,000	10%	3,300	33%	3,400	34%	3,300	33%	0	0%	10,000			
<b>Total Administrative Expenses</b>		\$	445,700	\$	370,602	\$	470,400	83%	\$	195,595	\$	187,221	\$	86,660	\$	924	\$	470,400	
<b>TOTAL OPERATING EXPENSES</b>		\$	4,122,800	\$	-	\$	3,933,327	\$	4,008,200	\$	1,872,181	\$	1,141,614	\$	963,161	\$	31,244	\$	4,008,200
<b>NET OPERATING INCOME</b>		\$	1,042,200	\$	1,491,079	\$	590,800	\$	443,819	\$	328,386	\$	(150,161)	\$	(31,244)	\$	590,800		

Draft

FY 2023 - 2024 OPERATING BUDGET

Sheet No.	Account	Adopted	Actual Through	Projected	Draft	Percent	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total	
		FY 2022 - 2023	2/28/2023	June 2023	FY 2023 - 2024	Expended	\$	%	\$	%	\$	%	\$	%		
<b>OTHER REVENUES</b>																
55	Interest Earnings	6100	90,000	50,000	100,000	380,000	111%	133,000	35%	209,000	55%	38,000	10%	0	0%	380,000
56	Penalty Revenue	6200	25,000	20,275	30,000	32,000	120%	3,200	10%	3,200	10%	3,200	10%	22,400	70%	32,000
57	Secured & Unsecured Taxes	6320	80,000	55,295	94,000	99,000	118%	0	0%	0	0%	0	0%	99,000	100%	99,000
<b>TOTAL OTHER REVENUES</b>			\$ 195,000	\$ 224,000	\$ 511,000	115%	\$ 136,200		\$ 212,200		\$ 41,200		\$ 121,400		\$ 511,000	
<b>DEBT OBLIGATIONS</b>																
58	2012 Water Revenue Bonds	2805	313,000	312,864	312,864	0	100%	0	100%	0	0%	0	0%	0	0%	0
59	2016 Sewer Refunding Bonds	2855	222,000	150,365	218,797	217,000	99%	0	0%	217,000	100%	0	0%	0	0%	217,000
60	CSDA Loan - Smart Meter Project	2700	85,000	85,000	85,000	85,000		41,225	49%	43,775	52%	0	0%	0	0%	85,000
<b>TOTAL DEBT OBLIGATION</b>			\$ 535,000	\$ 531,661	\$ 302,000	99%	\$ 41,225		\$ 260,775		\$ -		\$ -		\$ 302,000	
<b>OTHER BUDGET ITEMS</b>																
61	Allocation of Community Service	N/A	1,000	0	0	1,000	0%	485	49%	515	52%	0	0%	(1,000)	0%	0
<b>TOTAL OTHER BUDGET ITEMS</b>			\$ 1,000	\$ -	\$ 1,000		\$ 485		\$ 515		\$ -		\$ (1,000)		\$ -	
<b>AVAILABLE FOR CAPITAL &amp; RESERVES</b>			\$ 701,200	\$ -	\$ 1,183,418	\$ 798,800		\$ 538,309		\$ 279,296		\$ (108,961)		\$ 91,156		\$ 799,800
<b>ALLOCATION TO COVER SOLID WASTE</b>								\$ -		\$ 17,805		\$ (108,961)		\$ 91,156		\$ -
<b>RESERVE CONTRIBUTIONS</b>																
<b>Unrestricted</b>																
	Water							0		0		0		0		0
	Sewer							0		0		0		0		0
	Solid Waste							0		0		0		0		0
	Community Reserves							0		0		0		0		0
<b>Total Unrestricted Contributions</b>								\$ -		\$ -		\$ -		\$ -		\$ -
<b>Board Restricted</b>																
	Water Operations Reserve							0		0		0		0		0
	Water Rate Stabilization							22,000		0		0		0		22,000
	Water Capital Reserve							516,309		0		0		0		516,309
	Sewer Operations Reserve							0		0		0		0		0
	Sewer Rate Stabilization							0		0		0		0		0
	Sewer Capital Reserve							0		261,491		0		0		261,491
	Solid Waste Operations Reserve							0		0		0		0		0
	Solid Waste Rate Stabilization							0		0		0		0		0
	Solid Waste Capital Reserve							0		0		0		0		0
<b>Total Board Restricted Contributions</b>								\$ 538,309		\$ 261,491		\$ -		\$ -		\$ 799,800
<b>Outside Restricted</b>																
	Water							0		0		0		0		0
	Sewer							0		0		0		0		0
	Solid Waste							0		0		0		0		0
<b>Total Outside Restricted Contributions</b>								\$ -		\$ -		\$ -		\$ -		\$ -



**Draft**

**FY 2023 - 2024 OPERATING BUDGET**

Sheet No.	Account	Adopted FY 2022 - 2023	Actual Through 2/28/2023	Projected June 2023	Draft FY 2023 - 2024	Percent Expended	Water Enterprise		Sewer Enterprise		Solid Waste Enterprise		Community Service		Total
							\$	%	\$	%	\$	%	\$	%	
	AVAILABLE AFTER RESERVE CONTRIBUTIONS						\$0		\$0		\$0		\$0		\$0



