



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, January 24, 2018 – 5:30 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:** Pursuant to Government Code §54956.9 (d)(2): Conference with District Counsel regarding anticipated litigation. Number of cases: two (2).
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 Angello
- ii. Director Brunet
- iii. President White
- iv. Vice President Austin
- v. Director Coalwell

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.

ASISTENCIA A DISCAPACITADO Si usted está incapacitado de ninguna manera y necesita alojamiento para participar en la reunión de la Junta, por favor llame a la Secretaría de la Junta al (805) 481-6730 para recibir asistencia por lo menos tres (3) días antes de la reunión para que los arreglos necesarios puedan ser hechos.

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 the Regular Meeting on January 10, 2018
- B. Review and Approval of Cash Disbursements
- C. Review of the District's Fiscal Year 2017-18 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. Consideration of an application for a Single Day Use Permit submitted by "Jimmy Paulding for County Supervisor 2018" to use District facilities on February 20, 2018 for political campaign activities
- B. Review of "New Laws of 2018" published by the California Special Districts Association
- C. Discussion of committee assignments for the Five Cities Fire Authority including possible action to modify assignments, updates on issues, meetings and communications with representatives of other agencies, and direction as deemed appropriate.

10. HEARING ITEMS:

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS: District Policies Continued; Regional Groundwater Sustainability Project (RGSP) update, Roles and Responsibilities with Related Agencies; Emergency Generator, Construction Documents, Five Cities Fire Authority 5 Year Strategic Plan, Special Meeting February 13, 2018 for Sea Breeze Mobile Home Park, Regular Meeting February 14, 2018 Cancellation.

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District
Summary Minutes
Regular Meeting Wednesday, January 10, 2018 – 5:30 P.M.
Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 5:30 p.m. by President White
2. **FLAG SALUTE:** led by Director Brunet
3. **ROLL CALL:** All Board members present. Also present, District Legal Counsel Jeff Minnery, Business and Accounting Manager Carey Casciola, and Board Secretary Celia Ruiz.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **CLOSED SESSION:** was entered at approximately 5:33pm. Open session was resumed at approximate 6:12pm
No public comment
 - A. **Pursuant to Government Code §54956.9 (d)(2):** Conference with District Counsel regarding anticipated litigation. Number of cases: one (1).
Reportable action: None
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
Public comment was received by Mary Lucey.
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino reported 15 work orders, 9 USA's, 13 service calls, 1 after hour call out, door hangers, shut offs, meter swaps, trash filled 1 roll off, no SSO's for the month of December, Lopez is currently at 52%,
 - ii. FCFA - Chief Steve Lieberman – Chief Lieberman reported on deployment to Santa Barbara mudslide
 - iii. OCSD General Manager – General Manager Ogren reported on meeting with Cannon associates
 - iv. Sheriff's South Station - Commander Stewart MacDonald – None
 - b. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
 - i. Director Angello - None
 - ii. Director Brunet – None
 - iii. President White – reported on SSLOCSD
 - iv. Vice President Austin – None
 - v. Director Coalwell – reported on State Water Subcontractors Committee Meeting
 - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**
No public comment.

8 CONSENT AGENDA:	ACTION:
a. Review and Approval of Minutes for the Regular Meeting on December 13, 2017	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a modification to Item 8b an addition of the attached warrants for \$ 2,082.08 total disbursement approval to \$ 291,944.79 with a motion from Director Brunet, a second by Director Angello and a 5-0 vote. No public comment.
b. Review and Approval of Cash Disbursements	
c. Submittal for approval an Intent to Serve Letter to Ulrich Renfurm; 1531 15th Street; Assessor's Parcel No. 062-041-076	

9 A BUSINESS ITEM:	ACTION:
Approval of a Recommendation selecting Moss, Levy & Hartzheim, LLP as the District Auditors for Fiscal Year 2016-17 through 2018-19 at a annual cost of \$18,500 - \$19,820	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Director Coalwell, a second by Vice President Austin and a 5-0 vote. No public comment.

9 B BUSINESS ITEM:	ACTION:
Review of the District's Budget Status as of December 31, 2017	After an opportunity for public comment and brief Board discussion, receive and file. No public comment.

9 C BUSINESS ITEM:	ACTION:
Consideration of a report entitled "A Twenty Eighteen (2018) Outlook on the Fire Cities Fire Authority" and a recommendation to create an ad-hoc committee for inter-agency collaboration and related efforts	After an opportunity for public comment and brief Board discussion, a motion was made to appoint Vice President Austin on the ad-hoc committee with a motion from Director Coalwell, a second by Director Brunet and a 5-0 Vote. Chief Lieberman representing the Five Cities Fire Authority gave a presentation. Public comment was received by Pat Fitzgerald, Mary Lucey, Pat Ferguson, and Jeff Lane.

10. HEARING ITEMS: None

11. RECEIVED WRITTEN COMMUNICATIONS: None

12. LATE RECEIVED WRITTEN COMMUNICATIONS: None

13. FUTURE AGENDA ITEMS: District Policies Continued; Regional Groundwater Sustainability Project (RGSP) update, Roles and Responsibilities with Related Agencies; Emergency Generator, Construction Documents, Five Cities Fire Authority 5 Year Strategic Plan, Special Meeting to discuss Sea Breeze Mobile Home Park.

14. FUTURE HEARING ITEMS: None

15. ADJOURNMENT: at approximately 7:45 pm



Oceano Community Services District

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

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

Date: January 24, 2018

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #8(B): Recommendation to Approve Cash Disbursements and to amend resolution 2016-7 authorizing the General Manager to approve re-occurring payments for the new Kyocera copier**

Recommendation

It is recommended that your Board:

- 1) Approve the attached cash disbursements.
- 2) Approve the attached resolution authorizing the General Manager to approve the revised list of re-occurring payments to include Coastal Copy, Inc. and De Lage Landen Financial Services, Inc.

Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence*	Amounts
	56730 - 56767	
<u>Disbursements Requiring Board Approval prior to Payment:</u>		
Regular Payable Register – paid 01/24/2018	56750 - 56767	\$14,140.36
Subtotal:		\$14,140.36
<u>Reoccurring Payments for Board Review (authorized by Resolution 2016-07):</u>		
Payroll Disbursements – pay period ending 01/06/2018	N/A	\$26,531.09
Reoccurring Utility Disbursements – paid 01/10/2018	56730 - 56740	\$7,795.17
Reoccurring Health/Benefits – paid 01/10/2018	56745 - 56749	\$6,788.55
Subtotal:		\$41,114.81
Grand Total:		\$55,255.17

*Checks 56741-56744 voided due to printing errors

The attached resolution adds Coastal Copy, Inc. for the service agreement on the Kyocera copier, and De Lage Landen Financial Services, Inc. for the lease payments.

Other Agency Involvement: n/a

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



Oceano Community Services District

Board of Directors Meeting

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.

Attachments:

Draft redline Resolution approving a policy authorizing the General Manager to approve certain re-occurring payments with reporting requirements to the Board of Directors

1/19/2018 1:49 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: 056750 THRU 056767

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1-1001-000	1/19/2018	CHECK	056750	R&R ROLL-OFF LLC	513.24CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056751	PETTY CASH	99.74CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056752	DIVERSIFIED PROJECT SERVICES I	5,600.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056753	CORIX WATER PRODUCTS (US) INC.	394.81CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056754	ARAMARK	136.14CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056755	CENTRAL COAST TECHNOLOGY CONSU	160.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056756	GSI WATER SOLUTIONS, INC.	2,247.05CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056757	DE LAGE LANDEN FINANCIAL SERVI	157.66CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056758	CALIFORNIA ASSOCIATION OF MUTU	500.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056759	CLINICAL LAB OF SAN BERNARDINO	380.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056760	J.B. DEWAR, INC.	259.95CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056761	MINER'S ACE HARDWARE, INC.	64.60CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056762	SHORELINE LANDSCAPE & MAINT. I	410.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056763	SOUTH COUNTY SANITARY SERV	1,356.86CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056764	SSLOCSD	180.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056765	RRM DESIGN GROUP	755.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056766	COASTAL COPY, INC.	271.63CR	OUTSTND	A	0/00/0000
1-1001-000	1/19/2018	CHECK	056767	BAXTER'S FRAME WORKS AND BADGE	653.68CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	14,140.36CR		
				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 24, 2018

