



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, January 23, 2019 – 6:00 P.M.
Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

All items on the agenda including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the General Manager prior to the start of the meeting. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one-minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FLAG SALUTE**
4. **AGENDA REVIEW**
5. **CLOSED SESSION:**
6. **PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: (NOT BEGINNING BEFORE 6:00 PM)**

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

7. **SPECIAL PRESENTATIONS & REPORTS:**

A. STAFF REPORTS:

- i. Operations - Field Supervisor Tony Marraccino
- ii. FCFA Operations - Chief Steve Lieberman
- iii. OCSD General Manager – Paavo Ogren
- iv. Sheriff's South Station - Commander Stuart MacDonald

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Villa
- ii. Director Gibson
- iii. Vice President White
- iv. President Austin
- v. Director Repogle

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #7 – Special Presentations and Reports. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

This agenda was prepared and posted pursuant to Government Code Section 54954.2. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.

8. CONSENT AGENDA ITEMS:

Public comment Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Review and Approval of Minutes for December 12, 2018
- B. Review and Approval of Minutes for January 09, 2018
- C. Review and Approval of Cash Disbursements
- D. Annual review of the District's Investment Policy and Consideration of a Recommendation to approve a resolution adopting the District's 2019 Investment Policy.
- E. Submittal of the District's Fiscal Year 2018-19 Quarter 2 Treasurer Report

9. BUSINESS ITEMS:

Public comment Members of the public wishing to speak on public hearing items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Introduction of discussion on amending the District's rules and regulations with Board direction as deemed appropriate
- B. Review of the District's Budget Status as of December 31, 2018
- C. Review and consider presidential messages and community outreach efforts

10. HEARING ITEMS:

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS: District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Cienega Seabreeze Park, Inc. Continued, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, State Park impact to OCSD, The Place.

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District

Summary Minutes

Regular Meeting Wednesday, December 12, 2018 – 6:00 P.M.

Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

1. **CALL TO ORDER & ROLL CALL:** at 6:00 p.m. by President White. All Board members present: President White, Vice President Austin, Director Villa, Director Gibson and Director Repogle. Also present, General Manager Paavo Ogren, Legal Counsel Jeff Minnery and Board Secretary Celia Ruiz.
2. **FLAG SALUTE:** led by President White
3. **BOARD ITEMS:**
 - a. Administer Oaths of Office
 1. Allene Villa
 2. Cynthia Repogle
 3. Karen WhiteOath was administered by General Manager Ogren

Public comment was given by Lucia , and Charles Varni.

 - b. Election Of District Officers
A motion was made to elect Director Austin for President with a motion from Director Gibson, a second from Director White and a 5-0 Vote

A second motion was made to elect Director White for Vice President with a motion from Director Gibson, a second from Director Villa and a 5-0 roll call vote.
 - c. Recognition of previous Board Members; Angello, Brunet, and Coalwell and appreciation of their service to the Community
Recognition was given by General Manager Ogren and President Austin
4. **AGENDA REVIEW:** Agenda Item 9A was tabled until next Regular Meeting in January with a motion from Vice President White, a second by Director Repogle and a 5-0 Vote.
5. **CLOSED SESSION:** was entered at approximately 6:22pm. Open session was resumed at approximate 6:42pm
No public comment
 - a. **Pursuant to Government Code 54956.9(a):** Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,

No reportable action
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
No public comment.
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino – Field Supervisor Marraccino reported 6 USAs, 5 Customer Service calls, 8 Work Orders, 1 after hour call out, Lopez currently at 39.8%, no SSO's for the month of November, samples, interviews, line break on Thanksgiving, trash pick up from orders coming in from Ready 311 app, lift station motor mechanical seal broke after hours, Well 8 has been re installed and is back up and running,
 - ii. FCFA - Chief Steve Lieberman – None

- iii. OCSD General Manager – General Manager Ogren reported on low impact development concepts tech assistance, and has been invited to join the drought advisory group in Sacramento
- iv. Sheriff's South Station – Commander Stuart MacDonald – None

b. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Villa – None
- ii. Director Gibson – reported on Zone 3 Advisory
- iii. Vice President White – reported on Central Coast Regional Climate Change
- iv. President Austin – reported on SSLOCSD
- v. Director Replogle – reported on WRAC

c. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

Public Comment was received by Brad Snook.

8 CONSENT AGENDA:	ACTION:
<ul style="list-style-type: none"> a. Review and Approval of Minutes for November 28, 2018 b. Review and Approval of Minutes for December 3, 2018 c. Review and Approval of Cash Disbursements d. Submittal for Approval of a Resolution to Close the District for normal operations on December 24, 2018 and December 31, 2018 e. Consideration of budget adjustment increasing State Water costs and fund balance available in the amount of \$193,455 	<p>After an opportunity for public comment and brief Board discussion, staff recommendations were approved as amended in Item 8c with the addition of \$ 9,263.55 increasing the total to \$ 126,474.35 with a motion from Vice President White, and a second from Director Villa and a 5-0 roll call vote.</p> <p>No public comment.</p>

9A BUSINESS ITEM:	ACTION:
Consideration of an appeal of the Intent-to-Serve letter issued for 1929 Wilmar Avenue dated November 28, 2018	Item has been tabled to the next Regular Meeting in January.

9B BUSINESS ITEM:	ACTION:
Presentation and Discussion on the Brown Act and other Board training requirements	<p>After an opportunity for public comment and brief Board discussion, presentation was given by Legal Counsel.</p> <p>No public comment.</p>

9C BUSINESS ITEM:	ACTION:
Appointment of 2019 Committee Assignments, Appointments to the Five Cities Fire Authority and the Alternate to the South San Luis Obispo County Sanitation District	<p>After an opportunity for public comment and brief Board discussion, see attached list of 2019 committee & subject matter assignments with a motion from Vice President White, and a second from Director Gibson and a 5-0 vote.</p> <p>No public comment.</p>

9D BUSINESS ITEM:	ACTION:
Update on emergency actions approved on December 3, 2018 authorizing the General Manager to procure the necessary equipment, services and supplies needed to resume groundwater pumping and determine whether the emergency should be terminated, or by a 4/5ths vote, determine that there is a need to continue with emergency actions	After an opportunity for public comment and brief Board discussion, a motion to determine that the emergency should be terminated with a motion from Director Replogle, and a second from Vice President White and a 5-0 roll call vote. No public comment.

9E BUSINESS ITEM:	ACTION:
Consideration of recommendations to approve a comment letter on the County of San Luis Obispo's Resource Summary Report, a letter of support for the County's Proposition 68 grant application for the Arroyo Grande Creek Lagoon and Meadow Creek Lagoon Habitat Restoration and Improvement Project, and direction on a letter of support for the Cloud Seeding Program considered by the Zone 3 Advisory Committee	After an opportunity for public comment and brief Board discussion, a motion to approve a comment letter on the County of San Luis Obispo's Resource Summary Report with a motion from Vice President White, and a second from Director Villa and a 5-0 vote. A second motion to approve the letter of support for the County's Proposition 68 grant application for the Arroyo Grande Creek Lagoon and Meadow Creek Lagoon Habitat Restoration and Improvement Project with a motion from Vice President White, and a second from Director Replogle and a 5-0 vote. No action taken on the letter of support for the cloud seeding program. No public comment.

10. **HEARING ITEMS:** None

11. **RECEIVED WRITTEN COMMUNICATIONS:** None

12. **LATE RECEIVED WRITTEN COMMUNICATIONS:** None

13. **FUTURE AGENDA ITEMS:** District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Cienega Seabreeze Mobile Home Park Continued, 2019 Goals and Priorities, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, Brown Act training, State Park impact to OCSD.

14. **FUTURE HEARING ITEMS:** None

15. **ADJOURNMENT:** at approximately 8:50 pm



Oceano Community Services District
 Summary Minutes
 Regular Meeting Wednesday, January 09, 2019 – 6:00 P.M.
 Oceano Community Services District Board Room
 1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 6:00 p.m. by President Austin
2. **FLAG SALUTE:** led by President Austin
3. **ROLL CALL:** All Board members present: President Austin, Vice President White, Director Villa, Director Gibson and Director Replogle. Also present, General Manager Paavo Ogren, Business and Accounting Manager Carey Casciola, Legal Counsel Jeff Minnery and Board Secretary Celia Ruiz.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **CLOSED SESSION:** None
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
 Public comment was received by Lucia Casalnuovo, Damon Campwell, and Wes Bonnheim
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino – Field Supervisor Marraccino reported 8 USAs, 4 Customer Service calls, 10 Work Orders, 1 after hour call out, no SSO's in December, weekly samples, 17th St sewer back up after hours, completed annual jetting, trash pickup, 11 work orders from Ready 311, lateral hot spot cleaning.
 - ii. FCFA - Chief Steve Lieberman – Chief Lieberman reported on the dispatch migration, Jan 3 an engine assisted with a fire at Sergio's Furniture in Santa Maria.
 - iii. OCSD General Manager – General Manager Ogren reported on Cannon Low Impact, Fire report, and bid documents.
 - iv. Sheriff's South Station – Commander Stuart MacDonald – None
 - b. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
 - i. Director Villa– None
 - ii. Director Gibson– reported on State Water Sub-Contractors Committee
 - iii. Vice President White – None
 - iv. President Austin – reported on SSLOCSD
 - v. Director Replogle – reported on OAC
 - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**
 No public Comment.

8 CONSENT AGENDA:	ACTION:
<ol style="list-style-type: none"> a. Review and Approval of Cash Disbursements b. Review of the District's Investment Policies and approve a resolution authorizing investment of monies in the Local Agency Investment Fund 	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Vice President White, and a second from Director Replogle and a 5-0 roll call vote. Public comment was received by Julie Tacker.

9A BUSINESS ITEM:	ACTION:
Consideration of an appeal of the Intent-to-Serve letter issued for 1929 Wilmar Avenue dated November 28, 2018	After an opportunity for public comment and brief Board discussion, no action taken. Public comment was received by Jeff Edwards.

9B BUSINESS ITEM:	ACTION:
Consideration of an update on projects and programs of the South San Luis Obispo County Sanitation District with direction to Board appointed Board members and staff	After an opportunity for public comment and brief Board discussion, presentation was given by Jeremy Ghent no action taken. Public comment was received by Lucia Casalnuovo, Jeff Edwards and Julie Tacker.

A motion to extend the meeting past 9pm was motioned by Vice President White, a second from Director Villa and a 5-0 vote.

Board recessed from 9:00 to 9:10pm

9C BUSINESS ITEM:	ACTION:
Consideration of the Special Districts Fire Protection Study for County of San Luis Obispo dated November 2018, District representation with the County Board of Supervisors, and direction to staff as deemed appropriate	After an opportunity for public comment and brief Board discussion, no action taken. No public comment.

9D BUSINESS ITEM:	ACTION:
Consideration and approval of a Designated Voting Delegate to the Independent Special District Selection Committee for membership on the Local Agency Formation Commission (LAFCo), approval of the Alternative Quorum Procedure and to consider a nomination for membership on LAFCo	After an opportunity for public comment and brief Board discussion, staff recommendations to approve designating President Austin as the voting delegate to the Independent Special District Selection Committee and approve the Alternative Quorum Procedure with a motion from Vice President White, a second from Director Gibson and a 5-0 vote. No public comment.

10. HEARING ITEMS: None

11. RECEIVED WRITTEN COMMUNICATIONS: None

12. LATE RECEIVED WRITTEN COMMUNICATIONS: None

13. FUTURE AGENDA ITEMS: District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Cienega Seabreeze Mobile Home Park Continued, 2019 Goals and Priorities, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, Brown Act training, Committee Appointments, Oath of Office, State Park impact to OCSD.

14. FUTURE HEARING ITEMS: None

15. ADJOURNMENT: at approximately 10:09 pm



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: January 23, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(C): Recommendation to Approve Cash Disbursements

Recommendation

It is recommended that your Board approve the attached cash disbursements.

Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence	Amounts
	57466 - 57495	
Disbursements Requiring Board Approval prior to Payment:		
Regular Payable Register – paid 01/23/2019	57477 - 57495	\$23,177.46
Subtotal:		\$23,177.46
Reoccurring Payments for Board Review (authorized by Resolution 2018-11):		
Payroll Disbursements – PPE 01/05/2019	N/A	\$25,622.20
Reoccurring Utility Disbursements – paid 01/09/2019	57466 - 57474	\$10,711.81
Reoccurring Health Disbursements – paid 01/09/2019	57475 - 57476	\$6,920.00
Subtotal:		\$43,254.01
Grand Total:		\$66,431.47

Other Agency Involvement: n/a

Other Financial Considerations: Amounts are within the authorized Fund level budgets.

Results

The Board's review of cash disbursements is an integral component of the District's system of internal controls and promotes a well governed community.

1/18/2019 3:18 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 1
 CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 057477 THRU 057495

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	1/18/2019	CHECK	057477	R&R ROLL-OFF LLC	679.13CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057478	PETTY CASH	33.20CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057479	AUTOSYS, INC.	540.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057480	DIVERSIFIED PROJECT SERVICES I	433.75CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057481	ADAMSKI MOROSKI MADDEN CUMBERL	8,175.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057482	ARAMARK	222.98CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057483	R & T EMBROIDERY, INC.	180.27CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057484	GSI WATER SOLUTIONS, INC.	8,606.29CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057485	SAFETY NOW SOLUTIONS LLC	450.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057486	CSDA	195.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057487	CLINICAL LAB OF SAN BERNARDINO	440.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057488	RABOBANK VISA CARD	538.93CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057489	J.B. DEWAR, INC.	353.77CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057490	MINER'S ACE HARDWARE, INC.	0.59CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057491	QUILL CORPORATION	27.20CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057492	SHORELINE LANDSCAPE & MAINT. I	410.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057493	WALLACE GROUP A CALIFORNIA COR	1,155.25CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057494	TEMPLETON CSD	450.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/18/2019	CHECK	057495	AQUA-METRIC	286.10CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	23,177.46CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

Payroll Summary Report
Board of Directors - Agenda Date January 23, 2019

	(*)	
<u>Gross Wages</u>	12/22/2018	1/5/2019
Regular	\$22,383.69	\$20,723.19
Overtime Wages	\$1,084.65	\$1,617.22
Stand By	\$700.00	\$700.00
	<u>\$24,168.34</u>	<u>\$23,040.41</u>
<u>Disbursements</u>		
Net Wages	\$17,899.27	\$17,019.50
State and Federal Agencies	\$4,561.42	\$4,261.57
CalPERS - Normal	\$4,450.99	\$4,187.12
SEIU - Union Fees	\$154.01	\$154.01
Total Disbursements processed with Payroll	<u>\$27,065.69</u>	<u>\$25,622.20</u>
Health (Disbursed with reoccurring bills)	\$4,014.07	\$4,014.07
	<u>\$31,079.76</u>	<u>\$29,636.27</u>

(*) Previously reported in prior Board Meeting packet - provided for comparison.

