



CAMBRIA COMMUNITY SERVICES DISTRICT

MEETING	TIME & DATE	LOCATION
Finance Committee	10:00 AM Tuesday, March 26, 2024	Cambria Veterans' Memorial Hall 1000 Main Street, Cambria, CA 93428

## **AGENDA**

### **Regular Finance Committee Meeting**

**Tuesday, March 26, 2024 10:00 AM**

**In person at:**

**Cambria Veterans' Memorial Hall  
1000 Main Street, Cambria, CA 93428**

**AND via Zoom at:**

**Please click the link to join the webinar: [HERE](#)**

**Webinar ID: 818 9135 4260**

**Passcode: 504651**

Copies of the staff reports or other documentation relating to each item of business referred to on the agenda are on file in the CCSD Administration Office, available for public inspection during District business hours. The agenda and agenda packets are also available on the CCSD website at <https://www.cambriacsd.org/>. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting or if you need the agenda or other documents in the agenda packet provided in an alternative format, contact the Confidential Administrative Assistant at 805-927-6223 at least 48 hours before the meeting to ensure that reasonable arrangements can be made. The Confidential Administrative Assistant will answer any questions regarding the agenda.

#### **1. OPENING**

**1.A Call to Order**

**1.B Establishment of Quorum**

**1.C Chair Report**

**1.D Ad Hoc Subcommittee Report(s)**

**1.E Committee Member Communications**

#### **2. PUBLIC COMMENT**

Members of the public may now address the Committee on any item of interest within the jurisdiction of the Committee but not on its agenda today. Future agenda items can be suggested at this time. In compliance with the Brown Act, the Committee cannot discuss or act on items not on the agenda. Each speaker has up to three minutes.

#### **3. CONSENT AGENDA**

**3.A Consideration to Approve the February 27, 2024 Regular Meeting Minutes**

**4. REGULAR BUSINESS**

**4.A Receive and Discuss Independent Auditor's Report and Financial Statements for Fiscal Year 2022/2023**

**4.B Discussion on Phasing and Payment Options for Advanced Metering Infrastructure Replacement**

**4.C Discussion and Consideration to Appoint an Ad Hoc Subcommittee on Allocation of Administrative Overhead**

**5. FUTURE AGENDA ITEM(S)**

**6. ADJOURN**



## CAMBRIA COMMUNITY SERVICES DISTRICT

### MINUTES OF FEBRUARY 27, 2024 REGULAR FINANCE COMMITTEE MEETING OF THE FINANCE COMMITTEE CAMBRIA COMMUNITY SERVICES DISTRICT

A regular meeting of the Finance Committee of the Cambria Community Services District was held at the Cambria Veterans' Memorial Hall, located at 1000 Main Street, Cambria, CA 93428 on Tuesday, February 27, 2024, at 10:00 AM

#### 1. **OPENING**

##### 1.A **Call to Order**

Chairman Gray called the meeting to order at 10:01 a.m.

##### 1.B **Establishment of Quorum**

A quorum was established.

Committee members present: Chairman Tom Gray, Cheryl McDowell, David Pierson, Karen Chrisman, Keith Hinrichsen, and Scott McCann.

Staff present: Matthew McElhenie, General Manager; Denise Fritz, Administrative Department Manager; Haley Dodson, Confidential Administrative Assistant.

##### 1.C **Chair Report**

Chair Gray stated that we have a full agenda today.

##### 1.D **Ad Hoc Subcommittee Report(s)**

None

##### 1.E **Committee Member Communications**

None

#### 2. **PUBLIC COMMENT: None**

#### 3. **CONSENT AGENDA**

##### 3.A **Consideration to Approve the January 23, 2024 Regular Meeting Minutes**

Mr. McCann moved to approve the consent agenda

Mr. Pierson seconded.

Motion passed 5-0.

#### 4. **REGULAR BUSINESS**

#### **4.A Discussion and Consideration of Report and Recommendations from Ad Hoc Subcommittee on Revenue Enhancement**

Mr. Pierson reviewed the report and both Mr. McCann and Mr. Hinrichsen commented. There were questions asked on the TBID, the Fire Department being replaced with CalFire, and clarity on the personnel accounting in recommendation 1.

Public comment was received from Mahala Burton, Dennis Duzek, Jim Bahringer, Tina Dickason, Elizabeth Bettenhausen, and Laura and Crosby Swartz.

Ms. McDowell had a comment about the water meters which was clarified.

Mr. Pierson moved to forward the report to the Board of Directors for their review and consideration.

Mr. Hinrichsen seconded.

Motion passed 4-1.

#### **4.B Discuss, Review and Receive the Investment Report for the Quarter Ended December 31, 2023 and Provide Feedback to the CCSD Board of Directors**

Ms. Frantz reviewed the report and asked if the report should come before the Finance Committee each quarter or just go to the Board. It was decided that the report should come to the Committee and preferably with the quarterly budget report.

Mr. Pierson moved to forward the report to the Board of Directors.

Mr. Hinrichsen seconded.

Motion passed 5-0.

#### **4.C Discuss, Review and Approve the Reserve Policy Revisions and Approve Recommendations to the CCSD Board of Directors**

Ms. Fritz and Ms. Chrisman reviewed the new policy.

Public comment was received from Crosby and Laura Swartz

Mr. Pierson question why there was no minimum reserve requirement and discussion was about a minimum and a maximum which were deemed not required pending work on a long term planning effort.

Ms. Chrisman moved to approve the new policy and forward it to the Board of Directors for their consideration.

Mr. Hinrichsen seconded.

Motion passed 4-1.

### **5. FUTURE AGENDA ITEM(S)**

Chair Gray asked for any future agenda items. The Investment Policy, Audit Report for 2022/23 and the Long Term Financial Planning were all recommended for next month's agenda.

**6. ADJOURN**

Chair Gray adjourned the meeting at 11:56 a.m.

DRAFT

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Finance Committee

AGENDA NO. 4.A.

FROM: Matthew McElhenie General Manager  
Denise Fritz, Administrative Department Manager

Meeting Date: March 26, 2024

Subject: Receive and Discuss Independent Auditor's Report and Financial Statements for Fiscal Year 2022/2023

**RECOMMENDATIONS:**

Staff recommends the Finance Committee discuss and review the Independent Auditor's Report and Financial Statements for Fiscal Year 2022/2023.

**DISCUSSION:**

The Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2023 ("Audit Report") is attached for review. Mr. Alex Hom, from Moss, Levy & Hartzheim, will be available via Zoom for a summary of the Auditor's Report and to respond to questions and comments from the Finance Committee.

The Auditor's Report contains the auditor's opinion of the CCSD's financial statements and the adequacy of internal controls. The auditor issued an unqualified opinion, which states that as of June 30, 2023, the financial statements present fairly, in all material respects, the financial position of the governmental and business-type activities of the CCSD.

As shown on page 16 of the Audit Report, the General Fund had revenues of \$6,186,517 and expenditures of \$6,463,005, resulting in a decrease in the fund balance of \$276,488.

As shown on page 19 of the Audit Report, the Water Fund had total operating and non-operating revenues of \$4,899,101 and expenditures of \$4,330,777, resulting in an increase in net position of \$568,324. It should be noted that these Water Fund revenues/expenses include both Water Operating, Water WRF Operating and Water WRF Capital funds.

As shown on page 19 of the Audit Report, the Wastewater Fund had total operating and non-operating revenues of \$3,668,381 and expenditures of \$3,760,202, resulting in a decrease in net position of \$91,821.

As shown on page 11 of the Audit Report, the District had a total of \$20,003,164 in cash on hand on June 30, 2023. That cash is distributed to the three funds as shown below:

<b>CCSD FINANCIAL AUDIT JUNE 30, 2023</b>	
<b>FUND</b>	<b>CASH BALANCE</b>
GENERAL FUND	\$3,359,267
WASTEWATER FUND	\$805,016
WASTEWATER BOND FUND	\$10,271,492
WATER FUND	\$5,567,389
TOTAL	\$20,003,164

Inter-fund loans due to the General Fund on June 30, 2023, are shown below:

WASTEWATER FUND	\$192,331
WATER FUND	\$157,726
TOTAL DUE TO GENERAL FUND	\$350,057

Attachment: Independent Auditor's Report and Financial Statements for the Year Ended June 30, 2023

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2023**





**CAMBRIA COMMUNITY SERVICES DISTRICT**  
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## FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

Board of Directors of Cambria Community Services District  
Cambria, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Cambria Community Services District, as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Cambria Community Services District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Cambria Community Services District, as of June 30, 2023, and the respective changes in financial position and cash flows where applicable thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cambria Community Services District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cambria Community Services District's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedule of changes in OPEB liability and related ratios, the schedule of OPEB contributions, the schedule of proportionate share of net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries of the basis 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 Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2024, on our consideration of the Cambria Community Services 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 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.

*Moss, Remy & Halsegrain LLP*

Santa Maria, California  
March 11 2024

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

Our discussion and analysis of the Cambria Community Services District’s (CCSD) financial performance provides an overview of the CCSD’s financial activities for the fiscal year ending June 30, 2023. The Management’s Discussion & Analysis is to be read in conjunction with the CCSD’s financial statements, which follow this section.

The Cambria Community Services District is a multi-purpose special district formed on December 9, 1976. Formation occurred under the Community Services District Law, Section 61000, et. seq. of the California Government Code. At the time of formation, it absorbed and combined the responsibilities of five existing special districts. These independently operated districts were as follows:

- The Cambria Community Services District - Moonstone Beach Drive area
- The Cambria County Water District
- The Cambria Fire Protection District
- The Cambria Garbage Disposal District
- San Luis Obispo County Service Area No. 6 - Street Lighting Service

The CCSD is a political subdivision of the State of California and operates under a Board of Directors-Manager form of government. A five-member Board of Directors governs it, each member serving a four-year term. The CCSD has a population of approximately 5,700 residents within its boundaries. Tourism in the summer months and on holiday weekends creates seasonal increases in the population. The CCSD provides the following services:

- Water
- Wastewater
- Fire Protection
- Facilities and Resources
- Parks and Recreation
- Resource Conservation
- Administration

**Fund Financial Statements**

The accounting system of the CCSD is organized and operated on a fund basis. A fund is considered a separate self-balancing entity with assets, liabilities, fund equity, revenues, and expenditures/expenses.

