



Board of Directors:

BOB NAST, President
SEAN DEBLEY, Vice President
JARED BOUCHARD, Director
KRISTINA BREWER, Director
MARCIA MARCUS, 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 · CIBCSO.COM

BOARD OF DIRECTORS REGULAR BOARD MEETING NOTICE & AGENDA

NOTICE IS HEREBY GIVEN that the Board of Directors of the Channel Islands Beach Community Services District will hold A Regular Meeting beginning at 6:00 PM on Tuesday, March 10, 2020. 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 –February 2020
3. Minutes
 - a. February 11, 2020 Regular Board Meeting
 - b. February 28, 2020 Facilities Committee Meeting

4. Authorize customer request for relief from water charges due to leaks on the property consistent with Resolution 16-06:

	Account Number	Water Relief	Sewer Relief	Total Relief
a.	01790-01	\$1.86	\$28.97	\$30.83
b.	17240-01	\$6.62	\$40.56	\$47.18
c.	08750-01	\$19.04	\$46.35	\$65.39
				\$143.40

D. OPERATIONS AND MAINTENANCE REPORT:

E. ACTION CALENDAR:

1. FY 2018-2019 ANNUAL AUDIT REPORT

Recommendation:

- 1) Approve Allocations (transfers) for June 30, 2019
- 2) Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2019.
- 3) Authorize staff to present a Final Audit Report.

2. DISTRICT PARTICIPATION IN THE INSTALLATION OF CCTV SECURITY CAMERAS IN DISTRICT SERVICE AREA

Recommendation:

- 1) It is recommended the Board consider the Facilities Committee’s position to pursue Option 2 related to District involvement in the procurement, installation, and ongoing maintenance of CCTV security cameras within the service area. In selecting Option 2, the District would participate in the outreach of available services the Ventura County Sheriff’s Department offers.

3. DISTRICT OPTIONS TO CONSIDER IN RESPONDING TO SEA LEVEL RISE

Recommendation:

- 1) Board Discretion of the options provided for consideration.

F. INFORMATION CALENDAR:

1. PHWA Agenda Review

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

G. BOARD MEMBER COMMENTS:

H. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:

AGENDA POSTING CERTIFICATION

This agenda was posted Thursday March 5, 2020 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.

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

3/4/2020 3:58 PM

Register: 1002 · Checking Pacific Western

From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/04/2020	ACH	Mission Linen & Uni...	5 - Salaries & Benefits:...		271.75			934,162.01
02/04/2020	ACH	Cardmember Service	8000 - Suspense	1-21-2020	2,414.09			931,747.92
02/04/2020	ACH	Arco	4 - Maintenance Expen...	Jan 2020	773.63			930,974.29
02/04/2020	ACH	So. California Edison...	2 - Sewer System Expe...	1-16-20	543.17			930,431.12
02/04/2020	ACH	So. California Edison...	2 - Sewer System Expe...	1-16-2020	767.75			929,663.37
02/04/2020	ACH	SCE- Office	-split-		294.32			929,369.05
02/04/2020	ACH	So. California Edison...	2 - Sewer System Expe...	4804	326.02			929,043.03
02/04/2020	ACH	Bay Alarm Company	4 - Maintenance Expen...	103152	285.00			928,758.03
02/05/2020	DEP	QB:DEPOSIT	2050 - Customer Depo...	Dep 2/3			150.00	928,908.03
02/05/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/3			1,162.87	930,070.90
02/05/2020	ACH	Aflac	*2020 - Payroll Liabilit...	770936	589.25			929,481.65
02/05/2020	ACH	ACWA/JPIA Health ...	5 - Salaries & Benefits:...	0641300	1,897.82			927,583.83
02/05/2020	6096	A to Z Law, LLP	2000 - Accounts Payable		1,563.89			926,019.94
02/05/2020	6097	Albourn & Associates	2000 - Accounts Payable	Translation 5 L...	2,360.48			923,659.46
02/05/2020	6098	AWA	2000 - Accounts Payable	1-22-20 ed. lun...	140.00			923,519.46
02/05/2020	6099	Badger Meter	2000 - Accounts Payable		3,339.28			920,180.18
02/05/2020	6100	BRAD SCHOUTEN	2000 - Accounts Payable	CUSTOMER ...	3.29			920,176.89
02/05/2020	6101	City of Oxnard	2000 - Accounts Payable	Pr. Pd. 10/1/19...	223,777.26			696,399.63
02/05/2020	6102	CLINTON LUKENS	2000 - Accounts Payable	CUSTOMER ...	341.48			696,058.15
02/05/2020	6103	Coastline Equipment	2000 - Accounts Payable	Backhoe Maint.	3,566.60			692,491.55
02/05/2020	6104	County of Ventura - ...	2000 - Accounts Payable		1,540.00			690,951.55
02/05/2020	6105	County of Ventura - ...	2000 - Accounts Payable	10/1/19 to 12/3...	420.16			690,531.39
02/05/2020	6106	CUSI	2000 - Accounts Payable		100.96			690,430.43
02/05/2020	6107	EJ Harrison & Sons, ...	2000 - Accounts Payable		68,981.26			621,449.17
02/05/2020	6108	Elevated Entitlements	2000 - Accounts Payable		637.50			620,811.67
02/05/2020	6109	FGL Environmental I...	2000 - Accounts Payable		606.00			620,205.67
02/05/2020	6110	Grainger	2000 - Accounts Payable		413.51			619,792.16
02/05/2020	6111	Michael K. Nunley ...	2000 - Accounts Payable	Engineering Se...	15,546.57			604,245.59
02/05/2020	6112	Miguel Zavalza	2000 - Accounts Payable		225.00			604,020.59
02/05/2020	6113	REMAX	2000 - Accounts Payable	CUSTOMER ...	35.04			603,985.55
02/05/2020	6114	Rockwell Engineerin...	2000 - Accounts Payable		443.28			603,542.27
02/05/2020	6115	STANISLAWSKI E...	2000 - Accounts Payable		1,462.81			602,079.46
02/05/2020	6116	Staples	2000 - Accounts Payable		259.55			601,819.91
02/05/2020	6117	Trench Shoring Co.	2000 - Accounts Payable		993.75			600,826.16
02/05/2020	6118	XIO, Inc.	2000 - Accounts Payable		865.00			599,961.16
02/05/2020	6119	ZWORLD GIS	2000 - Accounts Payable		1,665.95			598,295.21
02/06/2020	6120	Grainger	2000 - Accounts Payable		544.11			597,751.10
02/06/2020	6121	Nationwide Retirement	2000 - Accounts Payable		3,186.54			594,564.56
02/06/2020	6122	CED	2000 - Accounts Payable		460.09			594,104.47
02/06/2020	6123	Jarrod Lawrence	2000 - Accounts Payable	Dec. 19 /Jan 20	410.00			593,694.47

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From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/06/2020	6124	Coastline Equipment	2000 - Accounts Payable		53.50			593,640.97
02/06/2020	6125	County of Ventura - ...	2000 - Accounts Payable	2129 Piru	350.00			593,290.97
02/07/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/7			3,203.94	596,494.91
02/07/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/7			299.62	596,794.53
02/07/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/3			438.73	597,233.26
02/07/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/5			1,702.95	598,936.21
02/10/2020	RETCK	QB:Returned Item	1200 - Accounts Recei...	Root	431.23			598,504.98
02/10/2020	6127	ACWA/Joint Powers...	2000 - Accounts Payable	pr pd 10-1-19 t...	2,633.34			595,871.64
02/10/2020	6128	FGL Environmental I...	2000 - Accounts Payable		267.00			595,604.64
02/10/2020	6129	Nationwide Retirement	2000 - Accounts Payable	pr pd 1/25/20 t...	1,576.22			594,028.42
02/10/2020	6130	Soares, Sandall, Bern...	2000 - Accounts Payable		12,590.00			581,438.42
02/10/2020	6131	Aqua-Tech Services ...	2000 - Accounts Payable		165.00			581,273.42
02/10/2020	6132	Diener's Electric, Inc.	2000 - Accounts Payable	Test Lift Station	613.34			580,660.08
02/10/2020	6133	FGL Environmental I...	2000 - Accounts Payable		146.00			580,514.08
02/10/2020	6134	PHWA	2000 - Accounts Payable		50,678.45			529,835.63
02/10/2020		QuickBooks Payroll ...	-split-	Created by Pay...	41.42			529,794.21
02/11/2020		QuickBooks Payroll ...	-split-	Created by Pay...	19,007.10			510,787.11
02/11/2020	6126	Mark A Espinosa	-split-		998.12			509,788.99
02/12/2020	DEP	QB:DEPOSIT	2050 - Customer Depo...	Dep 2/10			150.00	509,938.99
02/12/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/10			8,803.80	518,742.79
02/12/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/10			1,424.90	520,167.69
02/12/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	dep 2/6			1,990.55	522,158.24
02/12/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/11			16,447.90	538,606.14
02/12/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/12			1,949.15	540,555.29
02/12/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/5			849.93	541,405.22
02/12/2020	To Print	Carol J Dillon	-split-	Direct Deposit		X		541,405.22
02/12/2020	To Print	Casey D Johnson	-split-	Direct Deposit		X		541,405.22
02/12/2020	To Print	E.D. Brock	-split-	Direct Deposit		X		541,405.22
02/12/2020	To Print	Erika F Davis	-split-	Direct Deposit		X		541,405.22
02/12/2020	To Print	Keila E Wilson	-split-	Direct Deposit		X		541,405.22
02/12/2020	To Print	Mark A Espinosa	-split-	Direct Deposit		X		541,405.22
02/12/2020	To Print	Peter A. Martinez	-split-	Direct Deposit		X		541,405.22
02/14/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/14			10,008.72	551,413.94
02/14/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/13			5,536.30	556,950.24
02/14/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/13			550.00	557,500.24
02/14/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/10			649.38	558,149.62
02/20/2020	ACH	CalPers	-split-	pr pd 1-25-20 t...	2,929.18			555,220.44
02/20/2020	ACH	CalPers	-split-	pr pd 2-8-20 to ...	2,929.18			552,291.26
02/20/2020	RETCK	QB:Returned Item	1200 - Accounts Recei...	Erickson	164.16			552,127.10
02/21/2020	DEP	QB:DEPOSIT	2050 - Customer Depo...	Dep 2/20			150.00	552,277.10

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From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment C	Deposit	Balance
02/21/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/20		299.14	552,576.24
02/21/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/18		108.00	552,684.24
02/21/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/12		1,358.00	554,042.24
02/21/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/21		15,737.37	569,779.61
02/21/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/19		28,324.23	598,103.84
02/21/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/18		15,510.47	613,614.31
02/21/2020	ACH	CalPers	-split-		10,424.72		603,189.59
02/21/2020	ACH	So. California Edison...	2 - Sewer System Expe...	2-19-20/6591	438.31		602,751.28
02/21/2020	ACH	So. California Edison...	2 - Sewer System Expe...	2-19-20/6294	628.50		602,122.78
02/21/2020	ACH	Bay Alarm Company	4 - Maintenance Expen...	2286952 3-1-2...	99.24		602,023.54
02/21/2020	ACH	So. California Edison...	2 - Sewer System Expe...	2-14-20 /4804	162.09		601,861.45
02/21/2020	ACH	Tampa Hardware 2	-split-	Jan. 2020	717.89		601,143.56
02/21/2020	ACH	SoCalGas	6 - Administrative Exp...	Jan 2020 34009	41.65		601,101.91
02/21/2020	ACH	Xerox Financial Serv...	6 - Administrative Exp...	1966143	285.91		600,816.00
02/21/2020	ACH	Pacific Couriers	6 - Administrative Exp...	20-02-2004 & ...	470.94		600,345.06
02/21/2020	ACH	ImageSource	6 - Administrative Exp...	25AR1081664	309.68		600,035.38
02/21/2020	ACH	ImageSource	6 - Administrative Exp...	25AR1088038	399.00		599,636.38
02/21/2020	ACH	Frontier	6 - Administrative Exp...	1651 121317-5	138.95		599,497.43
02/21/2020	ACH	AT & T	6 - Administrative Exp...	48855 Jan & ...	1,158.65		598,338.78
02/21/2020	ACH	Spectrum	6 - Administrative Exp...	Jan. 2020	52.69		598,286.09
02/21/2020	ACH	Xerox Financial Serv...	6 - Administrative Exp...	1921926	285.91		598,000.18
02/21/2020	RETACH	QB:Returned Item	1200 - Accounts Recei...	Loveless	186.55		597,813.63
02/21/2020	6135	A to Z Law, LLP	2000 - Accounts Payable		4,010.78		593,802.85
02/21/2020	6136	ANDREW WESSEN	2000 - Accounts Payable	CUSTOMER ...	10.40		593,792.45
02/21/2020	6137	AWA	2000 - Accounts Payable	AWA training ...	140.00		593,652.45
02/21/2020	6138	City of Port Hueneme	2000 - Accounts Payable	Wastewater Ma...	7,931.75		585,720.70
02/21/2020	6139	Coastline Equipment	2000 - Accounts Payable		269.38		585,451.32
02/21/2020	6140	E.H. Wachs	2000 - Accounts Payable		538.73		584,912.59
02/21/2020	6141	Famcon Pipe and Su...	2000 - Accounts Payable		115.83		584,796.76
02/21/2020	6142	FGL Environmental I...	2000 - Accounts Payable		391.00		584,405.76
02/21/2020	6143	Grainger	2000 - Accounts Payable		544.11		583,861.65
02/21/2020	6144	House Sanitary Supply	2000 - Accounts Payable		532.07		583,329.58
02/21/2020	6145	Nationwide Retirement	2000 - Accounts Payable	pr pd 2/8/20 to ...	1,774.39		581,555.19
02/21/2020	6146	PHWA	2000 - Accounts Payable		28,160.14		553,395.05
02/21/2020	6147	Traffic Technologies ...	2000 - Accounts Payable		282.84		553,112.21
02/21/2020	6148	Valvetek Utility Serv...	2000 - Accounts Payable		285.48		552,826.73
02/21/2020	6149	VCSDA	2000 - Accounts Payable	Bob Nast VCS...	55.00		552,771.73
02/21/2020	6150	Walton Motors & Co...	2000 - Accounts Payable		957.20		551,814.53
02/21/2020	6151	XIO, Inc.	2000 - Accounts Payable	3/20	865.00		550,949.53
02/25/2020	6152	Base Auto Parts	2000 - Accounts Payable		215.48		550,734.05

Channel Islands Beach 2013

3/4/2020 3:58 PM

Register: 1002 · Checking Pacific Western

From 02/01/2020 through 02/29/2020

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
02/25/2020	6153	Famcon Pipe and Su...	2000 - Accounts Payable		482.63			550,251.42
02/25/2020	6154	FGL Environmental I...	2000 - Accounts Payable		146.00			550,105.42
02/25/2020		QuickBooks Payroll ...	-split-	Created by Pay...	19,540.90			530,564.52
02/26/2020	DEP	QB:DEPOSIT	2700 · US Bank-Loan ...	Check from US...			4,797.96	535,362.48
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/26			1,455.72	536,818.20
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/11			871.25	537,689.45
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/24			411.25	538,100.70
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/24			3,245.88	541,346.58
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/21			18,618.81	559,965.39
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/22			133.84	560,099.23
02/26/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/25			9,113.55	569,212.78
02/26/2020	6155	CWEA Tri Counties ...	2000 - Accounts Payable	March 19, 202...	30.00			569,182.78
02/26/2020	6156	Western Alliance Bank	2000 - Accounts Payable		9,154.16			560,028.62
02/26/2020	6157	CWEA Tri Counties ...	2000 - Accounts Payable	March 19, 202...	50.00			559,978.62
02/26/2020	To Print	Carol J Dillon	-split-	Direct Deposit		X		559,978.62
02/26/2020	To Print	Casey D Johnson	-split-	Direct Deposit		X		559,978.62
02/26/2020	To Print	E.D. Brock	-split-	Direct Deposit		X		559,978.62
02/26/2020	To Print	Erika F Davis	-split-	Direct Deposit		X		559,978.62
02/26/2020	To Print	Keila E Wilson	-split-	Direct Deposit		X		559,978.62
02/26/2020	To Print	Mark A Espinosa	-split-	Direct Deposit		X		559,978.62
02/26/2020	To Print	Peter A. Martinez	-split-	Direct Deposit		X		559,978.62
02/28/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/27			1,851.66	561,830.28
02/28/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/26			200.00	562,030.28
02/28/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/25			1,143.78	563,174.06
02/28/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/25			1,069.43	564,243.49
02/28/2020	DEP	QB:DEPOSIT	1200 - Accounts Recei...	Dep 2/26			1,095.51	565,339.00
02/28/2020	6162	Diener's Electric, Inc.	2000 - Accounts Payable	Hollywood Stn...	7,695.00			557,644.00
02/28/2020	6163	Famcon Pipe and Su...	2000 - Accounts Payable		201.63			557,442.37
02/28/2020	6164	Port Hueneme Marin...	2000 - Accounts Payable		327.31			557,115.06
02/28/2020	6165	Staples	2000 - Accounts Payable		673.81			556,441.25
02/28/2020	6166	EJ Harrison & Sons, ...	2000 - Accounts Payable	January 2020	45,379.72			511,061.53

MINUTES OF THE
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
REGULAR BOARD MEETING, February 11, 2020

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

President Nast called the meeting to order at 6:00 P.M. and led everyone in attendance in the Pledge of Allegiance. In attendance, Vice President Debley, Director Bouchard, Director Brewer, Director Marcus, General Manager Peter Martinez, Clerk of the Board, Erika Davis, and General Counsel, Joshua Smith.

