



## Notice of Regular Meeting Oceano Community Services District - Board of Directors Agenda

**WEDNESDAY, November 28, 2018 – 6:00 P.M.**

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

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

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

1. CALL TO ORDER
2. ROLL CALL
3. FLAG SALUTE
4. AGENDA REVIEW
5. CLOSED SESSION:

A. Pursuant to Government Code §54957: Public Employment – General Manager

6. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: **(NOT BEGINNING BEFORE 6:00 PM)**

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

7. SPECIAL PRESENTATIONS & REPORTS:

A. STAFF REPORTS:

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

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

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

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

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

This agenda was prepared and posted pursuant to Government Code Section 54954.2. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at [www.oceanocsd.org](http://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 November 14, 2018
- B. Review and Approval of Cash Disbursements

## 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 correspondence on increases in State Water costs for 2019 with options for reducing other water fund costs and Board direction as deemed appropriate
- B. Consideration of an amendment to the General Manager's employment contract authorizing up to 20 hours per week of unpaid leave with a proportional reduction in benefit accruals
- C. Consideration of a recommendation to approve a resolution authorizing the President to modify the date that the District must relocate its facilities in the attached Utility Relocation Agreement for the Oceano Drainage Improvement Project
- D. Consideration of 2019 District Priorities and Goals with Board Direction as deemed appropriate

## 10. HEARING ITEMS:

## 11. RECEIVED WRITTEN COMMUNICATIONS:

## 12. LATE RECEIVED WRITTEN COMMUNICATIONS:

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

## 14. FUTURE HEARING ITEMS:

## 15. ADJOURNMENT:



# Oceano Community Services District

## Summary Minutes

Regular Meeting Wednesday, November 14, 2018 – 5:30 P.M.

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

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1. **CALL TO ORDER:** at 5:30 p.m. by President White
2. **FLAG SALUTE:** led by President White
3. **ROLL CALL:** All Board members present: President White, Vice President Austin, Director Villa, Director Gibson and Director Replogle. Also present, General Manager Paavo Ogren, Business and Accounting Manager Carey Casciola, Legal Counsel Jeff Minnery and Account Administrator Nicole Miller.
4. **AGENDA REVIEW:** Agenda approved with amended item 8B – Cash Disbursements.
5. **CLOSED SESSION:** was entered at approximately 5:33pm. Open session was resumed at approximate 6:00pm  
No public comment
  - a. **Pursuant to Government Code §54957:** Public Employment – General Manager; District Engineer / Assistant General Manager  
No reportable action
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**  
Public comment was received by Frank Barez, Joe Shacker and a resident from Honolulu Court.
7. **SPECIAL PRESENTATIONS & REPORTS:**
  - b. **STAFF REPORTS:**
    - i. Operations - Field Supervisor Tony Marraccino – Field Supervisor Marraccino reported 14 USAs, 10 Service Orders, 18 Work Orders, 2 after hour call outs. The Air Park Bridge project is nearing completion with the water main connection anticipated for next week. Some water complaints were received after an emergency line break occurred during this project. Sewer jetting is still taking place.
    - ii. FCFA - Chief Steve Lieberman – None
    - iii. OCSD General Manager – General Manager Ogren reported on TAC Zone3 contract amendments, LRRP, Central Coast Blue and the upcoming Oceano Community Outreach Event.
    - iv. Sheriff's South Station – Commander Stuart MacDonald – None
  - c. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
    - i. Director Villa– Reported her attendance at a CalPoly Studio Master Class focus group specializing in a strategic plan for Oceano.
    - ii. Director Gibson– None
    - iii. President White – Zone 11A
    - iv. Vice President Austin – None
    - v. Director Replogle – IRWVG, WRAC, IWMA
  - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**  
Public Comment was received by Joe Shacker

<b>8 CONSENT AGENDA:</b>	<b>ACTION:</b>
<ul style="list-style-type: none"> <li>a. Review and Approval of Minutes for October 10, 2018</li> <li>b. Review and Approval of Cash Disbursements</li> </ul>	<p>After an opportunity for public comment and brief Board discussion, staff recommendations were to approve as amended with the attached addition of \$8,350.88 to increase the total cash disbursements from \$305,864.36 to \$314,511.72 with a motion from Director Villa, and a second from Director Replogle and a 5-0 vote.</p> <p>No public comment.</p>

<b>9A BUSINESS ITEM:</b>	<b>ACTION:</b>
<p>Review and discussion of Draft Policies on District General Matters, the Board of Directors and Board Meetings with a discussion on Rules and Regulations and Board direction as deemed appropriate.</p>	<p>After brief Board discussion public comment received by Brenda Lowe.</p>