The basis of accounting depends on the fund. The basis of accounting refers to “when” revenues and expenses are recognized in the accounts and reported in the financial statements.



**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

Governmental funds use the modified-accrual basis of accounting. Revenues are recognized when measurable and available as net current assets. Measurable means the amounts can be estimated or determined. Available means the amounts were collected during the reporting period or soon enough to finance the expenditures accrued for the reporting period.

Enterprise or business-like funds use the accrual basis of accounting. Revenues, expenses, assets, and liabilities are recognized when the event happens.

**Financial Statements**

Two government-wide financial statements include all the CCSD's funds:

- Statement of Net Position
- Statement of Activities

The Statement of Net Position provides the basis for computing the rate of return, evaluating the capital structure of the CCSD, and assessing the liquidity and financial flexibility of the CCSD.

The Statement of Activities includes all the CCSD's functions presented using the accrual basis of accounting. One objective of the Statement of Activities is to report the relative financial burden of the CCSD's functions.

The remainder of the CCSD's financial statements is grouped into two categories:

- Governmental Activities
- Business-Type Activities

**Governmental Activities**

Governmental activities include the following Fund:

- General Fund

The General Fund includes the following Departments:

- Fire Department
- Administration
- Facilities and Resources
- Parks and Recreation

The CCSD's financial statements for governmental activities include six components:

- Balance Sheet
- Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures, and Changes in Fund Balances

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

- Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Notes to the Financial Statements
- Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual-Governmental Funds (Shown as Required Supplemental Information)

The Balance Sheet-Governmental Funds first presents the CCSD's assets (resources it controls that enable it to provide services), liabilities (financial obligations), and fund balance (in essence, what would be left over if the assets were used to satisfy the liabilities). The assets and liabilities are current. Notably absent are capital assets. This is due to the statement being presented using the modified accrual basis of accounting. Fund balance is the difference between assets and liabilities. Fund balance is reported in up to five classifications to clarify Fund Balance reported as well as to provide additional information, as follows:

- Non-spendable - amounts not in a spendable form, such as Prepaid Expenses or Deposits.
- Restricted - amounts constrained to specific purposes by their providers through constitutional provisions or legislation.
- Committed - amounts constrained to specific purposes by the government using its highest decision-making authority.
- Assigned - amounts a government intends to use for a specific purpose.
- Unassigned - amounts that are available for any purpose. These amounts are only found in the general fund.

The Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position is the final component of the Balance Sheet. The reconciling items explain the differences in the accounting bases (the presence of capital assets and long-term liabilities in the government-wide financial statements but their absence in the governmental funds).

The Statement of Revenues, Expenditures, and Changes in Fund Balances is the governmental funds' income statement, tracking the flow of resources in as Revenues and out as Expenditures. Revenues and Expenditures are not the only resources that flow in and out. Other financing sources (uses) identify transfers in and out of the governmental funds. Besides the fact that transfers are neither revenues nor expenditures, they are shown separately to assist the statement reader in assessing the balance between ongoing revenues and expenditures related to the basic operations of the CCSD. For this same reason, special items such as prior period adjustments (corrections of material errors related to a prior period or periods) are shown separately.

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

The Reconciliation of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities describes the differences between changes in fund balance and changes in governmental activities' net position in the government-wide statement of activities. Items are individually described.

The Notes to the Financial Statements are disclosures presented to assist the reader in understanding the information found in the financial statements.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Governmental Funds compares the budgeted amounts to the actual amounts.

**Business-Type Activities**

Business-type activities include the following Funds:

- Water Fund
- Wastewater (Sewer) Fund

The Water Fund includes the following Departments:

- Water
- Resource Conservation
- Water Reclamation Facility

The CCSD's financial statements for business-type activities include four components:

- Statement of Net Position - Proprietary Funds
- Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Funds
- Statement of Cash Flows - Proprietary Funds
- Notes to the Financial Statements

The Statement of Net Position provides the basis for computing the rate of return, evaluating the capital structure of the Water and Wastewater Funds, and assessing their liquidity and financial flexibility.

The Statement of Revenues, Expenditures, and Changes in Net Position shows how the Water and Wastewater Fund's net assets changed during the year. All the current year's revenues and expenditures are recorded when the underlying transaction occurs, regardless of the timing of the related cash flows. The Statement of Revenues, Expenditures, and Changes in Fund Balance measures the success of the CCSD's operations over the past year. It determines whether the CCSD has recovered its costs through user fees, property taxes, and other changes.

The Statement of Cash Flows provides information regarding the Water and Wastewater Fund's cash receipts and disbursements during the fiscal year. The statement reports cash activity in four categories:

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

- Operating Activities
- Capital and Related Financing Activities
- Non-capital Financing Activities
- Investing and Non-Operating Activities

**Required Supplementary Information**

This section contains the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund.

This section also contains the Schedule of Changes in the Other Post-Employment Benefits (OPEB) Liability and Related Ratios, the Schedule of OPEB Contributions, the Schedule of the Proportionate Share of the Net Pension Liability, and the Schedule of Contributors, as required by Governmental Accounting Standards Board (GASB) 75.

**Overview of Activities During Fiscal Year Ending June 30, 2023**

The Fire Suppression Benefit Assessment is a parcel assessment; property value fluctuations do not impact it. If approved annually by the CCSD Board of Directors, it can increase by the annual increase in the consumer price index up to a maximum of 5.4%. This parcel assessment increased by \$26,800 (5.4%) in fiscal year 2022-2023 compared to fiscal year 2021-2022. This parcel assessment represents approximately 18% of the Fire Department's revenue in the CCSD's fiscal year 2022-2023 budget.

The Water and Wastewater Standby or Availability Charge is a parcel assessment based on parcel size. If approved annually by the CCSD Board of Directors, this parcel assessment generates approximately \$178,000 for the Water Fund and \$119,000 for the Wastewater Fund revenue. This revenue is used for capital outlay and major maintenance projects in the Water and Wastewater Funds.

A rate analysis for Water, Water Reclamation Facility (WRF), and Wastewater user fees was completed in July 2018, with a 3-year rate increase implementation plan. The final rate increase became effective September 1, 2020. An updated rate analysis for Water, Water WRF, and Wastewater user fees was completed in May and June 2022, respectively. The CCSD Board adopted a 3-year user fee & charges rate increase for Water and Wastewater, with future annual inflationary rate adjustments to Water, WRF, and Wastewater. The first increase is effective July 1, 2022, for only Water and Wastewater user fees. The increase in user fees provides adequate support for operations & maintenance costs, capital improvement funding for an aging infrastructure, and current and future debt service obligations.

As of June 30, 2023, inter-fund transfers from the General Fund to the Water Fund total \$157,726, and the Wastewater Fund total \$192,331 (see Note #3).

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

For active employees, there are three different employee-represented groups: the International Association of Firefighters (IAFF), the Service Employees International Union (SEIU), and the non-represented Management/Confidential (MCE) employees.

The following table shows the year-to-year increases and decreases in total salaries and wages:

Fiscal Year	Wages and Salaries	Year-to-Year Increase / (Decrease)
2017-2018	3,363,441	
2018-2019	3,141,181	(222,260)
2019-2020	3,126,247	(14,934)
2020-2021	3,390,865	264,618
2021-2022	3,643,369	252,504
2022-2023	3,732,481	89,112

The employees in each group pay the full employee portion of their pension based on their CalPERS service history and cost-sharing of medical and dental insurance premiums. During the fiscal year 2019-2020, both the SEIU and IAFF employees negotiated an updated memorandum of understanding (MOU) for a five-year period, and during the fiscal year 2020-2021, the MCE employees negotiated salary increases for three years. These updates include salary and benefit changes, depending on the job classification grouping. In addition, CCSD received a Staffing for Adequate Fire and Emergency Response (SAFER) grant, adding three limited-term fire department employees. This SAFER grant began on January 1, 2022, and will continue over a three-year period.

Retirement is the most significant cost related to employee benefits at the CCSD. The annual pension cost decreased from \$1,192,326 in the fiscal year 2021-2022 to \$535,257 in the fiscal year 2022-2023, including a pension audit adjustment. Various factors will impact retirement rates and costs in the future. Such factors include total salaries, inflation rates, investment returns, and the three agreement tiers with employees. The reporting requirements for the pension plan were amended by GASB No. 67 & 68. A current period adjustment is required in each reporting period (see Note 7 and 8) to comply with these changes.

Employee health insurance is another significant cost related to benefits at the CCSD. The annual employee medical insurance cost increased from \$387,662 in the fiscal year 2021-2022 to \$387,769 in the fiscal year 2022-2023. This is an overall increase of \$107 or .03%. Agreements with MCE, SEIU, and IAFF employees have also provided for increased premium contributions made by employees.

Retiree health insurance is another significant cost related to employee benefits at the CCSD. These costs decreased from \$488,856 in the fiscal year 2021-2022 to \$432,969 in

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

the fiscal year 2022-2023, including an Other Post-Employment Benefits (OPEB) audit adjustment. Agreements with MCE, SEIU, and IAFF employees provide for increased premium contributions to be made by retirees. Newly hired employees will receive a reduced health insurance premium benefit equal to the Public Employees' Medical and Hospital Care Act (PEMHCA) minimum, which was \$149 during the calendar year 2022 and is currently \$151 for calendar year 2023. These changes are expected to result in a significant reduction in retiree health insurance costs in the future. The reporting requirements for OPEB were amended by GASB No. 75. To comply with these changes, a current period adjustment is required in each reporting period (see Note 8).

Personnel costs represent 54% of the CCSD's fiscal year 2022-2023 expenditures. Several steps, the most significant discussed above, have been taken to control these costs.

Maintenance and repair costs increased from \$1,036,186 for the fiscal year 2021-2022 to \$1,232,383 for the fiscal year 2022-2023. Most of these costs are related to the maintenance and repair of water and sewer infrastructure.