B. PUBLIC COMMENTS:

Sheriff Sergeant Harris reported there were residential burglaries in the area. The Sheriff's department offers a service where they check on vacant residential properties. A flyer will be included in the District monthly bill publicizing the service.

Sergeant Harris responded to concerns regarding mail theft, RV parking along the base, and issues that were raised by a resident regarding construction near the resident's home. Sergeant Harris stated that if issues like these arise calling the non-emergency line 805-654-9511 is advisable for the Sheriff's department to address these issues.

C. CONSENT CALENDAR:

President Nast made the motion to approve the Consent Calendar and Director Brewer seconded the motion. The motion passed.

Nast, Debley, Bouchard, Brewer, Marcus 5 - Yes 0 -No

D. OPERATIONS AND MAINTENANCE REPORT:

General Manager Martinez explained that the primary focus this month was completion of the large meter installations. A PowerPoint demonstrating this was displayed. General Manager Martinez commented that recruitment of the Operations Manager is advancing.

E. ACTION CALENDAR:

1. President Nast asked to clarify the term consensus in the Board Agenda Formation Policy. General Counsel clarified consensus referred to the Board majority in this case a Board consisting of five Board members would mean at least three Board members. President Nast made the motion to approve the Board Agenda Formation Policy with

adding language clarifying the term consensus. Director Bouchard seconded the motion. The motion passed all in favor.

Nast, Debley, Bouchard, Brewer, Marcus 5 - Yes 0 -No

2. General Manager Martinez using a PowerPoint presentation identified the key elements of the Sewer System Management Plan (SSMP). Director Marcus commented on the great job Titan Engineering did. Vice President Debley expressed his concerns with section 7 of the plan and its enforceability. Board discussion ensued. Vice President Debley made the motion to approve the SSMP plan once General Counsel reviews Section 7. Director Bouchard seconded the motion. The motion passed collectively.

Nast, Debley, Bouchard, Brewer, Marcus 5 - Yes 0 -No

F. INFORMATION CALENDAR:

1. General Manager Martinez presented the key points of the PHWA Budget with a PowerPoint presentation. Director Bouchard said since there are a lot of upcoming capital expenditures in the PHWA Budget learning what the future plans for improving the PHWA site are, including the land lease, would facilitate the CIBCSD Board in making future decisions. The Board directed General Manager Martinez to start asking these questions in order to get more information at a staff level and address the CIBCSD Board concerns.

2. General Manager Martinez confirmed the PHWA meeting is on Tuesday, February 18, 2020 due to the President's Day Holiday.

3. Report from Board Members of any meeting or conference where compensation from the District for attendance is received.

President Nast said he attended the VCSDA dinner and learned that Al Fox, Special District Representative for VRSD, uncovered some environmental liabilities that he will be discussing at the VRSD meeting in April. President Nast stated that Al Fox is doing an excellent job.

G. PRESENTATION: BOARD PRESIDENT

Using a PowerPoint presentation, President Nast explained the effects of sea level rise on beach communities and their infrastructure. Board asked questions. Board asked that they have time to study the information distributed at the meeting and directed

General Manager Martinez to bring the item back to the next meeting for discussion and a clarified objective for the Board to consider supporting.

H. BOARD MEMBER COMMENTS:

Director Marcus said the candidate meeting at the Yacht club consisted of four out of the five candidates running for the Ventura County Supervisor seats.

Director Marcus suggested that a reminder to the community about Earthquake preparedness would be beneficial since it is not a question of “if” but “when.”

Vice President Debley said he thought the District should get more information regarding involvement in the CalWARN program.

I. GENERAL COUNSEL & GENERAL MANAGER COMMENTS:

General Counsel commented that they are working on the SB998 notes, the District Bylaws and will get back to the Board regarding Section 7 of the SSMP as requested.

General Manager Martinez said the CUP submittal was postponed but will be submitted next week.

General Manager Martinez announced he will be scheduling a Facilities Committee to discuss the CCTV cameras and met with Sergeant Harris today regarding this topic.

General Manager Martinez informed the Board that a resident tripped over a meter box in the street, but it was not the District’s meter. It was another utility. The application VC Public Works was very helpful in facilitating a response to this issue. It is recommended resident’s take advantage of this helpful application.

The Board Meeting adjourned at 8:00 P.M.

Bob Nast, President

MINUTES OF THE
CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT
FACILITIES COMMITTEE MEETING, February 28, 2020

A. APPROVE THE FACILITIES COMMITTEE MEETING AGENDA

The Facilities Committee Agenda was approved and called to order at 11:06 A.M. In attendance Vice President Debley, Director Brewer, General Manager, Peter Martinez, and Clerk of the Board, Erika Davis.

B. DISCUSSION REGARDING THE DISTRICT'S COLLABORATION WITH THE VENTURA COUNTY SHERIFF'S DEPARTMENT TO IDENTIFY POTENTIAL LOCATIONS TO INSTALL CCTV SECURITY CAMERAS WITHIN THE DISTRICT'S SERVICE AREA.

General Manager Martinez used a PowerPoint presentation to review the potential options and identify potential locations for security cameras to be installed by the Ventura County Sheriff's Department. General Manager Martinez, Vice President Debley and Director Brewer visited the potential sites. After a brief discussion, both Vice President Debley and Director Brewer agreed on Option 2. The District will participate in the outreach of available services the Ventura County Sheriff's Department offers residents of the unincorporated areas of the District's service area which will have a minor financial impact. General Manager Martinez will present this at the March Board meeting.

The Facilities Committee Meeting adjourned at 12:01 P.M.

Sean Debley, Vice President



Board of Directors:

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

PETER MARTINEZ
General Manager

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Regular Board Meeting, March 10, 2020

To: Board of Directors
From: Peter Martinez, *General Manager*
Subject: FY 2018 – 2019 Annual Audit Report
Item No. E-1

RECOMMENDATION:

1. Approve Allocations (transfers) for June 30, 2019.
2. Approve the Channel Islands Beach Community Services District Annual Audit Report for Fiscal Year Ended June 30, 2019.
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 2018 – 2019 Audit Report prepared by Teaman, Ramirez, & Smith, Inc.

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
Water Enterprise	\$696,024	Page 43
Sewer Enterprise	\$609,797	Page 46
Solid Waste Enterprise	\$91,251	Page 48
Community Service	\$95,498	Page 50

Page 3 of the Audit Report details 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 3.

ATTACHMENTS:

1. Final 2019 Internal Control Report
2. Final 2019 Financial Statements
3. Allocations for June 30, 2019

**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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 3, 2020.

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) to determine the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 may exist that have not been identified.

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 determination of financial statement amounts. 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.

Teaman Ramirez & Smith, Inc.

Riverside, California

March 3, 2020

March 3, 2020

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, 2019. 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 June 11, 2019. 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 1 to the financial statements, the District changed accounting policies related to Statement of Governmental Accounting Standards (GASB Statement) No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, in the 2019 fiscal year. Accordingly, the long-term debt note was modified with the new requirements. 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, discounts 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.

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 11 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, discounts and on refundings) in Notes 1.K, 1.L, 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 Note 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 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. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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, March 3, 2020.

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 auditors’ 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 is 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 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,

Teaman Ramirez & Smith, Llc.

CHANNEL ISLANDS BEACH
COMMUNITY SERVICES DISTRICT
ANNUAL AUDIT REPORT
Years Ended June 30, 2019 and 2018

Channel Islands Beach Community Services District
Annual Audit Report
Years Ended June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Channel Islands Beach Community Services District, as of June 30, 2019 and 2018, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1B to the financial statements, the District adopted the provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, included Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

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 3 - 6 and 36 - 37 be presented to supplement the basic financial statements. Such information, 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.

Other 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.

The supplemental information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 reported dated March 3, 2020, 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 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.

Teaman Ramirez & Smith, Llc.

Riverside, California
March 3, 2020

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, 2019.

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 present 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 - \$2,549,863 for Capital and future unanticipated repairs and maintenance of the water distribution system, \$385,462 operating reserve, \$398,000 for debt service and \$154,185 for rate stabilization.
- ◆ Sewer - \$2,283,769 for Capital and future unanticipated repairs and maintenance of sewer system, 388,411 operating reserve, \$191,000 for debt service and \$155,364 for rate stabilization.
- ◆ Trash - \$72,733 for Capital and future unanticipated repairs and maintenance, \$198,319 for operating reserve and \$79,328 for rate stabilization.
- ◆ Community service - \$131,481 for Capital and future unanticipated repairs and maintenance and \$6,421 for operating reserve.

- Other receivable has increased by \$235,764, most of which is related to receipt and payment of accrued wastewater charges from and to the City of Oxnard.
- In 2016, 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 2016 through 2020 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 July 15, 2018. There was an increase of 3% on water rate, 6% 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, 6% on wastewater rate and 2.5% on solid waste removal rate with effect from the billing period starting July 15, 2019. 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.

FINANCIAL STATEMENTS

NET POSITION

The District's Net Position as of June 30, 2019, 2018 and 2017 totaled \$13,195,014, \$11,675,222 and \$10,773,370 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 \$1,519,792 from the prior year.

FIGURE 1. NET POSITION

	<u>As of June 30, 2019</u>	<u>As of June 30, 2018</u>	<u>As of June 30, 2017</u>
Assets			
Current Assets	\$ 8,193,842	\$ 7,051,804	\$ 6,617,453
Restricted Assets	99,745	66,925	73,578
Capital Assets, Net	6,464,396	5,706,785	5,600,796
Other Assets	3,058,900	3,164,007	3,269,114
TOTAL ASSETS	\$ 17,816,883	\$ 15,989,521	\$ 15,560,941
Deferred Outflows of Resources			
Pension Related Items	\$ 49,791	\$ 5,985	\$ -
Deferred Amount on Refunding	150,344	200,244	250,144
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 200,135	\$ 206,229	\$ 250,144
Liabilities			
Current Liabilities	\$ 1,149,785	\$ 1,081,473	\$ 1,203,989
Long-Term Debt	3,672,219	3,439,055	3,833,726
TOTAL LIABILITIES	\$ 4,822,004	\$ 4,520,528	\$ 5,037,715
Net Position			
Net Investment in Capital Assets	\$ 2,646,757	\$ 2,226,184	\$ 1,802,133
Unrestricted	10,548,257	9,449,038	8,971,237
TOTAL NET POSITION	\$ 13,195,014	\$ 11,675,222	\$ 10,773,370

Total assets increased by \$1,827,362, which is mostly due to increase in cash account due to current year's operating surplus and proceeds from the sale of land. Total liabilities increased by \$301,476 which is due to a combination of decrease in long-term debt due to principal payments made on outstanding sewer and water bonds, and a new loan for the water meter project.

REVENUES, EXPENSES AND CHANGES IN NET POSITION

Charges for operating services totaled \$4,794,061, \$4,727,017 and \$4,361,931, respectively for the years ended June 30, 2019, 2018, and 2017. The District is reporting operating income of \$842,390, \$970,224, and \$784,583, respectively for the years ended June 30, 2019, 2018 and 2017. Operating expenses before depreciation and amortization totaled \$3,615,055, \$3,450,424 and \$3,274,723, respectively for the years ended June 30, 2019, 2018 and 2017. Depreciation and amortization expenses totaled \$336,616, \$306,369 and \$302,625, respectively as of June 30, 2019, 2018 and 2017.

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

	2019	2018	2017
Revenues			
Charges for Operating Services	\$ 4,794,061	\$ 4,727,017	\$ 4,361,931
Interest	133,019	64,486	35,874
Other Non-Operating Revenues*	648,194	(7,793)	(15,484)
Development impact fee	44,160	12,128	43,242
TOTAL REVENUES	\$ 5,619,434	\$ 4,795,838	\$ 4,425,563
Expenses			
Operating Expenses	\$ 3,951,671	\$ 3,756,793	\$ 3,577,348
Other Non-Operating Expenses	131,033	120,255	258,015
Depreciation on Contributed Assets	16,938	16,938	16,938
TOTAL EXPENSES	\$ 4,099,642	\$ 3,893,986	\$ 3,852,301
Change in Net Position	\$ 1,519,792	\$ 901,852	\$ 573,262
Net Position at Beginning of Year	\$ 11,675,222	\$ 10,773,370	\$ 10,200,108
Net Position at End of Year	\$ 13,195,014	\$ 11,675,222	\$ 10,773,370

* Includes \$88,169, \$88,169 and \$80,391 loss from Joint Venture for years ended June 30, 2019, 2018, and 2017, respectively.

Total revenues increased by \$823,596. Most of the increase is due to a sale of a parcel of land.

Total expenses increased by \$205,656. Most of the increase is due to the combination of increase in amount due to the City of Oxnard for waste water transportation, sewer system operations and maintenance, and salaries and benefits.