COMPANY: 99 - POOLED CASH FUND
ACCOUNT: 1-1001-000 POOLED CASH OPERATING
TYPE: All
STATUS: All
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
AMOUNT: 0.00 THRU 999,999,999.99
CHECK NUMBER: 057466 THRU 057474

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	1/09/2019	CHECK	057466	HIRIARTE'S INDOOR CLEANING SER	825.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057467	AGP VIDEO INC.	660.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057468	CHARTER COMMUNICATIONS	130.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057469	DIGITAL WEST NETWORKS, INC.	603.23CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057470	VERIZON WIRELESS	384.81CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057471	PACIFIC GAS & ELECTRIC	7,593.54CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057472	SO CAL GAS	197.76CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057473	STANLEY CONVERGENT SECURITY SO	93.97CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057474	ELECSYS INTERNATIONAL CORP	223.50CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	10,711.81CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	10,711.81CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

COMPANY: 99 - POOLED CASH FUND
ACCOUNT: 1-1001-000 POOLED CASH OPERATING
TYPE: All
STATUS: All
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
AMOUNT: 0.00 THRU 999,999,999.99
CHECK NUMBER: 057475 THRU 057476

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	1/09/2019	CHECK	057475	BLUE SHIELD OF CALIFORNIA	5,878.80CR	OUTSTND	A	0/00/0000
1-1001-000	1/09/2019	CHECK	057476	PRINCIPAL LIFE INSURANCE COMPA	1,041.20CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	6,920.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	6,920.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: January 23, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #8(D): Annual review of the District's Investment Policy and Consideration of a Recommendation to approve a resolution adopting the District's 2019 Investment Policy.**

Recommendation

It is recommended that your Board adopt the attached resolution adopting the District's 2019 Investment Policy.

Discussion

California Government Code Section 53646(A)(2) requires local government entities to adopt an annual investment policy. In December 2017 resolution 2017-07 was adopted by the Board establishing the 2018 Investment Policy. The primary change in 2018 was to eliminate the staff's authority to choose investment options and instead requires specific approval of investment by the Board of Directors. The policy also established the quarterly reports that have been provided to your Board on the consent agenda at the end of each quarter.

Section 7(B) of the 2018 Investment Policy requires an annual report that includes either the readoption of the District's current annual investment policy or an amendment to the current investment policy. The only amendment recommended to the 2018 Investment Policy at this time is to add the Local Agency Investment Fund (LAIF) to Section 6 "Permitted Investments." This is consistent with the action taken at the January 9th meeting where your Board approve a resolution authorizing the investment of monies in the LAIF. This gives the District the option to participate in a program that offers better rates and provides a stable source of funding to local governments.

Other Agency Involvement

The County of San Luis Obispo collects property tax revenues and is the depository of District funds.

Other Financial Considerations

n/a



Oceano Community Services District

Board of Directors Meeting

Results

Review the existing investment policy in accordance with the Government Code and considering the attached resolution promotes well governed communities.

Attachments:

- Annual 2018 Final Treasure's Report
- Proposed Resolution – 2019 Investment Policy
- Edited Resolution – Redline / Strikeout Version comparison to 2018 Investment Policy

Oceano Community Services District
2018 Annual Treasurer Report

<u>Account</u>	<u>Quarter</u>	<u>Months</u>	<u>Beginning Balance</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>	<u>Total</u>
County of San Luis Obispo Accounts:							
Oceano CSD - Water Rev - 31215 (Revenue Bond)	FY 17-18 Q3	Jan - Mar 18	\$102.79	\$0.30	\$0.00	\$103.09	
	FY 17-18 Q4	Apr - Jun 18	\$103.09	\$0.78	\$0.00	\$103.87	
	FY 18-19 Q1	Jul - Sep 18	\$103.87	\$0.00	\$0.00	\$103.87	
	FY 18-19 Q2	Oct - Dec 18	\$103.87	\$0.44	\$0.00	<u>\$104.31</u>	\$104.31
Oceano CSD - 41005	FY 17-18 Q3	Jan - Mar 18	\$2,817,169.28	\$106,247.18	(\$550,349.82)	\$2,373,066.64	
	FY 17-18 Q4	Apr - Jun 18	\$2,373,066.64	\$368,271.07	(\$42,399.90)	\$2,698,937.81	
	FY 18-19 Q1	Jul - Sep 18	\$2,698,937.81	\$2,990.18	(\$653,636.28)	\$2,048,291.71	
	FY 18-19 Q2	Oct - Dec 18	\$2,048,291.71	\$611,176.08	(\$2,931.90)	<u>\$2,656,535.89</u>	\$2,656,535.89
Oceano CSD - 41045 (Sanitary District Bond - Paid Off)	FY 17-18 Q3	Jan - Mar 18	\$4.15	\$0.01	\$0.00	\$4.16	
	FY 17-18 Q4	Apr - Jun 18	\$4.16	\$0.41	\$0.00	\$4.57	
	FY 18-19 Q1	Jul - Sep 18	\$4.57	\$0.00	\$0.00	\$4.57	
	FY 18-19 Q2	Oct - Dec 18	\$4.57	\$0.02	\$0.00	<u>\$4.59</u>	\$4.59
County Total							<u>\$2,656,644.79</u>
Rabobank Accounts:							
Public Checking - 1101	FY 17-18 Q3	Jan - Mar 18	\$225,110.23	\$1,172,494.10	(\$1,098,162.80)	\$299,441.53	
	FY 17-18 Q4	Apr - Jun 18	\$299,441.53	\$962,641.91	(\$843,734.09)	\$418,349.35	
	FY 18-19 Q1	Jul - Sep 18	\$418,349.35	\$2,080,923.34	(\$2,162,562.19)	\$336,710.50	
	FY 18-19 Q2	Oct - Dec 18	\$336,710.50	\$956,583.71	(\$770,152.66)	<u>\$523,141.55</u>	\$523,141.55
Public Investment Money Market - 5783	FY 17-18 Q3	Jan - Mar 18	\$194,342.79	\$96.93	\$0.00	\$194,439.72	
	FY 17-18 Q4	Apr - Jun 18	\$194,439.72	\$48.74	(\$100,000.00)	\$94,488.46	
	FY 18-19 Q1	Jul - Sep 18	\$94,488.46	\$25.75	(\$65,050.00)	\$29,464.21	
	FY 18-19 Q2	Oct - Dec 18	\$29,464.21	\$15.16	(\$75.00)	<u>\$29,404.37</u>	\$29,404.37
Public Fund CD - 7655 (Water Fund Deposit)	FY 17-18 Q3	Jan - Mar 18	\$23,984.15	\$36.00	\$0.00	\$24,020.15	
	FY 17-18 Q4	Apr - Jun 18	\$24,020.15	\$36.85	\$0.00	\$24,057.00	
	FY 18-19 Q1	Jul - Sep 18	\$24,057.00	\$36.90	\$0.00	\$24,093.90	
	FY 18-19 Q2	Oct - Dec 18	\$24,093.90	\$36.56	\$0.00	<u>\$24,130.46</u>	\$24,130.46
Public Investment Money Market - 0161 (Public Facilities Fees)	FY 17-18 Q3	Jan - Mar 18	\$209,724.96	\$103.43	\$0.00	\$209,828.39	
	FY 17-18 Q4	Apr - Jun 18	\$209,828.39	\$29,895.48	(\$20.00)	\$239,703.87	
	FY 18-19 Q1	Jul - Sep 18	\$239,703.87	\$119.55	(\$20.00)	\$239,803.42	
	FY 18-19 Q2	Oct - Dec 18	\$239,803.42	\$123.53	\$0.00	<u>\$239,926.95</u>	\$239,926.95
Rabobank Total							<u>\$816,603.33</u>
Total							<u><u>\$3,473,248.12</u></u>

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2019-_____**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT ADOPTING THE YEAR 2019 DISTRICT INVESTMENT POLICY

WHEREAS, the Board of Directors of the Oceano Community Services District ("District") has a fiduciary responsibility to assure that public funds are invested in financial instruments and institutions in accordance with State and Federal law and District guidelines; and,

WHEREAS, District funds will be available from time to time that would be beneficial to invest in financial instruments in accordance with the Year 2019 Investment Policy (Exhibit A) and deposited in interest bearing accounts, in banks or financial institutions having offices within the State; and,

WHEREAS, the Board of Directors finds that it is impractical to expect that the District will hire and provide continuous training to the District Finance Officer/Treasurer to meet the "Prudent Investor Standard" requirements established in Government Code Section 53600.3, and that the District Board of Directors shall authorize investments in accordance with the provisions of the District's current Investment Policy and the California Government Code.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Oceano Community Services District that the District Finance Officer/Treasurer is hereby authorized to deposit for safe keeping all money belonging to, or in the custody of, the District pursuant to Exhibit A, the District's Year 2019 Investment Policy; and,

BE IT FURTHER RESOLVED that the District hereby adopts a Statement of Investment Policy attached here to as Exhibit A, Year 2019 Investment Policy, which supersedes any previously adopted or utilized policies and that this Policy be effective immediately.

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

AYES:
NAYES:
ABSENT:
ABSTAIN:

The foregoing Resolution is hereby passed and adopted this ____ day of January, 2019.

ATTEST:

President, Board of Directors
of the Oceano Community Services District

Board Secretary of the
Oceano Community Services District

RESOLUTION 2019-____
EXHIBIT A

YEAR 2019 INVESTMENT POLICY
OCEANO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

The purpose of this Investment Policy is to establish the guidelines for the prudent investment of Oceano Community Services District funds (herein referred to as District funds).

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, high ethical standards, and proper delegation of authority reduces the potential for any realized loss.

This Policy establishes the standards under which the District's Finance Officer/Treasurer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER/TREASURER

The Board of Directors appoints the General Manager as the District Finance Officer/Treasurer. The General Manager, may appoint the Business and Accounting Manager to act as the District Finance Officer/Treasurer.

3. SCOPE

The District investment portfolio shall consist of money in the District's treasury not required for the immediate necessities of the District. The District funds shall be invested in accordance with this Policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, and yield as stated in paragraphs 4.A. - 4.D. below, and in compliance with California and Federal law.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrently with cash needs.

- C. **YIELD**
Yield shall be a consideration only after the requirement of safety and liquidity have been met.
- D. **COMPLIANCE**
This Investment Policy is written to be in compliance with California and Federal law.

5. **STANDARDS OF CARE**

- A. **PRUDENCE**
When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds in the District's investment portfolio, the Finance Officer/Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the management of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.
- B. **DISCLOSURES**
The Finance Officer/Treasurer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. **INVESTMENTS AUTHORITY**

A. **PERMITTED INVESTMENTS**

The District Finance Officer/Treasurer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code Section 61730).
2. Rabobank, an FDIC insured Bank, in the accounts specified by the Board of Directors, including those accounts ending in 0161, 1101, 5783, 7655. Any additional accounts or investments in Rabobank require advanced approval by the Board of Directors.
3. Such other financial institutions or securities that may be specifically approved by the Board of Directors from time to time in compliance with California and Federal law.
4. Local Agency Investment Fund (California Government Code Section 16429.1) in the accounts approved by the Board of Directors.

B. **PROHIBITED INVESTMENTS**

The District's Finance Officer/Treasurer shall not invest in any investment not specifically authorized by the Board of Directors, and in no event shall the Board of Directors authorize any of the following:

- C. Inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages.
- D. Any security that could result in a zero interest accrual if held to maturity.
- E. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the state or federal credit union.
- F. Any instrument rated lower than Bank investment grade.

C. DIVERSIFICATION

Investments, other than investments referenced in paragraphs A. (1) and (2) above, should be diversified to avoid losses that may be associated with any one investment.

7. REPORTS

A. QUARTERLY REPORT

The Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report shall be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code Section 53646). Required elements of the quarterly report are as follows:

- 1. Type of Investment
- 2. Institution
- 3. Date of Maturity (if applicable)
- 4. Amount of Deposit or Cost of the Security
- 5. Current Market Value of Securities with Maturity in Excess of Twelve Months (if applicable)
- 6. Rate of Interest
- 7. Statement Relating the Report to the Statement of Investment Policy
- 8. Statement that there are Sufficient Funds to Meet the Next 30 Days' Obligations
- 9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1 of each year, the Finance Officer/Treasurer shall file

and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy.
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code Section 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank, in a County investment pool, or any combination of these, the Finance Officer/Treasurer may submit to the Board of Directors and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A., above. This special reporting policy does not relieve the Finance Officer/Treasurer of the obligation to prepare an annual investment statement as identified in paragraph 7.B., above.

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 201~~97~~-____**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT ADOPTING THE YEAR 201~~98~~ DISTRICT INVESTMENT POLICY

WHEREAS, the Board of Directors of the Oceano Community Services District ("District") has a fiduciary responsibility to assure that public funds are invested in financial instruments and institutions in accordance with State and Federal law and District guidelines; and,

WHEREAS, District funds will be available from time to time that would be beneficial to invest in financial instruments in accordance with the Year 201~~98~~ Investment Policy (Exhibit A) and deposited in interest bearing accounts, in banks or financial institutions having offices within the State; and,

WHEREAS, the Board of Directors finds that it is impractical to expect that the District will hire and provide continuous training to the District Finance Officer/Treasurer to meet the "Prudent Investor Standard" requirements established in Government Code Section 53600.3, and that the District Board of Directors shall authorize investments in accordance with the provisions of the District's current Investment Policy and the California Government Code.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Oceano Community Services District that the District Finance Officer/Treasurer is hereby authorized to deposit for safe keeping all money belonging to, or in the custody of, the District pursuant to Exhibit A, the District's Year 201~~98~~ Investment Policy; and,

BE IT FURTHER RESOLVED that the District hereby adopts a Statement of Investment Policy attached here to as Exhibit A, Year 201~~98~~ Investment Policy, which supersedes any previously adopted or utilized policies and that this Policy be effective immediately.

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

AYES:
NAYES:
ABSENT:
ABSTAIN:

The foregoing Resolution is hereby passed and adopted this ____ day of January, 201~~97~~.

ATTEST:

President, Board of Directors
of the Oceano Community Services District

Board Secretary of the
Oceano Community Services District

RESOLUTION 20197-
____ EXHIBIT A

YEAR 20198 INVESTMENT POLICY
OCEANO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

The purpose of this Investment Policy is to establish the guidelines for the prudent investment of Oceano Community Services District funds (herein referred to as District funds).

