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

Mailing Address:
P.O. Box 6064
Los Osos, CA 93412

Offices:
2122 9th Street, Suite 110
Los Osos, CA 93402

Phone: 805/528-9370
FAX: 805/528-9377

www.losososcsd.org

September 3, 2026

TO: LOCSD Board of Directors

FROM: Laura Durban, Administrative Services Manager

SUBJECT: **Agenda Item 11F – 09/03/2026 Board Meeting**
Adopt Resolution Establishing the Transfer of Emergency Vehicle and Equipment Reimbursements to the Emergency Vehicle Reserve Fund

DESCRIPTION

Staff recommends that the Board of Directors establish a financial and accounting procedure requiring reimbursements received for District emergency vehicles and related equipment assigned to State-responsibility fires or other State-funded emergency incidents to be transferred to the District's existing Emergency Vehicle Reserve Fund.

SUMMARY OF STAFF RECOMMENDATION

This item will be approved along with the Consent Calendar unless it is pulled by a Director for separate consideration. If so, Staff recommends that the Board adopt the following motion:

Motion: I move that the Board adopt Resolution No. 2026-30 establishing the Transfer of Emergency Vehicle and Equipment Reimbursements to the Emergency Vehicle Reserve Fund

BACKGROUND

The District's emergency vehicles represent significant long-term capital assets and are essential to maintaining the District's emergency-response capabilities. Establishing a consistent practice for directing reimbursements associated with these assets to the existing Emergency Vehicle Reserve Fund supports long-term financial planning and provides greater transparency regarding the use of emergency-response reimbursements.

DISCUSSION

Exhibit B, Section 1.E. of the applicable Cooperative State agreement with CALFIRE provides that the State shall credit the Local Agency, or cover behind at no cost, for the costs of non-post position and equipment assigned to State-responsibility fires or other State-funded emergency incidents.

The District periodically will receive reimbursements associated with the use of District resources during emergency incidents for which the State is responsible or which are otherwise State-funded.

The District currently maintains an Emergency Vehicle Reserve Fund to provide funding for the long-term needs of its emergency vehicle fleet and related equipment.

The proposed Resolution establishes a consistent financial practice for reimbursements attributable to District emergency vehicles and related

equipment. Under the proposed policy, the portion of a reimbursement attributable to emergency vehicles and equipment will be transferred to the existing Emergency Vehicle Reserve Fund following receipt and identification of the qualifying reimbursement.

This approach provides a clear connection between the source of the reimbursement and the District's long-term emergency vehicle needs. It also establishes an accounting process that allows the District to identify and reconcile these reimbursements separately from other operating revenues.

The proposed Resolution does not establish a new reserve fund, does not change the existing purpose of the Emergency Vehicle Reserve Fund, and does not alter the District's obligations under any State agreement.

FINANCIAL IMPACT

The proposed Resolution does not create a new expenditure or require the District to appropriate additional funds.

Rather, it establishes the treatment of qualifying reimbursements received or expected to be received by the District. Funds attributable to District emergency vehicles and related equipment will be transferred to the existing Emergency Vehicle Reserve Fund.

The amount of funds transferred will vary depending upon the number, type, and cost of emergency vehicle and equipment resources utilized during qualifying incidents.

The proposed accounting treatment will improve the District's ability to track these reimbursements and accumulate resources for future emergency vehicle repair and replacement.

Attachment
Resolution 2026-30

Date: September 3, 2026
Agenda Item: 11F
( ) Approved
( ) Denied
( ) Continued to

RESOLUTION NO. 2026-30

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT ESTABLISHING THE ACCOUNTING AND TRANSFER OF EMERGENCY VEHICLE AND EQUIPMENT REIMBURSMENTS TO THE DISTRICT'S EXISITING EMERGENCY VEHCILE RESEVE FUND

WHEREAS, the Los Osos Community Services District ("District") owns, operates, and maintains emergency vehicles and related equipment for the provision of emergency services; and