CAPITAL ASSETS

The District's Capital Assets for 2017, 2018 and 2019 are as follows:

	<u>Cost</u>	<u>Less Accumulated Depreciation</u>	<u>Net Depreciable Assets</u>
2017	\$ 10,164,277	\$ (4,563,481)	\$ 5,600,796
2018	\$ 10,486,560	\$ (4,779,775)	\$ 5,706,785
2019	\$ 11,525,506	\$ (5,061,110)	\$ 6,464,396

During the current year, the District capitalized various operating assets totaling \$1,052,824 and retired previously capitalized assets totaling \$13,878. 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 \$4,130,716 total long-term debt outstanding. For 2018 and 2017, the District had \$3,825,387 and \$4,201,687 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 2019-20. 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 draught 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, 2019 and 2018

	2019	2018
ASSETS		
Current Assets:		
Unrestricted Cash (Notes 1, 2 and 3)	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents (Notes 1, 2 and 3)	6,994,336	6,139,487
Accounts Receivable (Note 1)	495,887	525,244
Other Receivable (Note 1)	449,124	213,360
Interest Receivable	55,236	29,289
Prepaid Items (Note 1)	88,105	31,077
Inventory (Note 1)	6,154	8,347
Total Current Assets	8,193,842	7,051,804
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents (Notes 1, 2 and 3)	99,745	66,925
Land and Construction in Progress, Not Being Depreciated (Note 4)	42,060	42,060
Capital Assets, Net of Depreciation (Note 4)	6,422,336	5,664,725
Total Noncurrent Assets	6,564,141	5,773,710
OTHER ASSETS		
Investment in Water JPA, Net of Accumulated Depreciation (Notes 3 and 11)	3,058,900	3,164,007
Total Other Assets	3,058,900	3,164,007
Total Assets	17,816,883	15,989,521
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding (Note 1)	150,344	200,244
Pension Related Items (Note 7)	49,791	5,985
Total Deferred Outflows of Resources	\$ 200,135	\$ 206,229

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Net Position - Continued
June 30, 2019 and 2018

	2019	2018
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 492,221	\$ 489,625
Other Liabilities (Note 1)	-	20,535
Current Portion of Long-term Debt (Note 5)	458,497	386,332
Accrued Payroll, Taxes and Benefits	82,103	92,389
Customer Deposits	73,215	66,925
Accrued Interest	43,749	25,667
Total Current Liabilities	1,149,785	1,081,473
Long-term Debt (Note 5):		
Water Refunding Series 2012 Bond Payable, Net	889,513	1,170,845
Wastewater Refunding Series 2016 Bond Payable, Net	2,541,203	2,654,542
Loan Payable	700,000	-
Total Long-term Debt, Net of Unamortized Premium (Note 5)	4,130,716	3,825,387
Less Current Portion	(458,497)	(386,332)
Total Long-term Debt	3,672,219	3,439,055
Total Liabilities	4,822,004	4,520,528
NET POSITION (Notes 1 and 6)		
Net Investment in Capital Assets	2,646,757	2,226,184
Unrestricted	10,548,257	9,449,038
Total Net Position	\$ 13,195,014	\$ 11,675,222

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, 2019 and 2018

	2019	2018
OPERATING REVENUES		
Water Revenue	\$ 1,941,516	\$ 1,941,872
Sewer Revenue	1,253,582	1,239,758
Sewer Revenue - Oxnard	875,845	832,157
Trash Revenue	723,118	713,230
Total Operating Revenues	4,794,061	4,727,017
OPERATING EXPENSES		
Water System Expenses:		
PHWA Water Expenses	591,186	667,125
Water Samples	12,819	14,563
SDHS Annual Administrative Fee	12,880	12,603
Cross Connect Contract Charges	1,681	2,101
Repairs and Maintenance - Distribution	102,576	99,363
Water Quality Report	3,669	1,673
Telemetry	6,296	-
Total Water System Expenses	731,107	797,428
Sewer System Expenses:		
Waste Water Transportation - Oxnard	878,237	823,022
Operations and Maintenance	174,425	111,727
Telemetry	16,069	15,402
Power	15,113	13,747
Total Sewer System Expenses	1,083,844	963,898
Trash Expenses:		
Trash Services	525,980	492,391
Total Trash Expenses	525,980	492,391
Maintenance Expenses:		
Vehicle Expenses	8,549	10,195
Building Maintenance and Security	6,461	13,849
Sign and Banner Expense	969	1,089
Public Landscape Project	7,089	2,673
Employee Workplace Safety	1,914	2,077
Gasoline Expenses	12,416	11,806
Emergency Preparedness Expense	2,016	736
Total Maintenance Expenses	39,414	42,425
Salaries and Benefits:		
Regular Salaries	662,168	614,559
Retirement Benefits	22,705	48,373
Uniforms	5,896	3,961
Insurance	127,604	103,389
Payroll Taxes	12,087	12,486
Employee Educational Expense	15,348	10,475
Total Salaries and Benefits	\$ 845,808	\$ 793,243

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, 2019 and 2018

	2019	2018
OPERATING EXPENSES (CONTINUED)		
Administrative Expenses:		
Board Meetings	\$ 8,900	\$ 4,900
Board/Committee Expenses	1,052	807
Conferences and Seminars - Board	9,224	10,778
Dues/ Membership	19,708	17,676
Office Supplies	7,151	11,439
E-Pay Online	7,486	5,074
Communications	14,860	17,865
Printing and Publications	5,050	5,566
Postage and Shipping	16,050	12,953
Utilities	2,646	2,678
Miscellaneous Office Expense	13,040	16,198
Other Professional Services	14,293	10,930
Office Equipment Maintenance	16,947	11,704
Insurance	30,421	34,888
Accounting Services	38,580	41,372
Computer Services	17,142	15,883
Legal Services	72,648	66,001
Engineering Services	87,707	69,760
Bank and Trustee Fees	2,500	2,500
Legal Notices Publication Expense	1,411	542
Public Information	1,154	-
Payroll Expense	394	-
	388,364	359,514
Total Administrative Expenses		
Other Operating Expenses:		
Depreciation (Note 4)	295,055	264,808
Amortization (Note 1)	41,561	41,561
Bad Debt (Note 1)	538	1,525
	337,154	307,894
Total Other Operating Expenses		
Total Operating Expenses		
	3,951,671	3,756,793
OPERATING INCOME	\$ 842,390	\$ 970,224

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, 2019 and 2018

	2019	2018
NON-OPERATING REVENUES AND EXPENSES		
Investment Earnings	\$ 133,019	\$ 64,486
Net Gain (Loss) from Joint Venture (Note 11)	(88,169)	(88,169)
Net Gain (Loss) on Sale of Capital Assets	639,374	8,500
County Tax Apportionment (Note 1)	96,989	71,876
Interest Expense	(131,033)	(120,255)
Total Non-Operating Revenues and Expenses	650,180	(63,562)
INCOME BEFORE CONTRIBUTIONS	1,492,570	906,662
CAPITAL CONTRIBUTIONS		
Developmental Impact Fee (Note 1)	44,160	12,128
Amortization on Contributed Capital	(16,938)	(16,938)
Total Capital Contributions	27,222	(4,810)
CHANGE IN NET POSITION	1,519,792	901,852
NET POSITION, BEGINNING OF YEAR	11,675,222	10,773,370
NET POSITION, END OF YEAR	\$ 13,195,014	\$ 11,675,222

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Water, Sewer and Trash Services	\$ 4,587,116	\$ 5,028,719
Cash Payments to Contract and Water System Services	(2,413,379)	(2,311,789)
Cash Payments to Maintenance and Administration Services	(421,814)	(398,806)
Cash Payments to Employees for Services	(899,900)	(769,237)
	852,023	1,548,887
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
County Tax Apportionment	96,989	71,876
	96,989	71,876
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(1,052,666)	(370,797)
Proceeds from the Sale of Capital Assets	639,374	8,500
Capital Contributions	44,160	12,128
Principal Paid on Debt	313,668	(367,961)
Interest Paid on Debt	(112,951)	(123,347)
	(168,415)	(841,477)
NET CASH PROVIDED BY (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Earnings	107,072	44,782
	107,072	44,782
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	887,669	824,068
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	6,311,412	5,487,344
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,199,081	\$ 6,311,412

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, 2019 and 2018

	2019	2018
RECONCILIATION OF OPERATING INCOME		
TO NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Operating Income	\$ 842,390	\$ 970,224
ADJUSTMENTS TO RECONCILE NET OPERATING INCOME		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation and Amortization	336,616	306,369
Bad Debt Expense	538	1,525
(Increase) Decrease in Accounts and Other Receivables	(206,945)	301,702
(Increase) Decrease in Prepaid Items	(57,028)	112,667
(Increase) Decrease in Inventory	2,193	180
(Increase) Decrease in Deferred Outflows - Pension Related Items	(43,806)	(5,985)
Increase (Decrease) in Accounts Payable and Other Liabilities	(17,939)	(164,989)
Increase (Decrease) in Accrued Payroll, Taxes and Benefits	(10,286)	29,991
Increase (Decrease) in Customer Deposits	6,290	(2,797)
TOTAL ADJUSTMENTS	9,633	578,663
NET CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES	\$ 852,023	\$ 1,548,887
SUPPLEMENTAL DISCLOSURES		
Cash and Cash Equivalents		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	6,994,336	6,139,487
Restricted Cash and Cash Equivalents	99,745	66,925
Total	\$ 7,199,081	\$ 6,311,412
Non-cash Investing and Financing Activities consisted of the following:		
Amortization Related to Long-term Debt	\$ 41,561	\$ 41,561
Amortization on Contributed Capital	\$ 16,938	\$ 16,938

The accompanying notes are an integral part of these statements.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

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

Governmental Accounting Standard Board Statement No. 83

In November of 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement was issued to address the criteria for the recognition and measurement of the liability and corresponding deferred outflows of resources associated with certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. Statement No. 83 is effective for reporting periods beginning after June 15, 2018. Currently, this statement has no impact on the District's financial statements.

Governmental Accounting Standard Board Statement No. 88

In March of 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

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

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

Governmental Accounting Standard Board Statement No. 88 - Continued

related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Statement No. 88 is effective for fiscal years beginning after June 15, 2018. The District has implemented GASB No. 88 and is reflected 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 distinguishes 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, 2019 and 2018

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 budget for the year ended June 30, 2019.

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 31, the District's investments are stated at fair value except for interest-earning investment contracts (See Notes 2 and 3).

In applying GASB 31, 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 Statement 9, 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

Accounts receivable include \$175,647 and \$166,504 of unbilled utility services as of June 30, 2019 and 2018, respectively, which is attributable to the second half of the June 30th service period billed in July. 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, 2019 and 2018 was \$5,000 and \$5,000, respectively. The Bad Debt expense was \$538 and \$1,525 as of June 30, 2019 and 2018, respectively.

I) Other Receivables and Other Liabilities

Other receivables include \$449,124 and \$213,360 from the City of Oxnard as of June 30, 2019 and 2018. 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 amounts accrued for trash services of \$20,258 as of June 30, 2018. Also, included in other liabilities, for June 30, 2018 is \$277 for other expenses. There were no other liabilities as of June 30, 2019.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

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 \$10,976 for insurance and dues, \$77,129 for water purchases (Port Hueneme Water Agency true-up), as of June 30, 2019. Prepaid items include \$14,746 for insurance and dues, \$16,331 for water purchases (Port Hueneme Water Agency true-up), as of June 30, 2018.

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.

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. Currently, the District does not report any deferred inflows.

L) Compensated Absences

Employees are entitled to accumulate vacation leave at a rate of two, three or four weeks per year, depending on the number of years of service completed. Upon termination, separation, or retirement, each employee is paid for all their accumulated vacation 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.

Employees are entitled to accumulate sick leave at a rate of twelve days per year. Once during a twelve month period, an employee may request to exchange excess sick leave accruals for vacation hours at the rate of one hour of vacation time for each two hours of sick leave accrued if they comply with the following conditions: 1) must have accrued at least twelve days of unused sick leave and used six days or less during the previous twelve months, and 2) must maintain a sick leave accrual balance of at least ten days of sick leave after the once a year exchange of excess sick leave for vacation hours takes place. Upon termination, separation, or retirement, each employee is paid for all their accumulated sick leave at the hourly rate 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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

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

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.

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) Net Position

GASB No. 63 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.

P) 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 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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

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

Q) 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.

R) 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, 2019, were \$2,780,291,448 and \$2,796,216,686, respectively and at June 30, 2018, were \$2,442,085,809 and \$2,447,381,120. The District's share of the Pool at June 30, 2019 and 2018 was approximately 0.231 percent and 0.228 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, 2019 and 2018 the carrying amount of the District's petty cash, deposits and investments were \$7,199,081 and \$6,311,412 and are broken down as follows:

	2019	2018
Petty Cash	\$ 750	\$ 500
U. S. Bank	26,530	-
County Treasury	6,449,792	5,568,102
Pacific Western Bank	722,009	742,810
Total	\$ 7,199,081	\$ 6,311,412

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

2) CASH AND INVESTMENTS - Continued

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

	2019	2018
Statement of Net Position:		
Unrestricted Cash	\$ 105,000	\$ 105,000
Board Restricted Cash and Cash Equivalents	6,994,336	6,139,487
Restricted Cash and Cash Equivalents	99,745	66,925
 Total Cash and Investments	 \$ 7,199,081	 \$ 6,311,412

Cash and investments consist of the following:

	2019	2018
Cash on Hand	\$ 750	\$ 500
Deposits with Financial Institutions	722,009	742,810
Ventura County Treasurer's Pooled Investments	6,449,792	5,568,102
Investments	26,530	-
 Total Cash and Investments	 \$ 7,199,081	 \$ 6,311,412

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of *Portfolio	Maximum Investment In One Issuer
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.

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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

2) CASH AND INVESTMENTS - Continued

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:

	2019		2018	
	Amount	Maturity Date	Amount	Maturity Date
Ventura County Treasurer's Pooled Investments	\$ 6,449,792	N/A	\$ 5,568,102	N/A
Held by Trustee:				
Money Market Funds	26,530	N/A	-	N/A
Total	<u>\$ 6,476,322</u>		<u>\$ 5,568,102</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, 2019

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	\$ 6,449,792	N/A	\$ -	\$ 6,449,792	\$ -	\$ -
Held by Trustee:						
Money Market Funds	26,530	AAA	-	26,530	-	-
Total	<u>\$ 6,476,322</u>		<u>\$ -</u>	<u>\$ 6,476,322</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2018

Investment Type		Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	AA	Not Rated
Ventura County Treasurer's Pooled Investments	\$ 5,568,102	N/A	\$ -	\$ 5,568,102	\$ -	\$ -
Total	<u>\$ 5,568,102</u>		<u>\$ -</u>	<u>\$ 5,568,102</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.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

2) CASH AND INVESTMENTS - Continued

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, 2019 and 2018, 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.