Board of Directors:

SEAN DEBLEY, President  
JARED BOUCHARD, Vice President  
KRISTINA BREWER, Director  
MICHAEL LEBOW, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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**Regular Board Meeting, May 9, 2023**

**To:** Board of Directors  
**From:** Peter Martinez, *General Manager*  
**Subject:** A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT RESCINDING RESOLUTION 22-10 DECLARING A LEVEL 2 WATER SUPPLY SHORTAGE, AND DECLARING A LEVEL 1 WATER SUPPLY SHORTAGE VIA RESOLUTION 23-04, EFFECTIVE MAY 10, 2023  
**Item No.** E-4

**RECOMMENDATION:**

It is recommended the Board rescind Resolution 22-10 and consider and adopt Resolution 23-04 declaring a Level 1 Water Supply Shortage pursuant to Ordinance No. 75.

**BACKGROUND/DISCUSSION:**

On May 10, 2022, the Board adopted Resolution No. 22-10 declaring a Level 2 Water Supply Shortage pursuant to Ordinance No. 75. The District has remained at a Level 2 Water Supply Shortage since the adoption of the resolution.

In light of the current conditions in Ventura County, California, it is appropriate at this time for the Board to declare a lower-level water supply shortage and continue to encourage conservation efforts by residents and businesses within the District service area.

On March 24, 2023, Governor Newsom signed Executive Order N-5-23 and rolled back drought emergency provisions that are no longer needed due to current water conditions.

This action comes as the state announced increased water deliveries to 29 public water systems that serve 27 million Californians now expecting to deliver 100 percent of requested water supplies, up from 75 percent announced in March, and the highest since 2006. State Water Project major reservoir levels are currently at 107 percent of the average level, and the statewide snowpack levels are at 235 percent of the average peak.

With respect to statewide groundwater, state-monitored groundwater wells have yet to recover. Sixty percent are reporting below normal levels, 26 percent reporting normal levels, and 14 percent reporting above normal water levels.

On average the total water consumed by District residents is around 80-85 percent groundwater (United Water Conservation District) and the remaining 15-20 percent is supplied by state water (Calleguas Mutual Water District.)

On September 9, 2009, the Board adopted Ordinance No. 75, establishing the District's Water Conservation and Water Supply Shortage Program and Regulations. The purpose of the ordinance is to alter behavior related to water use efficiency. It contains permanent water conservation standards and three higher levels of increasingly stringent standards that can be implemented during times of water supply shortage.

In addition to the Permanent Water Conservation Requirements that have remained in effect since the adoption of Ordinance No. 75, the following language will become effective should the District approve this resolution:

- A. A Level 1 Water Supply Shortage exists when the District determines, in its sole discretion, that due to drought or other water supply conditions, a water supply shortage or threatened shortage exists and a consumer demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the Board of Directors of a Level 1 Water Supply Shortage condition, the District will implement the mandatory Level 1 conservation measures identified in this section.
  
- B. **Additional Water Conservation Measures:** In addition to the prohibited uses of water identified in Section VI, the following water conservation requirements apply during a declared Level 1 Water Supply Shortage:
  - 1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape, or other vegetated areas with potable water is limited to three days per week on a schedule established and posted by the District. During the months of November through March, watering or irrigating of lawn, landscape, or other vegetated areas with potable water is limited to no more than one day per week on a schedule established and posted by the District. This provision does not apply to landscape irrigation zones that exclusively use very low flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of

time for the express purpose of adjusting or repairing an irrigation system.

2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing or distribution system must be repaired within seventy-two (72) hours of notification by the District unless other arrangements are made with the District.

If approved, the mandatory conservation requirements applicable to the Level 1 declaration will take effect on May 10, 2023.

**ATTACHMENTS:**

1. **Resolution No. 22-10**
2. **Resolution No. 23-04**
3. **Ordinance No. 75**



Board of Directors:

JARED BOUCHARD, President  
MARCIA MARCUS, Vice President  
KRISTINA BREWER, Director  
SEAN DEBLEY, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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## RESOLUTION NO. 22-10

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT DECLARING A STAGE 2 WATER SUPPLY SHORTAGE AND IMPLEMENTATION OF MANDATORY CONSERVATION MEASURES FOR POTABLE WATER USAGE

**WHEREAS**, On September 9, 2009, the Channel Islands Beach Community Services District Board of Directors adopted Ordinance No. 75 establishing a Water Conservation and Water Supply Shortage Program; and

**WHEREAS**, the State of California has entered a third consecutive year of drought during which annual precipitation, snowpack, and resultant runoff levels have been markedly below that which is needed to both adequately replenish key reservoirs and meet current water demands; and

**WHEREAS**, on August 18, 2021, the Board of Directors of Calleguas Municipal Water District (CMWD) adopted Resolution No. 2024 which declared a Stage 2 Water Shortage and called for enhanced water use efficiency efforts; and

**WHEREAS**, on October 19, 2021, Governor Gavin Newsom proclaimed that a state of emergency exists in all California counties due to severe drought conditions, and called on all local and regional water suppliers to implement Water Shortage Contingency Plans (WSCPs) that are responsive to local conditions; and