The following table shows the year-to-year increases and decreases in the CCSD's total maintenance and repair costs:

June 30,	Total Maintenance and Repair Costs	Year-to-Year Increase / (Decrease)
2017-2018	917,135	
2018-2019	620,496	(296,639)
2019-2020	893,325	272,829
2021-2021	679,322	(214,003)
2021-2022	1,036,186	356,864
2022-2023	1,232,383	196,197

Significant deferred maintenance in the Water and Wastewater Funds continues to occur. The adopted 2018 and 2022 increases in user fees & charges will assist in funding the deferred maintenance in the Water and Wastewater Funds. CCSD continues to explore funding opportunities to address the General Fund's deferred maintenance of the Veteran's Hall and the ongoing maintenance of the Fiscalini Ranch and Open Space Lots.

The following table shows the year-to-year increases and decreases in the CCSD's total cash and investments:

**CAMBRIA COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Fiscal Year Ended June 30, 2023**

June 30,	Total Cash and Investments	Year-to-Year Increase / (Decrease)
2018	3,756,352	
2019	3,136,367	(619,985)
2020	4,675,532	1,539,165
2021	8,658,134	3,982,602
2022	9,044,035	385,901
2023	20,003,164	10,959,129

The significant increase in CCSD's total cash & investments for the fiscal year 2020-2021 is the result of litigation proceeds received from the WRF settlement and a minimal amount of capital project activity. During the fiscal year 2021-2022, minimal capital project activity continued in the General, Water, WRF, and Wastewater Funds, as much of this activity is for multi-year capital projects scheduled to begin in the fiscal year 2022-2023. Fiscal year 2022-2023 includes \$10,271,492 in bond funds held by the trustee to fund Wastewater infrastructure projects.

The Board of Directors approved the operating budget for the fiscal year 2023-2024 on August 17, 2023. Projected activity for all funds is as follows:

- Water: a surplus of \$6,440
- Water Reclamation Facility: a surplus of \$147,444
- Wastewater (Sewer): a surplus of \$48,067
- General Fund (Governmental): a deficit of \$82,846, offset with unused surplus from previous fiscal year.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION**  
June 30, 2023

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 3,359,267	\$ 16,643,897	\$ 20,003,164
Accounts receivable, net	268,246	1,475,341	1,743,587
Deposits		4,268	4,268
Prepaid expenses	268	6,422	6,690
Internal balances	350,057	(350,057)	
Capital assets:			
Non Depreciable	15,527,843	10,391,942	25,919,785
Depreciable	1,745,411	12,263,721	14,009,132
Intangible asset		537,099	537,099
Total assets	<u>21,251,092</u>	<u>40,972,633</u>	<u>62,223,725</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred pensions	2,361,517	1,174,277	3,535,794
Deferred OPEB	132,679	71,443	204,122
Total deferred outflow of resources	<u>2,494,196</u>	<u>1,245,720</u>	<u>3,739,916</u>
<b>LIABILITIES</b>			
Accounts payable	142,882	338,182	481,064
Accrued liabilities	64,159	73,933	138,092
Accrued interest payable		300,370	300,370
Unearned revenue	767		767
Deposits	7,036	99,821	106,857
Noncurrent liabilities:			
Due within one year	25,732	529,163	554,895
Due in more than one year	9,224,035	23,270,952	32,494,987
Total liabilities	<u>9,464,611</u>	<u>24,612,421</u>	<u>34,077,032</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred pensions	376,971	220,189	597,160
Deferred OPEB	825,386	444,438	1,269,824
Total deferred inflow of resources	<u>1,202,357</u>	<u>664,627</u>	<u>1,866,984</u>
<b>NET POSITION</b>			
Net investment in capital assets	17,168,939	14,870,223	32,039,162
Unrestricted	(4,090,619)	2,071,082	(2,019,537)
Total net position	<u>\$ 13,078,320</u>	<u>\$ 16,941,305</u>	<u>\$ 30,019,625</u>

The notes to basic financial statements are an integral part of this statement.



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2023

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Contributions and Grants</u>
Governmental activities:			
Administration	\$ 2,108,166	\$ 2,034,140	\$ -
Fire	2,610,107	49,609	295,089
Parks and recreation	28,759		
Facilities and resources	911,794	29,585	
Interest on long-term debt	2,466		
Depreciation (unallocated)	208,453		
<b>Total governmental activities</b>	<u>5,869,745</u>	<u>2,113,334</u>	<u>295,089</u>
Business-type activities:			
Water	4,330,777	4,673,692	
Wastewater	3,760,202	3,346,627	
<b>Total business-type activities</b>	<u>8,090,979</u>	<u>8,020,319</u>	
<b>Total governmental</b>	<u>\$ 13,960,724</u>	<u>\$ 10,133,653</u>	<u>\$ 295,089</u>

General Revenues:

Taxes:

Property

Availability charges

Franchise fees

Investment income

Other general revenues

Total general revenues

Change in net position

Net position - beginning of fiscal year

Net position - end of fiscal year

The notes to basic financial statements are an integral part of this statement.

<u>Net (Expense) Revenue and Changes in Net Position</u>			
<u>Capital Contributions and Grants</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ -	\$ (74,026)	\$ -	\$ (74,026)
	(2,265,409)		(2,265,409)
	(28,759)		(28,759)
	(882,209)		(882,209)
	(2,466)		(2,466)
	(208,453)		(208,453)
	<u>(3,461,322)</u>		<u>(3,461,322)</u>
		342,915	342,915
170,062		<u>(243,513)</u>	<u>(243,513)</u>
170,062		99,402	99,402
<u>\$ 170,062</u>	<u>(3,461,322)</u>	<u>99,402</u>	<u>(3,361,920)</u>
	3,461,121	16,941	3,478,062
		293,321	293,321
	169,915		169,915
	31,969	66,839	98,808
	<u>115,089</u>		<u>115,089</u>
	<u>3,778,094</u>	<u>377,101</u>	<u>4,155,195</u>
	316,772	476,503	793,275
	<u>12,761,548</u>	<u>16,464,802</u>	<u>29,226,350</u>
	<u>\$ 13,078,320</u>	<u>\$ 16,941,305</u>	<u>\$ 30,019,625</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**GOVERNMENTAL FUND**  
**BALANCE SHEET**  
June 30, 2023

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 3,359,267
Accounts receivable	268,246
Prepaid expenditures	268
Advances receivable	<u>350,057</u>
Total assets	<u>\$ 3,977,838</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 142,882
Accrued liabilities	64,159
Deposits	7,036
Unearned revenue	<u>767</u>
Total liabilities	<u>214,844</u>
Fund Balances:	
Nonspendable	350,325
Assigned	<u>3,412,669</u>
Total fund balances	<u>3,762,994</u>
Total liabilities and fund balances	<u>\$ 3,977,838</u>

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND - BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
June 30, 2023

Total fund balances - governmental funds \$ 3,762,994

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	21,017,246	
Accumulated depreciation		<u>(3,743,992)</u>	
Net			17,273,254

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Compensated absences payable	\$	185,727	
Loans payable		104,315	
Other post employment benefits obligation		4,037,033	
Net pension liability		<u>4,922,692</u>	
Total			(9,249,767)

Deferred outflows and inflows relating to pensions and OPEB: In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and OPEB are reported.

Deferred inflows of resources relating to pensions	\$	(376,971)	
Deferred outflows of resources relating to pensions		2,361,517	
Deferred outflows of resources relating to OPEB		132,679	
Deferred inflows of resources relating to OPEB		<u>(825,386)</u>	
			<u>1,291,839</u>

Total net position - governmental activities \$ 13,078,320

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>
<b>Revenues:</b>	
Property taxes and assessments	\$ 3,461,121
Weed abatement	49,609
Franchise fees	169,915
Intergovernmental	295,089
Use of money and property	61,554
Charges for administrative services	2,034,140
Miscellaneous income	<u>115,089</u>
 Total revenues	 <u>6,186,517</u>
<b>Expenditures:</b>	
Administration	2,095,583
Fire	2,720,912
Parks and recreation	28,759
Facilities and resources	909,218
Debt service:	
Principal	13,750
Interest	2,496
Capital outlay	<u>692,287</u>
 Total expenditures	 <u>6,463,005</u>
 Excess of revenues over (under) expenditures	 <u>(276,488)</u>
<b>Other Financing Sources</b>	
Proceeds from loan payable	<u>81,706</u>
 Total other financing sources	 <u>81,706</u>
 Change in fund balance	 (194,782)
 Fund balance - July 1	 <u>3,957,776</u>
 Fund balance - June 30	 <u>\$ 3,762,994</u>

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2023

Total net change in fund balances - governmental funds	\$ (194,782)
<p>Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of \$692,287 is more than depreciation expense \$(208,453) in the period.</p>	
	483,834
<p>In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, vacation used exceeded the amounts earned by \$53,585.</p>	
	53,585
<p>In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:</p>	
	30
<p>In governmental funds, repayments of long-term debt are reported as expenditures. In government-wide statements, repayments of long-term debt are reported as reductions of liabilities.</p>	
	13,750
<p>In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt were:</p>	
	(81,706)
<p>In the statement of activities, postemployment benefits are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, the difference between accrual-basis postemployment benefit costs and actual employer contributions was:</p>	
	(325,149)
<p>In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:</p>	
	<u>367,210</u>
Change in net position - governmental activities	<u>\$ 316,772</u>