		(*)	
<u>Gross Wages</u>	Pay Period Ending:	12/23/2017	1/6/2018
Regular		\$22,789.69	\$22,466.64
Overtime Wages		\$510.66	\$602.97
Stand By		\$700.00	\$700.00
		<u>\$24,000.35</u>	<u>\$23,769.61</u>
<u>Disbursements</u>			
Net Wages		\$17,553.38	\$17,391.47
State and Federal Agencies		\$5,298.43	\$5,231.42
CalPERS - Normal		\$3,957.26	\$3,908.20
Total Disbursements processed with Payroll		<u>\$26,809.07</u>	<u>\$26,531.09</u>
Health & Other (Disbursed with reoccurring bills)		\$3,481.43	\$3,550.48
Total District Payroll Related Costs		<u>\$30,290.50</u>	<u>\$30,081.57</u>

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

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	1/10/2018	CHECK	056730	HIRIARTE'S INDOOR CLEANING SER	825.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056731	NORCAST TELECOM NETWORKS	381.64CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056732	RABOBANK EQUIPMENT LEASE	755.60CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056733	ADVANTAGE ANSWERING PLUS, INC	261.10CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056734	AGP VIDEO INC.	585.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056735	CHARTER COMMUNICATIONS	130.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056736	DIGITAL WEST NETWORKS, INC.	50.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056737	VERIZON WIRELESS	233.88CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056738	PACIFIC GAS & ELECTRIC	4,302.73CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056739	THE GAS COMPANY	180.72CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056740	STANLEY CONVERGENT SECURITY SO	89.50CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	7,795.17CR		
				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:	7,795.17CR		
				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: 056745 THRU 056749

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	1/10/2018	CHECK	056745	BLUE SHIELD OF CALIFORNIA	4,736.32CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056746	THE LINCOLN NATIONAL LIFE INSU	1,058.88CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056747	VSP VISION	105.80CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056748	TASC -CLIENT INVOICES	600.67CR	OUTSTND	A	0/00/0000
1-1001-000	1/10/2018	CHECK	056749	SEIU LOCAL 620	286.88CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	6,788.55CR		
				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:	6,788.55CR		
				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
RESOLUTION NO. 2018- __

Resolution amending and replacing Resolution
2016-07 authorizing the General Manager to
approve certain re-occurring payments with
reporting requirements to the Board of Directors

WHEREAS, the Oceano Community Services District ("OCSD") approved Resolution 2016-07 on July 27, 2016; and

WHEREAS, the OCSD has also established a practice of requiring two members of the Board of Directors to sign checks for payments to payees and vendors; and

WHEREAS, the Board of Directors intends to update the authority of the General Manager to approve payments; and

WHEREAS, the Board of Directors intends to clarify that all payments approved by the General Manager shall be reported to the Board of Directors; and

WHEREAS, the Board of Directors intends to clarify the authority of Board Members to sign checks and electronic authorization forms.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors as follows:

1. The General Manager is hereby authorized to approve payment of bi-weekly payroll, including related payments to employees, federal and state agencies for taxes and related disbursements, CalPERS for pension contributions, and payments for health, dental, vision, life insurance benefits, SEIU union dues and workers compensation insurance. All such payments shall be reported to the Board of Directors at the first regular meeting subsequent to the disbursements.
2. The General Manager is hereby authorized to approve payment to the following payees and vendors, with checks and/or electronic payment authorizations signed by two members of the Board of Directors. All such payments shall be reported to the Board of Directors at the first regular meeting subsequent to the disbursements.
 - a. Advantage Answering Services
 - b. AGP Video, Inc.
 - c. Charter Communications
 - d. Coastal Copy, Inc.
 - e. De Lage Landen Financial Services, Inc.
 - f. Digital West
 - g. Elecsys Corporation
 - h. Hiriarte's Cleaning
 - i. Norcast Telecom Networks
 - j. Pacific Gas & Electric
 - k. Rabobank Equipment Lease

- l. Stanley Convergent (excluding service calls)
- m. The Gas Company
- n. Verizon Wireless

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this _____ day of _____, 2018.

President of the Board of Directors

ATTEST:

Secretary for the Board of Directors

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

Jeffrey A. Minnery
District Counsel

By: _____

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 201~~86~~- __

Resolution amending and replacing Resolution 2016-07 authorizing the General Manager to approve certain re-occurring payments with reporting requirements to the Board of Directors

WHEREAS, the Oceano Community Services District ("OCSD") approved Resolution 2016-07 on July 27, 2016; ~~has an established practice of requiring Board of Directors approval prior to payments to payees and other vendors except the bi-weekly payroll and related payments to federal and state agencies;~~ and

WHEREAS, the OCSD has also established a practice of requiring two members of the Board of Directors to ~~sign~~ checks for payments to payees and vendors; and

WHEREAS, the Board of Directors intends to clarify update the authority of the General Manager to approve payments; and

WHEREAS, the Board of Directors intends to clarify that all payments approved by the General Manager shall be reported to the Board of Directors; and

WHEREAS, the Board of Directors intends to clarify the authority of Board Members to sign checks and electronic authorization forms.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors as follows:

1. The General Manager is hereby authorized to approve payment of bi-weekly payroll, including related payments to employees, federal and state agencies for taxes and related disbursements, CalPERS for pension contributions, and payments for health, dental, vision, life insurance benefits, SEIU union dues and workers compensation insurance. All such payments shall be reported to the Board of Directors at the first regular meeting subsequent to the disbursements.
2. The General Manager is hereby authorized to approve payment to the following payees and vendors, with checks and/or electronic payment authorizations signed by two members of the Board of Directors. All such payments shall be reported to the Board of Directors at the first regular meeting subsequent to the disbursements.
 - a. Advantage Answering Services
 - b. AGP Video, Inc.
 - c. Charter Communications
 - d. Coastal Copy, Inc.
 - ~~e.~~ e. De Lage Landen Financial Services, Inc.
 - ~~f.~~ f. Digital West
 - ~~g.~~ g. Elecsys Corporation
 - ~~h.~~ h. Hiriarte's Cleaning
 - ~~i.~~ i. Norcast Telecom Networks

h.j. Pacific Gas & Electric
i.k. Rabobank Equipment Lease
j.l. Stanley Convergent (excluding service calls)
k.m. The Gas Company
l.n. Verizon Wireless

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this _____ day of _____, 20186.

President of the Board of Directors

ATTEST:

Secretary for the Board of Directors

(SEAL)

APPROVED AS TO FORM AND LEGAL EFFECT:

Jeffrey A. Minnery
District Counsel

By: _____



Oceano Community Services District

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

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

Date: January 24, 2017

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(C)– Review of the District’s Fiscal Year 2017-18 Quarter 2 Treasurer Report

Recommendation

It is recommended that your Board receive and file the District’s 2017-18 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 13th 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). 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 second quarter.

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



Oceano Community Services District

Board of Directors Meeting

Other Financial Considerations

The 2017/18 Quarter 2 Budget review was presented at the January 10th meeting.

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 - 2017-18 Quarter 2 Treasurer Report