**WHEREAS**, on November 9, 2021, Metropolitan Water District (MWD) declared that specified drought emergency conditions exist with its service area and called an all member agencies to immediately implement conservation to reduce the use of State Water Project (SWP) supplies; and

**WHEREAS**, on November 17, 2021, the Board of Directors of CMWD adopted Resolution No. 2033 which called upon those purveyors receiving water from CMWD to implement appropriate measures to achieve a 15 percent reduction in demands from 2020 to extend SWP storage reserves; and

**WHEREAS**, on March 18, 2022, the California Department of Water Resources (DWR) announced that it reduced the calendar year 2022 SWP allocation to five percent, and current projections indicate that the final allocation will remain five percent; and

**NOW, THEREFORE, BE IT RESOLVED AND DETERMINED, THAT:**

1. All recitals contained above are true and incorporated by reference herein.
2. In response to the water shortage restrictions being implemented by the State, MWD, and CMWD, the Board hereby amends the outdoor irrigation provisions under Stage 2 of the regulations from the current 2 days per week to one day per week and the current 10 minute duration per station to 8 minute duration per station.
3. This action will be held in place pending further direction from the State, MWD, or CMWD and the Board revises the District's restrictions, or the District changes the Stage 2 alert.
4. The revised restrictions on outdoor irrigation become effective June 1, 2022.

**PASSED AND ADOPTED** this 10<sup>TH</sup> day of May 2022, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Peter Martinez

General Manager

Channel Islands Beach CSD

Jared Bouchard

President, Board of Directors

Channel Islands Beach CSD



Board of Directors:

SEAN DEBLEY, President  
JARED BOUCHARD, Vice President  
KRISTINA BREWER, Director  
MICHAEL LEBOW, Director  
BOB NAST, Director

PETER MARTINEZ  
General Manager

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## RESOLUTION NO. 23-04

### **A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT RESCINDING RESOLUTION 22-10 DECLARING A LEVEL 2 WATER SUPPLY SHORTAGE AND DECLARING A LEVEL 1 WATER SUPPLY SHORTAGE EFFECTIVE MAY 10, 2023**

**WHEREAS**, On September 9, 2009, the Channel Islands Beach Community Services District Board of Directors adopted Ordinance No. 75 establishing a Water Conservation and Water Supply Shortage Program; and

**WHEREAS**, on August 18, 2021, the Board of Directors of Calleguas Municipal Water District (CMWD) adopted Resolution No. 2024 which declared a Stage 2 Water Shortage and called for enhanced water use efficiency efforts; and

**WHEREAS**, on October 19, 2021, Governor Gavin Newsom proclaimed that a state of emergency exists in all California counties due to severe drought conditions, and called on all local and regional water suppliers to implement Water Shortage Contingency Plans (WSCPs) that are responsive to local conditions; and

**WHEREAS**, on November 9, 2021, Metropolitan Water District (MWD) declared that specified drought emergency conditions exist with its service area and called all member agencies to immediately implement conservation to reduce the use of State Water Project (SWP) supplies; and

**WHEREAS**, on November 17, 2021, the Board of Directors of CMWD adopted Resolution No. 2033 which called upon those purveyors receiving water from CMWD to implement appropriate measures to achieve a 15 percent reduction in demands from 2020 to extend SWP storage reserves; and

**WHEREAS**, on May 10, 2022, the Board of Directors of the Channel Islands Beach Community Services District adopted Resolution No. 22-10 declaring a Level 2 Water Shortage Supply condition; and

**WHEREAS**, the State has experienced elevated snowpack, precipitation, and runoff levels in critical watersheds since the beginning of Water Year 2022-2023 which have resulted in markedly improved water supply conditions throughout the State;

**WHEREAS**, on February 15, 2023, Calleguas adopted Resolution 2070 which suspended enforcement of the 1-day-per-week watering restriction, rescinded a Stage 3 shortage, and declared a Stage 2 Water Shortage; and

**WHEREAS**, on March 14, 2023, Metropolitan rescinded the Emergency Water Conservation Program (EWCP), which had been adopted on April 26, 2022 to preserve supplies for its SWP dependent agencies; and

**WHEREAS**, on April 20, 2023, the California Department of Water Resources (DWR) announced a 2023 SWP allocation increase to 100 percent, up from 75 percent announced in March 2023, and the initial 5 percent allocation announced on December 1, 2022; and

**WHEREAS**, following a series of atmospheric rivers since late December 2022, the Sierra snowpack is at its highest levels since 1995 with anticipated runoff that will further boost key reservoir levels; and

**WHEREAS**, on March 24, 2023, Governor Newsom issued Executive Order N-5-23 modifying drought emergency provisions contained within his State of Emergency Proclamations dated April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, and Executive Orders N-7-22 (March 28, 2022), N-32-3 (February 13, 2023), and N-4-23 (March 10, 2023). Specifically, Executive Order N-5-23 ends the voluntary 15 percent water conservation target and the requirement for water agencies to implement at minimum Level 2 of their Water Shortage Contingency Plans; and

**WHEREAS**, approximately 15-20 percent of the District's water supply is imported via the State Water Project and 80-85 percent is supplied via the critically overdrafted Oxnard and Pleasant Valley groundwater basins via United Water Conservation District and then ultimately delivered by the Port Hueneme Water Agency.