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, high ethical standards, and proper delegation of authority reduces the potential for any realized loss.

This Policy establishes the standards under which the District's Finance Officer/Treasurer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER/TREASURER

The Board of Directors appoints the General Manager as the District Finance Officer/Treasurer. The General Manager, may appoint the Business and Accounting Manager to act as the District Finance Officer/Treasurer.

3. SCOPE

The District investment portfolio shall consist of money in the District's treasury not required for the immediate necessities of the District. The District funds shall be invested in accordance with this Policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, and yield as stated in paragraphs 4.A. - 4.D. below, and in compliance with California and Federal law.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrently with cash needs.

- C. **YIELD**
Yield shall be a consideration only after the requirement of safety and liquidity have been met.
- D. **COMPLIANCE**
This Investment Policy is written to be in compliance with California and Federal law.

5. **STANDARDS OF CARE**

- A. **PRUDENCE**
When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds in the District's investment portfolio, the Finance Officer/Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the management of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.
- B. **DISCLOSURES**
The Finance Officer/Treasurer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. **INVESTMENTS AUTHORITY**

A. **PERMITTED INVESTMENTS**

The District Finance Officer/Treasurer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code Section 61730).
2. Rabobank, an FDIC insured Bank, in the accounts specified by the Board of Directors, including those accounts ending in 0161, 1101, 5783, 7655. Any additional accounts or investments in Rabobank require advanced approval by the Board of Directors.
- ~~3.~~ ~~3.~~ Such other financial institutions or securities that may be specifically approved by the Board of Directors from time to time in compliance with California and Federal law.
4. Local Agency Investment Fund (California Government Code Section 16429.1) in the accounts approved by the Board of Directors.

B. **PROHIBITED INVESTMENTS**

The District's Finance Officer/Treasurer shall not invest in any investment not specifically authorized by the Board of Directors, and in no event shall the Board of Directors authorize any of the following:

- C. Inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages.
- D. Any security that could result in a zero interest accrual if held to maturity.
- E. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the state or federal credit union.
- F. Any instrument rated lower than Bank investment grade.

C. DIVERSIFICATION

Investments, other than investments referenced in paragraphs A. (1) and (2) above, should be diversified to avoid losses that may be associated with any one investment.

7. REPORTS

A. QUARTERLY REPORT

The Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report shall be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code Section 53646). Required elements of the quarterly report are as follows:

- 1. Type of Investment
- 2. Institution
- 3. Date of Maturity (if applicable)
- 4. Amount of Deposit or Cost of the Security
- 5. Current Market Value of Securities with Maturity in Excess of Twelve Months (if applicable)
- 6. Rate of Interest
- 7. Statement Relating the Report to the Statement of Investment Policy
- 8. Statement that there are Sufficient Funds to Meet the Next 30 Days' Obligations
- 9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1 of each year, the Finance Officer/Treasurer shall file

and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy.
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code Section 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank, in a County investment pool, or any combination of these, the Finance Officer/Treasurer may submit to the Board of Directors and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A., above. This special reporting policy does not relieve the Finance Officer/Treasurer of the obligation to prepare an annual investment statement as identified in paragraph 7.B., above.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: January 23, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(E): Submittal of the District's Fiscal Year 2018-19 Quarter 2 Treasurer Report

Recommendation

It is recommended that your Board receive and file the District's 2018-19 Quarter 2 Treasurer Report.

Discussion

Government Code section 61053(f) requires the District Treasurer to report to the Board of Directors quarterly regarding the receipts, disbursements and the balances in each account controlled by the District. At the December 13, 2017 meeting your Board approved Resolution 2017-07 to adopt the District's 2018 Investment Policy which is required by Government Code section 53646(A)(2). Item 8D of this agenda addresses the update to the 2018 Investment Policy for 2019.

Section 7 of the Investment Policy requires the Financial Officer/ Treasurer to provide a quarterly report that identifies the District's investments within 30 days after the end of each quarter. The attached worksheet has been prepared to review the District's first quarter report for fiscal year 2018/19.

The District holds accounts with the County of San Luis Obispo and Rabobank. Attachment "A" provides a summary of each account held by the District which have been reconciled against the District's general ledger.

Other Agency Involvement

The County of San Luis Obispo



Other Financial Considerations

The 2018-19 Quarter 2 budget review and the readoption of the District's 2019 Investment Policy has been provided in a separate agenda items.

Results

Establishing compliance with both Government Code 61000-61250 regarding Community Service Districts and the District's Investment Policy will help ensure that the District's costs are managed properly and promotes prosperous and well governed communities.

- Attachment A – 2018-19 Quarter 2 Treasurer Report

Oceano Community Services District
2018-19 Treasurer Report - Quarter 2

<u>Account</u>	<u>Month</u>	<u>Beginning Balance</u>	<u>Credits</u>	<u>Debits</u>	<u>Ending Balance</u>	<u>Quarter Ending Balance</u>
<u>County of San Luis Obispo Accounts:</u>						
Oceano CSD - Water Rev - 31215 (Revenue Bond)	Oct-18	\$103.87	\$0.44	\$0.00	\$104.31	
	Nov-18	\$104.31	\$0.00	\$0.00	\$104.31	
	Dec-18	\$104.31	\$0.00	\$0.00	\$104.31	\$104.31
Oceano CSD - 41005	Oct-18	\$2,048,291.71	\$144,480.91	(\$2,926.90)	\$2,189,845.72	
	Nov-18	\$2,189,845.72	\$207,466.68	(\$5.00)	\$2,397,307.40	
	Dec-18	\$2,397,307.40	\$259,228.49	\$0.00	\$2,656,535.89	\$2,656,535.89
Oceano CSD - 41045 (Sanitary District Bond - Paid Off)	Oct-18	\$4.57	\$0.02	\$0.00	\$4.59	
	Nov-18	\$4.59	\$0.00	\$0.00	\$4.59	
	Dec-18	\$4.59	\$0.00	\$0.00	\$4.59	\$4.59
<u>Rabobank Accounts:</u>					County Total	\$2,656,644.79
Public Checking - 1101	Oct-18	\$336,710.50	\$425,225.90	(\$191,347.54)	\$570,588.86	
	Nov-18	\$570,588.86	\$113,428.51	(\$400,168.36)	\$283,849.01	
	Dec-18	\$283,849.01	\$417,929.30	(\$178,636.76)	\$523,141.55	\$523,141.55
Public Investment Money Market - 5783	Oct-18	\$29,464.21	\$5.32	(\$25.00)	\$29,444.53	
	Nov-18	\$29,444.53	\$4.84	(\$25.00)	\$29,424.37	
	Dec-18	\$29,424.37	\$5.00	(\$25.00)	\$29,404.37	\$29,404.37
Public Fund CD - 7655 (Water Fund Deposit)	Oct-18	\$24,093.90	\$12.05	\$0.00	\$24,105.95	
	Nov-18	\$24,105.95	\$12.45	\$0.00	\$24,118.40	
	Dec-18	\$24,118.40	\$12.06	\$0.00	\$24,130.46	\$24,130.46
Public Investment Money Market - 0161 (Public Facilities Fees)	Oct-18	\$239,803.42	\$43.36	\$0.00	\$239,846.78	
	Nov-18	\$239,846.78	\$39.42	\$0.00	\$239,886.20	
	Dec-18	\$239,886.20	\$40.75	\$0.00	\$239,926.95	\$239,926.95
					Rabobank Total	\$816,603.33
					Total	\$3,473,248.12



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: January 23, 2019
To: Board of Directors
From: Paavo Ogren, General Manager
Subject: **Agenda Item #9(A): Introduction of discussion on amending the District's rules and regulations with Board direction as deemed appropriate.**

Recommendation

It is recommended that your Board review and discuss amending the District's rules and regulations and provide Board direction as deemed appropriate.

Discussion

Amending and updating the District's Rules and Regulations is needed for multiple reasons. On November 14, 2018, your Board also considered a parallel effort involving an update to the District's policies. In general, the District rules and regulations reflect practices with customers and other "external" stakeholders while policies reflect "internal" business practices associated with District operations and administration. In addition, a third parallel effort includes developing the District's code. Similar to state and county codes, a District code would combine Board actions (primarily ordinances) into a single reference document. Benefits of a District Code include stakeholder benefits and District benefits. Altogether, the parallel work efforts are combined and included as one of the District's primary goals in 2019.

District Ordinance 2006-1 (attached) reflects rules and regulations for the District water system. It does not, however, entirely reflect all of the District's water system rules and regulations. For example, resolution 2015-9 provides the rules on reimbursement agreements when customers or new development request special work or studies. The overall work efforts associated with amending and updating the rules and regulations will be extensive and include several steps. Those steps include reviewing existing District ordinances and resolutions, determining which are no longer in effect and which continue to be valid. It includes evaluating existing ordinance and resolutions to determine where amendments and updates are needed. It includes Board deliberations and engaging with community stakeholders on benefits and impacts.

The amendment and update process will be closely coordinated with legal counsel and will include public outreach. Utilizing professional services should also be considered based on the following two factors:

1. When the need for special expertise exists that the District's staff does not possess.
2. When workload demands exceed the District's workload capacity.



Oceano Community Services District

Board of Directors Meeting

Consideration of utilizing professional services when expertise is needed can be addressed as various topics within the rules and regulations are being addressed. Local agencies often use financial professionals to assist in the development of rate ordinances that establish costs of services for existing customers and/or costs to new development. Utilization of personnel consultants are also used for updates to personnel policies. Regarding codification, Municipal Code Corporation (Municode)¹ is a company that supports codification for over 4,100 local agencies in all 50 states. Staff has scheduled a demonstration review with Municode on their self-publishing license to initiate our review of codification options. This option is being evaluated by staff because it integrates the preparation of ordinances and resolutions together with automatic code amendments in a potentially cost-effective manner.

Priorities on amending and updating the District's rules and regulations will also be important. In 2017 and 2018, services for Cienaga Seabreeze Mobile Home Park (Seabreeze) identified the need to evaluate the District rules, and past practices, for multi-family services. The District's water service to Seabreeze differs from the other eight (8) mobile home parks ("MHPs") within Oceano. Five (5) of the MHPS are provided service directly from the District, two (2) are provided service pursuant to an agreement with the City of Arroyo Grande, and one (1) continues to obtain water from a privately owned well and not from the District. Considering past practices will be important because staff is concerned over inconsistencies between services provided to the different mobile home parks. Clearly written rules and regulations will help ensure consistency in services, or at a minimum, consistency in services that may be requested by the owners and residents of Oceano's mobile home parks.

For example, the other seven (7) MHPs that obtain water service from the District do so through a single meter. In Seabreeze, each water customer is billed separately. The other MHPs maintain the responsibility for maintaining infrastructure located within the parks just as owners of residential dwellings and other District customers are responsible for maintaining pipes and appurtenances within the bounds of private property. The District's past practices for Seabreeze have included repairing piping that does not conform to District standards and repairs to streets although they are not within the County maintained public road system.

The history of service relating to Seabreeze differs from other MHPs although apparently not based on any formal decisions by the District's Board of Directors, or previously, by the County Board of Supervisors during the term that the County operated the community's water system. Addressing these past practices will be important so that the District provides consistent services to MHPs while also addressing concerns of Seabreeze that have developed after staff did not perform road repairs associated with a leak in Seabreeze in 2017. Staff does not have specific recommendations at this time regarding services to Seabreeze. Recognizing this as a priority and initiating discussions will help with future recommendations. Staff will also present the

¹ See <https://www.municode.com/codification-and-recodification/>



Oceano Community Services District

Board of Directors Meeting

overall provisions of Ordinance 2006-1 for an initial review of other rules that will likely warrant detailed Board review.

Other Agency Involvement

n/a

Other Financial Considerations

The following table illustrates water consumption and revenues for mobile home parks served by the District during 2017 and as reported to the Board in February 2018. Consideration of financial implications is important because Proposition 218 requires that service charges are based on cost of services.

Mobile Home Park	Average Consumption Per Unit Per Year	Average Consumption Per Unit Per Billing	Average Cost Per Unit Per Year	Average Cost Per Unit Per Month
Pleasant Hills	82.07	13.68	\$582.30	\$48.52
Casa del Rey	69.17	11.53	\$515.07	\$42.92
Porticos	56.21	9.37	\$448.43	\$37.37
Halcyon Estates	46.52	7.75	\$389.18	\$32.43
Duna Vista	43.51	7.25	\$385.83	\$32.15
Seabreeze	30.69	5.12	\$365.28	\$30.44
Grande Mobile Manor	25.97	4.33	\$330.55	\$27.55
Rancho del Arroyo	16.18	2.7	\$314.32	\$26.19

Results

Amending and updating the District's rules and regulations while considering stakeholder concerns helps to promote a well-governed and fiscally responsible community.

Attachment:

- A. Ordinance 2006-1

**OCEANO COMMUNITY SERVICES DISTRICT
ORDINANCE NO. 2006-1**

**AN ORDINANCE OF THE BOARD OF DIRECTORS
ESTABLISHING NEW WATER SERVICE CHARGES AND
CONSOLIDATING EXISTING WATER ORDINANCES**

WHEREAS, The District will furnish water service in accordance with the regulations contained herein and in accordance with the applicable County Ordinances and State and Federal Regulations to any property within the service limits of the District and to such areas outside the District limits as the Board may designate.

WHEREAS, the Board of Directors has been presented with evidence that demonstrates the necessity to increase monthly water service charges to meet its contractual obligations; and,

WHEREAS, the District's reserves provide a source of revenue for capital replacement and/or improvements; and,

WHEREAS, the purpose of this Ordinance is to:

- A. Maintain adequate level of revenue, equitably collected, to meet the District's operational and contractual obligations; and,
- B. To classify and to charge the revenues that make up the District's water reserve with the obligation to fund periodic shortfalls in revenues, if any; and,
- C. To implement the objectives of the San Luis Obispo County General Plan for the District's water supply; and,
- D. To consolidate existing water ordinances into one ordinance for convenience and clarity.

WHEREAS, based upon facts and analysis presented by District staff and public testimony received, the Board of Director's find:

- A. This public meeting was properly noticed pursuant to Government Code Section 54954.2 (Brown Act).
- B. The fees, rates, and charges that are subject to this Ordinance do not exceed the estimated reasonable cost necessary to comply with the District's contractual obligations and other costs of providing water service for which the charges and fees are imposed.
- C. The revenues that make up the District's water reserves are adequate and sufficient to form a classification and be charged with the financial commitments provided in this Ordinance.
- D. The District residents benefit from the logical, long-range approach to financing of public facilities and water supplies.
- E. The District will benefit from a more organized Ordinance placing all water related charges in one location.