Oceano Community Services District
2017-18 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>Total</u>
<u>County of San Luis Obispo Accounts:</u>						
Oceano CSD - Water Rev - 31215 (Revenue Bond)	Oct-17	\$102.51	\$46,125.28	(\$46,125.00)	\$102.79	
	Nov-17	\$102.79	\$0.00	\$0.00	\$102.79	
	Dec-17	\$102.79	\$0.00	\$0.00	\$102.79	
Oceano CSD - 41005	Oct-17	\$2,285,035.95	\$125,071.18	(\$54,743.81)	\$2,355,363.32	
	Nov-17	\$2,355,363.32	\$110,108.16	\$0.00	\$2,465,471.48	
	Dec-17	\$2,465,471.48	\$352,333.50	(\$635.70)	\$2,817,169.28	
Oceano CSD - 41045 (Sanitary District Bond - Paid Off)	Oct-17	\$4.15	\$0.01	\$0.00	\$4.16	
	Nov-17	\$4.16	\$0.00	\$0.00	\$4.16	
	Dec-17	\$4.16	\$0.00	\$0.00	\$4.16	\$2,817,276.23
<u>Rabobank Accounts:</u>						
Public Checking - 1101	Oct-17	\$181,456.47	\$481,480.25	(\$139,806.47)	\$523,130.25	
	Nov-17	\$523,130.25	\$62,666.84	(\$481,277.19)	\$104,519.90	
	Dec-17	\$104,519.90	\$422,237.02	(\$301,646.69)	\$225,110.23	
Public Investment Money Market - 5783	Oct-17	\$194,245.92	\$34.06	\$0.00	\$194,279.98	
	Nov-17	\$194,279.98	\$31.94	\$0.00	\$194,311.92	
	Dec-17	\$194,311.92	\$30.87	\$0.00	\$194,342.79	
Public Fund CD - 7655 (Water Fund Deposit)	Oct-17	\$23,947.81	\$11.98	\$0.00	\$23,959.79	
	Nov-17	\$23,959.79	\$12.38	\$0.00	\$23,972.17	
	Dec-17	\$23,972.17	\$11.98	\$0.00	\$23,984.15	
Public Investment Money Market - 0161 (Public Facilities Fees)	Oct-17	\$209,640.42	\$36.76	(\$20.00)	\$209,657.18	
	Nov-17	\$209,657.18	\$34.46	\$0.00	\$209,691.64	
	Dec-17	\$209,691.64	\$33.32	\$0.00	\$209,724.96	\$653,162.13
Total					\$3,470,438.36	



Oceano Community Services District

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

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

Date: January 24, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: Agenda Item #9(A): Consideration of an application for a Single Day Use Permit submitted by "Jimmy Paulding for County Supervisor 2018" to use District facilities on February 20, 2018 for political campaign activities

Recommendation

It is recommended that your Board consider the attached application for a Single Day Use Permit submitted by "Jimmy Paulding for County Supervisor 2018" to use District facilities on February 20, 2018 for political activities, and after verbal advice from legal counsel, decide to deny or approve with conditions that your Board may deem appropriate.

Discussion

The attached Single Day Use permit has been submitted by a group "Jimmy Paulding for County Supervisor 2018." A Farmer's insurance certificate & endorsement naming the District as additional insured and a cleaning deposit have been received.

The District's current practice for considering Single Day Use permits requires Board approval. No policies currently exist with regard to using District facilities for political campaign activities. District legal counsel is aware of the request and will provide advice at the Board meeting. Consideration of this item is subject to final legal advice.

At a minimum, legal counsel will discuss restrictions associated with utilizing public resources for political activities. Since closing and securing the property after the event would require a member of District staff to return to work, with a minimum of two hours compensation pursuant to the Memorandum of Understanding with Service Employees International Union, Local 620, those labor costs would need to be paid to the District. The District's labor rates are calculated in accordance with the State Controller's Cost Accounting Policies and Procedures Manual, January 2017 Edition, which include the District costs of wages, employee benefits, employer taxes and District overhead. As a result, those rates also provide cost recovery for indirect facility costs. For a two-hour call back, the costs could be as high as \$110 per hour, including overtime and overhead, depending on the staff



member who returns to work. If your Board desires that District staff is on the premises during the duration of the meeting, then actual time will be tracked and charged.

In addition to cost issues, political activities often also require even handed treatment for all candidates. If the application is approved, then other candidates should be pre-approved to use District facilities in a similar manner with similar conditions.

Lastly, leading to the 2016 general election, your Board declined to host a candidate's forum for those who were seeking to get elected to the OCSD Board of Directors. It may be appropriate for your Board to consider a policy regarding use of District facilities for political activities, subject to and within constraints that may be identified by legal counsel. Your Board may also wish to consider a policy that does not allow District facilities to be used for political campaign activities.

Other Agency Involvement

N/A

Other Financial Considerations

N/A

Results

Reviewing the application, considering advice from the District's legal counsel, and consider policy issues associated with political campaign activities helps to promote a well governed community.

Attachments: Single Day Use Permit Application from "Jimmy Paulding for County Supervisor 2018"



Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475
(805) 481-6730 FAX (805) 481-6836

JAN 12 REC'D

SINGLE – DAY FACILITY USE PERMIT

Date of Use: Feb 20th from 5:30 (a.m./p.m.) to 7:30 (a.m./p.m.) ("Term of Use")
Individual/Group Name: Jimmy Paulding for County Supervisor 2018 ("Permittee")
Contact Name: Jimmy Paulding
Address: 232 La Cresta Drive Arroyo Grande, CA 93420
Phone: (805) 994-0025 FAX: — Email: jimmy@jimmypaulding.org

Type of Event:

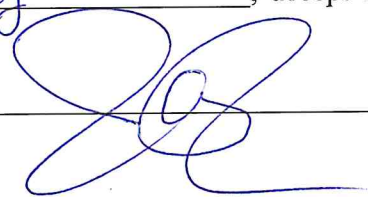
Facility: The Oceano Community Services District Board Room, kitchen, bathrooms, and a limited outside area ("Facility").

- 1. Agreement.** Permittee agrees to use the Facility with permission of the Oceano Community Services District ("District") according to the terms of this Single-Day Facility Use Permit ("Permit").
- 2. Facility Space.** The space under this permit is the District Board Room, the adjoining kitchen, the bathrooms, and the outside area between the District Board Room and the Five Cities Fire Authority Station. Permittee affirmatively represents that it has seen or otherwise understands the physical locations, rooms and facilities and acknowledges that the Facility is suitable for its intended purpose. Permittee understands and agrees that it shall not in any way interfere, disrupt or block access to the Fire Station. While Permittee may use the parking area for parking, it understands that the parking area shall not be used for any other purpose. A \$250.00 cleaning deposit is required along with this application.
- 3. Insurance.** A certificate of insurance is required. Permittee must procure, at its own expense, a Comprehensive General Liability Insurance policy in the amount of \$1,000,000 naming the Oceano Community Services District as an additional insured. The certificate of insurance must be received by the District at least twenty four (24) hours prior to the event.
- 4. County Permit.** Permittee must also obtain, at its own expense, any and all permits required by the County of San Luis Obispo. Evidence of the County Permit must be received by the District at least twenty four (24) hours prior to the event.

5. **Conditions of Use.** Permittee's activities must be compatible with the use of the building and activities adjacent to the Facility and building. This includes but is not limited to playing music or making any noise at a level that is unreasonable under the circumstances. Amplified live music is not permitted at the Facility. Smoking and the use of tobacco is not permitted anywhere in the building.
6. **Children.** Children under the age of 12 years must be accompanied by an adult at all times. Functions or activities for minors must be chaperoned by at least one responsible individual who is 21 years of age or older.
7. **Animals.** Dogs, cats, birds, or other pets are not allowed in the Facility at any time with the exception of service animals individually trained to provide assistance to individuals with a disability.
8. **Cleaning.** Permittee is responsible for cleaning the Facility before the end of Term of Use. This includes removing all trash and disposing in outside trash bins. Cleaning equipment is not provided as part of this Permit. The Facility must be cleaned and returned to the District in the condition it was in prior to the Term of Use.
9. **Damages.** Permittee is responsible for any loss or damage to the Facility, adjoining facilities, building common areas, or building exterior or grounds. This includes all damages to any equipment, fixtures, surfaces, including the ceiling, floors and floor finishes, or any other property.
10. **LIMITATION OF LIABILITY.** THE DISTRICT'S IS NOT LIABLE TO PERMITTEE OR ANY OF ITS GUESTS OR MEMBERS FOR DAMAGES ARISING FROM USE OF THE FACILITY FOR ANY REASON AND UNDER ANY THEORY OF LAW WHATSOEVER. PERMITTEE AGREES TO DEFEND AND HOLD HARMLESS DISTRICT FROM ANY AND ALL CLAIMS, CAUSES OF ACTION, OR DAMAGES RELATED TO OR ARISING OUT OF ITS USE OF THE FACILITY PURSUANT TO THIS PERMIT.
11. **Liability for Guests.** Permittee is, and hereby acknowledges that it is, liable for the actions and behavior of its members and guests during the Term of Use and at any other times such guest or member is on or around the Facility space as a result of Permittee's use of the Facility. The District will not be liable for the safety of Permittee's members or guests. Permittee agrees to indemnify and hold harmless the District from all liability arising from the activities of its members and guests during the Term of Use.

Permittee agrees to abide by the terms of this Single-Day Facility Use Permit. I, on behalf of Jimmy Bulding, accept responsibility for meeting all requirements stated herein.