**NOW, THEREFORE, BE IT RESOLVED AND DETERMINED, THAT:**

1. All recitals contained above are true and incorporated by reference herein.
2. The Board of Directors rescinds Resolution 22-10 declaring a Level 2 Water Supply Shortage.
3. The Board of Directors herein declares that a Level 1 Water Supply Shortage exists.
4. The revised Level 1 restrictions become effective May 10, 2023.



**PASSED AND ADOPTED** this 9<sup>TH</sup> day of May 2023, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Peter Martinez

General Manager

Channel Islands Beach CSD

Sean Debley

President, Board of Directors

Channel Islands Beach CSD

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**ORDINANCE NO. \_75\_**

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT ESTABLISHING A WATER CONSERVATION AND WATER SUPPLY SHORTAGE PROGRAM AND REGULATIONS**

**Section I: Title.**

This ordinance will be known as the "Channel Islands Beach Community Services District Water Conservation and Water Supply Shortage Program."

**Section II. Findings.**

- a. A reliable minimum supply of potable water is essential to and benefits those persons served by the Channel Islands Beach Community Services District ("District").
- b. The District and its service areas are located in southern California, a semi-arid region that is largely dependent upon imported water supplies to augment limited local ground water supplies. A growing population, climate change, environmental concerns, and other factors in other parts of the State and western United States, make the region highly susceptible to water supply reliability issues.
- c. Careful water management that includes active water conservation measures not only in times of drought, but at all times, is essential to ensure a reliable minimum supply of water to meet the District's current and future water supply needs.
- d. Article X, Section 2 of the California Constitution declares that the general welfare requires that water resources be put to beneficial use, waste or unreasonable use or unreasonable method of use of water be prevented, and conservation of water be fully exercised with a view to the reasonable and beneficial use thereof.
- e. California Government Code section 61600 identifies supplying the inhabitants of the District with water for domestic use, irrigation, sanitation, industrial use, fire protection, and recreation as one of the main functions of a Community Service District. California Government Code section 61622 confers upon the District general powers to perform all acts necessary to carry out fully the provisions of the Community Services District Law.
- f. California Water Code sections 375 and 375.5 authorize any public entity, including a special district, which supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity to adopt and enforce a comprehensive water conservation program to reduce water consumption and conserve supplies.
- g. California Water Code section 350 et seq. authorizes water suppliers, including a special district, to declare a water shortage emergency and, upon declaration of that emergency, adopt regulations and restrictions on the delivery and consumption of water in order to conserve water resources during the period of the emergency and until the supply of water available for distribution by the supplier has been replenished or augmented.

- h. The adoption and enforcement of a water conservation and supply shortage program is necessary to manage the District's potable water supply in the short and long-term and to avoid or minimize the effects of drought and shortage within the District. Such program is essential to ensure a reliable and sustainable minimum supply of water for the public health, safety, and welfare.
- i. Based upon the above findings, the District's legal counsel advises, and the Board finds, that actions taken pursuant to this ordinance are categorically exempt from CEQA according to 14 California Code of Regulations 15301 and 15307.

### **Section III. Declaration of Purpose and Intent.**

- a. The purpose of this ordinance is to establish a water conservation and supply shortage program that will reduce water consumption within the District through conservation, enable effective water supply planning, assure reasonable and beneficial use of water, prevent waste of water, and maximize the efficient use of water within the District to avoid and minimize the effect and hardship of water shortage to the greatest extent possible.
- b. This ordinance establishes permanent water conservation standards intended to alter behavior related to water use efficiency during non-shortage conditions, and further establishes three levels of water supply shortage response actions to be implemented during times of declared water shortage or declared water shortage emergency. Each progressive level increases restrictions on water use in response to worsening drought or emergency conditions and decreasing supplies.

### **Section IV. Definitions.**

- a. The following words and phrases whenever used in this chapter have the meaning defined in this section:
  - 1. **"Commercial Grower"** means a person who operates a licensed plant or tree farm or who cultivates crops or other vegetation for sale or intended sale to the general public in the ordinary course of that person's business.
  - 2. **"Commercial Nursery"** means a licensed plant or tree farm which plants, grows and cultivates plants or trees for the sale or intended sale of such plants and trees to the general public in the ordinary course of the licensee's business.
  - 3. **"District"** means those areas that lie within the boundaries of the Channel Islands Beach Community Services District, as well as any areas outside the District boundaries to which the District provides service."
  - 4. **"Excessive Water Flow or Runoff"** means any water which originates from a tap connected to the District's water delivery system that leaves the property of origin in a continuous flow of any dimension.
  - 5. **"Person"** means any natural person or persons, corporation, public or private entity, governmental agency or institution, or any other user of water provided by the District.
  - 6. **"Landscape Irrigation System"** means an irrigation system with pipes, hoses, spray heads, or sprinkling devices that are operated by hand or through an automated system.