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
June 30, 2023

	Water Fund	Wastewater Fund	Totals
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 5,567,389	\$ 11,076,508	\$ 16,643,897
Accounts receivable, net	851,629	623,712	1,475,341
Deposits	2,134	2,134	4,268
Prepaid expenses	6,422		6,422
Total current assets	<u>6,427,574</u>	<u>11,702,354</u>	<u>18,129,928</u>
Noncurrent assets:			
Nondepreciable	6,908,985	3,482,957	10,391,942
Capital assets, net of accumulated depreciation	10,009,006	2,254,715	12,263,721
Intangible - water master plan	537,099		537,099
Total noncurrent assets	<u>17,455,090</u>	<u>5,737,672</u>	<u>23,192,762</u>
Total assets	<u>23,882,664</u>	<u>17,440,026</u>	<u>41,322,690</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred pensions	660,396	513,881	1,174,277
Deferred OPEB	30,618	40,825	71,443
Total deferred outflows of resources	<u>691,014</u>	<u>554,706</u>	<u>1,245,720</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	54,702	283,480	338,182
Accrued liabilities	34,815	39,118	73,933
Accrued interest payable	101,419	198,951	300,370
Deposits payable	99,821		99,821
COP premium - current portion		8,159	8,159
Loan payable - current portion	433,516	87,488	521,004
Total current liabilities	<u>724,273</u>	<u>617,196</u>	<u>1,341,469</u>
Noncurrent liabilities:			
Advances payable	157,726	192,331	350,057
Compensated absences	92,483	72,749	165,232
COP payable		12,175,000	12,175,000
COP premium		229,798	229,798
Loans payable	5,577,857	90,372	5,668,229
OPEB payable	931,625	1,242,160	2,173,785
Net pension liability	1,607,808	1,251,100	2,858,908
Total noncurrent liabilities	<u>8,367,499</u>	<u>15,253,510</u>	<u>23,621,009</u>
Total liabilities	<u>9,091,772</u>	<u>15,870,706</u>	<u>24,962,478</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pensions	123,831	96,358	220,189
Deferred OPEB	190,474	253,964	444,438
Total deferred inflows of resources	<u>314,305</u>	<u>350,322</u>	<u>664,627</u>
<b>NET POSITION</b>			
Net investment in capital assets	11,443,717	3,426,506	14,870,223
Unrestricted (deficit)	3,723,884	(1,652,802)	2,071,082
Total net position	<u>\$ 15,167,601</u>	<u>\$ 1,773,704</u>	<u>\$ 16,941,305</u>

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
For the Fiscal Year Ended June 30, 2023

	Water Fund	Wastewater Fund	Totals
<b>Operating Revenues:</b>			
Utility	\$ 3,223,892	\$ 3,337,055	\$ 6,560,947
Service charges and fees	1,448,482		1,448,482
Miscellaneous	1,318	9,572	10,890
Total operating revenues	<u>4,673,692</u>	<u>3,346,627</u>	<u>8,020,319</u>
<b>Operating Expenses:</b>			
Salaries and wages	791,117	743,422	1,534,539
Payroll taxes and benefits	282,546	362,621	645,167
Maintenance and repairs	435,886	505,356	941,242
Office supplies, publications, and dues	14,863	12,422	27,285
Licenses and fees	67,989	126,051	194,040
Rent	34,042		34,042
Professional services	168,931	5,135	174,066
Operating supplies	146,886	49,911	196,797
Employee travel and training	7,467	6,535	14,002
Utilities	181,645	334,260	515,905
General and administrative overhead	978,586	516,533	1,495,119
Amortization	107,419		107,419
Depreciation	860,033	373,848	1,233,881
Total operating expenses	<u>4,077,410</u>	<u>3,036,094</u>	<u>7,113,504</u>
Operating income	<u>596,282</u>	<u>310,533</u>	<u>906,815</u>
<b>Non-Operating Revenues (Expenses):</b>			
Availability charges	177,744	115,577	293,321
Connection fees		170,062	170,062
Investment income	47,665	19,174	66,839
Property taxes		16,941	16,941
Cost of issuance for COP payable		(305,830)	(305,830)
Interest expense	(253,367)	(418,278)	(671,645)
Total non-operating revenues (expenses)	<u>(27,958)</u>	<u>(402,354)</u>	<u>(430,312)</u>
Change in net position	568,324	(91,821)	476,503
Net position - July 1	<u>14,599,277</u>	<u>1,865,525</u>	<u>16,464,802</u>
Net position - June 30	<u>\$ 15,167,601</u>	<u>\$ 1,773,704</u>	<u>\$ 16,941,305</u>

The notes to basic financial statements are an integral part of this statement.



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
For the Fiscal Year Ended June 30, 2023

	Water Fund	Wastewater Fund	Totals
<b>Cash Flows From Operating Activities:</b>			
Receipts from customers	\$ 4,615,464	\$ 3,280,887	\$ 7,896,351
Payments to suppliers	(2,059,478)	(1,323,037)	(3,382,515)
Payments to employees	(1,227,738)	(1,193,681)	(2,421,419)
Net cash provided by operating activities	<u>1,328,248</u>	<u>764,169</u>	<u>2,092,417</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>			
Acquisition of capital assets	(37,218)	(2,251,108)	(2,288,326)
Proceeds from COP payable		12,113,246	12,113,246
Principal paid on debt	(416,218)	(396,706)	(812,924)
Interest paid on debt	(260,144)	(234,189)	(494,333)
Net cash (used) by capital and related financing activities	<u>(713,580)</u>	<u>9,231,243</u>	<u>8,517,663</u>
<b>Cash Flows from Noncapital Financing Activities:</b>			
Availability charges	177,744	115,577	293,321
Connection fees		170,062	170,062
Property taxes		16,941	16,941
Principal paid on advances from General Fund		(100,728)	(100,728)
Net cash provided by noncapital financing activities	<u>177,744</u>	<u>201,852</u>	<u>379,596</u>
<b>Cash Flows From Investing Activities:</b>			
Interest income	47,665	19,174	66,839
Net cash provided by investing activities	<u>47,665</u>	<u>19,174</u>	<u>66,839</u>
Net increase in cash and cash equivalents	840,077	10,216,438	11,056,515
Cash and cash equivalents - July 1	4,727,312	860,070	5,587,382
Cash and cash equivalents - June 30	<u>\$ 5,567,389</u>	<u>\$ 11,076,508</u>	<u>\$ 16,643,897</u>
<b>Reconciliation to Statement of Net Position:</b>			
Cash and investments	<u>\$ 5,567,389</u>	<u>\$ 11,076,508</u>	<u>\$ 16,643,897</u>

(Continued)

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS (Continued)**  
For the Fiscal Year Ended June 30, 2023

	Water Fund	Wastewater Fund	Totals
<b>Reconciliation of operating income to</b>			
<b>net cash provided by operating</b>			
<b>activities:</b>			
Operating income	\$ 596,282	\$ 310,533	\$ 906,815
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	860,033	373,848	1,233,881
Amortization expense	107,419		107,419
Change in assets, liabilities, deferred inflows of resources, and deferred outflows of resources:			
Receivables, net	(62,551)	(65,740)	(128,291)
Deferred outflows- pension	(351,526)	(273,537)	(625,063)
Deferred outflows- OPEB	93,639	124,852	218,491
Accounts payable	(23,183)	233,166	209,983
Accrued liabilities	(1,826)	3,108	1,282
Deposits payable	4,323		4,323
Compensated absences	22,001	3,192	25,193
OPEB payable	879	1,169	2,048
Net pension liability	762,540	593,363	1,355,903
Deferred inflows- pension	(660,300)	(513,806)	(1,174,106)
Deferred inflows- OPEB	(19,482)	(25,979)	(45,461)
 Net cash provided by operating activities	 <u>\$ 1,328,248</u>	 <u>\$ 764,169</u>	 <u>\$ 2,092,417</u>

The notes to basic financial statements are an integral part of this statement.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. The Financial Reporting Entity

The Cambria Community Services District (District) is a multi-purpose special district established on December 9, 1976. The District is a political subdivision of the State of California and operates under a Board of Directors-Manager form of government. The District provides water, wastewater, fire protection, parks and recreation, open space, street lighting, conservation, and general administrative services.

There are no component units included in this report which meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80, and No. 90.

B. Basis of Presentation

*Fund Financial Statements:*

The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column.

**Major Funds**

The District reported the following major governmental funds in the accompanying financial statements:

General Fund – The primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The District reports the following major proprietary funds in the accompanying financial statements:

Water Fund - This fund accounts for the operation and maintenance of the District's water distribution system.

Wastewater Fund – This fund accounts for the operation and maintenance of the District's wastewater system.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item “b” below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a “current financial resources” measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or non-current) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. Measurement Focus and Basis of Accounting (Continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of fiscal year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent that they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest, and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal revenues and expenses. 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.

D. Property Taxes

The County levies, bills, and collects property taxes and special assessments for the District. Property taxes levied are recorded as revenue in the fiscal year of levy, due to the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the District and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, excluding unitary tax (whether paid or unpaid). The County remits tax monies to the District every month and twice a month in December and April. The final amount which is “teetered” is remitted in August each year.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. Cash and Investments

The District pools the cash of all funds, except for monies that are reserved for specific purposes. The cash and investments balance in each fund represents that fund's equity share of the District's cash and investment pool.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on month-end balances. Interest income on restricted cash and investments with fiscal agents is credited directly to the related fund.

The District's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from Securities and Exchange Commission (SEC) registered securities exchanges or NASDAQ dealers. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the District has defined cash and cash equivalents to be change and petty cash funds, equity in the District's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

F. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at fiscal year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities may include sales taxes, property taxes, grants, and other fees, if any. Business-type activities report utilities as their major receivables.

In the fund financial statements, material receivables in governmental funds may include revenue accruals such as franchise tax, grants, service charges, and other similar intergovernmental revenues that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with the modified accrual basis of accounting, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned and if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at fiscal year-end and not yet received. Utility accounts receivable and interest earnings comprise the majority of proprietary fund receivables.

G. Prepaid Items

Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

H. Restricted Assets

Funds that are under the control of external parties are restricted.

I. Capital Assets

The accounting treatment over property, plant, and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations. The presentation and recording of governmental assets are described below.

*Government-Wide Statements*

In the government-wide financial statements, capital assets with a historical cost of \$5,000 or more are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, if any, which are recorded at their estimated fair value at the date of donation. Estimated historical cost was used to value the majority of the assets.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Capital Assets (Continued)

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is expensed over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Improvements other than buildings	5-20 years
Equipment and systems	3-10 years

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are capitalized when purchased.