Authorized Signature: _____



Date: _____

1/8/18

Approved for submittal to Board of Directors

General Manager



Oceano Community Services District

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

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

Date: January 24, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: Agenda Item #9(B): Review of “New Laws of 2018” published by the California Special Districts Association

Recommendation

It is recommended that your Board review and discuss the legislative information published by the California Special Districts Association.

Discussion

The California Special Districts Association (CSDA) represents special district interests and has prepared an eight-part series on “New Laws of 2018.” The following are the titles of each part with a link to the electronic news article:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)
- [Part IV: Changes to control guidelines detect and prevent financial errors and fraud](#)
- [Part V: Two Bills Addressing Pay Disparities – AB 168 and AB 1008](#)
- [Part VI: To indemnify and defend? SB 496 changes the rules for design professional contract](#)
- [Part VII: New Option Now Legal for Records Retention](#)
- [Part VIII: 2017 CSDA-sponsored legislation is now law](#)

Legal Counsel and the District General Manager will provide a verbal summary of each part to initiate Board discussion.



Other Agency Involvement

n/a

Other Financial Considerations

n/a

Results

Reviewing new laws and applicability to the District promotes a well governed community.

Attachments:

- "New Laws of 2018" published by the California Special Districts Association



California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018 Series Part VIII: 2017 CSDA-sponsored legislation is now law

By Greg Orsini, CSDA Board President

Are you familiar with your county's Local Agency Formation Commission or LAFCO? LAFCOs administer and approve the formation, dissolution, and boundaries of local agencies, including cities and special districts. Each of California's 58 counties has one LAFCO, but they are independent from the county government. LAFCOs are composed of representatives from local cities, counties, and members of the public. Special districts may also have two representatives on LAFCO, if they choose to exercise this right. Since 1972, special districts have obtained LAFCO representation in 30 of the 58 counties.

It is valuable for special districts to obtain representation on their local LAFCOs, as LAFCOs determine what services they may provide, adjust the boundaries of the district, and perform a municipal service review of the district every five years. If you are not at the table, you may very well be on the menu.

With representation, your special district can influence LAFCO policy and decision making, providing a more balanced perspective on self-governance.

Previously, special districts could acquire representation on a LAFCO if a majority of special districts in a county passed a board resolution supporting such action within a one-year period. The most recent county to gain special district representation was Santa Clara County in 2012. Organization of the County's 20 special districts to vote on an individual board resolution within a one-year period required a well-funded campaign and a part-time organizer.

CSDA-sponsored Assembly Bill 979 (Lackey), simplified the existing process and will make it easier for your district to obtain representation on LAFCO. AB 979 allows special districts to vote on LAFCO representation in a meeting of the county's independent special districts selection committee. Every independent special district would have the opportunity to participate in the election process, either in-person or by mail, casting one vote for or against the matter at hand. The vote on special district representation can be combined with the committee's other duties, including selecting a representative for the countywide RDA oversight board, as required by law before July 15, 2018.

On behalf of CSDA, I would like to thank Assemblymember Tom Lackey (Antelope Valley) for his willingness to author this bill and his continued support of good governance and local flexibility.

We would also like to thank our members for their continued support, input, and feedback on our annual sponsored legislation. Stay tuned to hear about our 2018 sponsored bill, or visit our website to find ways to [Take Action!](#)

Check the [map](#) to see if your special district is represented on LAFCO. If it isn't, check with your local [CSDA affiliated chapter](#) or [CSDA Field Coordinator](#) to see what you can do to get representation.

**

Thank you for reading CSDA's New Laws of 2018 Series, an eight-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Missed an article? The entire series is still available:

New Laws of 2018 Series

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)
- [Part IV: Changes to control guidelines detect and prevent financial errors and fraud](#)
- [Part V: Two Bills Addressing Pay Disparities – AB 168 and AB 1008](#)
- [Part VI: To indemnify and defend? SB 496 changes the rules for design professional contract](#)
- [Part VII: New Option Now Legal for Records Retention](#)

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner

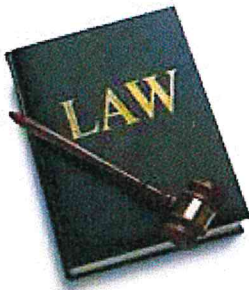


California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018: Series Conclusion



Thank you for reading our New Laws of 2018 Series! Each year, CSDA partners with subject matter experts to bring our members in-depth analyses and insights on recently passed legislation and how it will impact special districts moving forward. CSDA would like to thank our members, business affiliates, legislative allies, and all those who helped make the New Laws of 2018 Series a success.

State lawmakers were especially busy last year, with some 2,980 legislative measures being introduced in the California State Capitol in 2017. CSDA legislative representatives were hard at work all year making sure the worst of the bills did not come to fruition. In fact, CSDA actively tracked 854 of the 2,980 bills introduced and directly lobbied on 123 measures. With direction from the Legislative Committee, CSDA identified 51 bills that would have negatively impacted special districts and, working with members and allies, killed or amended all but eight of those bills. On the other hand, CSDA officially supported 72 bills where more than half (37) became law.

Catch up on all eight parts here:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)
- [Part IV: Changes to control guidelines detect and prevent financial errors and fraud](#)
- [Part V: Two Bills Addressing Pay Disparities – AB 168 and AB 1008](#)
- [Part VI: To indemnify and defend? SB 496 changes the rules for design professional contract](#)
- [Part VII: New Option Now Legal for Records Retention](#)
- [Part VIII: 2017 CSDA-sponsored legislation is now law](#)



California Special
Districts Association
Districts Stronger Together

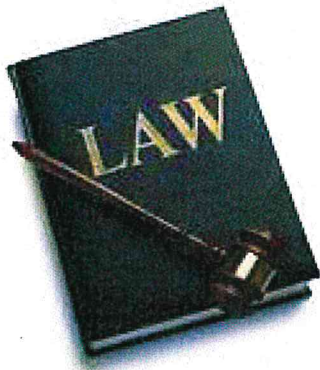
e-News

New Laws of 2018: Part I

The Benefits of Knowing the Full Cost of Debt Financing: SB 450

*By Mark B. Campbell, Executive Director,
California Debt and Investment Advisory
Commission*

*And by Tim Schaefer, Deputy Treasurer,
State Treasurer's Office*



On October 9, 2017, Governor Edward G. Brown Jr. signed Senate Bill 450 (Chapter 625, Statutes of 2017) requiring California local agencies, including special districts, to disclose the full cost of using bond financing prior to approving the issuance of the bonds. The information to be disclosed in a public meeting must include the true interest cost on the bonds, the sum of all fees and charges to issue the bonds, the amount of proceeds to be generated by the sale of the bonds, and the total amount of the issuer's obligation to bondholders.

Inspiration for SB 450 grew out of a collaboration between the author, Senator Robert Hertzberg, and State Treasurer John Chiang. The bill received support from the California Association of County Treasurers and Tax Collectors and the California Taxpayers Association. Hertzberg and Chiang have joined forces on other efforts to infuse best practices into public finance. Notable among them is SB 1029 (Chapter 309, Statutes of 2016), which, beginning in 2017, requires local agencies issuing debt to adopt debt policies that control the use of the proceeds and requires all public debt issuers to report annually to the California Debt and Investment Advisory Commission (CDIAC) on the outstanding balances owed and how the proceeds were spent.

SB 450 Explained

Within the constraints of the State Constitution, local agencies are authorized by state law to issue debt to build and maintain capital improvements, manage cash flow, and repay existing obligations. The administrative process of approving the issuance of debt may take different forms depending upon the specific authority used and the source of funds committed by the agency to repay the debt. For example, debt issued by a community facilities district may require the vote of property owners or taxpayers to approve bonds and set a maximum amount to be issued over time, but the actual approval to issue bonds is a resolution of the governing board. Alternatively, utility fees supporting revenue bonds may be subject to override by fee payers, but the decision to issue debt supported by those fees is the governing body's.

is an infrequent event. Even for those more familiar with the process, the legal, financial, and economic requirements of each transaction demands the participation of a team of lawyers, bankers, and financial advisors to carry out.