Board Restricted Cash

Cash is Board restricted for the cost of the following District projects:

	<u>2019</u>	<u>2018</u>
Capital and Unanticipated Repairs and Maintenance	\$ 5,037,846	\$ 4,425,234
Rate Stabilization	388,877	373,666
Reserved for Operations	978,613	836,587
Debt Service	<u>589,000</u>	<u>504,000</u>
Total	<u>\$ 6,994,336</u>	<u>\$ 6,139,487</u>

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

2) CASH AND INVESTMENTS - Continued

Restricted Cash

Cash is restricted for the following:

	2019	2018
CSDA Loan Water Meter Project	\$ 26,530	\$ -
Customer Deposits	73,215	66,925
Total	\$ 99,745	\$ 66,925

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, 2019 and 2018

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:

	2019			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Total Capital Assets, Not Depreciated	42,060	-	-	42,060
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	86,144	38,635	13,878	110,901
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	277,130	-	-	277,130
Office Building	109,056	-	-	109,056
1911 Act Sewer Line	6,837,549	169,286	-	7,006,835
Water Distribution System	2,958,754	844,903	-	3,803,657
Total Capital Assets, Being Depreciated	10,444,500	1,052,824	13,878	11,483,446
Less Accumulated Depreciation:				
Office Furniture and Equipment	(59,660)	(13,189)	(13,720)	(59,129)
Vehicles	(162,803)	(11,838)	-	(174,641)
Tools and Shop Equipment	(188,540)	(12,211)	-	(200,751)
Office Building	(84,143)	(1,730)	-	(85,873)
1911 Act Sewer Line	(1,910,111)	(165,447)	-	(2,075,558)
Water Distribution System	(2,374,518)	(90,640)	-	(2,465,158)
Total Accumulated Depreciation	(4,779,775)	(295,055)	(13,720)	(5,061,110)
Total Capital Assets, Being Depreciated, Net	5,664,725	757,769	158	6,422,336
Capital Assets, Net of Depreciation	\$ 5,706,785	\$ 757,769	\$ 158	\$ 6,464,396

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

4) CAPITAL ASSETS - Continued

	2018			
	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, Not Depreciated:				
Land	\$ 42,060	\$ -	\$ -	\$ 42,060
Total Capital Assets, Not Depreciated	<u>42,060</u>	<u>-</u>	<u>-</u>	<u>42,060</u>
Capital Assets, Being Depreciated:				
Office Furniture and Equipment	96,367	8,120	18,343	86,144
Vehicles	175,867	-	-	175,867
Tools and Shop Equipment	250,819	56,207	29,896	277,130
Office Building	96,393	12,938	275	109,056
1911 Act Sewer Line	6,544,017	293,532	-	6,837,549
Water Distribution System	2,958,754	-	-	2,958,754
Total Capital Assets, Being Depreciated	<u>10,122,217</u>	<u>370,797</u>	<u>48,514</u>	<u>10,444,500</u>
Less Accumulated Depreciation:				
Office Furniture and Equipment	(70,686)	(7,317)	(18,343)	(59,660)
Vehicles	(150,625)	(12,178)	-	(162,803)
Tools and Shop Equipment	(210,440)	(7,996)	(29,896)	(188,540)
Office Building	(82,851)	(1,567)	(275)	(84,143)
1911 Act Sewer Line	(1,761,585)	(148,526)	-	(1,910,111)
Water Distribution System	(2,287,294)	(87,224)	-	(2,374,518)
Total Accumulated Depreciation	<u>(4,563,481)</u>	<u>(264,808)</u>	<u>(48,514)</u>	<u>(4,779,775)</u>
Total Capital Assets, Being Depreciated, Net	<u>5,558,736</u>	<u>105,989</u>	<u>-</u>	<u>5,664,725</u>
Capital Assets, Net of Depreciation	<u>\$ 5,600,796</u>	<u>\$ 105,989</u>	<u>\$ -</u>	<u>\$ 5,706,785</u>

5) LONG-TERM DEBT

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

Changes in Long-Term Debt	2019				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 1,170,845	\$ -	\$ 281,332	\$ 889,513	\$ 289,240
2016 Wastewater Refunding Bonds Series	2,510,000	-	105,000	2,405,000	110,000
Premiums on Bonds	144,542	-	8,339	136,203	-
Direct Borrowing - Loan Payable	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>59,257</u>
Total	<u>\$ 3,825,387</u>	<u>\$ 700,000</u>	<u>\$ 394,671</u>	<u>\$ 4,130,716</u>	<u>\$ 458,497</u>

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

5) LONG-TERM DEBT - Continued

Changes in Long-Term Debt	2018				
	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
2012 Water Refunding Bonds Series	\$ 1,443,806	\$ -	\$ 272,961	\$ 1,170,845	\$ 281,332
2016 Wastewater Refunding Bonds Series	2,605,000	-	95,000	2,510,000	105,000
Premiums on Bonds	152,881	-	8,339	144,542	-
Total	<u>\$ 4,201,687</u>	<u>\$ -</u>	<u>\$ 376,300</u>	<u>\$ 3,825,387</u>	<u>\$ 386,332</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 1st and March 1st 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.

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 1st and May 1st 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.

Future debt requirements are as follows:

Year Ending June 30,	Water Bond Series 2012		Wastewater Bond Series 2016		Total Debt Requirements	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 289,240	\$ 22,719	\$ 110,000	\$ 78,831	\$ 399,240	\$ 101,550
2021	296,669	13,784	105,000	75,606	401,669	89,390
2022	303,604	4,630	110,000	72,381	413,604	77,011
2023	-	-	115,000	68,431	115,000	68,431
2024	-	-	120,000	63,731	120,000	63,731
2025-2029	-	-	675,000	241,156	675,000	241,156
2030-2034	-	-	815,000	110,616	815,000	110,616
2035-2036	-	-	355,000	10,725	355,000	10,725
Total	<u>\$ 889,513</u>	<u>\$ 41,133</u>	<u>\$ 2,405,000</u>	<u>\$ 721,477</u>	<u>\$ 3,294,513</u>	<u>\$ 762,610</u>

Revenues Pledged

The District has pledged a portion of water revenues and a portion of investment earnings to repay the District's Water Revenue Refunding Bonds Series 2012. The District's Water Revenue Refunding Bonds are payable solely from water revenues and a portion of investment earnings. Total principal and interest remaining on the Water Revenue Refunding Bonds are \$1,243,398, payable through fiscal year 2022. For the current year, principal and interest paid by water revenues and investment earnings were \$281,332 and \$31,420, respectively.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

5) LONG-TERM DEBT - Continued

Revenues Pledged - Continued

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 \$3,313,008, payable through fiscal year 2036. For the current year, principal and interest paid by sewer revenues and investment earnings was \$105,000 and \$81,531, 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. Currently, there is \$26,530 of unspent loan proceeds.

Year Ending June 30,	Loan Payable	
	Principal	Interest
2020	\$ 59,257	\$ 25,550
2021	61,419	23,387
2022	63,661	21,145
2023	65,985	18,822
2024	68,393	16,413
2025-2029	381,285	42,748
Total	\$ 700,000	\$ 148,065

6) NET POSITION

Net position at June 30, 2019 and 2018, consisted of the following:

	2019	2018
Net Position:		
Net Investment in Capital Assets	\$ 2,646,757 ⁽¹⁾	\$ 2,226,184 ⁽²⁾
Unrestricted Net Position	10,548,257	9,449,038
Total Net Position	\$ 13,195,014	\$ 11,675,222

⁽¹⁾ As of June 30, 2019, \$150,344 of deferred outflows of resources and \$(3,967,983) of capital related debt were included in the net investment in capital assets. Capital related debt is net of \$26,530 unspent loan proceeds and the bond premiums are excluded because the premiums were used for non-capital costs.

⁽²⁾ As of June 30, 2018, \$200,244 of deferred outflows of resources and \$(3,680,845) of capital related debt were included in the net investment in capital assets. The bond premiums are excluded because the premiums were used for non-capital costs.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

7) CALPERS RETIREMENT PLAN

A) General Information about the Pension Plans

During the 2018 fiscal year, the District entered into a retirement contract with the California Public Employees' Retirement System (CalPERS) for a defined benefit retirement plan. In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, certain CalPERS contributions were deferred along with the required additional disclosures in this note and required supplemental information in the financial statements.

Plan Description

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.

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, 2019 and 2018 are summarized as follows:

	<u>Miscellaneous</u>
	On or After
	<u>January 1, 2013</u>
Hire Date	
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	6.25%
Required Employer Contribution Rates	
2019	6.842%
2018	6.533%

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

7) CALPERS RETIREMENT PLAN - Continued

A) General Information about the Pension Plans - Continued

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, 2019 and 2018 were \$43,807 and \$5,985, respectively.

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

The District entered into a retirement contract with CalPERS effective May 5, 2018. As of June 30, 2019 and 2018, the District's net pension liability for its proportionate share of the net pension liability of the Plan was \$0. Since the District entered into the retirement contract towards the end of the fiscal year, its proportionate share was not included in the most recent (available) actuarial valuations.

The District's net pension liability 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, 2018 for the 2019 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, 2017 rolled forward to June 30, 2018 using standard update procedures. The net pension liability of the plan is measured as of June 30, 2017 for the 2018 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, 2016 rolled forward to June 30, 2017 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 for the Plan was as follows:

	2019 ⁽¹⁾		2018 ⁽¹⁾
Proportion - June 30, 2017	0.00000%	Proportion - June 30, 2016	0.00000%
Proportion - June 30, 2018	0.00000%	Proportion - June 30, 2017	0.00000%
Change - Increase (Decrease)	0.00000%	Change - Increase (Decrease)	0.00000%

⁽¹⁾ Currently, the District has no net pension liability since its proportionate share was not included in the most recent (available) actuarial valuations.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

7) CALPERS RETIREMENT PLAN - Continued

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

For the year ended June 30, 2019 and 2018, the District recognized had no pension expense since its proportionate share of the net pension liability was not included in the most recent actuarial valuation. 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	
	2019	2018	2019	2018
Pension contributions subsequent to measurement date	\$ 49,791	\$ 5,985	\$ -	\$ -
Total	<u>\$ 49,791</u>	<u>\$ 5,985</u>	<u>\$ -</u>	<u>\$ -</u>

The District reported \$49,791 and \$5,985 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, 2020.

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 and 2017 actuarial valuations were determined using the following actuarial assumptions:

	2019	2018
Valuation Date	June 30, 2017	June 30, 2016
Measurement Date	June 30, 2018	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.5%	2.75%
Salaries Increases	Varies ⁽¹⁾	Varies ⁽¹⁾
Mortality Rate Table	CalPERS Membership Data ⁽²⁾	CalPERS Membership Data ⁽⁴⁾
Post Retirement Benefit Increase	See Footnote ⁽³⁾	See Footnote ⁽⁵⁾

- (1) Depending on age, service and type of employment.
- (2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.
- (3) Contract COLA up to 2% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.
- (4) The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.
- (5) Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

7) CALPERS RETIREMENT PLAN - Continued

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

Actuarial Assumptions - Continued

All other actuarial assumptions used in the valuations were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report may be accessed on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Change of Assumptions

In the 2017 measurement period, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Discount Rate

The discount rate used to measure the total pension liability at June 30, 2018 and 2017 measurement dates was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the 7.15% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB 68 Crossover Testing Report" that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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 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
Years Ended June 30, 2019 and 2018

7) CALPERS RETIREMENT PLAN - Continued

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

The table below reflects the long-term expected real rate of return by asset class.

Asset Class ^(a)	Assumed Asset Allocation		Real Return Years 1 - 10 ^(b)		Real Return Years 11+ ^(c)	
	2018	2017	2018	2017	2018	2017
Global Equity	50.0%	47.0%	4.80%	4.90%	5.98%	5.38%
Global Fixed Income	28.0%	19.0%	1.00%	0.80%	2.62%	2.27%
Inflation Assets/Sensitive	-	6.0%	0.77%	0.60%	1.81%	1.39%
Private Equity	8.0%	12.0%	6.30%	6.60%	7.23%	6.63%
Real Estate	13.0%	11.0%	3.75%	2.80%	4.93%	5.21%
Infrastructure and Forestland	-	3.0%	-	3.90%	-	5.36%
Liquidity	1.0%	2.0%	-	-0.40%	-0.92%	-0.90%
Total	100%	100%				

^(a) In the System's CAFR, 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.

^(b) An expected inflation of 2.00% used for this period.

^(c) 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:

	2019	2018
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ -	\$ -
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ -	\$ -
1% Increase	8.15%	8.15%
Net Pension Liability	\$ -	\$ -

(1) Currently, the District has no net pension liability since its proportionate share was not included in the most recent (available) actuarial valuation.

Pension Plan Fiduciary Net Position

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

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

7) CALPERS RETIREMENT PLAN - Continued

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

Payable to the Pension Plan

At June 30, 2019 and 2018, the District reported, in accrued payroll, taxes and benefits, a payable of \$4,455 and \$5,985, respectively, for the outstanding amount of contributions to the pension plan required for the years ended June 30, 2019 and 2018.

8) 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 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.

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.

9) INCOME TAX

The District is exempt from income taxes.

10) 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, 2019 and 2018 were \$26,651 and \$34,934, respectively.

Channel Islands Beach Community Services District
Notes to Financial Statements
Years Ended June 30, 2019 and 2018

11) PORT HUENEME WATER AGENCY/JOINT VENTURE

In 1994, the CIBCSO 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 CIBCSO, 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.

CIBCSO'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, 2019 was \$14,903,866, of which CIBCSO's share was \$2,785,152 and through June 30, 2018 was \$14,675,748, of which CIBCSO's share was \$2,900,140. CIBCSO'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.

CIBCSO 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.

CIBCSO's share of joint venture's net income is reported in CIBCSO's operating statement as a profit or loss in the joint venture. Nonoperating transactions between CIBCSO and the joint venture increase or decrease the equity interest. A summary of the assets, liabilities and results of operations of PHWA are as follows.

	<u>2019</u>	<u>2018</u>
Total Assets	\$ 17,141,810	\$ 17,365,116
Total Liabilities	<u>1,662,683</u>	<u>1,354,108</u>
Net Position		
Net Investment in Capital Assets	13,628,211	14,208,077
Restricted for Operations	465,659	467,675
Unrestricted	<u>1,385,257</u>	<u>1,335,256</u>
Total Net Position	<u>\$ 15,479,127</u>	<u>\$ 16,011,008</u>
Total Revenues	\$ 4,206,792	\$ 4,796,339
Total Expenses	<u>(4,739,230)</u>	<u>(5,328,221)</u>
Net Increase (Decrease) in Net Position	<u>\$ (532,438)</u>	<u>\$ (531,882)</u>
CIBCSO's report its share of the PHWA as follows:		
Investment in PHWA	\$ 3,058,900	\$ 3,164,007
Profit (Loss) in PHWA Joint Venture	\$ (88,169)	\$ (88,169)
Amortization on Contributed Capital	\$ (16,938)	\$ (16,938)

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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, 2019

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	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%	\$ -	\$ 91,605	N/A	N/A
2019*	0.00000%	\$ -	\$ 662,168	N/A	N/A

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 1st 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, 2019

