



August 31, 2026

To: LOCSD Finance Advisory Committee

From: Greg Kwolek, General Manager

Subject: **Agenda Item 5 – 08/31/2026 FAC Meeting**
General Manager's Update

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Charles L. Cesena

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RETIREMENT

Ron Munds retired from the CSD effective Friday, August 28th. Ron will be missed by the Board, staff, and the community.

ANNUAL AUDIT

The District's auditors will be onsite September 21–23 to conduct fieldwork for the annual financial audit. In preparation for the visit, staff has been diligently responding to auditor questions, providing requested documentation, and completing follow-up items. In recent years, the District's audits have not resulted in any findings, and staff continues to work closely with the auditors to support a thorough and efficient review.

WATER RESILIENCY INTERTIE PROJECT

On August 26, CSD staff toured the Los Osos Creek Bridge Replacement Project and received updates from County staff and BKF, the project's construction manager. Based on the current schedule, the CSD will need to begin installation of its pipeline through the bridge project area by the end of January 2027. CSD staff is coordinating closely with the bridge project team and the District's design consultant, WSC, to ensure the pipeline work remains aligned with the overall construction schedule.



BMC AND RESIDENTIAL GROWTH RATE

At their next meeting on September 16, 2026, the Los Osos Basin Management Committee (BMC) will be considering its annual recommendation to the County regarding the allowable residential growth rate within the Los Osos Urban

Reserve for calendar year 2027. In developing its recommendation, the BMC may consider current groundwater conditions, Sustainable Yield estimates, recent groundwater extraction, the Basin Yield Metric, and the relationship between future growth and long-term basin sustainability.

The annual growth rate determines the maximum number of new residential units that may be allocated within the Los Osos Urban Reserve and is intended to link future development with the sustainable capacity of the groundwater basin. The BMC's recommendation is one component of the County's annual decision-making process and will ultimately be considered by the County Board of Supervisors when establishing the 2027 growth rate.