As in any market, there is asymmetry in the municipal bond market between those who know how the process works and those who do not. This asymmetry cuts both ways. Public agencies benefit from the experience and professional training of consultants to achieve their goals at the lowest economic cost. Alternatively, issuers may, with the best of intentions, make financial decisions that are not in the best interest of the agency or its stakeholders. And even with the reforms enacted in the post-Dodd-Frank era, there remains the chance that an issuer at the suggestion of their consultants will enter into a long-term financial obligation that restricts or curtails its ability to carry-on over the long-term.

SB 450 was written to address at least one element of the transaction that may, even with the support of teams of consultants, remain clouded for some decision-makers. That element is: the total cost of the debt. Until SB 450, it was not common practice for voters or the governing body approving the debt to receive in advance of their vote a declaration of this cost. And if they were provided one it was often not in a logical and transparent form.

To correct this, SB 450 embodies the intent of the disclosure standards set by the U.S. Department of Housing and Urban Development for real estate lending. Borrowers will now know before they commit to the terms of a loan, how much of the loan is principle, interest, or other charges, and how interest is to be calculated.

SB 450 requires that, prior to authorizing the issuance of long-term debt (defined here as more than 13 months), the "governing body" of a "public body" must disclose the following:

1. The true interest cost of the loan, accounting for discounts and premium paid.
2. All financing fees and charges.
3. The amount of the proceeds that may be used by the agency, less capitalized interest or funded reserves.
4. The total amount to be repaid by the agency.

SB 450 applies to special districts, counties, cities, city and county, district, authority, or corporation, or other statutory entities authorized to issue debt. This information must be reported for all "bonds", defined as bonds, notes, certificates of indebtedness, or other evidence of indebtedness. Furthermore, the issuer may depend upon the good faith estimates of underwriters, financial advisors, or private lenders. These requirements go into effect on January 1, 2018.

Don't Say I Didn't Tell You So!

Shortly after the San Diego Union Tribune broke the story that taxpayers in the Poway Unified School District would be obliged to repay nearly \$1 billion to bondholders for the right to borrow \$105 million for school construction, a member of the school board confessed 'if he had known the cost he would never have approved the bonds'. SB 450 should take the mystery out of the equation. It intends to provide public bodies full cost disclosure before they approve the issuance of bonds. But it does so much more.

SB 450 provides the same cost summary to taxpayers. Prior to SB 450 taxpayers likely received only bits and pieces of the full picture prior to the vote of the governing body. In the case of general or special tax obligations, the ballot submitted to taxpayers revealed the total bond authority and the maximum tax rate. But it did not include an accounting of the fees and charges or the amount of the bond proceeds that would be made available by the sale of the approved debt. Likewise, fee payers supporting a revenue bond are told the fees they will pay in

the future, but they provided the terms of the bond sale at the time they approve any fee increases.

Not only is the cost information required by SB 450 to be made public, but it is to be provided 10 days in advance of the meeting to be held by the governing body to decide on the bonds. No different than with any public disclosure. The advantage provided by SB 450, however, is that this 10 day window now provides community members time to respond to concerns about the cost of proposed debt before the governing body votes.

SB 450 provides that governing bodies may rely on the good faith efforts of underwriters, financial advisors, and financing professionals to report the full cost of the debt to issuers. But because these costs are entered into the proceedings the governing body must take ownership of the data. In doing so, it seems likely that board members will seek to learn as much about the source and substance of the data as they can. If this does occur, SB 450 will invigorate the discussion between the finance team and the governing body in a way that produces greater understanding of the structure and cost of the proposed debt. This is, unquestionably, a good thing.

The outcome of SB 450 remains the result of application. CDIAC will continue to assess opportunities to provide training and guidance to ensure this step towards greater transparency yields a positive return to taxpayers.

This article was written by guest authors, Mark B. Campbell and Tim Schaefer, as part of CSDA's New Laws of 2018 Series, an eight-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts. Up next...

Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner



California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018 Series: Part II

New California Law Expands Baby Bonding Leave to Mid- Size Employers

By Nate J. Kowalski, partner in the Cerritos office of Atkinson, Andelson, Loya, Ruud & Romo and the head of AALRR's Public Entity Labor and Employment Law Practice Group.

And by Debra L. Garfinkle, associate practicing employment law in AALRR's Cerritos office.

A new California law, formally called the New Parent Leave Act (NPLA) and informally called the Baby Bonding Bill, will go into effect on January 1, 2018. The NPLA applies to employers, including special districts, with 20-49 employees. It directs these employers to provide their employees with three main benefits:

1) 12 weeks of leave.

Employees will be allowed to take up to 12 weeks of unpaid leave to bond with a new child. The leave must begin within one year of the child's birth, adoption, or foster care placement. Once the leave period starts, the 12 weeks of leave must be taken within 12 months.

Employees may also use accrued paid time off, such as paid vacation days and sick leave, during the leave. However, they cannot be required to use paid time off for this purpose.

This leave is in addition to the up to four months of pregnancy disability leave available to employees under California law.

2) Job protections.

Under the NPLA, employers must guarantee that when their employees return from the leave, they can resume working at their previous position or a comparable position.

The law also prohibits employers from refusing to hire or from discharging, fining, suspending, expelling, or discriminating against individuals who take parental leave under the NPLA.

3) Continued health insurance coverage.

During an employee's leave, employers must continue to pay for the employee's group health plan coverage at the same level and under the same conditions that coverage would have been provided had the employee not taken leave.

However, if the employee does not return from the leave of absence and if the failure to return is not due to a serious health condition or other circumstance beyond the employee's control, the employer may recover the premium it paid during the employee's leave.

Employers Covered by the NPLA

The NPLA applies to public and private companies that employ 20 to 49 workers within a 75-mile range. Accordingly, an employer with several small worksites must comply with the NPLA if at least 20 of its employees work within 75 miles of each other.

The NPLA does not apply to employers with 50 or more employees, since large employers are already required to provide the same type of leave covered by the NPLA. Both the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA) direct large employers to give their eligible employees 12 weeks of unpaid, protected leave for baby bonding purposes.

Note that the FMLA and CFRA also provide employees with leave to care for a sick child, spouse, or parent. The NPLA is more narrowly focused. It provides leave to bond with a new addition to the employee's family through birth, adoption, or foster care, but does not provide leave for caring for a sick family member.

Employees Covered by the NPLA

According to the article "Parental Leave Expands for California Workers So They Can Bond with Their Newborns" (*Orange County Register*, Oct. 12, 2017), the new law covers 2.7 million workers—16% of the state's labor force.

To be eligible for NPLA leave, employees must have worked for the employer for 12 months and worked a minimum of 1,250 hours in the 12 months before the leave begins.

Parents working for the same employer are eligible to receive a combined total of 12 weeks under the NPLA. The employer may grant both parents leave at the same time, but is not required to do so.

Mediation Pilot Program

The NPLA includes a new mediation program, allowing employers to request mediation through the Department of Fair Employment and Housing's Mediation Division program within 60 days of a right-to-sue notice. This is a pilot program which will proceed only if the legislature provides funding for it. It will be effective only until January 1, 2020.

Paid Leave in San Francisco

Employers in San Francisco should be aware of a city ordinance enacted last year that requires employers with 20 or more workers to provide parents with six weeks of fully paid job-protected bonding leave.

Recommendations for Employers

Employers should determine whether they are subject to the NPLA. If so, they should update their leave policies and procedures. In addition, employers should inform their managers and supervisors about the new law and conduct any training needed to ensure compliance.

**

This article was written by guest authors, Nate J. Kowalski and Debra L. Garfinkle, as part of CSDA's New Laws of 2018 Series, an eight-part series where experts explain legislation that was passed in 2017 and how it will impact special districts

moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts in 2018. Up next...

Part III: Special guest author Senator Robert M. Hertzberg tells CSDA about SB 231 and his Prop 218 stormwater sewer fix.

Missed Part I? Read it now. ['Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450'](#)

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner



California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018 Series: Part III

SB 231 and How Special Districts Can Help with Water Reliability

By State Senator Robert M. Hertzberg, D-Van Nuys, representing California's 18th Senate District and is chair of the Senate Committee on Natural Resources and Water.

I have spent years studying how California can augment reliance on local water supplies, as concern over the drought reverberated statewide. As Chair of the Senate Natural Resources and Water Committee, I have committed myself to tackling the tough issues that will allow us to use and reuse free rain water and decrease our dependence of costly imported water.