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)	\$ -	\$ 662,168	6.62%

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

SUPPLEMENTAL INFORMATION

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 2,021,000	\$ 1,941,516	\$ (79,484)
Sewer Revenue	1,348,857	1,253,582	(95,275)
Sewer Revenue - Oxnard	831,143	875,845	44,702
Trash Revenue	731,000	723,118	(7,882)
	<u>4,932,000</u>	<u>4,794,061</u>	<u>(137,939)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	740,000	591,186	148,814
Water Samples	17,000	12,819	4,181
SDHS Annual Admin. Fee	12,700	12,880	(180)
Cross Connect Contract Charges	1,700	1,681	19
Repairs and Maintenance - Distribution	91,000	102,576	(11,576)
Water Quality Report	4,000	3,669	331
Telemetry	11,000	6,296	17,296
	<u>877,400</u>	<u>731,107</u>	<u>146,293</u>
Sewer System Expenses:			
Waste Water Transportation - Oxnard	840,000	878,237	(38,237)
Operations and Maintenance	121,000	174,425	(53,425)
Telemetry	33,000	16,069	16,931
Power	18,000	15,113	2,887
	<u>1,012,000</u>	<u>1,083,844</u>	<u>(71,844)</u>
Trash Expenses:			
Trash Services	528,000	525,980	2,020
	<u>528,000</u>	<u>525,980</u>	<u>2,020</u>
Maintenance Expenses:			
Vehicle Expenses	10,000	8,549	1,451
Building Security	1,600	1,460	140
Building Maintenance	9,000	5,001	3,999
Sign and Banner Expense	1,500	969	531
Public Landscape Project	9,200	7,089	2,111
Employee Workplace Safety	5,000	1,914	3,086
Gasoline Expenses	15,000	12,416	2,584
Emergency Preparedness Expense	1,500	2,016	(516)
	<u>\$ 52,800</u>	<u>\$ 39,414</u>	<u>\$ 13,386</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - All Activities - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Salaries and Benefits:			
Regular Salaries	\$ 646,000	\$ 662,168	\$ (16,168)
Retirement Benefits	64,600	22,705	41,895
Uniforms	3,900	5,896	(1,996)
Group Insurance	119,000	112,489	6,511
Worker's Compensation Insurance	14,000	15,115	(1,115)
Payroll Taxes	19,000	12,087	6,913
Employee Educational Expense	17,500	15,348	2,152
	<u>884,000</u>	<u>845,808</u>	<u>38,192</u>
Administrative Expenses:			
Regular Board Payments	7,650	7,400	250
Special Board Meetings	2,350	1,500	850
Board/Committee Expenses	1,500	1,052	448
Conferences and Seminars - Board	6,000	373	5,627
Board Travel and Lodging	8,500	8,851	(351)
Dues/Membership - District	20,000	19,708	292
Office Supplies	7,150	7,151	(1)
E-Pay Online	7,000	7,486	(486)
Communications	13,500	14,860	(1,360)
Printing and Publications	6,000	5,050	950
Postage and Shipping	15,000	16,050	(1,050)
Utilities	3,500	2,646	854
Miscellaneous Office Expense	12,000	13,040	(1,040)
Other Professional Services	10,000	14,293	(4,293)
Office Equipment Maintenance	10,000	16,947	(6,947)
Equipment Purchases	35,000	-	35,000
Insurance	39,000	30,421	8,579
Accounting Services	50,000	38,580	11,420
Computer Services	18,000	17,142	858
Legal Services	55,000	72,648	(17,648)
Engineering Services	60,000	87,707	(27,707)
Bank and Trustee Fees	4,000	2,500	1,500
Legal Notices Publication Expense	5,000	1,411	3,589
Public Information Expense	16,000	1,154	14,846
Payroll Expense	-	394	(394)
	<u>\$ 412,150</u>	<u>\$ 388,364</u>	<u>\$ 23,786</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, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Other Operating Expenses:			
Depreciation	\$ -	\$ 295,055	\$ (295,055)
Amortization	-	41,561	(41,561)
Bad Debt	-	538	(538)
Total Other Operating Expenses	-	337,154	(337,154)
Total Operating Expenses	3,766,350	3,951,671	(185,321)
OPERATING INCOME (LOSS)	1,165,650	842,390	(323,260)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
Investment Earnings	38,000	133,019	95,019
Net Gain (Loss) from Joint Venture	-	(88,169)	(88,169)
Net Gain (Loss) on Sale of Capital Assets	-	639,374	639,374
County Tax Apportionment	101,000	96,989	(4,011)
Total Nonoperating Revenues	139,000	781,213	642,213
Nonoperating Expenses:			
Interest Expense	117,500	131,033	(13,533)
Total Nonoperating Expenses	117,500	131,033	(13,533)
Total Nonoperating Revenues and Expenses	21,500	650,180	628,680
INCOME (LOSS) BEFORE CONTRIBUTIONS	\$ 1,187,150	\$ 1,492,570	\$ 305,420

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Water Revenue	\$ 2,021,000	\$ 1,941,516	\$ (79,484)
Total Operating Revenues	<u>2,021,000</u>	<u>1,941,516</u>	<u>(79,484)</u>
OPERATING EXPENSES			
Water System Expenses:			
PHWA Water Expense	740,000	591,186	148,814
Water Samples	17,000	12,819	4,181
SDHS Annual Admin. Fee	12,700	12,880	(180)
Cross Connect Contract Charges	1,700	1,681	19
Repairs and Maintenance - Distribution	91,000	102,576	(11,576)
Water Quality Report	4,000	3,669	331
Telemetry	11,000	6,296	4,704
Total Water System Expenses	<u>877,400</u>	<u>731,107</u>	<u>146,293</u>
Maintenance Expenses:			
Vehicle Expenses	4,300	3,676	624
Building Security	528	482	46
Building Maintenance	2,970	1,651	1,319
Sign and Banner Expense	495	320	175
Employee Workplace Safety	2,150	823	1,327
Gasoline Expenses	6,450	5,339	1,111
Total Maintenance Expenses	<u>16,893</u>	<u>12,291</u>	<u>4,602</u>
Salaries and Benefits:			
Regular Salaries	251,940	258,246	(6,306)
Retirement Benefits	25,194	8,855	16,339
Uniforms	1,677	2,536	(859)
Group Insurance	46,410	43,870	2,540
Worker's Compensation Insurance	5,460	5,895	(435)
Payroll Taxes	7,410	4,713	2,697
Employee Educational Expense	6,825	5,986	839
Total Salaries and Benefits	<u>\$ 344,916</u>	<u>\$ 330,101</u>	<u>\$ 14,815</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 2,983	\$ 2,886	\$ 97
Special Board Meetings	916	585	331
Board/Committee Expenses	585	410	175
Conferences and Seminars - Board	2,340	146	2,194
Board Travel and Lodging	3,315	3,452	(137)
Dues/Membership - District	8,604	8,475	129
Office Supplies	2,359	2,360	(1)
E-Pay Online	2,310	2,470	(160)
Communications	4,455	4,904	(449)
Printing and Publications	1,980	1,667	313
Postage and Shipping	4,950	5,297	(347)
Utilities	1,155	873	282
Miscellaneous Office Expense	3,960	4,303	(343)
Other Professional Services	4,100	5,860	(1,760)
Office Equipment Maintenance	3,300	5,593	(2,293)
Equipment Purchases	11,550	-	11,550
Insurance	15,990	12,473	3,517
Accounting Services	20,500	15,818	4,682
Computer Services	7,380	7,029	351
Legal Services	31,400	41,410	(10,010)
Engineering Services	24,600	35,960	(11,360)
Bank and Trustee Fees	1,640	1,025	615
Legal Notices Publication Expense	1,650	466	1,184
Public Information Expense	5,280	381	4,899
Payroll Expense	-	153	(153)
	<u>167,302</u>	<u>163,996</u>	<u>3,306</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	150,478	(150,478)
Amortization	-	47,197	(47,197)
Bad Debt	-	182	(182)
	<u>-</u>	<u>197,857</u>	<u>(197,857)</u>
Total Other Operating Expenses			
	<u>1,406,511</u>	<u>1,435,352</u>	<u>(28,841)</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>\$ 614,489</u>	<u>\$ 506,164</u>	<u>\$ (108,325)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Water - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 13,300	\$ 46,557	\$ 33,257
Net Gain (Loss) from Joint Venture	-	(88,169)	(88,169)
Net Gain (Loss) from Sale of Capital Assets	-	281,324	281,324
Total Nonoperating Revenues	<u>13,300</u>	<u>239,712</u>	<u>226,412</u>
Nonoperating Expenses:			
Interest Expense	<u>31,500</u>	<u>49,852</u>	<u>(18,352)</u>
Total Nonoperating Expenses	<u>31,500</u>	<u>49,852</u>	<u>(18,352)</u>
Total Nonoperating Revenues and Expenses	<u>(18,200)</u>	<u>189,860</u>	<u>208,060</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 596,289</u>	<u>\$ 696,024</u>	<u>\$ 99,735</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Sewer Revenue	\$ 1,348,857	\$ 1,253,582	\$ (95,275)
Sewer Revenue - Oxnard	831,143	875,845	44,702
Total Operating Revenues	<u>2,180,000</u>	<u>2,129,427</u>	<u>(50,573)</u>
OPERATING EXPENSES			
Sewer System Expense:			
Waste Water Transportation - Oxnard	840,000	878,237	(38,237)
Operations and Maintenance	121,000	174,425	(53,425)
Telemetry	33,000	16,069	16,931
Power	18,000	15,113	2,887
Total Sewer System Expenses	<u>1,012,000</u>	<u>1,083,844</u>	<u>(71,844)</u>
Maintenance Expenses:			
Vehicle Expenses	4,100	3,505	595
Building Security	544	496	48
Building Maintenance	3,060	1,700	1,360
Sign and Banner Expense	510	329	181
Employee Workplace Safety	2,050	785	1,265
Gasoline Expenses	6,150	5,091	1,059
Total Maintenance Expenses	<u>16,414</u>	<u>11,906</u>	<u>4,508</u>
Salaries and Benefits:			
Regular Salaries	258,400	264,867	(6,467)
Retirement Benefits	25,840	9,082	16,758
Uniforms	1,599	2,417	(818)
Group Insurance	47,600	44,996	2,604
Worker's Compensation Insurance	5,600	6,046	(446)
Payroll Taxes	7,600	4,835	2,765
Employee Educational Expense	7,000	6,139	861
Total Salaries and Benefits	<u>\$ 353,639</u>	<u>\$ 338,382</u>	<u>\$ 15,257</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses:			
Regular Board Payments	\$ 3,060	\$ 2,960	\$ 100
Special Board Meetings	940	600	340
Board/Committee Expenses	600	421	179
Conferences and Seminars - Board	2,400	149	2,251
Board Travel and Lodging	3,400	3,540	(140)
Dues/Membership - District	7,790	7,686	104
Office Supplies	2,431	2,431	-
E-Pay Online	2,380	2,545	(165)
Communications	4,590	5,052	(462)
Printing and Publications	2,040	1,716	324
Postage and Shipping	5,100	5,456	(356)
Utilities	1,190	900	290
Miscellaneous Office Expense	4,080	4,434	(354)
Other Professional Services	4,400	6,289	(1,889)
Office Equipment Maintenance	3,400	5,762	(2,362)
Equipment Purchases	11,900	-	11,900
Insurance	17,160	13,385	3,775
Accounting Services	22,000	16,975	5,025
Computer Services	7,920	7,542	378
Legal Services	17,600	23,247	(5,647)
Engineering Services	26,400	38,591	(12,191)
Bank and Trustee Fees	1,760	1,100	660
Legal Notices Publication Expense	1,700	479	1,221
Public Information Expense	5,440	392	5,048
Payroll Expense	-	158	(158)
	<u>159,681</u>	<u>151,810</u>	<u>7,871</u>
Other Operating Expenses:			
Depreciation	-	135,725	(135,725)
Amortization	-	(5,636)	5,636
Bad Debt	-	178	(178)
	<u>-</u>	<u>130,267</u>	<u>(130,267)</u>
Total Operating Expenses	<u>1,541,734</u>	<u>1,716,209</u>	<u>(174,475)</u>
OPERATING INCOME (LOSS)	<u>\$ 638,266</u>	<u>\$ 413,218</u>	<u>\$ (225,048)</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Wastewater - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenues:			
Investment Earnings	\$ 20,900	\$ 73,160	\$ 52,260
Net Gain (Loss) on Sale of Capital Assets	-	204,600	204,600
Total Nonoperating Revenues	<u>20,900</u>	<u>277,760</u>	<u>256,860</u>
Nonoperating Expenses:			
Interest Expense	<u>86,000</u>	<u>81,181</u>	<u>4,819</u>
Total Nonoperating Expenses	<u>86,000</u>	<u>81,181</u>	<u>4,819</u>
Total Nonoperating Revenues and Expenses	<u>(65,100)</u>	<u>196,579</u>	<u>261,679</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u><u>\$ 573,166</u></u>	<u><u>\$ 609,797</u></u>	<u><u>\$ 36,631</u></u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Trash Revenue	\$ 731,000	\$ 723,118	\$ (7,882)
Total Operating Revenues	<u>731,000</u>	<u>723,118</u>	<u>(7,882)</u>
OPERATING EXPENSES			
Trash Expense:			
Trash Service	528,000	525,980	2,020
Total Trash Expense	<u>528,000</u>	<u>525,980</u>	<u>2,020</u>
Maintenance Expenses:			
Vehicle Expenses	1,400	1,197	203
Building Security	528	482	46
Building Maintenance	2,970	1,650	1,320
Sign and Banner Expense	495	320	175
Employee Workplace Safety	700	268	432
Gasoline Expenses	2,100	1,738	362
Total Maintenance Expenses	<u>8,193</u>	<u>5,655</u>	<u>2,538</u>
Salaries and Benefits:			
Regular Salaries	122,740	125,812	(3,072)
Retirement Benefits	12,274	4,314	7,960
Uniforms	546	825	(279)
Group Insurance	22,610	21,373	1,237
Worker's Compensation Insurance	2,660	2,872	(212)
Payroll Taxes	3,610	2,297	1,313
Employee Educational Expense	3,325	2,916	409
Total Salaries and Benefits	<u>167,765</u>	<u>160,409</u>	<u>7,356</u>
Administrative Expenses:			
Regular Board Payments	\$ 1,454	\$ 1,406	\$ 48
Special Board Meetings	447	285	162
Board/Committee Expenses	285	200	85
Conferences and Seminars - Board	1,140	71	1,069
Board Travel and Lodging	1,615	1,682	(67)
Dues/Membership - District	3,414	3,350	64
E-Pay Online	2,310	2,471	(161)

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Solid Waste Disposal - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING EXPENSES (CONTINUED)			
Administrative Expenses: (Continued)			
Office Supplies	\$ 2,360	\$ 2,360	\$ -
Communications	4,455	4,904	(449)
Printing and Publications	1,980	1,667	313
Postage and Shipping	4,950	5,297	(347)
Utilities	1,155	873	282
Miscellaneous Office Expense	3,960	4,303	(343)
Other Professional Services	1,500	2,144	(644)
Office Equipment Maintenance	3,300	5,592	(2,292)
Equipment Purchases	11,550	-	11,550
Insurance	5,850	4,563	1,287
Accounting Services	7,500	5,787	1,713
Computer Services	2,700	2,571	129
Legal Services	6,000	7,991	(1,991)
Engineering Services	9,000	13,156	(4,156)
Bank and Trustee Fees	600	375	225
Legal Notices Publication Expense	1,650	466	1,184
Public Information Expense	5,280	381	4,899
Payroll Expense	-	75	(75)
	<u>84,455</u>	<u>71,970</u>	<u>12,485</u>
Total Administrative Expenses			
Other Operating Expenses:			
Depreciation	-	8,852	(8,852)
Bad Debt	-	178	(178)
	<u>-</u>	<u>9,030</u>	<u>(9,030)</u>
Total Other Operating Expenses			
	<u>788,413</u>	<u>773,044</u>	<u>15,369</u>
Total Operating Expenses			
OPERATING INCOME (LOSS)	<u>(57,413)</u>	<u>(49,926)</u>	<u>7,487</u>
Nonoperating Revenues:			
Investment Earnings	3,800	13,302	9,502
Net Gain (Loss) on Sale of Capital Assets	-	127,875	127,875
	<u>3,800</u>	<u>141,177</u>	<u>137,377</u>
Total Nonoperating Revenues			
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ (53,613)</u>	<u>\$ 91,251</u>	<u>\$ 144,864</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
	\$ -	\$ -	\$ -
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OPERATING EXPENSES			
Maintenance Expenses:			
Vehicle Expenses	200	171	29
Public Landscape Project	9,200	7,089	2,111
Employee Workplace Safety	100	38	62
Gasoline Expenses	300	248	52
Emergency Preparedness Expense	<u>1,500</u>	<u>2,016</u>	<u>(516)</u>
Total Maintenance Expenses	<u>11,300</u>	<u>9,562</u>	<u>1,738</u>
Salaries and Benefits:			
Regular Salaries	12,920	13,243	(323)
Retirement Benefits	1,292	454	838
Uniforms	78	118	(40)
Group Insurance	2,380	2,250	130
Worker's Compensation Insurance	280	302	(22)
Payroll Taxes	380	242	138
Employee Educational Expense	<u>350</u>	<u>307</u>	<u>43</u>
Total Salaries and Benefits	<u>17,680</u>	<u>16,916</u>	<u>764</u>
Administrative Expenses:			
Regular Board Payments	153	148	5
Special Board Meetings	47	30	17
Board/Committee Expenses	30	21	9
Conferences and Seminars - Board	120	7	113
Board Travel and Lodging	170	177	(7)
Dues/Membership - District	192	197	(5)
Payroll Expense	<u>-</u>	<u>8</u>	<u>(8)</u>
Total Administrative Expenses	<u>712</u>	<u>588</u>	<u>124</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>29,692</u>	<u>27,066</u>	<u>2,626</u>
OPERATING INCOME (LOSS)	<u>\$ (29,692)</u>	<u>\$ (27,066)</u>	<u>\$ 2,626</u>