J. Accumulated Compensated Absences

Compensated absences comprise unused vacation leave, sick leave, and compensatory time off, which are accrued as earned. Vacation can accrue no more than a maximum of two times their annual entitlement to vacation pay. Upon termination, all accumulated vacation hours can be paid for the regular employees. The District's liability for the current and long-term portions of compensated absences is shown in the government-wide Statement of Net Position for both governmental funds and proprietary funds. Only proprietary funds reflect the long-term portion in the fund financials report, the Statement of Net Position. The short-term portion is reflected for both governmental and proprietary funds in the fund financial statements. Computation was based on rates in effect as of the fiscal year-end.

K. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing source, and the proprietary fund types report long-term debt and other long-term obligations as liabilities.

L. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category, refer to Note 8 and Note 9 for a detailed listing of the deferred outflows of resources the District has recognized.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 8 and Note 9 for a detailed listing of the deferred inflows of resources the District has recognized.

M. Interfund Transactions

Following is a description of the three basic types of interfund transactions that can be made during the fiscal year and the related accounting policies:

1. Interfund services provided and used - transactions for services rendered or facilities provided. These transactions are recorded as revenues in the receiving fund and expenditures in the disbursing fund.
2. Reimbursements (expenditure transfers) - transactions to reimburse a fund for specific expenditures incurred for the benefit of another fund. These transactions are recorded as expenditures in the disbursing fund and a reduction of expenditures in the receiving fund.
3. Transfers - all interfund transactions which allocate resources from one fund to another fund. These transactions are recorded as transfers in and out.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

N. Equity Classifications

*Government-Wide Statements*

GASB Statement No. 63 requires that the difference between assets and the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is *net investment in capital assets* consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. *Restricted net position* is the portion of the net position that has external constraints placed on it 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 investments in capital assets or restricted net position.

O. Fund Balances

Fund balance of the governmental fund is classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

P. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

Statement No. 99 "Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100 "Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101 "Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

Q. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CALPERS) (Plan) and additions 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.

R. Use of Estimates

The financial statements have been prepared in accordance with principles generally accepted in the United States of America and necessarily include amounts based on estimates and assumptions by Management. Actual results could differ from these amounts.

S. Other Postemployment Benefits (OPEB)

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

**NOTE 2 – CASH AND INVESTMENTS**

Investments are carried at fair value in accordance with GASB Statement No. 31. On June 30, 2023, the District had the following cash and investments on hand:

Cash on hand	\$ 600
Cash in checking accounts	1,371,289
Cash with fiscal agent (bond trustees)	10,271,492
Money market account	2,892,282
Local Agency Investment Fund (LAIF)	5,467,501
Total	<u>\$ 20,003,164</u>



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Cash and investments listed above are presented on the accompanying basic financial statements, as follows:

Cash and investments	\$ 20,003,164
Total	<u>\$ 20,003,164</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District did not have investments that are measured under Level 1, Level 2, or Level 3.

Investments Authorized by the California Government Code

The table below identifies the investment types the District has that are authorized for the District by the California Government Code or the District's investment policy, whichever more restrictive, that addresses interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	5 years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 75,000,000
State Registered Warrants, Notes, or Bonds	5 years	None	None
Notes and Bonds of other Local California Agencies	5 years	None	None

Disclosure 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 is, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District's interest rate risk is mitigated 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.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Disclosure Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the District's investments to market rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2023:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months or Less	13-24 Months	25-60 Months	More than 60 Months
State Investment Pool (LAIF)	\$ 5,467,501	\$ 5,467,501	\$ -	\$ -	\$ -
Money market account	2,892,282	2,892,282			
Held by bond trustees:					
Money market funds	10,271,492	10,271,492			
	<u>\$ 18,631,275</u>	<u>\$ 18,631,275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 nationally recognized statistical rating organizations. Presented below is the minimum rating required by (where applicable) the California Government Code, the investment policy, or debt agreements, and the actual rating as of the fiscal year ended June 30, 2023 for each investment type.

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End			Not Rated
			AAA	AA+	AA-	
State Investment Pool (LAIF)	\$ 5,467,501	N/A	\$ -	\$ -	\$ -	\$ 5,467,501
Money market account	2,892,282					2,892,282
Held by bond trustees:						
Money market funds	10,271,492					10,271,492
	<u>\$ 18,631,275</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,631,275</u>

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 California Government Code. There are no investments in any one issuer that represent 5% or more of total District 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 California Government Code and the District 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 governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the government unit). The fair 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 District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Deposits are insured up to \$250,000.

At June 30, 2023, none of the District's deposits with financial institutions in excess of Federal depository insurance limits were held in uncollateralized accounts.

Investment in State Pool (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 – INTERFUND TRANSACTIONS**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Advances receivable and payable

Advances receivable and payable constitute long-term borrowing between funds. Each advance carries a stated interest rate and has scheduled debt service payments. Interfund advances receivable and payable at June 30, 2023, are as follows:

<u>Fund</u>	<u>Advances Receivable</u>	<u>Advances Payable</u>
Major Governmental Fund:		
General Fund	\$ 350,057	\$ -
Proprietary Funds:		
Water Fund		157,726
Wastewater Fund		<u>192,331</u>
Totals	<u>\$ 350,057</u>	<u>\$ 350,057</u>

**NOTE 4 – CAPITAL ASSETS**

**Governmental activities:**

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated				
Land	\$ 14,990,732	\$ -	\$ -	\$ 14,990,732
Construction in progress	44,778	492,333		537,111
Total capital assets not being depreciated	<u>\$ 15,035,510</u>	<u>\$ 492,333</u>	<u>\$ -</u>	<u>\$ 15,527,843</u>
Capital assets being depreciated				
Buildings, structures, and improvements	\$ 2,505,522		\$ -	\$ 2,505,522
Equipment	2,844,314	199,954	60,387	2,983,881
Total capital assets being depreciated	<u>5,349,836</u>	<u>199,954</u>	<u>60,387</u>	<u>5,489,403</u>
Less accumulated depreciation	<u>3,595,926</u>	<u>208,453</u>	<u>60,387</u>	<u>3,743,992</u>
Total capital assets being depreciated, net	<u>\$ 1,753,910</u>	<u>\$ (8,499)</u>	<u>\$ -</u>	<u>\$ 1,745,411</u>
Net capital assets	<u>\$ 16,789,420</u>	<u>\$ 483,834</u>	<u>\$ -</u>	<u>\$ 17,273,254</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 – CAPITAL ASSETS (Continued)**

**Business-type activities:**

	Balance at July 1, 2022	Additions	Deletions	Transfers	Balance at June 30, 2023
Capital assets not being depreciated					
Land	\$ 1,821,427	\$ -	\$ -	\$ -	\$ 1,821,427
Construction in progress	6,539,801	2,110,775		(80,061)	8,570,515
Total capital assets not being depreciated	<u>\$ 8,361,228</u>	<u>\$ 2,110,775</u>	<u>\$ -</u>	<u>\$ (80,061)</u>	<u>\$ 10,391,942</u>
Capital assets being depreciated					
Building and improvements	\$ 54,751,103	\$ 17,962	\$ -	\$ 80,061	\$ 54,849,126
Plant and equipment	2,613,085	159,589			2,772,674
Total capital assets being depreciated	<u>57,364,188</u>	<u>177,551</u>		<u>80,061</u>	<u>57,621,800</u>
Less accumulated depreciation	<u>44,124,198</u>	<u>1,233,881</u>			<u>45,358,079</u>
Total capital assets being depreciated, net	<u>\$ 13,239,990</u>	<u>\$ (1,056,330)</u>	<u>\$ -</u>	<u>\$ 80,061</u>	<u>\$ 12,263,721</u>
Net capital assets	<u>\$ 21,601,218</u>	<u>\$ 1,054,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,655,663</u>

**Governmental Activities:**

Unallocated	<u>\$ 208,453</u>
Total governmental activities depreciation expense	<u>\$ 208,453</u>

**Business-type Activities:**

Water services	<u>\$ 860,033</u>
Wastewater services	<u>373,848</u>
Total business-type activities depreciation expense	<u>\$ 1,233,881</u>

**NOTE 5 – LONG-TERM LIABILITIES**

The following is a summary of changes in the District's long-term liabilities for the fiscal year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Current Portion
Governmental Activities:					
Compensated absences	\$ 239,312	\$ 136,948	\$ 190,533	\$ 185,727	\$ -
Loans payable	36,359	81,706	13,750	104,315	25,732
Other post employment benefits obligation	4,033,229	3,804		4,037,033	
Net pension liability	2,357,120	2,565,572		4,922,692	
Total Governmental Activities	<u>\$ 6,666,020</u>	<u>\$ 2,788,030</u>	<u>\$ 204,283</u>	<u>\$ 9,249,767</u>	<u>\$ 25,732</u>
Business-Type Activities:					
Compensated absences	\$ 140,039	\$ 96,424	\$ 71,231	\$ 165,232	\$ -
Certificates of Participation		12,175,000		12,175,000	
Premium on Certificates of Participation		244,076	6,119	237,957	8,159
Loans payable	7,002,157		812,924	6,189,233	521,004
Other post employment benefits obligation	2,171,737	2,048		2,173,785	
Net pension liability	1,503,005	1,355,903		2,858,908	
Total Business-Type Activities	<u>\$ 10,816,938</u>	<u>\$ 13,873,451</u>	<u>\$ 890,274</u>	<u>\$ 23,800,115</u>	<u>\$ 529,163</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 – LOANS PAYABLE**

**Governmental Activities**

**Ford Motor Credit Company**

On August 1, 2021, the District entered in a loan agreement for \$40,545 with Ford Motor Credit Company to purchase a 2021 Ford F-350. The interest rate on the loan is 5.35%. At June 30, 2023, the principal balance outstanding was \$21,259. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 9,462	\$ 834	\$ 10,296
2025	10,865	367	11,232
2026	932	4	936
Total	<u>\$ 21,259</u>	<u>\$ 1,205</u>	<u>\$ 22,464</u>

**Western Financial Corporation**

On November 1, 2018, the District entered into a loan agreement with Western Financial Corporation to purchase an utility vehicle. The interest rate on the loan is 3.90%. At June 30, 2023, the principal outstanding was \$1,350. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 1,350	\$ 11	\$ 1,361
Total	<u>\$ 1,350</u>	<u>\$ 11</u>	<u>\$ 1,361</u>