As you know, local governments, like special districts, must get voter approval to raise taxes with a few exceptions. Those exceptions include fees for essential services such as “sewer, water and refuse collection.” In spite of the fact that existing laws define “sewer” to include both sanitary and stormwater services, which is also how it is defined in almost any dictionary, a single [court decision in 2002](#) ruled against a stormwater fee pursued by the City of Salinas. [Senate Bill 231](#) provides much needed clarification from the Legislature, by providing a definition for “sewer” in line with other statutes, court opinions, and dictionary definitions to include stormwater as well as a contemporaneous interpretation within Proposition 218.

I anticipate any implementation of SB 231 to be litigated and opponents will challenge any fee in court. While I do not think that cities, counties, or special districts should shy away from these challenges, we must all approach them with care and forethought. We must continue to work together to ensure that we build upon our success in the legislature with success in the courts. I have done a [podcast](#) in conjunction with the Water Foundation and others, to organize and provide additional technical assistance for affected local governments.

It is critical as we move forward with this clarification, that implementation, be deliberate, thoughtful and far from any claims of overreach or abuse. In the meantime, I am hopeful that communities that elect property related stormwater management fees will finally have the opportunity to cost-effectively capture free rain water, augment critical water supplies, as well as protect properties and businesses from flooding and pollution.

This new law presents an opportunity, in spite of fierce opposition, for a justifiable and legal path to accomplish our shared goals of stormwater management.

I look forward to seeing how you move our communities forward in water reliability. Please feel free to contact my office for assistance if you have any questions at 916-651-4018.

**

This article was written by Senator Robert M. Hertzberg as part of CSDA's New Laws of 2018 Series, a ten-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts in 2018. Up next...

Part IV: AB 804 and changes to control guidelines to detect and prevent financial errors and fraud

Read previous parts of the New Laws of 2018 Series:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner



California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018 Series: Part IV

Changes to control guidelines detect and prevent financial errors and fraud

By David Alvey, CPA. Mr. Alvey is Audit Partner and Vice President at Maze & Associates where he specializes in fraud, internal controls and government accounting.

California State Assembly Bill 804 (Garcia), signed into law on September 2017, amended Government Code Section 12422.5 to authorize the State Controller to audit any local agency for the purpose of determining whether the agency's internal controls are adequate to detect and prevent financial errors and fraud.

Before AB 804, the Controller only had the authority to audit agencies that received State funding. Now, they can choose to audit the internal control environment of any local agency in the State regardless of the funding sources of that agency. This change to the Government Code has been part of a long journey that started in August 2013 with the enactment of [Assembly Bill 1248 \(Cooley\)](#) which required the Controller to develop and publish internal control guidelines on or before January 2015. These [guidelines](#) can be found on the State Controller's Office website.

Now the Controller's office will look to ensure local agencies are implementing its internal control recommendations. This became the focus of the Controller back in 2011 with the [exposure of unethical financial practices](#) by numerous officials in the City of Bell. Around that same time, the Controller also found break downs in the internal control environment in the City of Hercules. In the Controller's September 2012 "Hercules Administrative and Internal Accounting Control Review Report," the report states:

We found the City of Hercules' administrative and internal accounting control deficiencies to be serious and pervasive; in effect, non-existent. We noted there was no oversight by the City Council over the City's financial and operational activities.

The American Institute of Certified Public Accountants' Auditing Standard AU-C §315.04 defines internal control based on the definition and description contained in *Internal Control – Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) as follows:

January 24, 2018 - Page 35 of 50
 A process effected by those charged with governance, management, and other personnel that is designed to provide reasonable
 Agenda Item 9B - Page 14 of 23

assurance about the achievement of the entity's objectives with regard to the reliability of financial reporting, effectiveness and efficiency of operations, and compliance with applicable laws and regulations. Internal control over safeguarding of assets against unauthorized acquisition, use or disposition may include controls relating to financial reporting and operations objectives.

The integrated framework of internal controls covers all practice, policies, and procedures within an organization. If it is a healthy environment, the internal control framework should be able to adapt to changes, support sound decisions, provide timely feedback and mitigate risk. COSO assumes every entity has three main objectives:

1. **Operations** – An entity should function effectively and efficiently to achieve financial and non-financial goals and objectives.
2. **Reporting** – The reporting of financial and non-financial goals should be transparent, reliable and timely.
3. **Compliance** – The entity must adhere to laws and regulations.

Within each of these areas, there should be five areas of internal control:

1. **Control Environment** - This is the framework of standards and processes which is the basis for carrying out internal control across the entire entity. This structure needs to be embraced by the governing body and management. The “tone at the top” should emphasize its importance. This is really the foundation of the other four components. A strong culture of sound and ethical practices is essential to start implementing the rest of the areas.
2. **Risk Assessment** – The entity must continually review management identified risks (including fraud risk) relevant to the preparation and the accurate reporting of financial information. This includes the significance of each risk as well as the likelihood of occurrence.
3. **Control Activities** – The policies and procedures established by management should be designed to create segregation of duties and specifically address the identified risks.
4. **Information and Communication** – Management needs timely information to assess if the control activities are working properly. Communication within the entity is continual to deliver clear messages from management that control responsibilities must be taken seriously.
5. **Monitoring Activities** – The controls must be monitored on an on-going basis to evaluate the effectiveness of the design and to modify as the environment changes.

These three areas and five control activities span the entire makeup of the agency from the largest entity wide financial area down to the actual function level (i.e. financial statement reporting down to those actually processing transactions). With these outlines, we have the COSO cube.



Source: <https://www.coso.org/>

A well-managed framework of internal control must provide a favorable control environment with periodic risk assessment which is designed, implemented and managed to provide efficient and effective control activities. This should allow the user to get timely information and communication which will be used for ongoing monitoring of the effectiveness of the control-related policies and procedures, as well as the resolutions of any potential problems identified.

The Controller believes that this recommended framework and the new authority to perform audits will combat cases like Bell and Hercules. It will give a standardized approach for internal controls which goes beyond the typical segregation of duties and provides enhanced focus on risk assessment and communication. More information about recommended procedures by each of the five areas can be found in the guidelines.

**

This article was written by guest author, David Alvey, as part of CSDA's New Laws of 2018 Series, a ten-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts in 2018. Up next...

Part V: SB 496 on indemnity for design professionals

Read previous parts of the New Laws of 2018 Series:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)

California Special Districts Association | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)

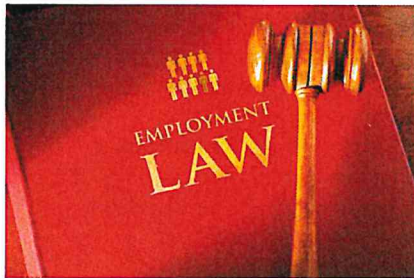


A Proud California Special Districts Alliance Partner



California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018 Series: Part V

Two Bills Addressing Pay Disparities – AB 168 and AB 1008

By Megan Lewis, Attorney in the San Francisco office of Liebert Cassidy Whitmore, provides representation and legal counsel to special districts on a variety of labor and employment matters, including the areas of managing risk, investigations, and performance management. Megan can be reached at mlewis@lcwlegal.com.

Two bills recently signed into law by Governor Jerry Brown create new protections for California job applicants in both the private and public sector. These laws are the latest in a series of laws passed in California that address equal pay issues and pay disparities in the workplace based on race and gender.

Both new laws take effect on **January 1, 2018**, at which point employers, including special districts, are expected to be in compliance. Now is the time for employers to examine their forms, policies, and procedures related to recruitment and the job application process and make any necessary modifications.

AB 168 – Prohibition on Salary History

This new statute restricts the ability of employers to gather applicants' salary history information or consider such information when determining whether to offer employment to an applicant and/or what salary to offer. However, this prohibition applies only to the applicant's salary history in the private sector and generally does not prohibit employers from considering public sector salary history, which is public information.

Specifically, the law prohibits employers from asking applicants about their salary history, including compensation and benefits information. The law also prohibits employers from relying on an applicant's salary history as a factor in determining whether to offer employment to an applicant or what salary to offer an applicant.

However, "salary history information disclosable to the public pursuant to federal or state law," is exempted, meaning employers can legally inquire into an applicant's salary history pertaining to employment with federal, state, or local agencies and can consider such information when deciding whether to offer employment and what salary to offer. Employers can also consider salary history information that an applicant discloses "voluntarily and without prompting" when determining what salary to offer the applicant. However, the employer cannot consider such information when deciding whether to offer the applicant employment.