7. **“Large Landscape Areas”** means a lawn, landscape, or other vegetated area, or combination thereof, equal to or more than 2500 square feet irrigable land.
8. **“Single Pass Cooling Systems”** means equipment where water is circulated only once to cool equipment before being disposed.
9. **“Potable Water”** means water which is suitable for drinking.
10. **“Recycled Water”** means the reclamation and reuse of non-potable water for beneficial use.
11. **“Safety or Sanitary Hazard”** means any accumulation of unwholesome substance, including but not limited to pet or animal waste.
12. **“Billing Unit”** means the unit of water used to apply water rates for purposes of calculating water charges for a person’s water usage. A “billing unit” equals one hundred (100) cubic feet or seven hundred forty-eight (748) gallons of water.
13. **“Vehicle”** means any automobile, truck, van, bus, motorcycle, recreational vehicle, boat or trailer

**Section V. Application**

- a. The provisions of this ordinance apply to any person in the use of any potable water provided by the District.
- b. Compliance with the provisions of this ordinance shall be a condition of water service within the District and in all areas outside the District to which the District provides water service.
- c. The provisions of this ordinance do not apply to uses of water necessary to protect public health and safety or for essential government services, such as police, fire and other similar emergency services.
- d. The provisions of this ordinance do not apply to the use of recycled water, with the exception of Section VI(a).
- e. The provisions of this ordinance do not apply to the use of water by commercial nurseries and commercial growers to sustain plants, trees, shrubs, crops or other vegetation intended for commercial sale.
- f. This ordinance is intended solely to further the conservation of water. It is not intended to implement any provision of federal, State, or local statutes, ordinances, or regulations relating to protection of water quality or control of drainage or runoff. Refer to the local jurisdiction or Regional Water Quality Control Board for information on any stormwater ordinances and stormwater management plans.

**Section VI: Permanent Water Conservation Requirements – Prohibition Against Waste**

The following water conservation requirements are effective at all times and are permanent. Violations of this section will be considered waste and an unreasonable use of water.

- a. **Limits on Watering Hours:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is prohibited between the hours of 9:00 a.m. and 4:00 p.m. Pacific Standard Time on any day, except by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system.
- b. **Limit on Watering Duration:** Watering or irrigating of lawn, landscape or other vegetated area with potable water using a landscape irrigation system or a watering device that is not continuously attended is limited to no more than ten (10) minutes watering per day per station. This subsection does not apply to landscape irrigation systems that exclusively use very low-flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour and weather based controllers or stream rotor sprinklers that meet a 70% efficiency standard.
- c. **Large Landscape Areas – Rain Sensors:** Large landscape areas, such as parks, cemeteries, golf courses, school grounds, and playing fields, that use landscape irrigation systems to water or irrigate, must use landscape irrigation systems with rain sensors that automatically shut off such systems during periods of rain or irrigation timers which automatically use information such as evapotranspiration sensors to set an efficient water use schedule. **Retrofitting and monitoring of existing landscape areas shall be done in accordance with guidelines set forth in the State of California, Department of Water Resources Model Water Efficient Landscape Ordinance then in effect..** It shall be the responsibility of each land owner, lessee, or agency to perform the required audits and submit a copy of the completed audit to the District to be kept on file at the District.
- d. **No Excessive Water Flow or Runoff:** Watering or irrigating of any lawn, landscape or other vegetated area in a manner that causes or allows excessive water flow or runoff onto an adjoining sidewalk, driveway, street, alley, gutter or ditch is prohibited. Every person is deemed to have under his/her control at all times his/her water distribution lines and facilities, and to know the manner and extent of his/her water use and runoff.
- e. **No Washing Down Hard or Paved Surfaces:** Washing down hard or paved surfaces, including but not limited to sidewalks, walkways, driveways, parking areas, docks, tennis courts, patios or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards, and then only by use of a hand-held bucket or similar container, water broom, or a low-volume, high-pressure cleaning machine.
- f. **Obligation to Fix Leaks, Breaks or Malfunctions:** Excessive use, loss or escape of water through breaks, leaks or other malfunctions in the water user's plumbing, distribution, or irrigation system for any period of time after such escape of water should have reasonably been discovered and corrected, and in no event more than 10 days of receiving notice from the District, is prohibited.
- g. **Re-circulating Water Required for Water Fountains and Decorative Water Features:** Operating a water fountain or other decorative water feature that does not use re-circulated water is prohibited.
- h. **Limits on Washing Vehicles:** Using water to wash or clean a vehicle, including but not limited to any automobile, truck, van, bus, motorcycle, boat or trailer, whether motorized or not is prohibited, except by use of a hand-held bucket or similar container or a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, by high pressure/low volume wash systems or at a commercial vehicle washing facility that utilizes a re-circulating water system to capture or reuse water.

- i. **Drinking Water Served Upon Request Only:** Eating or drinking establishments, including but not limited to a restaurant, hotel, cafe, cafeteria, bar, club or other public place where food or drinks are sold, served, or offered for sale, shall not serve water to customers except upon request of the customer.
- j. **Commercial Lodging Establishments Must Provide Option to Not Launder Linen Daily:** Hotels, motels and other commercial lodging establishments must provide customers the option of not having towels and linen laundered daily. Commercial lodging establishments must prominently display notice of this option in each bathroom using clear and easily understood language.
- k. **No Installation of Single Pass Cooling Systems:** Installation of single pass cooling systems is prohibited in buildings requesting new water service.
- l. **No Installation of Non-re-circulating in Laundry Systems:** Installation of non-re-circulating water systems is prohibited in new commercial conveyor car wash and new commercial laundry systems.
- m. **Restaurants Required to Use Water Conserving Dish Wash Spray Valves:** Food preparation establishments, such as restaurants or cafes, are prohibited from using non-water conserving pre rinse dish wash spray valves. Existing restaurants will be required to upgrade or install water conserving pre rinse dish wash spray valves when remodeling, rehabilitation, or renovation occurs requiring a building, plan check, or design review permit.