NOW, THEREFORE, BE IT ORDAINED, pursuant to Government Code Sections 61060, 61115, 61115(c) and 61060(h) by the Board of Directors of the District as follows:

**ARTICLE 1
General**

In all cases, water shall be supplied only through water meters installed as set forth herein and, in each case, the property owners shall be responsible for all water passing through the meter.

If application is made for service where no service connection has been installed but a distribution main is adjacent to the property, the applicant, in addition to making application for service, shall comply with the regulations governing the installation of services

Unless otherwise approved by the Board, all service of water by the District shall be made in accordance with the following rules and regulations any and all of which may be amended or added to or repealed in whole or in part by the District Board at any regular or special meeting thereof.

System Control: All reservoirs, pipelines, pumping stations, wells, treatment facilities, valves, connections, meters and other appurtenances and property of the District shall be

under the management and control of the Board with daily operational control delegated to the General Manager, and no other persons except employees of the District shall have any right to operate said system and/or property in any manner.

Protection of Health: The District reserves the right to treat any and all water served through its system with such chemicals and processes, at such time, and in such amounts as it deems proper to safeguard public health. District further reserves the right to safeguard public drinking water supplies by preventing backflow into the District water system.

ARTICLE 2 Permit Application

Permit Application for Service Connection: Permit is an Agreement. The applicant's signature on any District or County permit shall constitute an agreement to comply with all provisions, terms and requirements of this and other ordinances, rules and regulations of the District and with the plans and specifications District has approved together with such corrections or modifications as may be made or permitted by the District, if any. Such agreements shall be binding upon the applicant and may be altered only by the District upon written request for the alteration by the applicant.

1. **Permits Required:** No public water main, or water service, or other facility or action requiring a permit from the District shall be installed, altered or repaired or begun until a permit is first obtained from District and all fees paid in accordance with the Provisions of this Ordinance.
 - a. **Powers and Authorities of Inspectors:** The Manager and any duly authorized representative of the District shall be permitted, upon showing evidence of his or her position, to enter private property for the purpose of inspection, re-inspection, observation, measurement, sampling, testing or otherwise performing such duties as may be necessary in the enforcement of the provisions of this Ordinance and the Rules and Regulations of the District.
 - b. **Requirements for Public Service Construction:** Prior to the construction of a public service for which the District has jurisdiction, plans, profiles and specifications shall be prepared by a registered engineer and submitted to the District for review and approval. All such documents submitted shall be prepared in accordance with, and review shall be based upon District's Standards and Specifications.
 - i. District staff shall make every effort to review and comment on any plans, profiles and specifications within ten business days from submittal.

- ii. Upon approval of the plans, profiles and specifications the General Manager or District Engineer shall sign and date the pertinent pages.
 - iii. No construction shall begin without plans, profiles and specifications approved and signed by the General Manager or District Engineer.
- c. **Subdivisions:** Prior to the granting of approval by the District for the recording of a final map or of installing any part of a public service under the jurisdiction of the District, the applicant shall have complied with all the requirements stated above and all other applicable provisions and pay all fees and meet all District requirements.
 - i. All public water lines shall be in streets or rights of way dedicated for public use or, if approved by the District, shall be in easements granted to the District. In the event that an easement is allowed by the District for the extension of any public service or the making of connections, the applicant shall procure and have accepted by the District a proper easement or grant right of way sufficient in size to allow the laying and maintenance of service connection. The cost of obtaining said easement or right of way shall be borne by the applicant.
 - ii. If a final map for a tract is recorded and the construction of public services for which the District has jurisdiction is not completed within the time allowed, the General Manager may extend the time limit or may, with Board approval, complete the work and take appropriate steps to enforce the provisions of any bond furnished by the subdivider.
- d. **Persons Authorized to Perform Work:** Only properly licensed contractors shall be authorized to perform the work of construction of public services to be maintained by the District. Applicant is responsible for assuring that their contractor conforms to the terms and conditions of the applicant's permit insofar as these terms and conditions apply to the work to be done by the contractor.
- e. **Compliance with All Applicable Laws and Rules and Regulations:** Any person constructing a public service to be operated and maintained by the District or any type of structure requiring approval or permit by District shall comply with all State, County District, South San Luis Obispo County Sanitation District and any other laws,

statutes, ordinances, rules and regulations pertaining to any and all aspects of said construction and shall obtain all permits and pay all fees required by the department having jurisdiction.

- f. **Protection of Excavation and Restoration:** The applicant shall maintain such barriers, lights and signs as are necessary to give warning to the public at all times that a public service to be operated and/or maintained by the District is under construction and of each dangerous condition to be encountered as a result thereof. He shall also likewise protect the public in the use of the adjacent public rights of way against any such conditions in connection with the construction of such public services. Streets, sidewalks, parkways and other property disturbed in the course of the work shall be reinstated in a manner satisfactory to the District. The applicant or contractor may be required to post a bond to guarantee that repairs to any property disturbed will be made.

- g. **Design and Construction Standards:** The minimum standards for design and construction of public services to be operated and maintained by the District shall be in accordance with the District Standards and Specifications except where requirements of the State, County or Federal government are more restrictive, in which case the more restrictive requirements shall apply. The administration, inspection, enforcement and acceptance shall be by the District. The District may permit modifications or may require higher standards. Before acceptance of any public service by the District such public service shall have been tested and all work shall have been completed in full compliance with District Standards and Specifications to the satisfaction of the District's Engineer, General Manager or authorized representative.

- h. **Inspection Fees:** Fees for inspection of building water and related facilities shall be as detailed below:
 - Single Family Dwelling.....\$50.00
 - Multiple Units.....\$25.00 per unit

- i. **Disposition of Fees:** All fees collected on behalf of the District shall be shown as revenue in the proper account and the funds deposited in the manner provided by the District.

- j. **All Costs Paid by Owner:** All costs and expenses incident to the installation and connection of water or other work for which a permit has been issued shall be borne by the owner. The owner shall

indemnify the District from any loss or damage that may directly or indirectly be occasioned by the work.

- k. **Street Excavation Permit Required:** A separate permit must be secured by applicant from the San Luis Obispo Department of Public Works, the State Department of Transportation or any other authority having jurisdiction over any public way in which applicant intends to perform any work related to District services.

- l. **Liability:** The District and its officers, agents and employees shall not be answerable for any liability or injury or death to any person or damage to any property arising during or growing out of performance of any work by any such applicant. The applicant shall be answerable for, and shall save the District and its officers, agents and employees harmless from any liability imposed by law upon the District and its officers, agents or employees, including all costs, expenses, fees and interest incurred in defending same or in seeking to enforce this provision. Applicant shall be solely liable for any defects in the performance of his work or any failure which may develop therein. Applicant shall obtain property and liability insurance in amounts necessary for proper coverage as established from time to time by District guidelines.

- m. **Liability for Violation of Ordinances, Rules and Regulations:** Any person found to be violating any provision of this or any other ordinance, rule or regulation of the District, may be served by the General Manager or other authorized person with written notice stating the nature of the violation and providing a reasonable time limit for the satisfactory correction thereof. All persons shall be held strictly responsible for any and all acts of agents and employees done under the provisions of this or any other ordinance, rule or regulation of the District. Upon the notification by the General Manager of any defect arising in any violation of this Ordinance, or any other ordinance, rule or regulation of the District, the person or persons having charge of said work shall immediately correct the same.

- n. **Continued Violation a Public Nuisance:** Continued habitation of any building or continued operation of any industrial facility in violation of the provisions of this or any other ordinance, rule or regulation of the District is hereby declared to be a public nuisance. The District may cause proceedings to be brought for the abatement of the occupancy of the building or industrial facility or at the discretion of the District, the District may abate the violation, in which case the cost of the abatement and any reasonable attorney's fees and administrative

fees shall be applied against the offending property as provided by law.

- o. **Disconnection for Violation:** As an alternative method of enforcing the provisions of this or any other ordinance, rule or regulation of the District, the General Manager shall have the power to disconnect the user or subdivision from the water mains of the District. Upon disconnection, the General Manager shall estimate the cost of disconnection and reconnection to the system, and such user shall deposit as the estimated cost before user is reconnected to the system. The General Manager shall refund any part of the deposit remaining after payment of all costs.
- p. **Habitation of Disconnected Premise Forbidden:** During the period of such disconnection, habitation of such premises by human beings shall constitute a public nuisance, thereupon the District may cause proceedings to be brought for the abatement of the Occupancy of said premises by human beings during the period of such disconnection. In such event, and as a condition of reconnection, there is to be paid to the District a reasonable attorneys's fee and cost of suit arising in said action, as well as reasonable administrative costs.
- q. **Means of Enforcement:** The District hereby declares that the foregoing procedures are established as a means of enforcement of the terms and conditions of its ordinances, rules and regulations and not as a penalty.
- r. **Violation of Ordinances, Rules and Regulations is a Misdemeanor:** Section 6523 of the California Health and Safety Code [as referenced by Government Code Section 61064] provides that a violation of an ordinance, rule or regulation of the District by any person is a misdemeanor punishable by a fine not to exceed one thousand dollars, imprisonment not to exceed one month, or both. Each and every connection or occupancy in violation of the ordinances, rules and regulations of the District shall be deemed a separate violation and each and every day or part of a day a violation of the ordinance, rule or regulation continues shall be deemed a separate offense hereunder and shall be punishable as such.
- s. **Violator Liable for any Expense, Loss or Damage to the District:** any person violating any of the provisions of the ordinances, rules and regulations of the District shall become liable to the District for any expense, loss or damage occasioned by the District by reason of such

violation.

2. **A permit application for service connection must be made for each newly constructed structure or remodel or addition of an existing structure on a form furnished by the District.** The fee for filing the application or renewal thereof is \$30.00 per structure and/or separate residential unit, whichever is greater. The permit shall specify the size of the service connection, the property to be served and the purpose for which the water is to be used. The information supplied by the applicant in such a permit shall be considered as authoritative and final. If any error in such application shall cause the installation of a service connection that is improper, either in size or location, the cost of all changes required shall be borne by the applicant.
 - a. **No Single Service:** Except as may be otherwise specifically approved by the Board, service to newly constructed building shall include both sewer and water. One service will not be provided without the other.
 - b. **Repayment Agreements:** In general, those applicants who require a water main extension in front of the property to be served shall pay the entire cost of such extension which in some cases may be partially reimbursable if other parties connect directly to the extended system. If reimbursement is requested the following must apply:
 - i. The extension must be at least two hundred (200) feet in length and have the potential to directly serve other property. In this case direct service means the ability to connect directly into the extension with a service connection to another property but without further extending the public system.
 - ii. District shall determine the prorated cost of the new connections. Such costs shall be based upon construction costs furnished by the applicant and as approved by the District.
 - iii. These main extension charges shall be detailed in an agreement approved by the Board. Said agreement shall not be in force more than ten years.
 - iv. District shall collect from those charges levied against the new connections a ten (10%) percent administration fee.
 - v. The public main extension under agreement may be further extended in accordance with the rules and regulations set forth

herein without obligation and reimbursement shall not be made by those new services connecting to the additional extension excepting when that additional extension conforms to the guidelines detailed in this section and is under a separate repayment agreement.

c. **Annexation Rates:** For each acre or fractional part of an acre of the land included in the area proposed to be annexed, the sum of \$100 per acre shall be charged to defray the administrative and personnel costs to the District to process such annexation.

3. The term "service connection" as used herein shall be understood to designate the waterline and appurtenance installed between the connecting main and the meter and including a valve on the customer's side of the meter. All service connections will be on permanent District facilities and installed to the property line.

4. **Water Service Connection Fees:** Connection fees for new water service are established as follows:

<u>Size of Service</u>	<u>Fee to Install a New Water Service</u>
5/8" x 3/4" meter	\$675 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4,080 (minimum = \$4755.00)
3/4" meter	\$950 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = \$5030.00)
1" meter	\$1,350 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = \$ 5430.00)
1 1/2" meter	\$2,700 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = \$ 6780.00)
2" meter	\$5,400 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = 9480.00)
3" meter	\$10,800 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = \$14,880.00)
4" meter	\$18,900 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = \$22,980.00)
6" meter	\$43,200 installation charge + \$ 81.60/front foot with a minimum front foot charge of \$4080 (minimum = \$ 47,280.00)

5. **Additional Connection Fees:** To defray the expenditure impact of the California State Water Project and the Lopez Dam Improvement Revenue Bonds, the following additional fees are imposed:

- a. In addition to existing connection fees, a connection fee of \$1,000 for each equivalent single family dwelling is hereby established.
- b. For this Section, equivalent single family dwelling shall mean, as applied to residential construction, any house or individual dwelling unit such as an apartment, mobile home, condominium or any living area containing a cooking facility. Any such unit being equal to one equivalent single family dwelling. By way of example, a 50 unit apartment complex or a 50 unit mobile home park shall mean to equal 50 equivalent single family dwellings.
- c. For this Section, equivalent single family dwelling shall be equal to, as applied to commercial construction, each ten (10) gallons per minute average water demand or part thereof. By way of example, a commercial enterprise having a water demand of twenty-five gallons per minute shall mean to equal 3 equivalent single family dwellings.
- d. This connection fee shall be in addition to any existing fees and shall be set aside in a separate account and used to defray the costs of purchasing supplemental water. Once user fees are adequate to cover water department operations and maintenance costs including any outstanding debt and water purchases, the fees may be used to defray water capital replacement or water capital improvement costs.

6. **Capacity Charges:** In addition to existing connection fees established above, effective January 1, 1993, a capacity charge in the amount of \$1,572 for each equivalent single family dwelling is hereby established.

On January 1, 1994, the capacity charge shall be increased by the then current SFR minimum bi-monthly water charge multiplied by six (\$1,572 +[13.50 x 6]).

On January 1, 1995, the capacity charge shall be increased by the then current SFR minimum bi-monthly water charge multiplied by six (\$1,653 +[14.50 x 6]).

On January 1 of all subsequent years, the capacity charge shall be increased by the then current SFR minimum bi-monthly water charge multiplied by six.

- a. **Single Family Dwellings.** For this Ordinance, "equivalent single family dwelling" shall mean, as applied to residential construction, any house

or individual dwelling unit such as an apartment, mobile home, condominium or any living area containing a cooking facility. Any such unit being equal to one equivalent single family dwelling. By way of example, a 50 unit apartment complex or a 50 unit mobile home park shall mean to equal 50 equivalent single family dwellings.