AB 1008 – Ban the Box Expansion

This law is another step in the “ban the box” movement in California, which seeks to eliminate the practice of automatically disqualifying convicted criminals from employment by asking questions concerning criminal convictions in the early stages of the job application process.

It has been illegal for several years for public sector employers to ask applicants to disclose criminal convictions until after the employer determined that the applicant met the minimum employment qualifications for the position. AB 1008 extends these prohibitions to private employers with five or more employees and goes even further by prohibiting employers from requesting or considering conviction history until after the applicant has received a conditional offer of employment.

Where an applicant has a criminal history, employers are required to make an individual assessment to determine whether the applicant's conviction history has a direct and adverse relationship with the specific duties of the position at issue. The employer must consider: (1) the nature and gravity of offense; (2) the amount of time that has passed since the offense; and (3) the nature of the job held or sought. If, after this assessment, the decision is made to preliminarily withdraw a conditional offer of employment, the employer must notify the applicant in writing of that decision, note which conviction(s) is being relied upon in making the decision, attach a copy of the conviction history report (if applicable), and provide five business days for the applicant to respond to the notice before the decision in final. If the decision is made final, another written notice must be sent to the applicant.

A few types of positions are exempt from the provisions of AB 1008. The law does not apply to positions for which a state or local agency is otherwise required by law to conduct a conviction history background check, positions with criminal justice agencies, Farm Labor Contractors (as defined in the California Labor Code), and positions where an employer is required by law to conduct criminal background checks for employment purposes or to restrict employment based on criminal history.

This bill will be codified as Government Code section 12952, where it will be part of the Fair Employment and Housing Act (“FEHA”) and under the jurisdiction of the Department of Fair Employment and Housing. The same damages available under other FEHA claims, such as compensatory damages, attorneys’ fees, and costs, will also be available for claims brought under section 12952.

**

This article was written by guest author, [Megan Lewis](#), as part of CSDA's New Laws of 2018 Series, a ten-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts in 2018. Up next...

Part VII: To indemnify and defend? SB 496 changes the rules for design professional contracts

Read previous parts of the New Laws of 2018 Series:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)
- [Part IV: Changes to control guidelines detect and prevent financial errors and fraud](#)



California Special
Districts Association
Districts Stronger Together

e-News



New Laws of 2018 Series: Part VI To indemnify and defend?

SB 496 changes the rules for design professional contract

By Michael N. Conneran, Partner, Hanson Bridgett LLP

With the enactment of [California Senate Bill 496](#) (Canella), which amends Civil Code Section 2782.8, the Legislature has made another foray into the area of design professional indemnity. This latest change limits the amount of defense costs that a design professional can be made to pay in defending a claim that is tendered to it under a contractual indemnity obligation. To understand what this all means requires us to look at how indemnity obligations work in the context of professional service agreements.

Most contracts with design professionals contain an indemnity provision, which is often the subject of negotiation. The provisions have two primary obligations, the obligation to *indemnify*, which means to pay for any damages incurred by the party being protected (the "indemnitee"), and the duty to *defend*, which means to provide legal representation to defend the indemnitee against such a claim. Although these terms have always been a point of tension in negotiating design professional agreements, this task became more difficult a decade ago when the California courts expanded the exposure of professionals to pay for the claims arising under contractual indemnity provisions.^[1] In addition, the courts found that the design professionals owed an immediate defense obligation to the party being indemnified, even if the professional was ultimately found to have not been responsible (or to have been only minimally responsible) for the matter.

In response, design professionals sought protection from the legislature to limit, by statute, the range of damages and attorney's fees that they may be liable to pay. They were able, in 2010, to get legislation ([SB 972](#)) passed that clarified that they were not liable for damages that were not the fault of the design professional (defined as licensed architects, landscape architects, engineers and land surveyors). While this provided the industry some protection in terms of the potential exposure to damages, the change did not address the obligation to defend, which potentially made professionals responsible for providing an "up front" defense to a claim, even before any determination is made as to whether they were at fault. Many design professionals simply refused to provide such an immediate defense, even when it was contractually required, for fear that if they provided such a defense, they may never recoup their costs, even if they were ultimately found not to be at fault. A strong motivating factor for this behavior was the challenge for design professionals to obtain insurance coverage to cover these up-front defense costs.

The negotiation of professional service contracts became more difficult as agencies sought to solidify the "up front" defense obligation, while designers sought to push off any obligation to defend until after fault had been determined. A key factor in this calculus is the fact that the fault of a design professional is often not determined in the initial litigation—a suit by a contractor claiming that the plans for the project were flawed would not result in a legal judgment against the designer who prepared them---that would take a second suit by the owner that paid the claim to the contractor. So it might be a long, tough road to ultimately get the designer to bear financial responsibility for their error and to repay any costs expended in defending the claim. Some contracts try to provide a method, such as arbitration, to speed up the determination of the designer's fault.

The new law alters this situation by limiting the amount that a designer has to pay for defense costs to their percentage of fault. So, if the second process determines that the claim was 25% the fault of the designer, they would be liable for 25% of the claim and 25% of the defense costs. While this makes practical sense, it is difficult to see how the new law will work if an up-front defense is to be provided. It is hard to imagine that the designer-funded counsel defending the claim would stop work as soon as the costs hit the estimated threshold of fault. A more reasonable arrangement might have the parties agree to fund the defense jointly and allow costs to be allocated later, once fault is allocated. That seems unlikely, however, when the designer can't rely on their insurance carrier to cash flow the effort. Therefore, one would expect the new statute to come into play after the fact, when fault is determined and the parties need to allocate the defense costs. Note that the statute does contain a provision to address a situation where one of the responsible parties is insolvent, allowing the designer to be forced to pay more than their share to make up for the non-participating party. It also limits the indemnity obligation of the design professional to claims alleging negligence, recklessness, or willful misconduct.

Three other details about SB 496 to note: (1) the law expands the reach of Section 2782.8 to all construction contracts, not just those with public agencies, but not to ones with State of California entities; (2) the law does not pertain in a situation where the design professional is a party to a joint venture design/build contract; and (3) the law does not apply when there is a project-specific liability policy that insures all parties on a primary coverage basis. The new law becomes effective January 1, 2018 and applies to all contracts signed on or after that date. Any agreements that contain terms that conflict with the statute are void and unenforceable, although parties can negotiate terms that are not in conflict with the law.

**

This article was written by guest author, Michael N. Conneran, as part of CSDA's New Laws of 2018 Series, a ten-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts in 2018. Up next...

Part VII: AB 22 and storing electronic media

Read previous parts of the New Laws of 2018 Series:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)
- [Part IV: Changes to control guidelines detect and prevent financial errors and fraud](#)
- [Part V: Two Bills Addressing Pay Disparities – AB 168 and AB 1008](#)

[1] *Crawford v. Weather Shield Mfg. Inc.* ((2008) 44 Cal.4th 541) and *UDC-Universal Development v. CH2M Hill* ((2010) 181 Cal.App.4th 1). These decisions interpreted existing statutory law in a way that was not generally understood by the industry.

%MCEPASTEBIN%

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner

**

This article was written by guest author, Donald M. Davis, as part of CSDA's New Laws of 2018 Series, a ten-part series where experts explain legislation that was passed in 2017 and how it will impact special districts moving forward. Stay tuned to CSDA's E-News for more in-depth analyses on new laws affecting special districts in 2018. Up next...

Part VIII: CSDA-sponsored AB 979

Read previous parts of the New Laws of 2018 Series:

- [Part I: The Benefits of Knowing the Full Cost of Debt Financing: SB 450](#)
- [Part II: New California Law Expands Baby Bonding Leave to Mid-Size Employers](#)
- [Part III: SB 231 and How Special Districts Can Help with Water Reliability](#)
- [Part IV: Changes to control guidelines detect and prevent financial errors and fraud](#)
- [Part V: Two Bills Addressing Pay Disparities – AB 168 and AB 1008](#)
- [Part VI: To indemnify and defend? SB 496 changes the rules for design professional contract](#)

[California Special Districts Association](#) | 1112 I Street | Suite 200 | Sacramento, CA 95814 | 877.924.CSDA (2732)



A Proud California Special Districts Alliance Partner



Oceano Community Services District

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

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

Date: January 24, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: Agenda Item # 9(C): Discussion of committee assignments for the Five Cities Fire Authority including possible action to modify assignments, updates on issues, meetings and communications with representatives of other agencies, and direction as deemed appropriate.