**Levels of Water Supply Shortage:**

**Section VII: Level 1 Water Supply Shortage**

- a. A Level 1 Water Supply Shortage exists when the District determines, in its sole discretion, that due to drought or other water supply reductions, a water supply shortage exists and a consumer demand reduction is necessary to make more efficient use of water and appropriately respond to existing water conditions. Upon the declaration by the District of a Level 1 Water Supply Shortage condition, the District will implement the mandatory Level 1 conservation measures identified in this section. The type of event that may prompt the District to declare a Level 1 Water Supply Shortage may include, among other factors, a finding that its wholesale water provider calls for extraordinary water conservation.
- b. **Additional Water Conservation Measures:** In addition to the prohibited uses of water identified in Section VI, the following water conservation requirements apply during a declared Level 1 Water Supply Shortage:
  - 1. **Limits on Watering Days:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to three days per week on a schedule established and posted by the District. During the months of November through March, watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to no more than one day per week on a schedule established and posted by the District. This provision does not apply to landscape irrigation zones that exclusively use very low flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing

water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system.

2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing, distribution, or irrigation system must be repaired within seventy-two (72) hours of notification by the District unless other arrangements are made with the District.
3. **Other Prohibited Uses:** In compliance with applicable law, the District may implement other prohibited water uses as determined by the District, after proper notice to customers.

### **Section VIII. Level 2 Water Supply Shortage**

- a. A Level 2 Water Supply Shortage exists when the District determines, in its sole discretion, that due to drought or other supply reductions, a water supply shortage exists and a consumer demand reduction is necessary to make more efficient use of water and respond to existing water conditions. Upon the declaration by the District of a Level 2 Water Supply Shortage condition, the District will implement the mandatory Level 2 conservation measures identified in this section.
- b. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Section VI and VII, the following additional water conservation requirements apply during a declared Level 2 Water Supply Shortage:
  1. **Watering Days:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to two days per week on a schedule established and posted by the District. During the months of November through March, watering or irrigating of lawn, landscape or other vegetated area with potable water is limited to no more than one day per week on a schedule established and posted by the District. This provision does not apply to landscape irrigation zones that exclusively use very low flow drip type irrigation systems when no emitter produces more than two (2) gallons of water per hour. This provision also does not apply to watering or irrigating by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or for very short periods of time for the express purpose of adjusting or repairing an irrigation system.
  2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user's plumbing, distribution, or irrigation system must be repaired within forty-eight (48) hours of notification by the District unless other arrangements are made with the District.
  3. **Limits on Filling Ornamental Lakes or Ponds.** Filling or re-filling ornamental lakes or ponds is prohibited except to the extent needed to sustain aquatic life, provided that such animals have been actively managed within the water feature prior to declaration of a supply shortage level under this ordinance.
  4. **Limits on Washing Vehicles:** Using water to wash or clean a vehicle, including but not limited to, any automobile, truck, van, bus, motorcycle, boat or trailer, whether motorized or not, is prohibited except by use of a hand-held bucket or similar container, a hand-held hose equipped with a positive self-closing water shut-off nozzle or device, by high



pressure/low volume wash systems, or at a commercial vehicle washing facility that utilizes a re-circulating water system to capture or reuse water.

5. **Limits on Filling Residential Swimming Pools & Spas:** Re-filling of more than one foot and initial filling of residential swimming pools or outdoor spas with potable water is prohibited.
6. **Other Prohibited Uses:** In compliance with applicable law, the District may implement other prohibited water uses as determined by the District, after proper notice to customers.

### **Section IX. Level 3 Water Supply Shortage – Emergency Condition**

- a. A Level 3 Water Supply Shortage condition is also referred to as an “Emergency” condition. A Level 3 condition exists when the District declares a water shortage emergency and notifies its residents and businesses that a significant reduction in consumer demand is necessary to make more efficient use of water and respond to existing water conditions. Upon the declaration of a Level 3 Water Supply Shortage Emergency condition, the District will implement the mandatory Level 3 conservation measures identified in this section.
- b. **Additional Conservation Measures:** In addition to the prohibited uses of water identified in Section VI, VII, and VIII, the following water conservation requirements apply during a declared Level 3 Water Supply Shortage Emergency:
  1. **No Watering or Irrigating:** Watering or irrigating of lawn, landscape or other vegetated area with potable water is prohibited. This restriction does not apply to the following categories of use:
    - i. Maintenance of vegetation, including trees and shrubs, that are watered using a hand-held bucket or similar container, hand-held hose equipped with a positive self-closing water shut-off nozzle or device, or a very low-flow drip type irrigation system when no emitter produces more than two (2) gallons of water per hour subject to the hour restrictions in Section VI(a);
    - ii. Maintenance of existing landscape necessary for fire protection;
    - iii. Maintenance of existing landscape for soil erosion control;
    - iv. Maintenance of plant materials identified to be rare or essential to the well being of rare animals;
    - v. Maintenance of landscape within active public parks and playing fields, day care centers, school grounds, cemeteries, and golf course greens, provided that such irrigation does not exceed two (2) days per week according to the schedule established in Section VIII(b)(1) and time restrictions in Section VI(a) and (b)(1);
    - vi. Public works projects and actively irrigated environmental mitigation projects.
  2. **Obligation to Fix Leaks, Breaks or Malfunctions:** All leaks, breaks, or other malfunctions in the water user’s plumbing, distribution or irrigation system must be