- b. **Non-Residential Construction.** For this Ordinance, as applied to non-residential construction, the single family dwelling equivalency factor shall be based upon the water meter size as follows:

<u>Required Meter Capacity</u>	<u>SFR Equivalencies</u>
10 gpm (5/8" meter)	1
15 gpm (3/4" meter)	2
25 gpm (1" meter)	4
50 gpm (1 ½" meter)	7
80 gpm (2" meter)	11
160 gpm (3" meter)	23
250 gpm (4" meter)	36
500 gpm (6" meter)	71

The required meter capacity shall be the maximum meter flow rating of the meter, and the flow rating shall be determined on the basis of fixture unit calculations according to the Uniform Plumbing Code (UPC) adopted by the District. By way of example, a non-residential construction project requiring a one-inch meter shall have a single family dwelling equivalency factor equal to four times the current capacity charge to a single family residence. Any appeal of the required meter capacity which cannot be resolved at the administrative level shall be handled in accordance with Section 20.14 of the 1985 UPC or any subsequent code adopted by the District.

7. When the proper permit for water has been filed, all applicable fees paid, a service connection is installed, the meter set, and the water turned on, the charge for water service shall begin. After a property has been connected to a District service or services, charges shall continue to accrue whether the property is occupied or not unless the owner requests the District to remove the water meter. Once a meter is removed the property shall be subject to a reconnection fee would they require service.
8. **Out of District Service:** For those properties that are outside the District boundaries but are receiving District water and/or sewer services, not on an emergency basis, there will be a \$7.10 administrative charge per billing cycle.

ARTICLE 3
Application for Service

1. **Applications for service to use an existing service connection shall be made only in the property owner's name.** An application fee of \$30.00 shall be paid to the District at the time application for water service is made. Property owner assumes responsibility for services provided without regard to tenancy of premise. Said responsibility is ongoing until the owner notifies the District in writing that services are to be disconnected. At no time shall service be accounted for or listed by any name except that of the property owner. If property is transferred without proper application being made by the new owner within thirty days of the property being transferred, an application fee of \$50.00 shall be applied against the property Utility Account. Mid-period readings of meters shall not be made for occupancy changes.

2. **Discontinuance of Service for Violation of Rules and Regulations:** A customer shall be entitled to a reasonable notice of the intent of District to discontinue service for noncompliance or violation or infraction of any rule or regulation and to a reasonable opportunity to comply therewith or to cease the violation or infraction.
 - a.. No such notice or opportunity to comply with or cease a violation or infraction of any such rule and regulation need be given for those incidences in which the noncompliance, violation or infraction by the customer has created, is creating, or is likely to create on the customer's premises and/or in the water supply system of District, conditions dangerous and detrimental to property (including crops), public health, safety and welfare.

 - b. Property owners are responsible for the actions of customers who occupy their property and cause the District to disconnect the water through the customer's noncompliance with the rules and regulations detailed herein and shall be held liable for all costs incurred. Said charges shall be estimated and paid prior to the resumption of service. This payment is subject to additional billing or refund to reflect the actual completed cost.

3. **Relief on Application:** When any person by reason of special circumstance or is in disagreement with any action or decision made by the District staff, is of the opinion that any provision of the Ordinance is unjust or inequitable as applied to his or her premise or request, he or she may make written application to the Board, stating the special circumstances, citing the provision complained of, and request modification or relief from that provision as applied to him or her. The District Secretary shall make every effort to set

a hearing for the next regularly scheduled Board meeting and shall cause notice of such hearing to be given to the appellant no less than five days prior to the hearing date unless notice is waived, in writing, by the appellant. The Board may continue the hearing from time to time. The findings of the Board shall be final. The Board shall rule upon the application within 45 days of acceptance of the written request or appeal unless the Board makes a finding that additional time to make its findings are needed. Nothing contained herein shall be construed as granting the appeal should the procedures detailed in this Ordinance not be strictly followed.

4. **Relief on Own Motion:** The Board may, on its own motion, find by reason of special circumstances any provision of this regulation and Ordinance should be suspended or modified as applied to a particular premises or situation and may, by motion, order such suspension or modification for such premises during the period of such special circumstances, or any part thereof.
5. **Use of Water without Application:** Any customer taking possession of premises where the water supply has been shut off must make proper application to the District to have the water supply turned on. In the event water is delivered through the installation without the customer first having made such an application and paying the application fee, the customer will be held liable for all charges for water service rendered, the amount thereof to be determined, at the discretion of the District, either by meter reading or on the basis of the estimated consumption for the length of time, and/or estimated length of time service was received by the customer without proper application.
6. **Discontinuance of Water Service:** If, at any time water service is discontinued, a turn-on charge of \$30.00 will be paid to the District prior to the time the District will continue service.
7. **Pressure Conditions:** The District assumes no responsibility for loss or damage because of lack of water pressure and merely agrees to furnish such quantities and pressures as are available in its general distribution system. All connections, pumps, tanks, chlorinators or other appurtenances installed at any point in the water line between the meter and the customer's water outlets shall be the sole responsibility of the property owner, both as to the original installation and as to the maintenance and upkeep. Such installation must be approved by the District. Approval shall be based upon standard water works practice as promulgated by the American Waterworks Association and/or District Standard.

8. **Meter Locations:** The District shall approve all meter locations. Water service will be installed in size as determined by the District and at the location desired by the applicant where such requests are reasonable and compatible with function of the distribution system.
9. **Municipal, Industrial and Domestic Service Connections:** Except as otherwise herein provided, each house or building under separate ownership must be provided with its own service connection or connections. Two or more houses or buildings under one ownership and on the same lot or parcel may be supplied through one service connection under the conditions herein set forth or a separate service connection may be installed for each building.
 - a. The District reserves the right to limit the number of houses or buildings, or the area of the land under one ownership to be supplied by one service connection and to limit the number of service connections for any area served.
 - b. When property provided with a service connection is subdivided, the existing service connection shall be considered belonging to the lot or parcel of land which it directly enters.
 - c. A service connection shall not be used to supply water to adjoining property of a different owner or to supply water to property of the same owner on opposite sides of a street or alley, dedicated or offered for dedication. A service connection may supply water to a recreational vehicle or living unit trailer for a maximum of seventy-two (72) hours every ninety (90) days. An illegal service connection providing water service as described in this paragraph shall be subjected to a charge of \$100.00 per incident charged against the property supplying the water Utility Account.
10. **Multiple Unit Connections:** For service to planned unit developments, such as condominiums, apartments or trailer courts or services to parcels that contain more than one dwelling unit, providing that the parcel cannot be split in the future, and subject to the discretion of District staff, one service may be provided. If at any time the parcel is for any reason split the provisions of "Municipal, Industrial and Domestic Service Connections," above, apply.
11. **Service Connection Size and Location:** The District reserves the right to determine the size of the service connection and its location in relation to boundaries of the premise to be served. Any meter larger than one and one-half inches in size shall be:
 - a. compound meter only; and,

- b. Attached only to equal or larger size service leads.

The customer's pipe to the meter should not be laid until the service connection is installed. In the event the customer's on-site water lines are installed and the location at the meter does not correspond with that of the service connection, then the customer must bear any additional costs incurred to relocate the customer's pipe or make whatever changes are necessary.

- 12. **Service Connection Curb Cock and Valve:** Every service connection installed by the District shall be equipped with a curb cock or valve on both inlet and outlet side of the meter; the inlet valve or curb cock is the exclusive use of the District in controlling the use of water through the service connection and/or meter. If either of the above described curb cocks or valves should be damaged or worn-out through use by the customer to an extent requiring the replacement or repair, the District shall charge the customer for such replacement and/or repair.

**ARTICLE 4
District Billing Process**

- 1. Water meters shall be read and billings for water and sewer service shall be mailed once every two months. Where both water and sewer service are being provided at a given service address, both water and sewer charges shall appear on one bill. The District shall not bill water and sewer charges separately for service addresses receiving both services.

When a meter is covered or otherwise inaccessible, so that it cannot be read, an estimated bill or series of estimated bills, will be rendered. Accumulated errors, if any, in such estimates will be adjusted when the meter is first thereafter read. If an estimated reading is required, the recipient of the bill shall be notified at the time of the billing.

- a. **Minimum Bi-Monthly Charges
Non-Residential Accounts**

5/8" x 3/4" meter	\$ 29.15
3/4" meter	\$ 36.55
1" meter	\$ 58.40
1 1/2" meter	\$ 109.20
2" meter	\$ 172.30
3" meter	\$ 276.95
4" meter	\$ 473.80
6" meter	\$ 741.30

The minimum bi-monthly water charge, as listed, allows six hundred cubic feet of water. Additional needs will be charged at the metered rate of:

7 - 25 ccf	\$ 2.25 / ccf
Additional Needs	\$ 2.95 / ccf

In addition to the charges listed above, a fee of \$1.14 per ccf, or portion thereof, will be charged to defray the additional costs associated with Zone 3 Lopez Dam Retrofit and the Water Treatment Plant Update.

**b. Bi-Monthly Charges
Residential Accounts**

The minimum bi-monthly water charges for residential accounts will be \$23.94, which will allow six hundred cubic feet. Additional needs shall be charged at the metered rate of:

7 - 25 ccf	\$ 2.25 / ccf
Additional Needs	\$ 2.95 / ccf

In addition to the charges listed above, a fee of \$1.14 per ccf, or portion thereof, will be charged to defray the additional costs associated with Zone 3 Lopez Dam Retrofit and the Water Treatment Plant Update.

For meters serving more than one residential dwelling unit, the minimum bi-monthly charge shall be calculated as \$3.99 multiplied by six (hundred cubic feet), multiplied by the number of dwelling units served.

2. Partial Billing: Partial billings shall be based upon the following chart:

<u>Days of Use</u>	<u>Fraction of Charge</u>
1 - 15	1/4 of Minimum
16 - 30	1/2 of Minimum
31 - 45	3/4 of Minimum
46 - 60+	All of Minimum

3. Disputed Bills: Whenever the correctness of any bill for water service is questioned, the District will cause an investigation to be made, including, a meter test in accordance with this Ordinance.

Bills reflecting clerical or meter errors shall be adjusted, taking into consideration the volume of business, seasonal demand, and any other factors that may assist in determining equitable charge.

4. Whenever a bill reflects a high usage as compared with other billing periods, and the owner can produce evidence of a break or malfunction and evidence that the break or malfunction had been repaired, the bill will be presented to the Board of Directors for an adjustment that would invoice the customer the average of the past twelve months water bills. Computation of the average will include the most recent bill and the previous five water bills.
5. **Terms and Conditions for Providing Service and Payment of Bills:** Statements for metered water service will be rendered according to registration of the meter. Statements will be mailed every two months and are due and payable upon presentation. For each property receiving service all responsibility and liability for charges incurred is assumed by the owner of said property until said owner notifies the District, in writing, to discontinue such service. The District cannot be responsible for errors unless such notification is in writing.
6. All billings shall be mailed in the property owner's name to the property owner's residence address. Billings can be sent to the service address even though the owner does not occupy the residence at the service address providing:
 - a. Mail service is provided to the service address.
 - b. The property owner completes an authorization form requesting that a billing (courtesy bill) be sent to service address. The fee for providing a courtesy bill is \$2.40 per bill.
7. **No Single Services:** Except as may be otherwise specifically approved by the Board, services to newly constructed buildings shall include both water and sewer. One service will not be provided without the other.

ARTICLE 5 Nonpayment of Utility Bills

1. A customer's water service may be discontinued if a utility bill become delinquent.
 - a. Charges not collected within twenty (20) days of billing shall be delinquent.

- b. If charges and penalties are not collected within twenty (20) days of billing, the General Manager is authorized to commence Service Termination Procedures pursuant to the Service Termination Procedures section below.
- c. The General Manager, at his or her discretion, may cause a meter reading to be made at any time; and thereupon, the bill for water and sewer used since the previous reading shall become immediately due and payable and shall become delinquent on the tenth (10th) day following the mailing or the presentation of the bill; and such account shall be subject to all applicable delinquency and termination procedures if the bill is not collected within the ten (10) day period.
- d. **Service Termination Procedures:**
 - i. The owner or their authorized agent (not a tenant) shall be mailed a written notice (second notice) of the intent to shut-off water and an explanation of the reason for the termination of service. The second notice shall be mailed no earlier than twenty days from the date of mailing the District bill for services. Once this second notice is mailed, there will be a \$5.00 service charge (second notice fee). No earlier than fifteen days after the second notice is mailed, a good faith effort will be made to contact an adult person residing at the premises in the form of a delinquency notice to be posted on the building where the service is to be disconnected. The posted notice shall state that unless the charges and penalties are paid within forty-eight hours, service will be discontinued. Once the delinquency notice is hung, there will be an additional \$25.00 service charge (delinquency fee).
 - ii. Should it ever become necessary to remove a water meter or to discontinue service for reasons other than maintenance, there shall be a \$30.00 service charge (reconnection fee) for its replacement. If water service has been turned off for failure to pay for service, the customer, before water is restored, shall in addition to being required to pay all amounts then due, pay in advance during normal business hours a reconnection charge of \$30.00. If the reconnection charge is not paid before 3:30 p.m. on any working day, then the water service may not be turned on until the next working day. If the customer desires their service to be turned on the same day ~~the same day~~ they have paid all charges due, including the reconnection charge, and said payments have been made after 3:30 p.m. on a working day, then the reconnection charge shall be increased

by the cost for call-out service. Call-out service—s are a minimum of two hours at time and one-half pay.

- iii. A service charge (returned check fee) of \$30.00 for each returned check will be collected, subject to relief by the General Manager due to mitigating circumstances. In addition, the General Manager may require, at this or her discretion, payment in cash, certified check or other means acceptable to him or her, as bonafide payment.
 - iv. At the discretion of the General Manager, a sum balance not to exceed \$30.00 may be carried forward to the next bill.
 - v. Returned Checks: A service charge (returned check fee) of \$30.00 for each returned check will be collected, subject to relief by the General Manager due to mitigating circumstances. In addition, the General Manager may require, at his/her discretion, payment in cash, certified check or other means acceptable to him/her, as bonafide payment.
2. If a customer receives water service at more than one location, and the bill for service at any one location is not paid, water service at all locations may be turned off upon the approval of the Water and Sewer Committee.
 3. District personnel shall not be required to call at the house before turning off water nor shall District field personnel receive payments. Reconnection payments, along with penalties and any other charges shall be made at the District office.
 4. **Delinquent Charges Become a Lien:** Charges of any kind more than 120 days delinquent plus penalties and interest thereon when recorded as provided in Section 61621.1 et seq of the California Government Code, shall constitute a lien upon the real property except that no such lien shall be created against any publically owned property. Such lien shall continue until the charge, penalties, and interest thereon are fully paid, or until the property is sold, or until otherwise extinguished by operation of law.