Recommendation

It is recommended that your Board:

- A. Discuss committee assignments and act to modify assignments as deemed appropriate.
- B. Discuss updates on meetings and communications with representatives of other agencies.
- C. Provide direction as deemed appropriate.

Discussion

The purpose of this item is to follow up on Board discussions held during the special meeting of December 6, 2017 and the regular meeting of January 10, 2018. Topics that your Board may wish to discuss include, but are not limited to, the following:

- Committee Assignments
- Current year FCFA Budget Overruns
- Transitioning from Reserve Firefighters to Full-time Firefighters
- Updates on Communications and Actions involving other Agencies
 - FCFA Board Meetings
 - Ad Hoc Committee Meetings
- Strategic Planning Efforts
- Multi-year Budget Outlook
- FCFA Joint Powers of Authority Agreement



Committee Assignments

The following are the Board's current committee assignments for FCFA:

- Karen White – Primary assignment to FCFA Board of Directors
- James Coalwell – Alternate assignment to FCFA Board of Directors
- Linda Austin – Ad Hoc Assignment to participate in due diligence efforts with the general manager and other agencies independent of the FCFA Board assignments

The appointment of Vice President Austin to the ad hoc committee occurred at the January 10, 2018 OCSD Board meeting. Your Board also discussed possible changes to FCFA Board assignments and directed that this topic be included on the January 24, 2018 agenda so that changes can be made if deemed appropriate. As a reminder, the separation of the ad hoc assignments from FCFA Board assignments needs to be maintained except for at Board meetings that are properly noticed in accordance with the Brown Act.

Communications with Other Agencies

Attached is the agenda for the Executive Committee meeting that was held on January 17, 2018 and other communications that relate to public outreach. Updates on topics discussed at the Executive Committee are included below. Verbal updates on the FCFA Board meeting of January 19, 2018 will also be provided at the Board meeting.

Current Year Budget Overruns

The FCFA executive meeting on January 17, 2018 included review of the FCFA Board actions in November and December 2017. At both meetings, motions passed on 2-1 votes. The executive team discussed whether they represented formal approval to utilize existing reserves to fund current year budget overruns. The executive team reviewed the JPA, which states in Section 4(C)(5) that "decisions relating to the budget... shall require unanimous vote of the Board for approval." Furthermore, it was noted that the November and December agendas for FCFA did not include a description of possible budgetary action. From the executive team discussions, it is anticipated that a budget adjustment for current year overruns will be included in an upcoming FCFA agenda.



Transitioning from Reserve Fire Fighters to Full-Time Firefighters

During the executive committee meeting on January 17, 2018 observations were shared from the meetings held by each of the three member agencies, which were on Monday January 8, 2018 (City of Grover Beach), Tuesday January 9, 2018 (City of Arroyo Grande) and Wednesday January 10, 2018 (OCSD). City representatives indicated that transitioning to full-time firefighters received general support from the city councils and that they would be addressing budget details in upcoming city council meetings. OCSD's funding limitations were also discussed. Once the city councils complete their budget review and finalize policy direction, it is anticipated that formal action by FCFA Board may follow, and potentially be in March 2018.

Other topics that may be discussed include but are not limited to the following:

- Updates on Communications and Actions involving other Agencies
 - FCFA Board Meetings
 - Ad Hoc Committee Meetings
- Strategic Planning Efforts
- Multi-year Budget Outlook
- FCFA Joint Powers of Authority Agreement

Other Agency Involvement

The cities of Arroyo Grande and Grover Beach are the other two member agencies of the Five Cities Fire Authority.

Other Financial Considerations

None at this time.

Results

Continuing review and discussion of FCFA related issues promotes a safe, healthy and well governed community.

Attachments:

- Executive Committee Agenda 1/17/2018
- Public Outreach Communications



FIVE CITIES FIRE AUTHORITY

Executive Team Meeting

January 17, 2018

- **SCBA Replacement Status / Mid-Year Budget**
 - Project Cost Estimate \$358,200
 - Arroyo Grande \$170,755
 - Grover Beach \$121,575
 - Oceano \$ 65,870

- **FCFA Board**
 - November/December Board Action
 - District Board/City Council Meetings (1/8-10)
 - Manager Observations
 - Fire Chief Observations
 - Discussion Items
 - Concept of Fire Station Staffing Fixed Cost / Admin. OH
 - Apparatus/Capital Equipment Replacement
 - Prioritization of Strategic Plan (likely February)

- **Roundtable**

Protecting Life, Property and the Environment



MEMORANDUM

To: Chair Karen White, Vice Chair Barbara Harmon, Board Member John Shoals

From: Stephen Lieberman, Fire Chief

Date: January 18, 2018

Subject: Media Talking Points – FCFA Strategic Plan & Firefighter Transition

As the three communities engage in the dialogue surrounding the current and future needs of this fire department, I have had media contact. I have been interviewed by Chris McGuinness with New Times (story appeared 1/11/18), and have a second interview scheduled with another New Times reporter next week. As I understand the next story, it will be focused on other fire departments in the county who are facing the same challenge. A local “on-line blog” posted a story last Tuesday with a headline highlighting a “70% budget increase requested by the FCFA.” While I refuse to acknowledge any credibility with these blogs, the information was incorrect and misleading.

Yesterday (1/17/18), I met with the Management Team consisting of the City/District Managers and the FCFA Treasurer. The meeting was productive, and the group has requested that we meet bi-weekly.

As the current situation related to funding for a transition to full-time firefighters has a potential political impact, I would like direction from the Board about media contact/interview requests. While I serve as the Public Information Officer (PIO) for this organization, I would like to know if the Board would be involved with media contacts having to do this policy, planning and funding issue.

I have created the following talking points, but look to the Board for input.

Top Priority

- The safety of the communities served by the Board of Directors and employees of the Five Cities Fire Authority is a top priority.

History

- The communities of Arroyo Grande, Grover Beach and Oceano were served proudly by volunteer fire departments until around 2000 when a gradual transition began towards full time staffing.
- The Part-Time Reserve Firefighter program is the last vestige of the volunteer fire service.

The Challenge

- In the 18 years since the transition to full-time staffing began:
 - Calls for emergency service have steadily increased (consistent 4% year over year increase)
 - Increased commercial and residential development
 - Aging population with increasing needs for assistance
- Recruitment and Retention Challenges
 - Part Time (Reserve) Firefighters are paid \$12-\$14/hour without benefits

- Boomer Retirements create opportunity for full time employment at larger fire departments
- No path for part time employees to transition to full time employment exacerbates turnover
- Similar challenges faced by other fire departments (Pismo Beach terminating program 6/30/18)
- Safety
 - Providing a consistent service level to the communities is at risk with this staffing shortage
 - Existing employees are working extended work schedules to attempt to cover these open shifts, increasing the risk for injury and burn-out
- Funding
 - The costs associated with hiring full-time Firefighters is not included in the current budget
 - When the Five Cities Fire Authority Joint Powers Authority (JPA) was formed in 2010, the member communities acknowledged the need for continued/future investment for vehicle replacement, capital equipment replacement, and future service needs.
 - The economic downturn of 2008/2009 impacted the ability for all local government agencies to invest in public safety
 - The communities now are discussing the need for prioritization of existing funding or possible enhanced revenue measures to sustain service delivery
 - FCFA us currently filling open part time Firefighter shifts with career personnel at a rate nearly 3x the amount budgeted

Current Actions & Planning

- Recent Board Actions
 - 12/15/17 Board approved “Urgency Hire” of three (3) full time Firefighters utilizing existing budget reserves (also known as “Fund Balance”)
 - Board members consulted with their respective councils/boards for direction related to funding to sustain transition to full time Firefighter staffing
 - City/District Managers, FCFA Treasurer and Fire Chief are meeting bi-weekly to discuss and develop board directed strategies for future funding and potential organizational changes
- FCFA will accelerate budget planning for Fiscal Year 2018/2019 in order to allow the three member communities time to consider the firefighter transition during their budget planning cycles