Channel Islands Beach Community Services District
Schedule of Revenues and Expenses - Budget to Actual - Community Service - Continued
Year Ended June 30, 2019

	Original and Final Budget	Actual	Variance Positive (Negative)
NONOPERATING REVENUES AND EXPENSES			
Nonoperating Revenue:			
Net Gain (Loss) on Sale of Capital Assets	\$ -	\$ 25,575	\$ 25,575
County Tax Apportionment	<u>101,000</u>	<u>96,989</u>	<u>(4,011)</u>
Total Nonoperating Revenues	<u>101,000</u>	<u>122,564</u>	<u>21,564</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	<u>\$ 71,308</u>	<u>\$ 95,498</u>	<u>\$ 24,190</u>

CIB COMMUNITY SERVICES DISTRICT
 INCOME & INTEREST ALLOCATION
 Year Ended June 30, 2019

	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 PM		Comm Serv- Operating	Comm Serv- Capital PM	WATER	SEWER	TRASH
Audited Income B4 Int *	1,359,551	649,467	536,637	77,949	95,498																	0
Add:																						0
Depreciation	295,055	111,372	176,084	7,598																		295,055
Amortization	41,561	47,197	(5,636)																			41,561
Loss on Joint Venture	88,169	88,169																				88,169
Loss on disposal of assets	158	62	63	33																		158
Increase in Customer Deposit	6,290																					6,291
Increase in Pension related deferral	(43,806)	(17,084)	(17,522)	(8,323)	(876)														2,097	2,097	2,097	(43,806)
Principle Pymts LTD	(386,332)	(281,332)	(105,000)																			(386,332)
New loan	700,000	673,470																	26,530			700,000
Pymts on CIP																						0
Purchase of Assets	(1,052,824)	(859,971)	(187,444)	(5,409)																		(1,052,824)
Development Impact Fees	44,160	44,160																				44,160
Proceed on sale of assets	639,374	281,325	204,600	127,875	25,575																	639,374
LESS Gain Included In Audit Income	(639,374)	(281,325)	(204,600)	(127,875)	(25,575)																	(639,374)
Change In PP & Accruals	(297,332)	(44,100)	(195,020)	(50,846)	(7,366)																	(297,332)
Adj net income to draft financials		0	0	0	0																	0
Alloc of CS	0																					0
Net inc(dec) in cash B4 int	754,650	411,410	202,162	21,002	87,256	0	0	0		0	0	0		0				28,627	2,097	2,097	754,651	
Cash beginning of year	6,311,412	35,000	35,000	35,000	0	316,628	2,240,344	140,651	313,000	350,434	2,062,492	154,173	191,000	162,103	78,841	81,034	7,423	41,363	22,308	22,308	22,309	6,311,411
Cash @ 6/30/19 B4 int	7,066,062	446,410	237,162	56,002	87,256	316,628	2,240,344	140,651	313,000	350,434	2,062,492	154,173	191,000	162,103	78,841	81,034	7,423	41,363	50,935	24,405	24,406	7,066,062
AVERAGE CASH Interest Allocation	6,688,737	240,705	136,081	45,501	43,628	316,628	2,240,344	140,651	313,000	350,434	2,062,492	154,173	191,000	162,103	78,941	81,034	7,423	41,363	36,622	23,357	23,358	6,688,738
Direct Interest	133,019	4,847	2,740	916	879	6,376	45,116	2,832	6,303	7,057	41,534	3,105	3,846	3,264	1,588	1,632	149	833				133,019
Total Interest	133,019	4,847	2,740	916	879	6,376	45,116	2,832	6,303	7,057	41,534	3,105	3,846	3,264	1,588	1,632	149	833	0	0	0	133,019
Cash @ 6/19 B4 Brd Trans	7,199,081	451,257	239,903	56,919	88,134	323,004	2,285,460	143,483	319,303	357,491	2,104,026	157,278	194,846	165,367	80,429	82,666	7,572	42,196	50,935	24,405	24,406	7,199,081
TRANSFERS		(416,257)	(204,903)	(21,919)	(88,134)	62,458	264,400	10,702	78,697	30,920	179,743	(1,914)	(3,846)	31,952	(1,101)	19,932	(1,151)	89,263				0
ACTUAL CASH @ 6/30/19	7,199,081	35,000	35,000	35,000	0	385,462	2,549,860	154,185	398,000	388,411	2,283,789	155,364	191,000	198,319	79,328	72,733	6,421	131,481	50,935	24,405	24,406	7,199,081

Reserve calculation at 6/30/2018
Based on 2019/2020 budget

Operating and Rate Stabilization Reserves

	Operating budget 2019/2020	Operating reserve 25% of operating budget	Rate stabilization reserve 10% of operating reserve
Water Enterprise	1,541,848	385,462	154,185
Sewer Enterprise	1,553,644	388,411	155,364
Solid Waste Enterprise	793,276	198,319	79,328
Community Service Enterprise	25,683	6,421	
Total		978,613	388,877

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

Capital Reserves

Total Fixed Assets @ 6/30/2019		11,500,250
Capital reserve 3.5% of assets	3.50%	402,509
Allocated between:		
Water:	51%	205,279
Sewer:	46%	185,154
Solid Waste:	3%	12,075

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 @ 6/30/2019	3,582,268	3,065,579	413,331	137,903	7,199,081
Less, Unrestricted cash	(35,000)	(35,000)	(35,000)		(105,000)
Outside restricted	(50,934)	(24,405)	(24,405)		(99,744)
Less, board designated reserves:					
Operating reserve	(385,462)	(388,411)	(198,319)	(6,421)	(978,613)
Rate stabilization reserve @ 6.30.19	(154,185)	(155,364)	(79,328)		(388,877)
Debt service reserve 6.30.19	(398,000)	(191,000)			(589,000)
RM Reserve	2,558,687	2,271,399	76,279	131,482	5,037,847

CIB COMMUNITY SERVICES DISTRICT
 CASH ACCOUNT SUMMARY
 30-Jun-19

	WATER	SEWER	TRASH	COMMUNITY SERVICE	TOTAL
Unrestricted	35,000	35,000	35,000	-	105,000
Board Restricted	3,487,508	3,018,544	350,381	137,902	6,994,335
Outside Restricted	50,935	24,405	24,406	-	99,746
Total Cash	3,573,443	3,077,949	409,787	137,902	7,199,081

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT

Adopted Budget & Actual Audited Numbers

For Year Ended June 30, 2019

Schedule updated by Auditor

Manually input based on TB or client

Amounts are manually input

Amounts include rounding adjustments

G/L Account	2018/2019		Actual per Sch 1	Chg *	Waste			Solid Waste			Community Service			Budget Total	Actual Total		
	Adopted Budget @ V				Budget	Water	%	Budget	Water	%	Budget	Disposal	%			Budget	Service
OPERATING REVENUES																	
Water Revenue	3110	2,021,000	1,941,516		2,021,000	1,941,516	100%		0			0			2,021,000	1,941,516	
Sewer Revenue	3120	1,348,857	1,253,582			0			1,348,857	1,253,582	100%		0		1,348,857	1,253,582	
Sewer Revenue - Oxnard	3120	831,143	875,845						831,143	875,845	100%				831,143	875,845	
Trash Revenue	3130	731,000	723,118			0						731,000	723,118	100%		731,000	723,118
TOTAL OPERATING REVENUE		4,932,000	4,794,061		2,021,000	1,941,516			2,180,000	2,129,427		731,000	723,118		4,932,000	4,794,061	

OPERATING EXPENSES

Water System Expense																
PHWA Water Contract	4210	740,000	591,186		740,000	591,186	100%		0			0			740,000	591,186
Water Samples	4215	17,000	12,819		17,000	12,819	100%		0			0			17,000	12,819
SDHS Annual Admn Fee	4220	12,700	12,880		12,700	12,880	100%		0			0			12,700	12,880
Annual Water Quality Report	4225	4,000	3,669		4,000	3,669	100%		0			0			4,000	3,669
Cross Connect Contract Chrg	4230	1,700	1,681		1,700	1,681	100%		0			0			1,700	1,681
R & M - Distribution	4235	91,000	102,576		91,000	102,576	100%		0			0			91,000	102,576
Telemetry	4240	11,000	6,296		11,000	6,296	100%								11,000	6,296
Well Rehabilitation	4256	0	0		0	0	100%		0			0			0	0
Commercial Meter Installation	4250	0	0		0	0	100%		0			0			0	0
Residential Meter Installation	4255	0	0		0	0	100%		0			0			0	0
Total Water System Expense		877,400	731,107		877,400	731,107			0			0			877,400	731,107

Sewer System Expense																
COPH Waste Water Transportation	4260	840,000	878,237			0			840,000	878,237	100%		0		840,000	878,237
Operations & Maintenance	4265	121,000	174,425			0			121,000	174,425	100%		0		121,000	174,425
Telemetry	4270	33,000	16,069			0			33,000	16,069	100%		0		33,000	16,069
Power	4275	18,000	15,113			0			18,000	15,113	100%		0		18,000	15,113
Capital Replacement Fund	4280	0	0			0			0	0	100%		0		0	0
Total Sewer System Expense		1,012,000	1,083,844			0			1,012,000	1,083,844			0		1,012,000	1,083,844

Trash Expense																	
Trash Service	4285	528,000	525,980			0				0		528,000	525,980	100%		528,000	525,980
Total Trash Expense		528,000	525,980			0				0		528,000	525,980			528,000	525,980

Maintenance Expenses																		
Gasoline	4310	15,000	12,416		6,450	5,339	43%	6,150	5,091	41%	2,100	1,738	14%	300	248	2%	15,000	12,416
Vehicle Maintenance	4320	10,000	8,549		4,300	3,676	43%	4,100	3,505	41%	1,400	1,197	14%	200	171	2%	10,000	8,549
Building Security	4330	1,600	1,460		528	482	33%	544	496	34%	528	482	33%	0	0	0%	1,600	1,460
Building Maintenance	4340	9,000	5,001		2,970	1,651.33	33%	3,060	1,700	34%	2,970	1,650	33%	0	0	0%	9,000	5,001
Signs & Banners	4350	1,500	969		495	320	33%	510	329	34%	495	320	33%	0	0	0%	1,500	969
Public Landscape Project	4360	9,200	7,089		0	0	0%	0	0	0%	-	0	0%	9,200	7,089	100%	9,200	7,089
Employee Workplace Safety	4370	5,000	1,914		2,150	823	43%	2,050	785	41%	700	268	14%	100	38	2%	5,000	1,914
Emergency Preparedness	4380	1,500	2,016		0	0	0%	0	0	0%	-	0	0%	1,500	2,016	100%	1,500	2,016
Total Maintenance Expenses		52,800	39,414		16,893	12,291		16,414	11,906		8,193	5,655		11,300	9,562		52,800	39,414

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT

Adopted Budget & Actual Audited Numbers

For Year Ended June 30, 2019

Schedule updated by Auditor

Manually input based on TB or client

Amounts are manually input

Amounts include rounding adjustments

G/L	2018/2019		Actual	Chg	Waste			Solid			Community			Budget Total	Actual Total			
	Account	Adopted			Budget @ V	Budget	Water	%	Budget	Waste	%	Budget	Disposal			%	Budget	Service
Salaries & Benefits																		
Regular Salaries	4400	646,000	662,168		251,940	258,246	39%	258,400	264,867	40%	122,740	125,812	19%	12,920	13,243	2%	646,000	662,168
Payroll Taxes	4500	19,000	12,087		7,410	4,713	39%	7,600	4,835	40%	3,610	2,297	19%	380	242	2%	19,000	12,087
Group Insurance	4525	119,000	112,489		46,410	43,870	39%	47,600	44,996	40%	22,610	21,373	19%	2,380	2,250	2%	119,000	112,489
Retirement Benefits	4550	64,600	22,705		25,194	8,855	39%	25,840	9,082	40%	12,274	4,314	19%	1,292	454	2%	64,600	22,705
Uniforms	4575	3,900	5,896		1,677	2,536	43%	1,599	2,417	41%	546	825	14%	78	118	2%	3,900	5,896
Worker's comp Insurance	4600	14,000	15,115		5,460	5,895	39%	5,600	6,046	40%	2,660	2,872	19%	280	302	2%	14,000	15,115
Employee Education	4650	17,500	15,348		6,825	5,986	39%	7,000	6,139	40%	3,325	2,916	19%	350	307	2%	17,500	15,348
Other Employee Costs	4700	0	0		0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Total Salaries & Benefits		884,000	845,808		344,916	330,101		353,639	338,382		167,765	160,409		17,680	16,916		884,000	845,808
Administrative Expenses																		
Regular Board Payments	5010	7,650	7,400		2,983	2,886	39%	3,060	2,960	40%	1,454	1,406	19%	153	148	2%	7,650	7,400
Special Board Meetings	5020	2,350	1,500		916	585	39%	940	600	40%	447	285	19%	47	30	2%	2,350	1,500
Board/ Committee Expenses	5030	1,500	1,052		585	410	39%	600	421	40%	285	200	19%	30	21	2%	1,500	1,052
Board Conferences & Seminars	5040	6,000	3,731		2,340	146	39%	2,400	149	40%	1,140	71	19%	120	7	2%	6,000	3,731
Board Travel & Lodging	5050	8,500	8,851		3,315	3,452	39%	3,400	3,540	40%	1,615	1,682	19%	170	177	2%	8,500	8,851
District Dues & Memberships	5100	20,000	19,708		8,604	8,475	43%	7,790	7,686	39%	3,350	3,414	17%	192	197	1%	20,000	19,708
Office Supplies	5210	7,150	7,151		2,359	2,360	33%	2,431	2,431	34%	2,360	2,360	33%	0	0	0%	7,150	7,151
On-line Payment	5215	7,000	7,486		2,310	2,470	33%	2,380	2,545	34%	2,310	2,471	33%	0	0	0%	7,000	7,486
Communications	5220	13,500	14,860		4,455	4,904	33%	4,590	5,052	34%	4,455	4,904	33%	0	0	0%	13,500	14,860
Printing & Publications	5230	6,000	5,050		1,980	1,667	33%	2,040	1,716	34%	1,980	1,667	33%	0	0	0%	6,000	5,050
Postage & Shipping	5240	15,000	16,050		4,950	5,297	33%	5,100	5,456	34%	4,950	5,297	33%	0	0	0%	15,000	16,050
Miscellaneous Office Expense	5250	12,000	13,040		3,960	4,303	33%	4,080	4,434	34%	3,960	4,303	33%	0	0	0%	12,000	13,040
Office Utilities	5260	3,500	2,646		1,155	873	33%	1,190	900	34%	1,155	873	33%	0	0	0%	3,500	2,646
Milage Reimb & Travel Expense	5270	0	0		0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Equipment Leases	5280	0	0		0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Equipment R & M	5290	10,000	16,947		3,300	5,593	33%	3,400	5,762	34%	3,300	5,592	33%	0	0	0%	10,000	16,947
Capital Purchases	5300	35,000	0		11,550	0	33%	11,900	0	34%	11,550	0	33%	0	0	0%	35,000	0
Insurance	5400	39,000	30,421		15,990	12,473	41%	17,160	13,385	44%	5,850	4,563	15%	0	0	0%	39,000	30,421
Legal Services	5510	55,000	72,648		31,400	41,410	57%	17,600	23,247	32%	6,000	7,991	11%	0	0	0%	55,000	72,648
Accounting Services	5520	50,000	38,580		20,500	15,818	41%	22,000	16,975	44%	7,500	5,787	15%	0	0	0%	50,000	38,580
Computer Services	5530	18,000	17,142		7,380	7,029	41%	7,920	7,542	44%	2,700	2,571	15%	0	0	0%	18,000	17,142
Engineering Services	5540	60,000	87,707		24,600	35,960	41%	26,400	38,591	44%	9,000	13,156	15%	0	0	0%	60,000	87,707
Payroll Services	5551	0	0		0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0
Bank & Trustee Fees	5560	4,000	2,500		1,640	1,025	41%	1,760	1,100	44%	600	375	15%	0	0	0%	4,000	2,500
Other Professional Services	5565	10,000	14,293		4,100	5,860	41%	4,400	6,289	44%	1,500	2,144	15%	0	0	0%	10,000	14,293
Legal Notices Publication	5600	5,000	1,411		1,650	466	33%	1,700	479	34%	1,650	466	33%	0	0	0%	5,000	1,411
Public Information	5650	16,000	1,154		5,280	381	33%	5,440	392	34%	5,280	381	33%	0	0	0%	16,000	1,154
Payroll Expenses	6000	0	394		0	153	39%	0	158	40%	0	75	19%	0	8	2%	0	394
Total Administrative Expenses		412,150	387,970		167,302	163,843		159,681	151,652		84,455	71,970		712	580		412,150	387,970
OTHER OPERATING EXPENSES																		
Non-cash Depreciation		0	295,055		150,478	150,478	51%	135,725	135,725	46%	8,852	3	3%	0	0	0%	0	295,055
Amortization		0	41,561		47,197	47,197	102%	-5,636	-5,636	-2%	0	0	0%	0	0	0%	0	41,561
Bad Debt		0	538		182	182	34%	178	178	33%	178	33%	33%	0	0	0%	0	538
Total Other Operating Expenses		0	337,154		197,857	197,857		130,267	130,267		9,030	9,030		0	0		0	337,154
OPERATING INCOME (LOSS)		1,165,650	842,784		614,489	506,317		638,266	413,376		-57,413	-49,926		-29,692	-27,058		1,165,650	842,784