repaired within twenty-four (24) hours of notification by the District unless other arrangements are made with the District.

3. **No New Potable Water Service:** Upon declaration of a Level 3 Water Supply Shortage Emergency condition, no new potable water service will be provided, no new temporary meters or permanent meters will be provided, and no statements of immediate ability to serve or provide potable water service (such as, will serve letters, certificates, or letters of availability) will be issued, except under the following circumstances:
  1. A valid, unexpired building permit has been issued for the project; or
  2. The project is necessary to protect the public's health, safety, and welfare; or
  3. The applicant provides substantial evidence of an enforceable commitment that water demands for the project will be offset prior to the provision of a new water meter(s) to the satisfaction of the District.

This provision does not preclude the resetting or turn-on of meters to provide continuation of water service or the restoration of service that has been interrupted for a period of one year or less.

4. **Discontinue Service:** The District, in its sole discretion, may discontinue service to consumers who willfully violate provisions of this ordinance.
5. **Other Prohibited Uses:** In compliance with applicable law, the District may implement other prohibited water uses as determined by the District, after proper notice to customers.

## **Section X. Procedures for Determination / Notification of Water Supply Shortage**

- a. **Declaration and Notification of Level 1 & 2 Water Supply Shortage:** The existence of Level 1 and Level 2 Water Supply Shortage conditions may be declared by resolution of the District adopted at a regular or special public meeting held in accordance with state law. The mandatory conservation requirements applicable to Level 1 or Level 2 conditions will take effect on the tenth (10<sup>th</sup>) day after the date the shortage level is declared. Within five (5) days following the declaration of the shortage level, the District must publish a copy of the resolution in a newspaper of general circulation for the period of time, number of times, and in the manner required by applicable law. If the District establishes a water allocation, it must provide notice of the allocation by including it in the regular billing statement or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. A water allocation will be effective on the fifth day following the date of mailing or at such later date as specified in the notice.
- b. **Declaration and Notification of Level 3 Water Supply Shortage:** The existence of a Level 3 Water Supply Shortage Emergency condition may be declared in accordance with the procedures specified in Water Code Sections 351 and 352. The mandatory conservation requirements applicable to the Level 3 conditions will take effect on the tenth (10<sup>th</sup>) day after the date the shortage level is declared. Within five (5) days following the declaration of the shortage level, the District must publish a copy of the resolution in a newspaper of general circulation for the period of time, number of times, and in the manner required by applicable law. If the District establishes a water allocation, it will provide notice of the allocation by including it in the regular billing statement or by any other mailing to the address to which the District customarily mails the billing statement for fees or charges for on-going water service. A water allocation will be

effective on the fifth day following the date of mailing or at such later date as specified in the notice.

## **Section XI. Other Provisions**

- a. **Reporting Mechanism -:** The District will establish a water waste reporting link on the District's website (<http://www.channelislandsbeachcsd.com/>) for residents to report violations of this ordinance.
- b. **Adoption of California Water Efficient Landscape Ordinance-** The District hereby incorporates by reference and adopts the California Water Efficient Landscape Ordinance as set forth in the California Code of Regulations Title 23, Sections 490- 495.

## **Section XII. Penalties and Violations**

- a. **Misdemeanor:** Any violation of this ordinance may be prosecuted as a misdemeanor punishable by imprisonment in the county jail for not more than thirty (30) days, or by a fine not exceeding one thousand dollars (\$1,000), or by both.
- b. **Civil Penalties:** Civil penalties for failure to comply with any provisions of the ordinance are as follows:
  1. **First Violation:** The District will issue a written warning and deliver a copy of this ordinance by mail.
  2. **Second Violation:** A second violation within the preceding twelve (12) calendar months is punishable by a fine not to exceed seventy-five dollars (\$75).
  3. **Third Violation:** A third violation within the preceding twelve (12) calendar months is punishable by a fine not to exceed two hundred and fifty (\$250).
  4. **Fourth and Subsequent Violations:** A fourth and any subsequent violation is punishable by a fine not to exceed five hundred dollars (\$500).
    - i. **Water Flow Restrictor:** In addition to any fines, the District may install a water flow restrictor device of approximately one gallon per minute capacity for services up to one and one-half inch size and comparatively sized restrictors for larger services after written notice of intent to install a flow restrictor for a minimum of forty eight (48) hours.
    - ii. **Termination of Service:** In addition to any fines and the installation of a water flow restrictor, the District may disconnect and/or terminate a customer's water service.
- c. **Cost of Flow Restrictor and Disconnecting Service:** A person or entity that violates this ordinance is responsible for payment of the District's charges for installing and/or removing any flow restricting device and for disconnecting and/or reconnecting service per the District's schedule of charges then in effect. The charge for installing and/or removing any flow restricting device must be paid to the District before the device is removed. Nonpayment will be subject to the same remedies as nonpayment of basic water rates.