- 10. **HEARING ITEMS:** None
- 11. **RECEIVED WRITTEN COMMUNICATIONS:** None
- 12. **LATE RECEIVED WRITTEN COMMUNICATIONS:** Email from Julie Tacker
- 13. **FUTURE AGENDA ITEMS:** District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Seabreeze Mobile Home Park Continued, 2019 Goals and Priorities second meeting in November, Board Meeting Orientation first meeting in December. 13<sup>th</sup> St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP. The Place Art Gallery.
- 14. **FUTURE HEARING ITEMS:** None
- 15. **ADJOURNMENT:** at approximately 8:35 pm



# Oceano Community Services District

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

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

**Date:** November 14, 2018

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

**Subject:** Agenda Item #8(B): Recommendation to Approve Cash Disbursements - **REVISED**

## Recommendation

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

## Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence	Amounts
	57319 – 57360*	
<b>Disbursements Requiring Board Approval prior to Payment:</b>		
Regular Payable Register – paid 11/14/2018	57327 - 57348	\$261,321.18
Added Warrants – paid 11/14/2018	57349 - 53760	\$8,350.66
	<b>Subtotal:</b>	<b>\$269,671.84</b>
<b>Reoccurring Payments for Board Review (authorized by Resolution 2016-07):</b>		
Payroll Disbursements – PPE 10/27/2018	N/A	\$27,114.78
Reoccurring Utility Disbursements – paid 10/19/2018	57319 - 57320	\$913.26
Reoccurring Health/Benefits – paid 10/24/2018	57321 - 57323	\$5,901.00
Reoccurring Utility Disbursements – paid 10/26/2018	57324 - 57326	\$10,614.14
	<b>Subtotal:</b>	<b>\$44,839.88</b>
	<b>Grand Total:</b>	<b>\$314,511.72</b>

\*Check number 57157 from 8/8/2018 has been stopped and VOIDED. The vendor never received the check and the check never cleared. A new check, number 57369, has been issued to replace it.

**Other Agency Involvement:** n/a

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

## Results

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

11/14/2018 4:03 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: 057349 THRU 057360

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	11/14/2018	CHECK	057349	BURDINE PRINTING & GRAPHICS	417.58CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057350	ARAMARK	93.58CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057351	SWRCB/ DRINKING WATER OP CERT	90.00CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057352	SWRCB/ DRINKING WATER OP CERT	60.00CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057353	GSI WATER SOLUTIONS, INC.	4,175.95CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057354	RABOBANK VISA CARD	94.06CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057355	DIGITAL WEST NETWORKS, INC.	2,684.74CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057356	MIER BROS.	161.63CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057357	MINER'S ACE HARDWARE, INC.	4.30CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057358	CARQUEST AUTO PARTS	1.71CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057359	UNITED RENTALS (NORTH AMERICA)	392.11CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057360	MAXIME DE JONGE	175.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	8,350.66CR		
				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:	8,350.66CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		



# Oceano Community Services District

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

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

**Date:** November 28, 2018

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

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

## Recommendation

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

## Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence	Amounts
	57361 - 57381	
<b>Disbursements Requiring Board Approval prior to Payment:</b>		
Regular Payable Register – paid 11/28/2018	57370 - 57381	\$22,508.03
	Subtotal:	\$22,508.03
<b>Reoccurring Payments for Board Review (authorized by Resolution 2016-07):</b>		
Payroll Disbursements – PPE 11/10/2018	N/A	\$31,934.37
Reoccurring Utility Disbursements – paid 11/14/2018	57361 - 57367	\$2,927.78
Reoccurring Health/Benefits – paid 11/14/2018	57368	\$54.67
	Subtotal:	\$34,916.82
	<b>Grand Total:</b>	<b>\$57,424.85</b>

\*As previously noted on the 11/14/2018 Board Agenda - Check number 57157 from 8/8/2018 has been stopped and VOIDED. The vendor never received the check and the check never cleared. A new check, number 57369, has been issued to replace it.

**Other Agency Involvement:** n/a

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

## Results

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

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: 057370 THRU 057381

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	11/21/2018	CHECK	057370	PETTY CASH	108.92CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057371	ADAMSKI MOROSKI MADDEN CUMBERL	15,450.00CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057372	ARAMARK	93.58CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057373	SCOTT O'BRIEN FIRE & SAFETY CO	356.97CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057374	SHRED-IT USA JV LLC	201.00CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057375	FAMCON PIPE & SUPPLY, INC.	130.85CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057376	CITY OF ARROYO GRANDE	4,242.34CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057377	CLINICAL LAB OF SAN BERNARDINO	640.00CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057378	J.B. DEWAR, INC.	311.10CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057379	MIER BROS.	102.36CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057380	MINER'S ACE HARDWARE, INC.	12.91CR	OUTSTND	A	0/00/0000
1-1001-000	11/21/2018	CHECK	057381	SLO CO PUBLIC HEALTH DEPT.	858.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	22,508.03CR		
				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:	22,508.03CR		
				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 November 28, 2018**