**Municipal Finance Corporation (Direct borrowing)**

On February 22, 2023, the District entered into a loan agreement with Municipal Finance Corporation for \$81,706 to purchase a Chevy Tahoe. The interest rate on the loan was 4.50%. In the event of default, all remaining principal becomes due. At June 30, 2023, the principal balance outstanding was \$81,706. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 14,920	\$ 3,511	\$ 18,431
2025	15,599	2,832	18,431
2026	16,309	2,122	18,431
2027	17,051	1,380	18,431
2028	17,827	604	18,431
Total	<u>\$ 81,706</u>	<u>\$ 10,449</u>	<u>\$ 92,155</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 – LOANS PAYABLE (Continued)**

**Business Type Activities**

**Municipal Finance Corporation (Direct borrowing)**

On November 15, 2018, the District entered into a loan agreement with Municipal Finance Corporation for \$74,871 to purchase a Ford 650 Dump Truck. The interest rate on the loan was 4.25%. In the event of default, all remaining principal becomes due. At June 30, 2023, the principal balance outstanding was \$16,246. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 16,246	\$ 690	\$ 16,936
Total	<u>\$ 16,246</u>	<u>\$ 690</u>	<u>\$ 16,936</u>

**City National Bank**

On September 23, 2010, the District entered into a loan agreement with City National Bank for \$1,585,000 with an interest rate at 4.55% to refinance the 1999 Installment Purchase Agreement with the California Statewide Communities Development Authority. The amount is secured by the revenue of the wastewater system. During the fiscal year ended June 30, 2023, the principal balance was paid in full.

**TPB Investments, Inc.**

On August 7, 2014, the District entered into a loan agreement with TPB Investments, Inc. for \$8,939,000 with an interest rate at 4.11% to finance improvements to the Water System. The amount is secured by the net revenues of the Water System. At June 30, 2023, the principal outstanding was \$5,995,127. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 417,270	\$ 242,156	\$ 659,426
2025	434,595	224,830	659,425
2026	452,640	206,784	659,424
2027	471,436	187,990	659,426
2028	491,011	168,414	659,425
2029-2033	2,778,339	518,789	3,297,128
2034-2035	949,836	39,303	989,139
Total	<u>\$ 5,995,127</u>	<u>\$ 1,588,266</u>	<u>\$ 7,583,393</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 – LOANS PAYABLE (Continued)**

**Business Type Activities (Continued)**

**Municipal Finance Corporation (Direct borrowing)**

On July 11, 2019, the District entered into a loan agreement with Municipal Finance Corporation for \$56,540 to purchase a Ford 350 Service Truck with Crane. The interest rate on the loan was 4.25%. In the event of default, all remaining principal becomes due. At June 30, 2023, the principal balance outstanding was \$24,037. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 11,768	\$ 1,022	\$ 12,790
2025	12,269	521	12,790
Total	<u>\$ 24,037</u>	<u>\$ 1,543</u>	<u>\$ 25,580</u>

**Municipal Finance Corporation (Direct borrowing)**

On December 30, 2019, the District entered into a loan agreement with Municipal Finance Corporation for \$367,557 to purchase a Vac-Con Combination Sewer and Storm Drain Cleaner. The interest rate on the loan was 3.10%. In the event of default, all remaining principal becomes due. At June 30, 2023, the principal balance outstanding was \$153,823. The required principal and interest payments are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ 75,720	\$ 4,767	\$ 80,487
2025	78,103	2,384	80,487
Total	<u>\$ 153,823</u>	<u>\$ 7,151</u>	<u>\$ 160,974</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 – CERTIFICATES OF PARTICIPATION**

On October 4, 2022, the 2022 Certificates of Participation Series A for \$12,175,000 at a premium of \$244,076 were issued to provide funding for wastewater infrastructure improvements. The District has pledged all net revenues to repay the 2022 Certificates of Participation. In the event of default, all principal and accrued interest becomes due. The certificates are payable semiannually on March 1 and September 1 of each year with interest rates varying from 3.27% to 4.86%. As of June 30, 2023, \$12,175,000 was still outstanding.

Future minimum payment obligations for the certificates at June 30, 2023 are as follows:

For the Fiscal Year Ending June 30	Principal	Interest	Total
2024	\$ -	\$ 594,976	\$ 594,976
2025	155,000	591,101	746,101
2026	165,000	583,101	748,101
2027	175,000	574,601	749,601
2028	225,000	564,597	789,597
2029-2033	1,310,000	2,637,876	3,947,876
2034-2038	1,685,000	2,265,005	3,950,005
2039-2043	2,170,000	1,773,127	3,943,127
2044-2048	2,780,000	1,167,089	3,947,089
2049-2053	3,510,000	432,727	3,942,727
<b>Total</b>	<b>\$ 12,175,000</b>	<b>\$ 11,184,200</b>	<b>\$ 23,359,200</b>

**NOTE 9 – PENSION PLANS**

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

*Plan Descriptions*

All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit 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 full time 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 1959 Survivor Benefit, or the Pre-Retirement Option Settlement. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.



**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 – PENSION PLANS (Continued)**

**A. General Information about the Pension Plans (Continued)**

*Benefits Provided (Continued)*

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous		
	Classic	2nd Tier	PEPRA
Hire Date	Member Hired Prior to October 1, 2012	Hired from October 1, 2012 to December 28, 2012	New Member Hired On or after January 1, 2013
Benefit formula	3.0% @ 60	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	52-67
Required employee contribution rates	8%	7%	6.75%
Required employer contribution rates	15.25% + \$423,718	8.63% + \$4,820	7.47% + \$23,615

  

	Safety		
	Classic	2nd Tier	PEPRA
Hire Date	Member Hired Prior to January 1, 2013	On or after December 28, 2012	New Member Hired On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	55	57
Required employee contribution rates	9%	9%	13%
Required employer contribution rates	23.75% + \$147,244	20.64% + \$88	12.78% + \$9,486

*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 is 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 fiscal 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. Contributions to the pension plan from the District were \$648,271 for the Miscellaneous Plan and \$330,252 for the Safety Plan for the fiscal year ended June 30, 2023.

At June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net position liability was \$5,681,472 for the Miscellaneous Plan and \$2,100,128 for the Safety Plan. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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 plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2022 and 2021, the District's proportions were as follows:

	Miscellaneous	Safety
Proportion-June 30, 2021	0.15730%	0.02488%
Proportion-June 30, 2022	0.12142%	0.03056%
Change-Increase (Decrease)	-0.03588%	0.00568%

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 – PENSION PLANS (Continued)**

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

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$168,050. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
District contributions subsequent to the measurement date	\$ 978,523	\$ -
Changes in assumptions	793,942	
Differences between expected and actual experience	101,790	
Net difference between projected and actual earnings on retirement plan investments	1,372,334	
Adjustment due to differences in proportion	289,205	258,861
Changes in proportion and differences between District contributions and proportionate share of contributions		338,299
	<u>\$ 3,535,794</u>	<u>\$ 597,160</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$978,523 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

Fiscal year ending June 30,	Amount
2024	\$ 500,666
2025	406,457
2026	214,158
2027	838,830
	<u>\$ 1,960,111</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 – PENSION PLANS (Continued)**

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

*Actuarial Assumptions*

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous and Safety</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality (1)	Derived using CalPERS' Membership Data for all Funds

- (1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

*Change in Assumptions*

For the measurement date of June 30, 2022, the discount rate was lowered from 7.15% to 6.90% and the inflation rate was decreased from 2.50% to 2.30%.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90 percent will be applied to all plans in the Public Employees Retirement Fund including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

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 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 long-term market return expectations as well as the expected pension fund cash flows. Project returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 – PENSION PLANS (Continued)**

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

The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)(b)
Global Equity - cap-weighted	30.0%	4.45%
Global Equity -non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, 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 (5.90 percent) or 1- percentage point higher (7.90 percent) than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 8,422,729	\$ 3,325,405
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 5,681,472	\$ 2,100,128
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 3,426,097	\$ 1,100,376

*Pension Plan Fiduciary Net Position*

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

**C. Payable to the Pension Plan**

At June 30, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS**

Plan Description

*Plan administration.* The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (“PEMHCA”), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

*Benefits provided.* Employees may retire directly from the District under CalPERS and receive a District contribution. The District contributes the PEMHCA minimum employer contribution. The contribution is \$149 per month for retirees in 2022 and \$151 per month for retirees in 2023. Survivor benefits are available.

Employees hired before October 1, 2012 are eligible for a supplemental benefit. The District contribution is limited to 85% of the lowest cost PERS health plan, including the PEMHCA minimum. The supplemental benefit includes dependents and will continue for the lifetime of the employee and, if eligible, the surviving spouse.

Employees Covered

As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the District’s Plan:

Active plan members	28
Inactive employees or beneficiaries currently receiving benefits	33
Total	61

The District currently finances benefits on a pay-as-you-go basis.

OPEB Liability

The District’s OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated June 30, 2021, standard actuarial update procedures were used to project/discount from the valuation date to the measurement date.

*Actuarial assumptions.* The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Inflation rate	2.50%
Medical cost trend rate	5.20% for 2023 through 2034; 5.00% for 2035 through 2049; 4.50% for 2050 through 2064; and 4.00% for 2065 and later years

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the June 30, 2021 valuation were based on a review of plan experience during the period July 1, 2019 to June 30, 2021.