CHANNEL ISLANDS BEACH COMMUNITY SERVICES DISTRICT

Adopted Budget & Actual Audited Numbers

For Year Ended June 30, 2019

Schedule updated by Auditor

Manually input based on TB or client

Amounts are manually input

Amounts include rounding adjustments

G/L Account	2018/2019		Actual per Sch 1	Chg *	Waste			Solid Waste			Community			Budget Total	Actual Total	
	Adopted Budget @ V				Budget	Water	%	Budget	Water	%	Budget	Disposal	%			Budget
NON OPERATING INC & EXP																
Interest	6100	38,000	133,019		13,300	46,557	35%	20,900	73,160	55%	3,800	13,302	10%	0	38,000	133,019
Net (gain) loss from Joint Venture		0	(88,169)			-88,169	100%		0			0		0	0	-88,169
County Tax Apportionment	6200/6320	101,000	96,989			0			0			0		101,000.00	96,989	96,989
Impact fee		0	0			0	0%		0	100%				0	0	0
Miscellaneous Income		0				0	44%		0	32%		0	20%	0	0	0
Net Gain (Loss) Capital Assets		0	639,374			281,324	44%		204,600	32%		127,875	20%	25,575	4%	639,374
Interest Expense		(117,500)	(131,033)		(31,500)	(49,852)	38%	(86,000)	(81,181)	62%					(117,500)	(131,033)
Total Nonoperating Inc & Exp		21,500	650,180		(18,200)	189,860		(65,100)	196,579		3,800	141,177		101,000	122,564	650,180
INCOME (LOSS) PER AUDIT																
		1,187,150	1,492,964		596,289	696,177		573,166	609,955		-53,613	91,251		71,308	95,506	1,492,964
Amort of Contributed Capital			-16,938			0									0	0
Prior Period Adjustment			0			0			0			0		0	0	0
Allocation of Community Service						0			0			0		0	0	0
Sewer Repayment of Debt															0	0
FINAL INCREASE IN NET POSITION																
		1,187,150	1,476,026		596,289	696,177		573,166	609,955		-53,613	91,251		71,308	95,506	1,492,964

Debt Service Budget:		
2012 Water Revenue Bonds	Est. Budget	Sch. Debt. Svc.
Principal	281,500.00	281,332.41
Interest	31,500.00	31,420.46
	<u>313,000.00</u>	<u>312,752.87</u>
2016 Wastewater Revenue Bonds		
Principal	105,000.00	105,000.00
Interest	86,000.00	81,531.26
	<u>191,000.00</u>	<u>186,531.26</u>
Loan	0.00	0.00
Estimated Budgeted Interest Expense		
2012 Water Revenue Bonds	31,500.00	
2016 Wastewater Revenue Bonds	86,000.00	
	<u>117,500.00</u>	
Estimated Water Interest Expense		
2012 Water Revenue Bonds Interest	31,420.46	
Current Year Accrual	9,043.38	
Prior Year Accrual	(11,903.60)	
Muni Financial Loan	-	
Current Year Accrual	21,291.70	
Prior Year Accrual	-	
	<u>49,851.94</u>	
Estimated Wastewater Interest Expense		
2016 Wastewater Revenue Bonds	81,531.26	
Current Year Accrual	13,413.54	
Prior Year Accrual	(13,763.54)	
	<u>81,181.26</u>	
Total Actual Interest	<u>131,033.20</u>	



Board of Directors:

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

PETER MARTINEZ
General Manager

353 Santa Monica Drive · Channel Islands Beach, CA · 93035-4473 · (805) 985-6021 · FAX (805) 985-7156
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Regular Board Meeting, March 10, 2020

To: Board of Directors
From: Peter Martinez, *General Manager*
Subject: District Participation in the Installation of CCTV Security Cameras in District Service Area
Item No. E-2

BACKGROUND:

On January 14, 2020, the Board directed staff to meet with the Facilities Committee to discuss the District's involvement in the procurement, installation, and maintenance of CCTV cameras to potentially be installed within the District service area. This would be a joint project between the District and the Ventura County Sheriff's Department. On February 11, 2020, staff toured the service area with Sergeant Harris from the Sheriff's Department to identify optimal locations to install CCTV cameras.

DISCUSSION:

On February 28, 2020, staff met with the Facilities Committee to discuss three different options related to District involvement in the aforementioned potential joint project. In researching this project, it was determined that the District would be responsible for purchasing the cameras, which range from \$200 to \$5,000. In addition, all ongoing maintenance and replacement costs would be the District's responsibility. The Ventura County Sheriff's Department would fund the installation of these cameras at the potential locations.

Based on discussions with staff and the Facilities Committee, three options were developed for District involvement. These options are as follows:

1. **No Action** - District will not get involved in the installation of security cameras within the service area. This option would result in no financial impact to the District.

2. **Limited Involvement** - District will participate in the outreach of available services the Ventura County Sheriff's Dept offers residents of the unincorporated areas of the District's service area. This option would result in a minor financial impact.
3. **Maximum Involvement** - District will work with the VC Sheriff's Dept to purchase, install, and forever maintain the security assets that will be owned and maintained by the District. The financial impact will depend on the number of cameras, type of cameras, and ongoing maintenance costs. (This can be estimated once potential locations are identified.)

RECOMMENDATION:

It is recommended the Board consider the Facilities Committee's position to pursue Option 2 related to District involvement in the procurement, installation, and ongoing maintenance of CCTV security cameras within the service area. In selecting Option 2, the District would participate in the outreach of available services the Ventura County Sheriff's Department offers.



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Regular Board Meeting, March 10, 2020

To: Board of Directors
From: Peter Martinez, *General Manager*
Subject: District Options to Consider in Responding to Sea Level Rise
Item No. E-3

RECOMMENDATION:

Board discretion of the options provided for consideration.

BACKGROUND:

On February 11, 2020, Board President Nast delivered a presentation explaining the potential effects of sea level rise on beach communities and their infrastructure. The Board requested more time to review the item and suggested it be placed on a future agenda.

DISCUSSION:

Based on the information provided, three potential options were developed for District involvement. These options are as follows:

Option 1 – Non-engagement by District staff and rely solely on the County of Ventura.

Option 2 – Engage on a limited basis by fostering collaboration and communication between major stakeholders and District ratepayers. This would involve the following:

- Coordinating with local government partners
- Provide District customers information about sea level rise issues through the District website (primarily by guiding them to the VC Resiliency Adaptation Project)
- Participate in Ventura County and City of Oxnard working groups

- Collaborate with the City of Oxnard, Ventura County, and Los Angeles Regional Water Quality Control Board to consider vulnerability issues related to water supply and wastewater infrastructure and treatment facility (OWTP), and CIBCSD sewer system

Option 3 – Includes all items in *Option 2*, as well as:

- Recommend a formal letter to the County of Ventura and the City of Oxnard that addresses the concerns of living shorelines, dune management, beach nourishment, and the potential use of hurricane fencing in an effort to minimize future impacts of coastal erosion and flooding in the Hollywood Beach and Silverstrand beach areas. This may involve an assessment of where these strategies could be most effective, as determined by the subject matter experts.

ATTACHMENTS:

- 1) PowerPoint presentation delivered by President Nast on February 11, 2020



**WHO MOVED
'YOUR' BEACHES?
AND, WHAT CAN BE
DONE TO MITIGATE
AND ADAPT?**

HOLLYWOOD BEACH AND SILVERSTRAND, CA



**Hollywood Beach
and Silverstrand
Vulnerability
Assessment to
Sea Level Rise
(SLR)** Photo credit
<https://www.rps.gov/articles/sand-fencing.htm>

What should Channel Islands Beach Community Services District (CIBCS D) do to help plan, prepare, manage and adapt? If anything? Bob Nast- President CIBCS D E-mail bnast@cibcsd.com Mobile 805-832-9895 dtd. 11 Feb 2020 (Final)

How Will "We" Prepare, Manage and Adapt?

- <https://www.cibcsd.com/prepare-manage-adapt>
- <https://www.cibcsd.com/prepare-manage-adapt>
- For a short NASA clip of SLR pls see: <https://www.youtube.com/watch?v=...>
- For a full discussion on our local beaches please see more of Dr. Revel, BEACON uploaded his videos from a full-day workshop he presented to Ventura County staff. It is here: <https://www.youtube.com/watch?v=...>

Credit for this originally 'modest proposal' (i.e. Sand Fence Project) was an unsolicited suggestion from one of CIBCS D's rate payers, Mr. Steve Weiss. Note: Steve remembered back in the 70's when Hollywood Beach "had" sand fences placed at the easements to Ocean Drive thus retaining the sand on the beach, but not impeding access to the beach. It kept the sand out of Ocean Drive; while fostering dune formation. He originally envisioned a 'modest project' costing < \$20K

See what's happened so far.

Responding to Sea Level Rise- Options for the District to Consider

- Option 1. Continue non-engagement (i.e. do nothing). Depend on major stakeholders like Oxnard, Ventura County (VC) (e.g. please see <https://crma.org/vc-resilient-coastal-adaptation-project>), CA Coastal Commission, Coastal Conservancy, State, and Federal Resources.
- Option 2. Engage on a limited basis, because (1) "literally all of our rate-payers" are being negatively impacted, (2) the future of CIBCSD is being threatened, (3) our wastewater / sewer system, and Stormwater are being threatened w/i the next decade. Increase and foster collaboration, partnering, and communication between major stakeholders and District rate-payers (e.g. no expenditures of rate-payer money). Only 'limited' expenditures of valuable Staff time, such as:
 - Coordinate with local government partners and other agencies, when asked to do so.

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Responding to Sea Level Rise- Options for the District Consider (cont'd)

Take limited actions, such as (cont'd):

- Provide rate-payers information about District SLR issues through update to District's website mainly referencing VC Resiliency Project Status or Oxnard efforts.
- Participate in VC and Oxnard working groups that examine managed retreat of critical infrastructure (like water, sewer, storm drains lines and Waste-Water Treatment Plant), including when to consider managed retreat rather than continue with repairs and maintenance in response to SLR.

5

Responding to Sea Level Rise- Options for the District to Consider (cont'd)

Take limited actions, such as:(cont'd)

- Collaborate with the City of Oxnard, VC, and Los Angeles Regional Water Quality Control Board to consider vulnerability issues related to water supply and wastewater capacity infrastructure like Oxnard Wastewater treatment plant, storm drains, and CIBCSD sewer system(if necessary).
- Recommend in a formal letter to Oxnard and VC the use of 'living shorelines', dune management, beach nourishment, hurricane fencing, etc. for Hollywood Beach and Silverstrand, including an assessment of where these strategies could be effective, based on Subject Matter Experts (SMEs) opinion and the results of similar beach prototype projects (e.g. Encinitas Beach).

6

Responding to Sea Level Rise- Options for the District to Consider (cont'd)

Take limited actions, such as: (cont'd)

- Suggest placement of wooden fencing at street easements preventing sand from blowing onto Ocean Drive. Avoid future street clean up costs now born by tax-payers (County cleans up)and home-owners (Private Contractor cleans up).
- Take climate change into account in District's planning and investment decisions and employ full life-cycle cost accounting to evaluate and compare infrastructure investments and alternatives. (e.g. budget \$1.8 M for replacement of sewer pipe damaged by SLR w/i next 10 years).
- Other

7

Pros and Cons Regarding Options for the District to Consider (cont'd)

Pros of Doing Nothing

- Incur No Liabilities or Expenses
- Not Responsible for Outcome
- Don't Have to Collaborate or Communicate With Partnering Governmental Organizations
- No expenditures of Valuable Staff Time

Cons of Doing Nothing

- Risk partial or total loss of 1800 rate-payer revenues over time
- Loss of revenue (property tax base) for Oxnard and Ventura County
- Lose control and input to decision making process, read as, no influence
- Pay me now or pay me a whole lot more later!

8

Selected Sea Level Rise Projections (ref VC)

Existing= 8" (2030-ish) 16" (2060-ish) 58" (2100-ish)

1.51 mm/year

Measured at Santa

Monica tide gauge*

There is more certainty about how much sea level rise will occur, than when.....

Ranges of Projections	Low	Medium	High
in Coastal Resilience Model	2.3"	5.2"	8.0"
	7.4"	16.1"	29.3"
	17.1"	36.5"	58.1"

*1.5 mm=0.06 inches. Global SLR in 2000 was 32 mm/yr.

9

Why Has California Been So Lucky? Ref. <https://www.latimes.com/projects/la-me-sea-level-rise-california-coast/>

"The California coast is disappearing under the rising sea. Our choices are grim. [Other than that Mrs. Lincoln, how'd you even get going?]

While other regions grappled with destructive waves and rising seas, the West Coast for decades was spared by a rare confluence of favorable winds and cooler water. This "sea level rise suppression," as scientists call it, went largely undetected. Blinded from the consequences of a warming planet, Californians kept building right to the water's edge.

