



Date: October 1, 2026
To: LOCSD Board of Directors
From: Greg Kwolek, General Manager
Subject: **Agenda Item 6B – 10/01/2026 Board Meeting**
General Manager's Report

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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.

UPCOMING DISCUSSION ITEMS

Staff had hoped to bring three discussion items before the Board of Directors for the October Meeting

- Annual Water Report, Water Shortage Contingency Plan, and Will-Serve Discussion
- Board Compensation Analysis
- Summary of Emergency Coordination and El Niño Preparedness Efforts

Each of these items requires additional analysis before it is ready for Board consideration. Staff will bring the items forward at future meetings as that work is completed.

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".

FIRE DEPARTMENT OPEN HOUSE

The Los Osos CSD/South Bay Station 15 Fire Department invites the community to its Open House on Saturday, October 17, 2026, from 11:00 a.m. to 3:00 p.m. Residents and families can meet local firefighters, tour the station, climb aboard a real fire engine, and learn more about fire safety and emergency

preparedness. The event will feature fire extinguisher demonstrations, hands-only CPR and basic first aid instruction, an opportunity to meet the crew, and junior firefighter helmets and goodies for children to take home. This fun, family-friendly event is a great opportunity to connect with your local firefighters, explore fire apparatus and equipment up close, and learn how everyone can help keep the Los Osos community safe.