



June 1, 2026

**To:** LOCSD Finance Advisory Committee  
**From:** Greg Kwolek, General Manager  
**Subject:** **Agenda Item 5 – 06/01/2026 FAC Meeting**  
General Manager's Update

### Utilities Updates

**President**  
Matthew D. Fourcroy

**Vice President**  
Charles L. Cesena

**Directors**  
Tom Cross  
Richard Hubbard  
Christine M. Womack

**General Manager**  
Greg Kwolek

**District Accountant**  
Robert Stilts, CPA

**Unit Chief**  
John Owens

**Battalion Chief**  
Joshua Lorenzo

***Water Resiliency Intertie Pipeline Project (Intertie Pipeline Project) Update***  
Project design work continues to have the 30% design documents completed by the end of May. Work continues to finalize the design of the piping for the bridge crossing portion of the project. It is anticipated once the design is completed, the District will coordinate with the County and the bridge contractor to assist with selecting a contractor for the installation of the pipeline.

### ***16<sup>th</sup> Booster Pump Replacement Project Update***

As reported back in November 2025, there have been some ongoing operational issues with the four pumps at the 16<sup>th</sup> Street booster pump station that have become important to solve. The pump station is an integral part of the water distribution system in that it provides water to the "boosted" zone of the water service area while maintaining adequate pressure for fire flows to both the gravity and boosted zones.

In November 2025, the jockey pump failed, followed by the failure of one of the three main booster pumps. The remaining pumps are also in questionable condition. The project includes alterations to the pump pedestals and modifications to piping alignment to accommodate the new pumps. There has been a long lag time in the delivery of the pumps but work on the project should be underway during the week of May 18<sup>th</sup>. Pumps have been installed and the pump controls are being worked on.

It was decided to replace all the pumps in two phases. This will allow for the two operational pumps to remain in service during phase 1. Phase 1 will replace the jockey pump and one booster pump and cost approximately \$69,00

### Other Updates

#### **Transparency Certificate of Excellence**

The Los Osos Community Services District received the District Transparency Certificate of Excellence from the Special District Leadership Foundation in recognition of its commitment to transparency and good governance. To receive the award, the District demonstrated compliance with key transparency requirements, including ethics training for Board members, properly conducted open meetings, and timely financial and compensation reporting to the State Controller. SDLF is an independent nonprofit organization that promotes good governance and best practices among California special districts through certification, accreditation, and recognition programs.

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## Fiscal Year 2026-27 Budget Updates

The FAC reviewed and provided input into the preliminary FY 2026-27 Budget at the May 4<sup>th</sup> meeting. At the conclusion of the discussion, the committee concurred with the budget details which were reported to the Board at their May 7<sup>th</sup> meeting. The following are some of the highlights from the Board's budget review process:

- The Board tentatively approved the allocation of Zone A revenues as follows:

<b>Option 1 - 2026-27</b>		
<b>Zone A Property Tax Allocation</b>	<b>Estimated Tax Revenue</b>	
	\$346,683.00	
	<b>% Allocation</b>	<b>\$ Allocation</b>
Fund 301 - Fire	43.3%	\$150,000.00
Fund 500 - Water	14.4%	\$50,000.00
Fund 900 - Parks & Rec	28.8%	\$100,000.00
Fund 800 - Drainage	13.5%	\$46,683.00
<b>Total</b>	<b>100.0%</b>	<b>\$346,683.00</b>

- The Board tentatively approved the following changes to the percentages in the cost allocations/transfers:

<b>COST ALLOCATION PLAN</b>									
<b>FISCAL-YEAR 2026-2027</b>									
<b>TOTAL PROJECTED GENERAL FUND/ADMINISTRATION COSTS</b>								<b>\$1,008,046.00</b>	
	<b>FIRE</b>	<b>WATER</b>	<b>Solid Waste</b>	<b>PARK &amp; REC</b>	<b>DRAINAGE</b>	<b>BAYRIDGE</b>	<b>VISTA DE ORO</b>	<b>WASTE WATER</b>	<b>TOTALS</b>
<b>Current Allocation</b>	12.50%	71.00%	11.00%	2.00%	2.50%	0.25%	0.25%	0.50%	100.00%
<b>Proposed Allocation</b>	13.10%	69.00%	11.00%	2.00%	4.00%	0.20%	0.20%	0.50%	100.00%
<b>AMOUNT ALLOCATED</b>	\$126,005.75	\$715,712.66	\$110,885.06	\$20,160.92	\$25,201.15	\$2,520.12	\$2,520.12	\$5,040.23	\$1,008,046.00
<b>Proposed Allocation</b>	\$132,054.03	\$695,551.74	\$110,885.06	\$20,160.92	\$40,321.84	\$2,016.09	\$2,016.09	\$5,040.23	\$1,008,046.00

- The Board tentatively approved the addition of Assistant General Manager position at their May 7<sup>th</sup> meeting. The final proposed FY 2026-27 budget includes funding for one new management-level position to replace the existing Utility Systems Manager position. In order to maximize the District's ability to attract qualified candidates and respond to both current and anticipated operational needs, staff is proposing a flexible recruitment structure that would allow the District to recruit for either an Assistant General Manager or an Assistant General Manager/District Engineer.
- Fund 301 General Contingency Reserve has reached its 15% goal. The \$90,000 budgeted in GL 9575 was reduced to a \$0.00 contribution.
- There were some minor, non-substantive changes as the District became aware of other expenses planned for the next fiscal year.