



Los Osos Community Services District STAFF REPORT

TO: Finance Advisory Committee

FROM: Greg Kwolek, General Manager

SUBJECT: General Manager Update

SUNNYSIDE UPDATES

The CSD is currently evaluating acquisition and financing options and may need to continue negotiations with the San Luis Coastal Unified School District regarding the purchase of the property. Because those discussions are ongoing, the final acquisition structure, purchase terms, and schedule have not yet been determined. Updates on progress will be posted on the CSD's website under "Our Services" and then "Parks & Recreation".

ANNUAL AUDIT

The CSD's independent auditors completed their annual fieldwork September 21-September 23. The audit process is still underway, but the fieldwork portion is complete and staff is continuing to respond to any follow-up questions as the auditors prepare their final report.

CABRILLO HEIGHTS SEWER PROJECT

A representative from the Property Owners Association (POA) of the Cabrillo Heights neighborhood has approached staff of the CSD to request that the CSD consider taking on the development and construction of a wastewater collections system in Cabrillo Heights. The Cabrillo POA has spent significant time and resources in putting together a Preliminary Design Report (PDR) prepared by BKF Engineers. In May, the County presented an item to the Board of Supervisors to consider taking on this project at the request of the POA, but it was not approved due to a related request to fund project initiation costs, including potential costs design, permitting, and environmental work up front and at risk of not being reimbursed by a future Prop 218 funding assessment on the neighborhood. CSD staff are now reviewing the PDR in order to prepare a preliminary analysis for the CSD Board of Directors to consider the POA's request at a future meeting.

ASM: <u>LD</u>	AGM/DE: ____
DGC: ____	GM: <u>GK</u>