The long-term expected rate of return on OPEB 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 3.69 percent.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Discount rate.* GASB Statement No. 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Municipal 20 Year High Grade	
		Rate Index	Discount Rate
June 30, 2022	June 30, 2022	3.69%	3.69%
June 30, 2023	June 30, 2023	3.86%	3.86%

*Change of assumptions.* For the June 30, 2022 measurement date, the discount rate was increased from 3.69% to 3.86%.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (Valuation Date June 30, 2021)	\$ 6,204,966
Changes recognized for the measurement period:	
Service cost	224,919
Interest	231,624
Difference between expected and actual experience	
Changes of assumptions	(142,295)
Benefit payments	(308,396)
Net Changes	5,852
Balance at June 30, 2023 (Measurement Date June 30, 2023)	\$ 6,210,818

*Sensitivity of the OPEB liability to changes in the discount rate.* The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	1% Decrease 2.86%	Current Rate 3.86%	1% Increase 4.86%
OPEB Liability	\$ 7,126,754	\$ 6,210,818	\$ 5,466,908

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Sensitivity of the OPEB liability to changes in the healthcare trend rates.* The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower (4.20 percent) or 1-percentage-point higher (6.20 percent) than the current healthcare cost trend rates:

	1% Decrease (4.20%)	Healthcare Cost Trend Rate (5.20%)	1% Increase (6.20%)
OPEB Liability	\$ 5,290,765	\$ 6,210,818	\$ 7,375,262

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$808,621. As of the fiscal year ended June 30, 2023, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 283,620
Change in assumptions	204,122	986,204
	<u>\$ 204,122</u>	<u>\$ 1,269,824</u>

The amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expenses as follows:

<u>Fiscal year Ending June 30,</u>	<u>Amount</u>
2024	\$ (81,494)
2025	(258,748)
2026	(272,182)
2027	(272,182)
2028	(172,205)
2029	(8,891)
	<u>\$ (1,065,702)</u>

**NOTE 10 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

There were no excess of expenditures over appropriations for the fiscal year ended June 30, 2023.

**NOTE 11 – CONTINGENCIES AND COMMITMENTS**

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

**REQUIRED SUPPLEMENTARY INFORMATION**





**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive (Negative)</u>
<b>Revenues:</b>				
Property taxes and assessments	\$ 3,265,064	\$ 3,265,064	\$ 3,461,121	\$ 196,057
Weed abatement	30,731	30,731	49,609	18,878
Franchise fees	118,000	118,000	169,915	51,915
Intergovernmental	271,347	479,299	295,089	(184,210)
Use of money and property	36,100	36,100	61,554	25,454
Charges for administrative services	2,584,140	2,584,140	2,034,140	(550,000)
Miscellaneous income	16,645	44,751	115,089	70,338
Total revenues	<u>6,322,027</u>	<u>6,558,085</u>	<u>6,186,517</u>	<u>(371,568)</u>
<b>Expenditures:</b>				
Administration	2,584,140	2,604,140	2,095,583	508,557
Fire	2,818,097	2,913,797	2,720,912	192,885
Parks and recreation	52,917	52,917	28,759	24,158
Facilities and resources	868,539	877,962	909,218	(31,256)
Debt service:				
Principal	9,764	9,764	13,750	(3,986)
Interest	1,467	1,467	2,496	(1,029)
Capital outlay	534,333	1,154,252	692,287	461,965
Total expenditures	<u>6,869,257</u>	<u>7,614,299</u>	<u>6,463,005</u>	<u>1,151,294</u>
Excess of revenues over (under) expenditures	<u>(547,230)</u>	<u>(1,056,214)</u>	<u>(276,488)</u>	<u>779,726</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from loan payable	<u>450,000</u>	<u>79,800</u>	<u>81,706</u>	<u>1,906</u>
Total other financing sources (uses)	<u>450,000</u>	<u>79,800</u>	<u>81,706</u>	<u>1,906</u>
Change in fund balance	(97,230)	(976,414)	(194,782)	781,632
Fund balance - July 1	<u>3,957,776</u>	<u>3,957,776</u>	<u>3,957,776</u>	
Fund balance - June 30	<u>\$ 3,860,546</u>	<u>\$ 2,981,362</u>	<u>\$ 3,762,994</u>	<u>\$ 781,632</u>

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS**  
**Last 10 Years\***  
**As of June 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability					
Service cost	\$ 224,919	\$ 320,683	\$ 195,757	\$ 162,484	\$ 95,650
Interest on the total OPEB liability	231,624	153,564	172,980	197,339	211,024
Actual and expected experience difference		(406,932)			754,233
Changes in assumptions	(142,295)	(1,242,727)	550,814	619,787	1,589,401
Benefit payments	(308,396)	(274,841)	(256,433)	(257,572)	(239,592)
Net change in total OPEB Liability	5,852	(1,450,253)	663,118	722,038	2,410,716
Total OPEB liability - beginning	6,204,966	7,655,219	6,992,101	6,270,063	3,859,347
Total OPEB liability - ending	<u>\$ 6,210,818</u>	<u>\$ 6,204,966</u>	<u>\$ 7,655,219</u>	<u>\$ 6,992,101</u>	<u>\$ 6,270,063</u>
Covered payroll:	\$ 936,083	\$ 951,393	\$ 945,482	\$ 977,879	\$ 1,030,435
Total OPEB Liability as a percentage of covered payroll:	663.49%	652.20%	809.66%	715.03%	608.49%

**Notes to Schedule:**

Change in assumptions

For the fiscal year ending June 30, 2023, the discount rate was increased from 3.69% to 3.86%.

\*- Fiscal year 2019 was the 1st year of implementation, therefore only five years are shown.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF OPEB CONTRIBUTIONS**  
Last 10 Years\*  
As of June 30, 2023

The District's contribution for the fiscal year ended June 30, 2023 was \$257,891. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2023, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2022 was \$235,697. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2022, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2021 was \$238,077. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2020 was \$239,135. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2019 was \$222,442. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the District does not need to comply with GASB Statement No. 75's Required Supplementary Information requirements.

\*- Fiscal year 2019 was the 1st year of implementation, therefore only five years are shown.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
 Last 10 Years\*  
 As of June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Proportion of the net pension liability	0.06737%	0.07137%	0.06063%	0.05871%	0.05706%
Proportionate share of the net pension liability	\$ 7,781,600	\$ 3,860,125	\$ 6,596,272	\$ 6,016,139	\$ 5,498,358
Covered payroll	\$ 3,609,221	\$ 3,337,640	\$ 3,056,217	\$ 3,020,074	\$ 2,510,899
Proportionate share of the net pension liability as percentage of covered payroll	215.6%	115.7%	215.8%	199.2%	219.0%
Plan's total pension liability	\$ 49,525,975,138	\$ 46,174,942,264	\$ 43,702,930,887	\$ 41,426,453,489	\$ 38,944,855,364
Plan's fiduciary net position	\$ 37,975,170,163	\$ 40,766,653,876	\$ 32,822,501,335	\$ 31,179,414,067	\$ 29,308,589,559
Plan fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%	75.26%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Proportion of the net pension liability	0.05791%	0.05925%	0.06100%	0.06198%	
Proportionate share of the net pension liability	\$ 5,742,951	\$ 5,126,647	\$ 4,186,773	\$ 3,856,693	
Covered payroll	\$ 2,067,201	\$ 2,122,598	\$ 1,979,000	\$ 2,097,466	
Proportionate share of the net pension liability as percentage of covered payroll	277.8%	241.5%	211.6%	183.9%	
Plan's total pension liability	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402	\$ 30,829,966,631	
Plan's fiduciary net position	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871	\$ 24,607,502,515	
Plan fiduciary net position as a percentage of the total pension liability	73.31%	74.06%	78.40%	79.82%	

**Notes to Schedule:**

Change in assumptions

In 2023, the discount rate was decreased to 6.90% and the inflation rate was decreased to 2.30%.

\*- Fiscal year 2015 was the 1st year of implementation, thus only nine years are shown.

**CAMBRIA COMMUNITY SERVICES DISTRICT**  
**SCHEDULE OF PENSION CONTRIBUTIONS**  
 Last 10 Years\*  
 As of June 30, 2023

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution (actuarially determined)	\$ 978,523	\$ 898,273	\$ 825,844	\$ 711,306	\$ 603,260
Contribution in relation to the actuarially determined contributions	978,523	898,273	825,844	711,306	603,260
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,732,482	\$ 3,609,221	\$ 3,337,640	\$ 3,056,217	\$ 3,020,074
Contributions as a percentage of covered payroll	26.22%	24.89%	24.74%	23.27%	19.98%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
Contractually required contribution (actuarially determined)	\$ 552,669	\$ 662,293	\$ 574,845	\$ 486,960	
Contribution in relation to the actuarially determined contributions	552,669	662,293	574,845	486,960	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 2,510,899	\$ 2,067,201	\$ 2,122,598	\$ 1,979,000	
Contributions as a percentage of covered payroll	22.01%	32.04%	27.08%	24.61%	

**Notes to Schedule:**

Change in assumptions

There were no changes in assumptions in 2023.

\*- Fiscal year 2015 was the 1st year of implementation, thus only nine years are shown.

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Finance Committee

AGENDA NO. **4.B.**

FROM: Matthew McElhenie, General Manager  
Denise Fritz, Administrative Department Manager  
Jim Green, Utilities Department Manager

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Meeting Date: March 26, 2024                      Subject: Discussion on Phasing and Payment Options for  
Advanced Metering Infrastructure Replacement

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**RECOMMENDATIONS:**

Staff recommends that the Finance Committee discuss and submit the phasing and payment options for Board approval to proceed with the Advanced Metering Infrastructure replacement.

**FISCAL IMPACT:**

Upon review, staff recommends replacing all register endpoints within 4 months of the approval of the plan and using financing to fund this portion of the project. After this first phase, staff will assess the scope of replacement needed for the meter bodies, both residential and commercial. Replacement of brass meter bodies will proceed based on those findings.

There is a budget of \$526,500, and there will need to be a budget adjustment of \$680,000 to complete the project's first phase.

The water department is estimated to have approximately \$2,700,000 of undesignated reserves as of 6/30/2024. Staff recommends that the district funds the remainder of this project through financing. Attachment 2 is a preliminary quote for financing at 4.75% over 5 years. Our current CAMP investment rate is 5.48%.