In the event that a lien is filed, or any action of law is commenced for the collection of such delinquent charges, the District shall compute the amount of the charge plus penalties, disconnection fees, administrative costs, and interest on the sum thereof at the rate of one-half of one percent per month from the date of delinquency, and shall report the total of such computation to the County Auditor for inclusion on the tax rolls. A copy of such report shall be recorded with the County Recorder.

5. **Addition of Unpaid Fees and Charges to the Tax Roll:** On or before July 15 of each calendar year, the Secretary of the District shall prepare a list of persons owing connection fees, service charges, penalties and other charges. The Secretary, immediately upon preparing such a list shall follow the procedures for notice and hearing set forth in Section 61621.2 et seq of the California Government Code and upon completion of same a delinquent list shall be transmitted before August 10th of such year to the County Auditor for additional to the assessment roll as provided for in said Section 61621.2 et seq of the California Government Code.
6. **Unsafe Apparatus:** The District may refuse to furnish water and may discontinue service to any premise where unsafe apparatus is installed or where any apparatus is installed to circumvent the provisions of this Ordinance. Discontinuance will occur immediately upon discovery of any such installation. An illegal service connection providing water service as described in this paragraph shall be subjected to a charge of \$100.00 per incident charged against the property supplying the water Utility Account.

ARTICLE 6

Maintenance of Service Connections, Meters and Housings

1. All service connections, water meters, and housings installed by the District shall be maintained at District expense, except as otherwise herein provided. Backflow prevention devices, the requirements of which are detailed below, will be maintained at customer expense.
2. **Improvement of Water System by Others:** Any customer or owner desiring to make improvements or changes necessitating the cutting, refitting, raising or lowering of service connections, water mains, fire hydrants, standpipes, meters, valves or other parts of the water system shall notify the District. If such changes are approved by the District, the work shall be accomplished by District personnel or under the direct supervision of District personnel with the owner or owner's agent paying actual costs thereof including administration and overhead costs.
3. **Damage to Meters, Service Connections and Obstructions Around Meters:** The District reserves the right to furnish, set and maintain all meters and service connections. Said meters and service connections shall be maintained by the District. Replacement shall be made by the District when such equipment is rendered unserviceable through reasonable use. However, the cost of replacements and repairs or adjustments of any equipment of the District (including water meters) when rendered necessary by any act of negligence or carelessness of the customer, shall be made by the District at the expense of the property owner.

In addition, it shall be the duty of each property owner to keep the space above the water meter or shut-off box, or fire hydrant, or valves free from any obstruction that may in any way interfere with access to the same by employees of the District, and in the event that any customer fails after twenty-four hour notice to remove any obstruction thereto, the District may remove the same and charge the customer for the cost of removal of such obstruction.

4. **Change of Meter Location:** When the location of a meter is change at the property owner's request, the total cost, including administration and overhead, of making such a change will be paid by the owner. Payment must be received by the District prior to the relocation of the meter.
5. **Meter Found Not Registering:** When a meter is found to be out of order, the charge for water will be based upon the average of the past twelve water bills.
6. **Water Supply Shut-off for Repairs or Modifications to the System:** The District reserves the right, at any and all times, to shut-off the water for the repairing, extending, or altering, etc., of water mains, the repairing and replacing of hydrants, the repairing and renewing of water service connections, or the changing and testing of water meters or detector check valves, etc.

When the water supply is to be shut-off for any of the above reasons, the District will make a reasonable effort to deliver a notice of the shut-off to the customer or to some responsible interested person on the premises but it does not assume any liability for the failure of the customer to receive or to understand such notice. The District shall not be responsible for the maintenance of pressure, nor the continuity of water supply, and the customer's dependent upon a continuous water supply should provide adequate storage for emergencies.

Customers having water heaters or any other devise requiring a continuous water supply, should take all necessary steps to prevent water damage to or the causing of injury by such devices as a result of the shutting-off of the water supply.

7. **Damage Through Leaking Pipes or Fixtures on the Premises Served:** The District assumes no responsibility for the maintenance and operation of the customer's water system beyond the service connection. The customer assumes all liability and responsibility of every kind to the end that the District shall be kept whole and harmless at all times in any claim resulting from

matters involving quantities, quality, time and occasion of delivery, or any other phase of maintenance operation and service of customer's water system.

8. **Tampering with District Property:** Except to shut-off water to prevent damage, no person, other than an authorized District employee, shall at any time or in any manner, operate, or cause to be operated, any valve in or connected to a water main, service connection or fire hydrant, or tamper or otherwise interfere with any water meter, meter valve, backflow prevention device detector check valve or other part of the water system.

In the event a person, firm, or corporation for any reason digs out or uncovers a curb cock or wheel valve controlling a water supply, or lifts or removes a meter cover or its center piece, or causes or suffers any such to be done, such person, firm or corporation will be held liable for any injury or damage occasioned thereby or resulting therefrom.

9. **Admittance of District's Employees to Customers' Premises:** After giving reasonable notice excepting in situation involving risk to life or property, authorized inspectors, agents and employees of the District shall have the right of entry and access, at all reasonable times, in, to and upon customers' buildings (other than residential buildings), grounds or premises, for the purpose of:

- a. Testing, changing or reading water meters installed, maintained and operated by the District.
- b. Inspecting any and all such building, grounds and premises (including any and all plumbing, water piping, fixtures, and connections therein or thereon) to determine:
 1. The manner and quantity of such use; or,
 - ii The existence of any condition causing, or likely to cause, the wastage of water or affecting, or likely to affect, the furnishing or receipt of water service.
- c. Determining the existence, operation, maintenance and/or use in, on, or about said buildings, grounds or premises of any plumbing, water piping, water fixture or connections which may now or hereafter cause, create or permit backflow, backsiphonage or any other condition affecting, or likely to affect, the purity and/or potability of the water supply furnished by the District; and,
- d. Facilitating the enforcement, from time to time, by District, of any and

all of its applicable rules and regulations. Each District inspector, agent and employee shall be furnished with, and upon the request of any customer shall display, appropriate evidence of identification.

10. **Cross Connections:** Cross connections of any type which may permit a backflow of water from a supply other than that of the District into the District's mains are prohibited. Any connection constituting a potential backflow hazard is permissible only to the extent approved by the District and shall be protected by an approved backflow device. Since the hazard of potential pollution is created by operations on the property, the expense of installation and maintenance of said devices shall be paid by the customer. Such a connection shall at all times be subject to inspection for possibility of backflow.

ARTICLE 7

Promulgation and Enforcement of Water Service Requirements

1. The District shall promulgate, prescribe and enforce such water service requirements as may be necessary or convenient for the protection, control of the water service connections sold, supplied, delivered, distributed, and/or maintained pursuant to this Ordinance.
2. Each and every condition and requirement with respect to use, connection, disconnection, reconnection, and/or discontinuance of water, water service and/or water service connections provided for and set forth herein shall apply with equal force and effect to any failure or refusal of any person or corporation, public or private, to comply with any such water service requirements.
3. There shall be no deviation from the requirements of this Ordinance except upon express authorization by the General Manager or his designated representative.

ARTICLE 8

Meter Test:

1. Customer request for meter test
 - a. A customer, giving not less than one week's notice, may request the District to test the meter serving its premises.
 - b. The District shall require the customer to pay an amount to cover the reasonable cost of the test. The payment required shall be \$40.00.

- c. The payment shall be returned if the meter is found to register more than two percent fast. The customer will be notified, not less than five days in advance, of the time and place of the test.
 - d. The customer shall have the right to require the District to conduct the test in their presence or in the presence of their representative.
 - e. A written report giving the results of the test will be given to the customer within ten days after the completion of the test.
2. When, upon test, a meter is found to be registering more than two percent fast, under conditions of normal operation, the District shall refund to the customer the full amount of the payment for the test and the overcharge, based upon correct meter readings for the period, not exceeding six months, the meter was in use.
 3. If a meter fails to register during any period while in use or is known to register inaccurately, the customer shall be charged in accordance with the provisions previously herein set forth.

ARTICLE 9
Temporary Supply from Fire Hydrants

1. Water may, upon application and a payment of a \$30.00 fee, be procured for a fire hydrant permit wherein the applicant shall specify the location of the fire hydrant to be used. The applicant at the time of application shall pay the District a deposit of \$500.00 as security for the meter and pay for the charges due. The deposit will be refunded, less the cost of the water used and a \$30.00 disconnect fee, upon return of the meter device in the same condition as issued.
2. Application for hydrant meters shall be for a period of sixty days or portion thereof to run coterminous with the District billing period. Failure to renew the application within ten days of the expiration of the sixty day period will cause the applicant to renew the application with a re-payment of the application fee.
3. Upon receiving permission to so procure water from a fire hydrant, the applicant shall only operate said hydrant with wrenches or tools specifically designed for hydrant operation. The use of crescent wrenches or other tools not manufactured for hydrant operation is prohibited.

ARTICLE 10

Miscellaneous

1. The revenue that make up the District's reserves shall be charged with the obligation of payment of periodic shortfalls in revenue, if any collected pursuant to this Ordinance to meet the District's contractual commitments as well as on-going costs of providing water service.
2. Existing Water Ordinances. Existing water rules, regulations and charges can be found in the following locations:
 - a. Ordinance 1984-1
 - b. Ordinance 1984-2
 - c. Ordinance 1986-3
 - d. Ordinance 1987-2
 - e. Ordinance 1992-4
 - f. Ordinance 2002-1
3. Inconsistency. To the extent that the terms or provisions of this Ordinance may be inconsistent with or in conflict with the terms and conditions of any prior District Ordinance(s), motions, resolutions, rules or regulations governing the same subject, the terms and conditions of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistency and conflicting provisions of prior ordinances, motions, resolutions, rules and regulations are hereby repealed.
4. Severability. If any section, subsection, sentence, clause or phrase or this Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portions of this Ordinance.

The Board hereby declares that it would have passed this Ordinance by section, subsection, sentence, clause, or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid or unconstitutional.
5. Effective Date. This Ordinance shall take effect and be in full force and effect thirty (30) days from the date of passage; and before the expiration of fifteen (15) days after the passage of this Ordinance, it shall be published once with the names of the members voting for and against the Ordinance in the Five Cities Times-Press-Recorder.

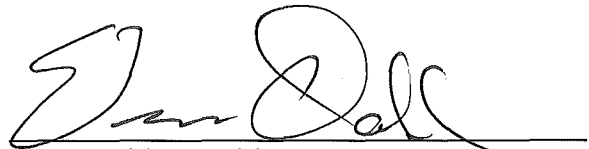
INTRODUCED at a regular meeting of the Board of Directors on the 22nd day of February 2006, and **PASSED AND ADOPTED** by the Board of Directors on the 8th day of March, 2006, upon the motion of Director Angello, seconded by Director Mann, and upon the following roll call vote, to wit:

AYES Director Angello, Director Mann, President Dahl

NOES Director Hill, Vice President Bookout


ABSENT (None)

ABSTAINING (None)



Vern Dahl, President

Attest:



Gina A. Davis, Deputy Board Secretary



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: January 23, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #9(B): Review of the District's Budget Status as of December 31, 2018

Recommendation

It is recommended that your Board review and discuss the District's budget status as of December 31, 2018 and provide direction to staff as you deem appropriate.

Discussion

The attached worksheets have been prepared to review the status of this year's budget. They have been designed to include the following:

- ✓ Current fiscal year actual revenues and expenditures as of December 31, 2018
- ✓ Current percentage of adopted budget
- ✓ Current fiscal year adopted budget
- ✓ Chronology of Budget Actions

In reviewing the worksheets items of significance can be identified. The column containing the percent of the 2018-19 budget utilized in the second quarter of fiscal year 2018-2019 illustrates that revenues and costs are on track to remain within budget.

Expenditures:

There are a few expenses that are front loaded and paid at the beginning of the fiscal year that look as though the District has spent more than 50% of the overall budget. The front loaded expenses are as follows:

1. Water Supply from Lopez Expense and State Water
2. CalPERS Unfunded Accrued Liability (UAL) for the Miscellaneous and Safety Plan members
3. Local Agency Formation Commission Expense (LAFCO)



4. Liability Insurance
5. Membership Expense (California Rural Water Association)
6. Regulatory Permits and Fees (California State Water Resources Control Board)
7. Boot Allowance Expense

The utilities expense in the Water Fund appears to be running high. The expense is a result of the District pumping from the wells instead of taking State Water deliveries. The overrun in pumping costs will be reflected in the savings in the State Water invoices on water deliveries. The District has paid the first State Water invoice of 2019. Staff brought a budget adjustment to your Board on December 12th to increased State Water costs and fund balance available by \$193,455. The \$193,455 is the amount that the County had held as a deposit for the District in the past. If the District didn't have the ability to use this deposit, the cost for State Water would have been over budget by \$25,000. The other half of State Water will be addressed in the fiscal year 2019-20 budget since the Department of Water Resources invoices are based on a calendar year and a portion of the costs are applicable to the period of July 1, 2019 to December 31, 2019.

Certain expenses appear to be running high in the General and Enterprise Funds, but are expected to level out during the fiscal year, including the following:

1. Postage Expense (General Fund) - flyers were sent to the residents about the Community Outreach event.
2. Maintenance on Structures (Water/Sewer Fund) – the lift station motor and Well 8 motor were repaired and replaced during the first half of the fiscal year.
3. Office Expense (Water Fund) – a year's worth of water pressure logs were ordered in the first quarter.
4. Chemicals/ Operating Supplies (Water Fund) – while the District pumps groundwater more supplies such as chlorine are required for running the wells.
5. Bad Debt (Water/Sewer Fund) - utility bills that could no longer be collected were approved to be written off at the September 26th meeting for a total of \$1,447.75 between the water and sewer funds.
6. Utilities Expense (Sewer Fund) – the lift station motor has been repaired and the cost to run the station should come down in the next quarter.
7. Postage (Garbage Fund) – a postcard was sent out to all Oceano and Halcyon residents for the Fall Clean up. The total costs for the Fall Clean up came in at \$1,408.18. The budget adjustment made on August 29th for \$10,000 will cover the postage costs.



-
8. Professional Services (Garbage Fund) – the roll off at the yard has been emptied and replaced three times this year. This is expected to increase with the hiring of the new Operator in Training/ Solid Waste Coordinator. The budget adjustment from the Fall Clean Up of \$10,000 will more than cover emptying the roll off another 10-12 times.

Lastly, the cost of litigation relating to the Santa Maria groundwater basin is increasing due to the increase in the case management conferences and motions.