But lines in the sand are meant to shift. In the last 100 years, the sea rose less than 9 inches in California. By the end of this century, the surge could be greater than 9 feet.

From San Diego to Humboldt counties, homeowners scramble to fend off increasing erosion and storm surges, pleading with officials for bigger seawalls that can hold back the even bigger ocean."

LA Times-July 7, 2019

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Sea Level Rise Causes (ref. <https://sealevelrise.org/causes/>)

• "There Are Four Main Causes of Sea Level Rise"

• Two Causes Are Global, and Two Are Local

- Global- Ice melt and thermal expansion (warming waters that expand)
- Local- Slowing Gulf Stream and sinking land [subsistence].

• Ice melting from land into the ocean [e.g. Greenland (700T lbs./yr.), Antarctica (2 X USA) and Glaciers], warming waters that expand, and land all contribute to sea level rise.

• Although a global phenomenon, the amount and speed of sea level rise varies by location, even between the East and the West Coasts.

• While the slowing Gulf Stream and sinking land only affect some areas, and at varying rates, **Antarctica is the biggest threat!**

• Scientists worry about Antarctica the most because it's nearly twice the size of the United States and contains 90% of the earth's ice."

11

Definitions

• **Coastal erosion** is the loss or displacement of land, or the long-term removal of sediment and rocks along the coastline due to the action of waves, currents, tides, wind-driven water, waterborne ice, or other impacts of storms. (Opposite of accretion) Ref: Wikipedia

• **Coastal flooding** occurs when normally dry, low-lying land is flooded by seawater.

• **Inundation** is the amount of water that occurs above normally dry ground as a result of flooding. Along the coast, there are a few common sources of inundation including abnormally high tides, storm surge, persistent onshore winds and waves.

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Definitions (Cont'd)

Note: What's the difference between flooding and inundation? Inundation connotes extensive water presence. Flooding may sometimes be used to convey unwanted water, but in less than overwhelming amounts.

- **Living shoreline** is a protected, stabilized coastal edge made of natural materials such as plants, sand, or rock. Unlike a concrete seawall or other hard structure [gray approach], which impedes the growth of plants and animals, living shorelines grow over time. [green approach]." ref: the National Oceanic and Atmospheric Administration-NOAA

Good learning source- See https://oceanservice.noaa.gov/education/lessons/who_moved_the_beach.html

13

Definitions (Cont'd)

- **1% storm.** The phrase "100-year storm" refers to the estimated probability of a storm event happening in any given year. A 100-year event has a 1 percent chance (or 1-in-a-100 chance) of occurring in any given year. (Note: scientists found that 100-year floods will become annual events in New England in the U.S. Southeast and Gulf of Mexico, counties could experience such floods every one to 30 years.)" Ref. <https://e360.yale.edu/digest/100-year-floods-could-soon-happen-annually-in-parts-of-u-s-study-finds> Questions. What about the California Coast? When's FEMA going to update our 100-year flood plan map? It's 10 years out of date.

Good learning source- See https://oceanservice.noaa.gov/education/lessons/who_moved_the_beach.html

14

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches -STRUCTURES-

Ref: <https://www.vcrma.org/vc/resilient-coastal-adaptation-project> (Appendix A)

• Coastal Erosion

"Beach and dune erosion on the Central Coast [i.e. Hollywood and Silverstrand Beaches] shows existing impacts to 14 parcels, rising to 619 parcels with 8" of SLR [happening in 2030-ish]. Erosion affects mainly residential parcels located on Silverstrand and Hollywood Beach. Commercial impacts include businesses along Los Altos St. in Hollywood Beach, along Ocean Dr. in Silverstrand.

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VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches -STRUCTURES-

Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project> (Appendix A)

• Coastal Erosion (cont'd).

Economics: The Central Coast is already subject to \$26.6M in dune erosion losses (1% annual chance storm) and losses may increase to \$981.1M with 8", \$1.25 billion with 16 in, and \$1.48 billion with ~5 feet SLR."

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VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Structures -

Cont'd Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

• Coastal Flooding

"Residential buildings are >95% of vulnerable structures. Half of all parcels exposed to flooding with ~5 feet of SLR are in Silverstrand and Hollywood Beach neighborhoods. Ten commercial buildings are vulnerable today and 31 may be exposed in ~5 feet of SLR.

17

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Structures -

Cont'd Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

• Coastal Flooding (cont'd)

Economics: The Central Coast is already subject to \$120.1M in coastal flooding losses (during a 1% annual chance storm) and losses increase to \$150.7M with 8", \$173.3M with 16", and \$407.3M with ~5 feet SLR."

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VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Confid Ref:
<https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

• **Tidal Inundation**

“Currently 0 oceanfront parcels are at risk of tidal inundation.

**Economics:
The Central Coast is not at risk until ~ 5 feet of SLR,
\$633.3M in property is exposed.”**

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VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- **Structures**- Confid
Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

• Potential Adaptation Strategies

- **Range of Strategies:** include “No Action” and cleanup, as well as retreat, accommodate and protection strategies.
- **Accommodate**-Includes elevating structures and increasing setbacks. Elevating is expensive if completed as a retrofit, however building code changes would enable elevation to occur overtime with the bulk of the cost placed on developers and private property owners when redeveloping their properties.
- **Protect**-Constructing levees and coastal armoring to reduce vulnerabilities is the “gray” protection approach, which has traditionally been implemented in the North Coast [Rincon Point to Emma Wood State Beach]. A “green” protection approach **likely cost effective in the Central Coast [Hollywood and Silverstrand Beaches]** would be to augment sand dunes to protect against future coastal hazards.”

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VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches-**Structures**- Confid
Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

• Potential Adaptation Strategies (cont’d)

- **Retreat**-Includes policy and /or regulatory options (e.g. transfer of development, repetitive loss and rolling easements of structures as well as voluntary purchase of the vulnerable properties potentially with a lease back option.
- **Secondary Impacts**-Retreat strategies have secondary impacts due to the loss of structures, property, and subsequent resulting impacts on the tax base revenue to the County. Gray protection options have been traditionally used with some success in the past, but continued use would result in a loss of beaches overtime. Green protection strategies may benefit beaches and homes by maintaining recreational uses, but may not be suitable for high energy shorelines that erode [Recall moratorium on building new beach houses at Mandalay Shores? Other questions would logically be: Are Hollywood and Silverstrand beaches considered “high energy”?]

21

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches-Structures- Confid

Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

Summary

- Residential make up "95 %" of exposed properties.
- Coastal erosion poses highest economic risk to land uses, primarily in Hollywood Beach and Silverstrand.
- Currently \$26.6M in property is at-risk of erosion and \$176.9M is at-risk to flooding from 1% storm.
- With 8 inches \$1.2 billion in property is at-risk to erosion and \$213M is at-risk to flooding from 1% storm.
- With ~ 5 feet of SLR, \$1.7 billion in property is at-risk to erosion and \$682M exposed to coastal flooding.

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches-Structures- Confid

Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

Summary (cont'd)

Thresholds:

- Coastal erosion impacts substantially more residential property with 8" of SLR (\$26M to \$1.2 billion).
- Tidal inundation impacts escalate between 16" & ~ 5 feet of SLR, particularly in the Central Coast.

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Confid Ref:

<https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

Strategy Options

Policy:

- Consider codifying an increase to base flood elevation or movable foundation standards for new developments. (Definition: The Federal Emergency Management Agency (FEMA) defines the **Base Flood Elevation (BFE)** as the computed **elevation** to which the **flood** is anticipated to rise during the **base flood**. The **base flood** is also referred to as the 1-percent annual chance **flood** or 100-year **flood**.)
- Develop real estate disclosure requirements to inform homebuyers of the risk of living adjacent to the coast.

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Structures-^{Cont'd}

Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

Projects:

- Develop a phased long-term plan.
- Potentially require any abandonment or retreat to remove derelict or threatened structures.
- Develop dune and shoreline management plans.

Monitoring:

- Monitor frequency, duration and depth of impacts.”

25

VC Board of Supervisors (BOS) Work Session of Sept. 10, 2019- “Positive Findings”

With up to 5 feet of sea level rise [circa 2100]:

- No airport, water/sewer plants [?], power plants are vulnerable within County’s jurisdiction
- No critical facilities such as fire, police stations, or hospitals at risk of tidal inundation
- No coastal erosion of active oil and gas facilities
- Inland ecosystems such as back dunes and rivers/streams likely to persist
- Most of the coastal armor is predicted to withstand up to 5 feet of sea level rise

26

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beach- Wastewater-^{Cont'd}

Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

“No existing vulnerabilities to CIBCSD wastewater system except that 9.5 miles of pipe are susceptible to coastal flood hazards along the Rincon Parkway and at Hollywood Beach”

“PROJECTED VULNERABILITIES”

8 inches by ~ 2030

- **Coastal Erosion** 21 manholes in Hollywood Beach neighborhood.
- 21 manholes

27

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beach- Wastewater- Cond Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

16 inches by ~ 2060

Coastal Erosion

- 0.8 miles of pipe
- 6 manholes

Coastal Flooding

- 0.9 miles of pipe
- 2 manholes

Results

Coastal dune erosion could impact an additional 0.8 miles of wastewater pipe in the Hollywood Beach Neighborhood.

Replacement costs of these pipes is estimated at \$1.0 million.

Coastal flooding is projected...etc.

28

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beach- Wastewater- Cond Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

58 inches by ~ 2100

Tidal Inundation

- 1.7 miles of pipe
- 26 manholes

Result

Tidal inundation with ~ 5 feet of SLR may effect a total 1.7 miles of pipe and limit routine accessibilty to the pipe. Twenty six manholes exposed with ~ 5 feet of SLR may result in substantial salt water inundating and corroding the waste water system .

29

VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Wastewater-

Cond Ref: <https://www.vcrma.org/vc-resilient-coastal-adaptation-project>

SUMMARY

- No pump stations, shut off valves or treatment plants are susceptible to coastal erosion or tidal inundation even w/ ~ 5 feet of SLR, although impacts may occur if coastal armoring along the North Coast failed.
- Two pump stations are currently exposed to flooding, and four pump stations are vulnerable w/ ~ 5 feet of SLR
- Both wastewater treatment plants in Ventura and Oxnard become exposed to tidal and coastal flooding by ~ 5 feet of SLR

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VC Consultants Estimated the Costs and Impacts of SLR on Hollywood Beach and Silverstrand Beaches- Stormwater -

Cont'd. Ref: <https://www.vcrma.org/resilient-coastal-adaptation-project>

Due to time and space constraints, please see the above reference for detailed estimates of the costs, impacts, and strategies for responding to SLR on Hollywood Beach and Silverstrand Stormwater; ditto for Water Supply.

31

High Water Mark During King Tide-Hollywood Beach -Dec. 22, 2018 (Photos by Gene Peck)



32



33

Protect what we have! Suggest CIBCSD works with County to prohibit residents from driving on the dunes. (Photo by Pam Nast_ Feb. 2020)



- **Need for local law enforcement of ordinance prohibiting civilians from driving recreational vehicles on Hollywood Beach and Silverstrand- Protect flora, fauna, and dunes.**

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Lake Los Feliz at Hollywood Beach (Photo- Pam Nast dtd. Unk- after only a moderate rain!)



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Timelines and Permitting Requirements For the CIBCSD SLR Fix

• **Timeline- total estimated 3 years, as follows:**

- **“Path 1** - Current County Effort, Phase 2 of VC Resiliency: the County just received approval of the grant to fund the County drafting policies for our LCP to address sea level rise and the adaption approaches the best fit our coastline and communities. This will take **next 2 years for local process** and adoption and **then year 3** is Coastal Commission certification process. This effort will likely start in March 2020 once funding authorized and will include community engagement to come up with policies and programs, analysis and adoption hearings. Your proposal might fit into this effort. If it does, this could result in multi agency support for the approach. This could all be paid for within the context of the LCP polices getting adopted. It would NOT result in the Coastal Development Permit.”

Timeline and Permitting Requirements (Cont'd)

- **Path 2** - your organization seeks the Coastal Development Permit and pay the permit process fees for a County Permit and the Coastal Commission Permit (I believe you may need both). This would start first with a meeting between both agencies for coordination and understanding what information and special studies are necessary for consideration. While Path 2 is necessary regardless of Path 1, my experience with Coastal Commission Staff is the larger policy discussion getting addressed first is better buy in for when the CDP would be processed.

This is a big undertaking for sure but we are beginning to enter reality of sea level rise so the effort is likely worth it.

If you chose Path 1 you would participate with my staff as stakeholder in that endeavor. If you chose Path 2 we can help facilitate the meeting between agencies at no charge and can get you application materials and pre-submittal meeting. After that your organization would need to pay permit deposit and case planner would be assigned." Ref. Email from Dave Ward, Ventura County Planning Director, to, Bob Nast, Director CIBCS, dtd. December 6, 2019; Subj: Policy Feasibility Re: the Deployment of Low Cost Hurricane Fencing on Hollywood and Silverstrand Beachs

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Sand Fences- And How They Work-Ref.

<https://www.nps.gov/articles/sand-fencing.htm>

Sand fencing on a beach or dune can assist in building a new foredune or fill gaps in dune ridges. The fence reduces local wind speed and traps sand, with different fence configurations creating different dune forms and heights. For example, fencing running parallel to the shoreline can build a protective dune ridge while zig-zag arrangements can create wider, more natural appearing dunes supportive of vegetation growth.

The effectiveness of sand fencing largely depends on local wind dynamics and corresponding placement. Additionally, sand fencing can provide co-benefits by directing visitor pathways away from sensitive dune and beach habitats.

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Recommended Actions

Recommended Actions

- Obtain consensus from CIBCSDDirectors "after" obtaining firm cost estimates. Decide Path 1 or 2 or Reject both based on Cost Benefit Analysis. This modest green (versus armoring) adaption approach, utilizing sand fences, is likely the most cost effective for the Hollywood and Silverstrand Beaches. It would serve to augment existing sand dunes and protect against future coastal hazards.
- Invest in CCTV cameras (no. and placement TBD) to ensure local ordinance prohibiting recreational vehicles from operating on Hollywood Beach and Silverstrand in order to protect existing and future dunes. Please See Note.

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Note Re: Rec. Vehicles Driving on the Dunes

• VC Star Reported (Aug. 14,2017) County close vehicle access to Silver Strand Beach-ref.

<https://www.vcstar.com/story/news/2017/08/14/ventura-county-officials-close-vehicle-access-silver-strand-beach/565443001/>

"We closed it because too many people were using it (the driveway) to drive their off-road vehicles on the beach," Bill Nash, public information officer for Ventura County said on Monday, creating a nuisance and hazard to beachgoers such as Hartman." Place CCTV to monitor critical CIBCSO equipment near the beach. County(Harbor Director) is interested in placing CCTV at portion of Silver Strand also called La Janelle Beach.

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Questions or Comments?

"Failure to plan is planning to fail."

Ben Franklin

Thank you for your valuable time.

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Board of Directors:

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Regular Board Meeting, March 10, 2020

To: Board of Directors
From: Peter Martinez, *General Manager*
Subject: PHWA Agenda Review
Item No. F-1

INFORMATION:

The following items are slated for consideration at the next PHWA Board Meeting. The following is not an official agenda or notice and is subject to change.

Date: Monday, March 16, 2020

Time: 4:00 PM

Location: City Council Chambers - 250 North Ventura Road, Port Hueneme, CA 93041

Items for Consideration:

1. BWRDF Operational Report