WHEREAS, the District has entered into a cooperative agreement with CAL FIRE ("State") under which District emergency vehicles, equipment, and personnel may be assigned to State-responsibility fires or other State-funded emergency incidents; and

WHEREAS, the applicable agreement provides for reimbursement or credit for eligible District costs associated with such assignments; and

WHEREAS, the District maintains an Emergency Vehicle Reserve Fund to support the repair, replacement, rehabilitation, and acquisition of emergency vehicles and related equipment; and

WHEREAS, the Board of Directors desires to establish a consistent accounting practice under which reimbursements attributable to District emergency vehicles and related equipment are transferred to the existing Emergency Vehicle Reserve Fund.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE LOS OSOS COMMUNITY SERVICES DISTRICT DOES HERBY RESOLVE, DECLARE AND DETERMINE THAT:

Section 1. Designation of Existing Reserve Fund

The District's existing Emergency Vehicle Reserve Fund is designated as the reserve fund for reimbursements attributable to District emergency vehicles and related equipment used in connection with State-responsibility fires or other State-funded emergency incidents.

Section 2. Transfer of Qualifying Reimbursements

Any reimbursement, credit, or payment received by the District that is specifically attributable to District emergency vehicles or related equipment shall be transferred to the Emergency Vehicle Reserve Fund as soon as reasonably practicable following receipt and identification.

If a reimbursement includes multiple categories of eligible costs, only the portion attributable to emergency vehicles and related equipment shall be transferred. The District shall determine that portion based on available supporting documentation, including State reimbursement records, incident records, invoices, and other appropriate financial records.

Section 3. Accounting and Documentation

The District shall maintain records sufficient to document the receipt, determination, and transfer of qualifying reimbursements, including, as applicable:

1. Date and amount received;
2. Incident or event associated with the reimbursement;
3. State or other agency providing the reimbursement;
4. Documentation identifying reimbursable vehicle or equipment costs;
5. Amount attributable to vehicles and equipment; and
6. Date and amount transferred to the Emergency Vehicle Reserve Fund.

Transfers shall be recorded in the District's financial accounting system so they can be identified and reconciled during the annual financial audit.

Section 4. Use of Reserve Funds

Funds transferred pursuant to this Resolution shall remain subject to the District's existing policies, budgetary requirements, appropriation requirements, and authorized uses applicable to the Emergency Vehicle Reserve Fund.

This Resolution does not independently authorize expenditures from the Reserve Fund.

Section 5. Compliance with Agreements

This Resolution establishes only the District's internal accounting and financial-management treatment of qualifying reimbursements. It does not modify, amend, waive, or supersede any provision of a legally binding agreement between the District and the State.

In the event of a conflict, the applicable agreement shall govern to the extent required by law.

Section 6. Administrative Implementation

The General Manager, or designee are authorized and directed to establish procedures necessary to implement this Resolution, including controls for identifying, documenting, transferring, and reconciling qualifying reimbursements.

Section 7. Annual Reporting

As part of the District's regular financial reporting and budget process, the General Manager or a designee may provide the Board with a summary of reimbursements transferred to the Emergency Vehicle Reserve Fund, including beginning balance, reimbursements received, transfers, expenditures, and ending balance, as appropriate.

Section 8. Effective Date

This Resolution shall become effective immediately upon adoption.

Section 9. Severability

If any provision of this Resolution or its application to any person or circumstance is held invalid, the remainder of the Resolution and its application to other persons or circumstances shall not be affected.

On the motion of Director _____, seconded by Director _____, and on the following roll call vote, to wit:

Ayes:_____
Nays:_____
Absent:_____
Conflicts:_____

The foregoing resolution is hereby passed, approved, and adopted by the Board of Directors of the Los Osos Community Services District this 3rd day of September 2026.

_____
Matthew D. Fourcroy
President, Board of Directors
Los Osos Community Services District

ATTEST:

_____
Gregory Kwolek
General Manager and Secretary to the Board

APPROVED AS TO FORM:

_____
Craig Steele
District Legal Counsel