- d. **Separate Offenses:** Each day that a violation of this ordinance occurs is a separate offense.
- e. **Notice and Hearing:**
  - 1. The District will issue a Notice of Violation by mail or personal delivery at least ten (10) days before taking enforcement action. Such notice must describe the violation and the date by which corrective action must be taken. A customer may appeal the Notice of Violation by filing a written notice of appeal with the District no later than the close of business on the day before the date scheduled for enforcement action. Any Notice of Violation not timely appealed will be final. Upon receipt of a timely appeal, a hearing on the appeal will be scheduled; and the District will mail written notice of the hearing date to the customer at least ten (10) days before the date of the hearing.
  - 2. Pending receipt of a written appeal or pending a hearing pursuant to an appeal, the District may take appropriate steps to prevent the unauthorized use of water as appropriate to the nature and extent of the violations and the current declared water Level condition.

**Section XIII. Severability**

If any section, subsection, sentence, clause or phrase in this chapter is for any reason held invalid, the validity of the remainder of the ordinance will not be affected. The Channel Islands Beach Community Services District hereby declares it would have passed this ordinance and each section, subsection, sentence, clause or phrase thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses, or phrases or is declared invalid.

**PASSED, APPROVED and ADOPTED** by the Channel Islands Beach Community Services District Board of Directors on this **9th day of September, 2009**, by the following vote:

**AYES:** Directors: *Moore, Koesterer, Spiegel + Hensley*

**NOES:** Directors: *None*

**ABSENT:** Directors: *Marcus*

*Keith Moore*  
 \_\_\_\_\_  
**KEITH MOORE, President**

**ATTEST:**  
*Jared Bouchard*  
 \_\_\_\_\_  
**JARED BOUCHARD, SECRETARY**

BOARD OF DIRECTORS

**APPROVED AS TO FORM:**

*John Mathews*  
 \_\_\_\_\_  
**JOHN MATHEWS GENERAL COUNSEL**



**APPENDIX:**

**WATER CONSERVATION ORDINANCE TABLE**

Permanent	Level 1	Level 2	Level 3 – Emergency
<p align="center"><i>Permanent</i></p> <p><b>Restrictions</b></p> <ul style="list-style-type: none"> <li>○ <b>No Watering: 9am-6pm, except by hand</b></li> <li>○ <b>Irrigation system limit of 15 minutes</b></li> <li>○ <b>No excessive water flow or runoff</b></li> <li>○ <b>No washing down hard or paved surfaces</b></li> <li>○ <b>Fix leaks within reasonable time (within ___ days of notice)</b></li> <li>○ <b>Fountains only with re-circulating water</b></li> <li>○ <b>Restaurants only serve water on request</b></li> <li>○ <b>Wash vehicles only with</b></li> </ul>	<p align="center"><i>Up to 10% Anticipated Shortage</i></p> <p>Same as Permanent +</p> <ul style="list-style-type: none"> <li>○ <b>Watering limited to 3 days a week</b></li> <li>○ <b>Fix leaks within 72 hours</b></li> </ul>	<p align="center"><i>Up to 20%</i></p> <p>Same as Permanent &amp; Level 1 +</p> <ul style="list-style-type: none"> <li>○ <b>Watering limited to 2 days a week</b></li> <li>○ <b>Fix leaks within 48 hours</b></li> <li>○ <b>No filling or re-filling ornamental lakes or ponds</b></li> <li>○ <b>Wash vehicles only at car wash with re-circulating system</b></li> <li>○ <b>No filling residential pools or outdoor spas</b></li> </ul>	<p align="center"><i>More than 20%</i></p> <p>Same as Permanent, Level 1 &amp; Level 2 +</p> <ul style="list-style-type: none"> <li>○ <b>No watering or irrigating with certain exceptions</b></li> <li>○ <b>Fix leaks within 24 hours</b></li> <li>○ <b>No new potable water service</b></li> </ul>

<p>bucket or shut-off nozzle</p> <ul style="list-style-type: none"> <li>○ <b>Hotels must provide guests option to not launder linen daily</b></li> <li>○ <b>No installation of single-pass cooling systems</b></li> <li>○ <b>No installation of non re-circulating car wash systems</b></li> <li>○ Restaurants must use conserving nozzles</li> </ul>			
<p><b><u>Administration &amp; Penalties</u></b></p> <ul style="list-style-type: none"> <li>○ <b>Administrative penalties</b></li> <li>○ Civil fines, flow restrictor or disconnect service after 4<sup>th</sup> violation</li> <li>○ Misdemeanor</li> <li>○ <b>Reporting mechanism</b></li> </ul>	<p>Same as Permanent</p>	<p>○</p>	<p>○</p>

\* **Bold Items required for certain Metropolitan funding of conservation and local projects.**