Revenues:

Certain revenues appear to be higher than the budgeted income for the second quarter. These revenues arise from the timing of the December 30th review:

1. Property Taxes – about 60% of property taxes were paid in December 2018 with the remaining expected to come in April 2019. This is consistent with previous years based on the County's collection system.
2. Water and Sewer Sales – three of the six billing periods in the year were recorded in the first half of the year. As a result, revenues related to sales are right around 50%. Seasonally we would expect the next billing cycle of November to January to be lower in consumption, however the amount budgeted still reflects the best estimate of the annual revenues that is anticipated. An update on utility billing details will be provided during the staff presentation.
3. Landfill Savings Payment – this is provided for in the franchise agreement and is a one-time annual payment from the Garbage Company.

Closely monitoring the budget in a conservative manner will help ensure remaining within budget. The 3rd quarter results, as of March 31, 2019, will be provided to your Board at your second regular meeting in April 2019.

Other Agency Involvement

n/a

Other Financial Considerations

Items that may influence the budget in the future:



1. Emergency Generator Project – a budget adjustment was approved on October 10th to fund the project through Public Facilities Fees and Grant Revenues. Public Facilities Fees exceed \$230,000 and are more than sufficient to cover project costs of \$85,000.
2. Utility Relocation Projects with the County of San Luis Obispo –
 - a. Highway One Project – The utility relocation project cost estimate is \$109,868 and a budget adjustment was approved on January 25, 2017 and encumbered for this year.
 - b. Airpark Drive Bridge Replacement Project – The utilities have been relocated and installed. The project costs are closed out at approximately \$55,000 in parts and engineer support. The operators worked over 390 hours to complete the bridge in the time allotted by the County contract. Considering all the overtime and increase in pay, due to self-performing the project, the water and sewer personnel costs are still under budget since the hiring of the District Engineer has since been deferred.
3. Water main replacements along the County’s asphalt overlay project- a budget adjustment of \$25,000 was made on October 24th for the design of the high priority projects -
 - a. Norswing and Pershing Water Main
 - b. Highway One Water Main

Results

Establishing good budget monitoring procedures will help ensure that the District’s costs are managed in a financially prudent manner and promotes prosperous and well governed communities.

Attachments: Budget Worksheets
 Chronology of Budget Actions



GENERAL FUND



**GENERAL FUND
REVENUE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Revenues and Other Sources:	Year to Date Actual		Final 2018/19 Budget
	12/31/2018	50%	
Prop Tax: Current Secured	564,349	58%	970,850
Prop Tax: Current Unsecured	22,279	106%	21,000
Prop Tax: Prior Secured	(467)	0%	0
Prop Tax: Prior Unsecured	746		0
Unitary Taxes	8,013	55%	14,500
Penalties and Interest (From County)	8,868		0
Delinquent Chgs Prop Tax Roll: Garbage	619	0%	0
Homeowners' Prop Tax Relief	3,225	51%	6,300
Will Serve Letter Fee	720		0
Firework Permit Fees	0	0%	1,540
CO Collection Chg: SB2557	0	0%	(15,500)
Transfer in From Facilities Fund	0	0%	20,063
Misc Income - Health Premium Rebate	1,232		0
Misc Income - PG&E Rebate	1,000		0
Encumbrance: Grant Revenue (LHMG Board Approved 4/26/2017)	0	0	47,391
Total Revenues	610,584	57%	1,066,144



ADMINISTRATIVE BUDGET



**ADMINISTRATIVE BUDGET
EXPENDITURE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance: Expenditure Accounts 4100		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Personnel				
010	Wages and Salaries	199,051	43%	465,936
020	Overtime	2,645	32%	8,301
061	PERS	27,223	50%	53,996
	PERS UAL Payment	30,576	97%	31,683
070	SUI (Unemp Ins)		0%	2,170
071	Medicare Employer Portion	3,138	49%	6,436
072	FICA	84	4%	1,883
075	Workers Compensation Ins	3,506	53%	6,563
090	Employee Insurances	26,389	37%	72,000
097	Cell Phone Allowance	450	50%	900
Total Personnel Costs		293,062	45%	649,868
Services and Supplies				
110	Communications & Dispatch	4,578	53%	8,700
150	Insurance (100% in Admin)	16,674	74%	22,500
170	Maint: Equipment	357	10%	3,600
173	Maint: Structures	2,398	23%	10,250
180	Memberships	7,209	110%	6,581
193	Bank Fees	1,663	37%	4,500
200	Office Expense	3,941	58%	6,750
210	Postage	1,865	373%	500
218	Audit	10,000	51%	19,500
220	Professional Services (AGP, Chapparel, other)	11,136	59%	19,000
221	Information Technology	4,247	57%	7,500
223	Legal Services	33,324	38%	87,000
226	Annual Software Maint.	7,851	56%	14,000
225	Board Member Stipends	3,750	21%	18,000
230	Legal Notices	223	9%	2,500
235	Books/Journals/Subsc	100	7%	1,500
241	Rents/Leases: Equip	0	0%	3,000
247	LAFCO	12,790	78%	16,500
248	Permits Licenses and Fees	230	23%	1,000
260	Elections Expense		0%	5,500
280	Private Vehicle Mileage		0%	500
283	Job Advertising Expense		0%	1,750
285	Classes/Seminars	560	10%	5,500
286	Board Member Training/Travel/Expense		0%	2,000
290	Utilities	4,333	43%	10,000
297	Pass-Thur: Delnq Garbage/Tax Roll	620		0
320	Fixed Assets - Phone System	5,369		0
Total Services and Supplies		133,218	48%	278,131

**ADMINISTRATIVE BUDGET
EXPENDITURE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance: Expenditure Accounts 4100		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Other Expenditures				
	Encumbrance: LHMP Grant Board Approved 4/26/2017	31,138	66%	47,391
Total Other Expenditures		31,138	66%	47,391
Administrative Cost Allocations				
376	Allocation/Adm Exp			
	Fire 3.0000%	(12,788)	46%	(27,840)
	Lighting 1.0000%	(4,263)	46%	(9,280)
	Water 60.0000%	(255,768)	46%	(556,799)
	Sewer 30.0000%	(127,884)	46%	(278,400)
	Garbage 4.0000%	(17,051)	46%	(37,120)
	Facilities 2.0000%	(8,526)	46%	(18,560)
Operating Crew Overhead and Direct Labor Cost Allocations				
	Leave Time	13,937	23%	59,912
	Salaries & Wages - Admin hours	1,807	31%	5,813
	CalPERS	11,157	22%	50,116
	Medicare	1,637	26%	6,241
	Payroll Taxes	173	4%	4,000
	SUI		0%	2,170
	Employee Insurances	18,639	21%	90,000
	Boot Allowance	750	75%	1,000
	Clothing	2,643	59%	4,500
	Standby	8,400	46%	18,249
		59,143	24%	242,001
	Fire 0.5000%	(296)	24%	(1,210)
	Lighting 0.5000%	(296)	24%	(1,210)
	Water 64.0000%	(37,852)	24%	(154,881)
	Sewer 24.0000%	(14,194)	24%	(58,080)
	Garbage 10.0000%	(5,914)	24%	(24,200)
	Facilities 1.0000%	(591)	24%	(2,420)
	100.0000%			
Total		(426,280)	46%	(927,999)
Reserve Designations				
	Contingencies			
Total Reserve Designations Cost		0	0%	0
Total Expenditures		31,138	66%	47,391



FIRE BUDGET



**FIRE BUDGET
 OPERATIONS AND MAINTENANCE WORKSHEET
 BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance: Expenditure Accounts 4200		Year to Date Actual		Final
		12/31/2018	50%	2018/19 Budget
Personnel				
010	Wages and Salaries	0	0%	1,453
020	Overtime	20	0%	0
061	PERS Contribution	0	0%	0
062	PERS UAL	7,046	97%	7,300
070	SUI (Unemp Ins)	0	0%	0
071	Medicare Employer Portion	0	0%	0
072	FICA	0	0%	0
090	Employee Insurances	0	0%	0
Total Personnel		7,066	81%	8,753
Services and Supplies				
077	JPA Quarterly Pmts	493,681	50%	987,362
290	Utilities	2,041	40%	5,125
291	Sandbags	0	0%	500
Total Services and Supplies		495,722	50%	992,987
Other Expenditures				
	Allocation/Adm Exp	12,788	46%	27,840
	Operating Crew Overhead and Direct Labor Cost Allocations	296	24%	1,210
Total Other Expenditures		13,084	45%	29,050
Reserve Designations				
		0	0%	0
Total Reserves		0	0%	0
Total Expenditures		515,872	50%	1,030,790



LIGHTING BUDGET



**LIGHTING BUDGET
 OPERATIONS AND MAINTENANCE WORKSHEET
 BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance: Expenditure Accounts 4195		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Personnel				
010	Wages and Salaries	0	0%	1,453
020	Overtime	0	0%	0
061	PERS	0	0%	0
071	Medicare Employer Portion	0	0%	0
090	Employee Insurances	0	0%	0
Total Personnel		0	0%	1,453
Services and Supplies				
175	Sys Parts/Oper Supplies	0	0%	1,500
295	Lighting	18,181	49%	37,000
Total Services and Supplies		18,181	47%	38,500
Other Expenditures				
376	Allocation/Adm Exp	4,263	46%	9,280
	Operating Crew Overhead and Direct Labor Cost Allocations	296	24%	1,210
Total Other Expenditures		4,559	43%	10,490
Reserve Designations				
	Equipment	0	0%	0
Total Expenditures		22,740	45%	50,443



EQUIPMENT FUND



**EQUIPMENT FUND
REVENUE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Revenues and Other Sources:	Year to Date Actual		Final 2018/19 Budget
	12/31/2018	50%	
Revenues			
Total From Gov	0	0%	0
Truck Rental from Water	3,273	50%	6,545
Vehicle Charges to Water	5,000	50%	10,000
Total From Water	8,273	50%	16,545
Truck Rental from Sewer	3,273	50%	6,545
Vehicle Charges to Sewer	2,500	50%	5,000
Total From Sewer	5,773	50%	11,545
Vehicle Charges to Garbage	500	50%	1,000
Total From Garbage	500	50%	1,000
Total Revenues and Other Sources	14,546	50%	29,090

* Equipment Fund Revenues are based on quarterly estimates. A Journal Entry is performed at the end of each Fiscal Year.

**EQUIPMENT BUDGET
 OPERATIONS AND MAINTENANCE WORKSHEET
 BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance:		Year to Date Actual		Final Budget 2017/18
		12/31/2018	50%	
Services and Supplies				
171	Maint Vehicles	1,176	18%	6,500
172	Gas and Oil	4,006	42%	9,500
Total Services and Supplies		5,182	32%	16,000
Other Expenditures				
320	Equipment Lease	4,534	50%	9,067
386	Interest Expense	0	0%	0
Total Other Expenditures		4,534	50%	9,067
Reserve Designations				
	Equipment Replacement	0	0%	4,023
Total Reserves		0	0%	4,023
Total Expenditures		9,716	33%	29,090



FACILITIES FUND



**FACILITIES FUND
REVENUE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Revenues and Other Sources:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Revenues				
3260	Sheriff Substation Rent	56,970	50%	113,940
	New Fire Station	7,500	50%	15,000
	Old Fire Station	5,850	50%	11,700
	Public Facilities Fees	3,050	20%	15,000
	Utility Reimbursements	530	14%	3,800
	Interfund Repayment from Water	0	0%	31,500
	Budget Adj 10/10/18 - Emergency Generator (PFF Reserves)		0%	46,642
	Budget Adj 10/10/18 - Emergency Generator (NPP Grant)	5,105	13%	38,358
Total Revenues and Other Sources		79,005	29%	275,940

**FACILITIES BUDGET
OPERATIONS AND MAINTENANCE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Personnel				
010	Wages and Salaries	622	21%	2,907
020	Overtime	356	0%	0
061	PERS	0	0%	0
071	Medicare Employer Portion	0	0%	0
090	Employee Insurances	0	0%	0
Total Personnel		978	34%	2,907
Services and Supplies				
110	Communications	16		0
163	Maint: Structures	1,815	12%	15,000
173	Maint Structures/ Improvements	615	31%	2,000
220	Professional Services	440	55%	800
248	Permit, Fees, Licenses	819		0
290	Utilities		0%	250
Total Services and Supplies		3,705	21%	18,050
Other Expenditures				
376	Allocation/Adm Exp	8,526	46%	18,560
	Operating Crew Overhead and Direct Labor Cost Allocations	591	24%	2,420
	Transfer to the General Fund	0	0%	20,063
	Repayment to Sewer Fund	0	0%	113,940
	Budget Adj 10/10/18 - Emergency Generator	5,105	6%	85,000
		14,222	6%	239,983
Reserve Designations				
	Public Facilities Reserves	0	0%	15,000
Total Reserves		0	0%	15,000
Total Expenditures		18,905	7%	275,940



WATER FUND



**WATER FUND
REVENUE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Revenues and Other Sources:	Year to Date Actual		Final 2018/19 Budget
	12/31/2018	50%	
Water Sales	910,308	49%	1,848,109
Lopez Remediation: Sales	258,961	53%	490,032
Water Connection Fees - Reimbursables	0	0%	5,035
Water Front Footage Fees	0	0%	16,320
UB Courtesy Notice Fees	2,167	286%	758
UB Sec Notc/Door Hgr Fees	14,861	47%	31,497
Capacity Charges	0	0%	24,431
Connection / Meter Fees	0	0%	5,400
Lopez / SWP Connection Fees	0	0%	4,000
New UB A/C Setup	1,470	59%	2,478
CYN Crest /Christie/ AG Wheeling	14,162	57%	25,000
Revenue from other sources/FU (Grants)	540		0
Inspection Fees	0	0%	100
Claims and Settlements	8,537		0
Encumbrance: WRRP Grant Revenue (Bdgt AJE 12/14/16)			154,767
Budget Adj 10/24/2018 - Waterline Replacement	6,253	25%	25,000
Total Revenues and Other Sources	1,217,259	46%	2,632,927