**DISCUSSION:**

The CCSD's Purchasing Policy 2135 provides for procurement by non-competitive proposals when an item is only available from a single source. Staff is requesting the Board authorize proceeding with procurement by a non-competitive bid (sole source) based upon the following:

All the water meters installed in the CCSD's water distribution system are Badger meters, many of which have been in service for 20+ years. Each water meter has an electronic transmitter or endpoint attached. These existing endpoints have reached the end of their useful life, with over half no longer transmitting, necessitating a full manual read of the meter. The District needs to upgrade all the water meters in the water system to AMI and the software for collecting the water-use data.

The existing Badger meters can be upgraded to AMI-capable meters by replacing the current endpoint with one capable of transmitting water-use data over the cellular network, thereby eliminating the need to replace the whole meter. Utilizing this endpoint replacement process rather than replacing the meter will create significant savings estimated at \$500K. The need for sole source procurement is based on compatibility: the Badger AMI endpoints are the only endpoints compatible with the existing water meters and the accompanying Badger software upgrade. 10% of meters must be replaced to maintain compatibility across the entire water system. Those will be replaced with meters sole-sourced from Badger.

Another advantage of the Badger Orion AMI system is its compatibility with 100% of the existing equipment. This eliminates the need to replace meter bodies that are operating accurately, as the system

can be easily retrofitted onto current meter bodies. Unlike other alternatives, the Badger Orion system utilizes a cellular network, eliminating the need to construct and maintain a fixed communication network throughout the community and providing immediate and long-term cost savings to the District.

Primary advantages of the Badger Orion AMI system include improved timeliness and consistency in meter readings, providing customers with real-time water usage data, alerts for high consumption thresholds, and rapid leak detection and notification to reduce water losses on the customers' side, therefore saving customers money in a leak event. The system will also provide tampering alerts, enhance distribution system operations, and improve demand projections for future water shortage demand assessments.

Though the procurement is proposed to be sole-sourced, the installation contractor will be solicited through a public works request for proposal (RFP) process.

Staff presented this approach to the Resources and Infrastructure Committee at their July 10<sup>th</sup> meeting. The Committee unanimously approved this recommendation.

Staff recommends that the Finance Committee discuss and submit the phasing and payment options to the Board of Directors.

Attachments: Badger Meter Quotation  
CSDA Finance Corporation Proposed Installment Purchase for Water Meter Replacements  
Installation Phase



Badger Meter Inc.  
 4545 W Brown Deer Road Milwaukee WI 53223  
 PO Box 245036 Milwaukee WI 53224-9536

**Created Date** 03-14-2024

**Customer ID** 00020367

**To** Cody Meeks  
 CAMBRIA CSD  
 PO BOX 65  
 CAMBRIA  
 California 93428

**Pricing Effective Dates** 08-14-2023 -  
 08-13-2024

Salesperson	Proposal Subject	Shipping Terms / INCO Terms	Payment Terms
005307 KATHY RICHARDS	M25/HRE-LCD/TWIST 5/ SHEILD/CELL-C/CELL-HLD/ SERVICE UNITS, IR COM, IR RAW USB	PREPAY/NO CHARGE FCA FACTORY	NET 30 DAYS

Line #	Description	Qty	Unit Net Price USD	Line Totals USD
1	<b>BMI Part No.: 111-4217</b> <b>Cat String:</b> R4-BA1-E1CA-2B1-9FD-NX-XX-T2-XX-B0A <b>Description:</b> REG 4, M25, HR-E LCD, 4CXN2 ORION, PL Lid/Shrd-GRY, Trx Scrw, 9D-0.001 FT3, SN YR 9D in, TT CblShld-5', BMI STD, 24 PACK,	4094	69.00	282,486.00
2	<b>BMI Part No.: 103-9055</b> <b>Cat String:</b> E4-4E-AM-AG-T1AA-B0A <b>Description:</b> EP Only, For Enc, ORION CELL C, Thru Ld Instl Kit, TT CblShld-8in, Grnd/ Ocean-Pause, BMI STD, 24 PACK,	88	128.00	11,264.00
3	<b>BMI Part No.: 112-1963</b> <b>Cat String:</b> E4-4E-AY-AG-T1AA-B0A <b>Description:</b> EP Only, For Enc, ORION CELL HLD, Thru Ld Instl Kit, TT CblShld-8in, Grnd/Ocean-Pause, BMI STD, 24 PACK,	4006	142.50	570,855.00
4	<b>BMI Part No.: 68891-001</b> <b>Description:</b> IR COMMUNICATION DEVICE KIT - LTE	5	118.00	590.00
5	<b>BMI Part No.: 68886-104</b> <b>Description:</b> ORION CELLULAR LTE SERV UNIT	49128	0.830	40,776.24
6	<b>BMI Part No.: 67451-001</b> <b>Description:</b> HRE PROGRAMING MOUNT <b>Estimated Lead Time</b> 10	5	10.00	50.00
7		5	185.00	925.00

**Thank you for your business!**

 Estimated ship dates subject to change based upon component availability, as a result of global supply chain constraints, or credit review.  
 This acknowledgment is made subject to the terms & conditions found on our web-site: <https://www.badgermeter.com/terms-and-conditions>.  
 Terms and conditions related to service units, training, and professional services can be found here: <https://badgermeter.com/service-units-terms-and-conditions>

Line #	Description	Qty	Unit Net Price USD	Line Totals USD
	<b>BMI Part No.: 64436-041</b> <b>Description:</b> ACTISYS IR RAW COMM CABLE-USB ACTISYS ACT-IR224UN-L+ <b>Estimated Lead Time 40</b>			

<b>Subtotal - USD</b>	906,946.24
<b>Estimated Freight Charges</b>	0.00
<b>Total Price - USD</b>	906,946.24

### Notes and Assumptions

If applicable, sales tax and freight, if included on the proposal, is an estimate and will be recalculated based on rates and tax status in effect at the time of invoicing.

Actual lead time to be provided at time of order.

To aid in processing your order, please include the Quote number on the PO that is submitted for this proposal.

Badger Meter provides certification files to help manage meter and endpoint inventory and to maintain meter accuracy data. The standard method of delivery for this format is via electronic mail. Any deviations from our standard format, or any custom file formats, will be considered on a time and material basis.

Due to continuous improvements and redesign of Badger Meter products and technology solutions, Badger Meter reserves the right to provide our newest product solutions as an alternative to the proposed products provided they are in conformance with the requirements of the specifications and do not exceed the prices quoted.

If you would like to place an order, please contact us at [Utilitymke@badgermeter.com](mailto:Utilitymke@badgermeter.com) or by calling 1-800-876-3837 Option 1.

**Thank you for your business!**

Estimated ship dates subject to change based upon component availability, as a result of global supply chain constraints, or credit review. This acknowledgment is made subject to the terms & conditions found on our web-site: <https://www.badgermeter.com/terms-and-conditions>. Terms and conditions related to service units, training, and professional services can be found here: <https://badgermeter.com/service-units-terms-and-conditions>



# CSDA Finance Corporation



1112 I Street, Suite 200  
 Sacramento, CA 95814  
 t: 916.442.7887 f: 916.442.7889  
 www.csdafinance.net

PREPARED BY CSDA FINANCE CORPORATION

DATE: March 19, 2024

**PROPOSED INSTALLMENT PURCHASE FOR: Cambria Community Services District**

**RE: Water Meter Replacements**

NOTE: TERMS ARE BASED UPON INSTALLMENT SALE BEING BANK QUALIFIED

Prepayment Option amount is exclusive of the installment payment due on same date.

Interest rate quote is valid for an acceptance within 15 days and funding within 60 days.

**Documentation Fee: \$12,500** (included in financing)

	<b>Financing Amount</b>	<b>Interest Rate</b>	<b>Term</b>
Payments: Annually in arrears	<b>\$692,500</b>	<b>4.75%</b>	<b>5 Years</b>

PMT #	Due Date	Installment Payment	To Principal	To Interest	Prepayment Option
1		\$158,846.27	\$125,952.52	32,893.75	
2		158,846.27	131,935.26	26,911.01	
3		158,846.27	138,202.19	20,644.08	300,856.18
4		158,846.27	144,766.79	14,079.48	153,917.89
5		158,846.27	151,643.24	7,203.03	0.00

TOTALS:	<u>\$794,231.35</u>	<u>\$692,500.00</u>	<u>\$101,731.35</u>
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**Approved and agreed to: Cambria Community Services District**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Title: \_\_\_\_\_

# BADGER METER ADVANCED METERING INFRASTRUCTURE UPGRADE

## Cambria Community Services District





# Year 1 Cost Overview

End-Points	Cellular signal	Meter register and transmitter installation	One-Time Set-Up, Installation & Training	Software/ Customer Portal	Total
\$252,486	\$576,846	\$400,000	\$48,734*	\$40,487	\$1,318,553

\*Includes staff's rough-estimate installation charges. Requests for proposal will follow Board approval.

# 10-Year Cost Overview



Year	400 Meter Bodies Per Year	Estimated Installation	Software/ Customer Portal	Total
1				\$986,455
2	\$71,820	\$35,700	\$42,525	\$107,520
3	\$75,411	\$37,485	\$44,651	\$112,896
4	\$79,182	\$39,359	\$46,884	\$118,541
5	\$83,141	\$41,327	\$49,228	\$124,468
6	\$87,298	\$43,394	\$51,689	\$130,691
7	\$91,663	\$45,563	\$54,274	\$137,226
8	\$96,246	\$47,841	\$56,988	\$144,087
9	\$101,058	\$50,233	\$59,837	\$151,291
10	\$106,111	\$52,745	\$62,829	\$158,856

Notes: (1) All costs are adjusted by an estimated 5% cost increase each year.

(2) Costs include staff-estimated installation – request for proposals to follow Board approval.

# Benefits



- BEACON Advanced Metering Analytics (AMA) provides utilities companies and their customers direct access to water consumption data, with easy-to-understand and easy-to-manage settings.
- BEACON AMA software puts interval meter data to work to increase efficiency in day-to-day utility operations and address demands for actionable intelligence.
- Alert conditions can be set to monitor and notify users of system exceptions, including continuous flow, for faster leak detection

# More Benefits

- Allows for controlled replacement of bodies with installation beginning at failed locations.
- Meets regulatory requirements for bench-testing or replacement of 10% of meters each year.