**WATER BUDGET
OPERATIONS AND MAINTENANCE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Personnel				
010	Wages and Salaries	54,106	29%	188,931
020	Overtime	16,658	39%	43,146
	Standby	0	0%	0
061	PERS	0	0%	0
071	Medicare Employer Portion	0	0%	0
075	Workers Compensation Ins	1,222	23%	5,221
090	Employee Insurances	0	0%	0
Total Personnel		71,986	30%	237,298
Services and Supplies				
110	Communications & Dispatch	1,557	56%	2,800
163	Maint: Wtr/Swr Struct	6,543	119%	5,500
170	Maint: Equipment	2,244	41%	5,500
173	Maint: Structures	2,301	22%	10,500
175	Sys Parts/Oper Supp	8,277	49%	17,000
176	Water Meters	4,594	44%	10,500
177	Safety Expense		0%	550
178	Chemicals / Operating Supplies	1,291	199%	650
180	Memberships	1,959	78%	2,500
190	Misc		0%	250
200	Office Expense	389	65%	600
205	Outside UB Mailing Expense	2,803	32%	8,750
220	Professional Services (Water Quality; Backflow Program)	6,569	38%	17,500
221	Information Technology	0	0%	550
222	Contract Engineering	140	3%	5,500
226	Engineering & Other Reimburse	3,392	32%	10,500
230	Legal Notices	0	0%	1,100
231	Bad Debt	1,092	208%	525
241	Rents/Leases: Equip	0	0%	2,050
248	Permits, Fees, Licenses	650	8%	7,850
250	Small Tools	0	0%	2,500
285	Classes/Seminars	0	0%	5,125
261	Water Supply - Lopez	469,914	96%	490,750
262	Water Supply - State Water	782,895	85%	925,000
362	Litigation: SMGB	24,067	88%	27,500
380	NCMA Expense	11,381	30%	37,500
290	Utilities	26,595	89%	30,000
Total Services and Supplies		1,358,653	83%	1,629,050

**WATER BUDGET
OPERATIONS AND MAINTENANCE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Other Expenditures				
297	Pass-Thru: Crest/Christie	14,162	56%	25,500
301	Transfer to Equipment Fund (Fund 12)	8,273	50%	16,545
358	CIP - Lagoon Waterline	12,113		
	General Fund Loan Payment	0	0%	31,500
391	Garbage Fund Loan Payment	0	0%	7,500
499	Claims & Settlements	1,539	10%	15,000
349	Encumbrance: HWY One - County Drainage Project (Board Approval 1/25/2017)	0	0%	71,390
	Encumbrance: WRRP Program (Bdgt AJE approved 12/14/16)	61,054	39%	154,767
	Encumbrance: Facility CIP - Utilities Yard (Budget Adj 7/12/17)	0	0%	2,943
	Encumbrance: Air Park Drive Bridge Replacement Project (1/25/17)	20,668	45%	46,000
	Budget Adj 10/24/2018 - Waterline Replacement (Hwy One & Norswir	6,253	25%	25,000
Total Other Expenditures		124,062	31%	396,145
Admin Cost Allocation/Operating Crew Overhead				
376	Allocation/Adm Exp	255,768	46%	556,799
	Operating Crew Overhead and Direct Labor Cost Allocations	37,852	24%	154,881
Total		293,620	41%	711,680
Reserve Designations				
	Contingencies	0	0%	0
Total Reserves		0	0	0
Total Expenditures		1,848,321	62%	2,974,173



SEWER FUND



**SEWER FUND
REVENUE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Revenues and Other Sources:	Year to Date Actual		Final 2018/19 Budget
	12/31/2018	50%	
Sewer Sales	198,544	50%	400,000
Connection Fees	0	0%	2,000
Inspection Fees	0	0%	100
FOG Program Inspections	840	45%	1,849
Repayment from General Fund	0	0%	113,940
Budget Adj 8/29/18 - FOG Program	4,048	54%	7,500
Total Revenues and O Total Revenues	203,432	39%	525,389

**SEWER BUDGET
OPERATIONS AND MAINTENANCE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Personnel				
010	Wages and Salaries	24,585	20%	72,666
020	Overtime	5,079	17%	18,491
	Standby	0	0%	0
061	PERS	0	0%	0
071	Medicare Employer Portion	0	0%	0
075	Workers Compensation Ins	683	5%	2,983
090	Employee Insurances	0	0%	0
Total Personnel		30,347	32%	94,140
Services and Supplies				
110	Communications & Dispatch	208	42%	500
163	Maint: Wtr/Swr Struct	5,050	48%	10,500
170	Maint: Equipment	25	1%	3,250
173	Maint: Structures	1,509	101%	1,500
175	Sys Parts/Oper Supp	644	8%	8,000
177	Safety Expense	0	0%	2,750
200	Office Expense	0	0%	500
205	Outside UB Mailing Expense	2,803	32%	8,750
220	Professional Services	0	0%	2,500
222	Contract Engineering	0	0%	2,750
231	Bad Debt	255	102%	250
241	Rents/Leases: Equip	0	0%	2,500
248	Regulatory Permits and Fees	2,836	73%	3,900
285	Classes/Seminars	0	0%	2,750
290	Utilities	1,491	71%	2,100
Total Services and Supplies		14,821	28%	52,500
Other Expenditures				
301	Rental Payments to Equipment Fund	5,773	50%	11,545
499	Claims & Settlements	1,350		0
	Encumbrance: Facility CIP - Utilities Yard (Budget Adj 7/12/17)	0	0%	2,943
	Encumbrance: HWY One - Drainage Project Bdgt AJE 1/25/2017	0	0%	38,478
	Encumbrance: Air Park Drive Bridge Replacement Project (Budget Adj 4/11/2018)	29,548	43%	69,000
	Budget Adj 8/29/18 - FOG Program	4,048	54%	7,500
Total Other Expenditures		40,719	31%	129,466
Admin Cost Allocation/Operating Crew Overhead				
376	Allocation/Adm Exp	127,884	46%	278,400
	Operating Crew Overhead and Direct Labor Cost Allocations	14,194	24%	58,080
Total		142,078	42%	336,480
Reserve Designations				
		0	0%	0
		0	0	0
Total Expenditures		227,965	37%	612,586



GARBAGE FUND



**GARBAGE FUND
REVENUE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Revenues and Other Sources:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Revenues				
3501	Garbage Franchise Fees	43,680	45%	96,003
	Landfill Savings Payment	7,880	98%	8,027
	Interfund Loan Repayment from Water	0	0%	7,500
	Budget Adj 8/29/18 - Fall Clean Up	1,408	14%	10,000
	Budget Adj 8/29/18 - One Cool Earth	0	0%	10,000
Total Revenues and Other Sources		52,968	40%	131,530

**GARBAGE BUDGET
OPERATIONS AND MAINTENANCE WORKSHEET
BUDGET REVIEW AS OF 12/31/2018 - Quarter 2**

Operations & Maintenance:		Year to Date Actual		Final 2018/19 Budget
		12/31/2018	50%	
Personnel				
010	Wages and Salaries	3,748	13%	29,066
020	Overtime	205		0
061	PERS	0	0%	0
071	Medicare Employer Portion	0	0%	0
072	FICA & SUI	0	0%	0
075	Workers Compensation Ins	210	23%	895
090	Employee Insurances	0	0%	0
Total Personnel Cost		4,163	14%	29,961
Services and Supplies				
110	Communications & Dispatch	40	20%	200
170	Maint: Equipment	13	3%	500
175	Sys Parts/Oper Supp	846	56%	1,500
200	Office Expense	0	0%	1,000
210	Postage	414	83%	500
220	Professional Services	2,399	120%	2,000
230	Legal Notices	77	31%	250
290	Utilities	0	0%	500
291	School Outreach Programs	0	0%	2,500
Total Services and Supplies		3,789	42%	8,950
Other Expenditures				
	Charges from Equipment Fund	500	50%	1,000
	Encumbrance: 7/12/2017 - CIP Water Yard	0	0%	1,471
	Budget Adj 8/29/18 - Fall Clean Up	1,408	0%	10,000
	Budget Adj 8/29/18 - One Cool Earth	0	0%	10,000
Total Other Expenditures Cost		1,908	8%	22,471
Admin Cost Allocation/Operating Crew Overhead				
376	Allocation/Adm Exp	17,051	46%	37,120
	Operating Crew Overhead and Direct Labor Cost Allocations	5,914	24%	24,200
Total		22,965	37%	61,320
Reserve Designations				
	Unassigned Reserves	0	0%	0
Total Reserves		0	0%	0
Total Expenditures		32,825	27%	122,702

Oceano Community Services District
 Chronology of Budget Actions
 Fiscal Years 2018-19

Date	Action
FISCAL YEAR 2018-19 BUDGET ADJUSTMENTS	
June 27, 2018	Approved the Preliminary Budget for Fiscal Year 2018-19
August 29, 2018	<p>Approved the Final Budget for Fiscal Year 2018-19, with the following budget adjustments:</p> <ul style="list-style-type: none"> (1) Increase expenditures in the Sewer Fund by \$7,500 to pay for the calendar year 2018 Fats Oil and Grease (FOG) program by utilizing Sewer Fund unassigned reserves. (2) Increase expenditures in the Garbage Fund by \$10,000 to fund the Fall Clean-up for residents and property owners utilizing Garbage Fund unassigned reserves. (3) Increase expenditures in the Garbage Fund by \$10,000 to fund One Cool Ea. (4) rth educational programs at the Oceano Elementary School by utilizing Garbage Fund unassigned reserves.
October 10, 2018	Approved a Budget Adjustment for \$85,000 utilizing \$46,642 of Public Facilities Fees reserves and \$38,358 of grant revenues from the Nuclear Power Preparedness (NPP) Program.
October 24, 2018	Approved a Budget Adjustment for \$25,000 for the design of two waterline replacement projects on Highway One and on Norswing & Pershing. This budget adjustment will reduce the designated reserve in the Water Fund from \$350,000 to \$325,000.
December 12, 2018	Approved a budget adjustment increasing State Water costs and fund balance available in the amount of \$193,455.



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

Date: January 23, 2019

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: Agenda Item # 9(C): Review and consider presidential messages and community outreach efforts

Recommendation

It is recommended that your Board review and consider the Past-President outgoing 2018 message and the incoming 2019 President's Message and community outreach efforts.

Discussion

Attached are the messages from Past-President, Karen M. White and current President, Linda M. Austin for your review and consideration, that will be included in the February 2019 water bills.

Other Agency Involvement

N/A

Other Financial Considerations

Printing costs are within normal budget limits.

Results

Community outreach and engagement promotes well-governed communities.

Attachments:

- A. Past-President Message
- B. President's Message

Reviewing 2018 by Past-President Karen M. White

The Oceano Community Service District achieved success in addressing both long and short-term challenges in serving the community during 2018. It also took the first drink of Central Coast Blue “reclaimed” water from the testing facilities in Pismo. This drink on the way to re-using our water was but one of many joint South County projects supported by Oceano.

A major short-term action implemented quickly and effectively was the emergency waterline replacement project under the lagoon serving the residents of the Strand Way zone at the beach. In place of a leaking line previously laid in the bottom of the lagoon, the district's new “water pipe” was actually constructed under the water by horizontal drilling guided by drones!

The emergency waterline project under the lagoon was followed by the Airport Drive Bridge Project. The County’s contractor demolished the old timber bridge and constructed the new bridge while requiring the District to relocate both sewer and water lines. Looking ahead, the OCSD continues to work on the infrastructure program to improve the pipelines supplying water to the community, to reduce system leaks and to also begin identifying the need for sewer pipeline replacement projects.

One of the most significant upcoming decisions for the community will be the future of the Five Cities Fire Authority. The district met all year with its two city partners, Arroyo Grande and Grover Beach, to modify the Joint Powers Agreement to move the Five Cities Fire Authority into a more stable economic position. The work will move forward into 2019. Oceano should be proud to be part of the Fire Authority, crafted in 2010, which led to a professional fire agency now serving a population of some 37,000 people in 10 square miles.

The budget for “18” included implementation of the Oceano Clean & Green program to discourage dumping and encourage clean-up

and beautification. It allows the district to respond to illegal dumping and includes a 311-website app so citizens can report litter and abandoned objects. The District also funded the annual fall clean-up week by the garbage company (South County Sanitary Inc.). To further help with community beautification the District supported the state-wide Coastal Clean-up day by disposing of garbage collected in Arroyo Grande Creek by volunteers.

The District's website received an upgrade and now contains more information, better organized, for the public. (See oceanocsd.org) Another milestone, completion of a Local Hazard Mitigation Plan, had grant funding from the California Office of Emergency Services and the Federal Emergency Management Agency. The “LHMP” plan spells out actions to be taken by governmental agencies, including the OCSD, when, and before, disasters strike the community. It points out the threat potential for flooding, earthquake, tsunami, drought, other extreme weather and fire as it links to all disasters.

In 2018 OCSD also obtained the funding and completed the planning for an emergency generator to serve its office, the sheriff's substation and the fire station. It will be installed in the first half of 2019.

All of the successes for the year took teamwork by the staff and directors of Oceano's lone direct governmental service agency. The OCSD also needed the assistance of others at times. As an example, disaster funding for the generator was obtained by Sheriff Ian Parkinson, passed on to Five Cities Fire Chief Steve Lieberman and finally granted to the OCSD.

The fact is no one person, or no one board of directors, can go it alone in these modern times. The small, very proud and somewhat disadvantaged community of Oceano is happy to say “thanks” for this support in 2018 and is ready to put out a helping hand to others along the way.

Welcoming 2019 by President Linda M. Austin

As I journey into the third year of my term as a Director on the Oceano Community Services District Board of Directors I am proud to be serving as your President for 2019. Looking back over the past few years, I am filled with pride at the many accomplishments and achievements of the OCSD. I now look forward to rising to the challenges the District is facing.

At the top of the list is the future of the Five Cities Fire Authority (FCFA). The FCFA was created in 2010 by banding together the Arroyo Grande, Grover Beach and Oceano Fire Departments to help ensure the best and most cost-effective services for residents, and owners of property and businesses. Recently the FCFA adopted a Strategic Plan identifying future needs and services that are important for each of these communities. Currently the communities are facing a crossroads on the future of the FCFA and the District is committed to working with the community residents, owners, businesses and organizations to ensure that Oceano continues to have the best level of fire and emergency services available.

In addition, several community infrastructure work is moving forward. The County of San Luis Obispo, in conjunction with CalTrans, is scheduled to construct drainage improvements to help reduce flooding issues that occur on Highway 1 and 13th Street. Project completion is expected this year.

The District's multiyear capital improvements program remains a priority goal as we look at funding alternatives to fix and upgrade our water line system. The District currently has two waterline projects underway and

will soon begin replacing substandard and leaky pipes in the community.

Oceano CSD also continues to be an active partner with the South San Luis Obispo County Sanitation District and is working with Central Coast Blue's Water reclamation project. Central Coast Blue is important to help ensure we have sustainable groundwater supplies.

Other goals for 2019 include the establishment of a community garden at 19th Street and Wilmar Avenue and implementation of a successful Clean & Green program and continuing to utilize the Ready311 app to help minimize illegal dumping in Oceano. The District is also considering the use of social media to enhance community outreach and continue to promote transparency in government. Additionally, the District will continue partnering with other agencies and communities to ensure that Oceano is represented in all regional efforts.

I am extremely proud to call Oceano my hometown and I know I share the pride in Oceano that all the citizens who live here do. Our little community has the potential to become the best little beach town on the west coast!