	(*)	
<u>Gross Wages</u>	10/27/2018	11/10/2018
Regular	\$21,995.25	\$23,730.54
Overtime Wages	\$1,292.02	\$4,365.81
Stand By	\$700.00	\$700.00
	<u>\$23,987.27</u>	<u>\$28,796.35</u>
 <b><u>Disbursements</u></b>		
Net Wages	\$17,711.09	\$22,027.12
State and Federal Agencies	\$4,865.33	\$5,153.13
CalPERS - Normal	\$4,384.35	\$4,600.11
SEIU - Union Fees	\$154.01	\$154.01
Total Disbursements processed with Payroll	<u>\$27,114.78</u>	<u>\$31,934.37</u>
Health (Disbursed with reoccurring bills)	\$3,607.25	\$4,019.24
	<u>\$30,722.03</u>	<u>\$35,953.61</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	11/14/2018	CHECK	057361	ADVANTAGE ANSWERING PLUS, INC	428.65CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057362	AGP VIDEO INC.	1,295.00CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057363	DIGITAL WEST NETWORKS, INC.	470.76CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057364	VERIZON WIRELESS	324.81CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057365	SO CAL GAS	93.80CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057366	STANLEY CONVERGENT SECURITY SO	91.26CR	OUTSTND	A	0/00/0000
1-1001-000	11/14/2018	CHECK	057367	ELECSYS INTERNATIONAL CORP	223.50CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	2,927.78CR		
				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:	2,927.78CR		
				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: 057368 THRU 057368

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	11/14/2018	CHECK	057368	TASC -CLIENT INVOICES	54.67CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	54.67CR		
				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:	54.67CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		



# Oceano Community Services District

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

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

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**Date:** November 28, 2018

**To:** Board of Directors

**From:** Paavo Ogren, General Manager

**Subject:** **Agenda Item # 9(A):** Consideration of correspondence on increases in State Water costs for 2019 with options for reducing other water fund costs and Board direction as deemed appropriate.

## Recommendation

It is recommended that your Board:

1. Consider and discuss correspondence on increases in State Water costs for 2019.
2. Consider and discuss options for reducing other water fund costs.
3. Provide Board direction as deemed appropriate.

## Discussion

The District received the attached correspondence dated November 16, 2018 from the County of San Luis Obispo regarding increases in State Water costs for calendar year 2019. The increases result from costs incurred by the California Department of Water Resources (DWR) which were significantly higher than estimated in 2017 and 2018. The District pays State Water costs based on estimates provide by the DWR, the County of San Luis Obispo, and the Central Coast Water Authority.

## Other Agency Involvement

The Department of Water Resources owns and operates the State Water Project. The County of San Luis Obispo, under the auspices of the San Luis Obispo County Flood Control and Water Conservation District is the State Water Contractor that the District has procured delivery and treatment of State Water. The Central Coast Water Authority owns and operates the Polonio Pass water treatment facilities.



**Financial Considerations**

The attached correspondence does not specify the 2019 charges for State Water. The unanticipated costs from the Department of Water Resources are expected to be included in invoices from the County that will be received in December 2018 and due on January 1, 2018 and July 1, 2018. As a result, the unanticipated costs will be incurred in the current (2018/19) fiscal year (50%) and next fiscal year 2019/20 (50%). The need for specific current year budget adjustments will be addressed at the Board meeting of December 12, 2018 if the County invoices are received by that date. The following provides preliminary estimates on anticipated budgetary impacts.

	County Wide Cost Estimate	Divide by County Wide Contracts (Acre Feet per Year)	Multiply by the OCSD Contract (Acre Feet per Year)	Estimated Cost Increase
Low-End Estimated Cost Increase	\$2,000,000	4,830	750	\$310,560
		High End Cost per Acre Foot	Multiply by the OCSD Contract (Acre Feet per Year)	Estimated Cost Increase
Hi-End Estimated Cost Increase		\$500	750	\$375,000

For the current fiscal year, fifty percent (50%) of the increases will necessitate the following:

1. A budget adjustment to increase State Water expenditures of between approximately \$155,000 and \$187,500 (50% of the annual costs illustrated in the table).
2. Budgetary savings to offset the cost increase.
3. Utilization of reserves.
4. Utilization of a State Water deposit held by the County of San Luis Obispo in the amount of \$191,000.
5. A combination of options 1 - 4.



# Oceano Community Services District

Board of Directors Meeting

The following table illustrates options current viable options:

	Low End Cost Estimate	High End Cost Estimate
<b>2019 (Calendar Year) Estimated Cost Increases</b>	<b><u>\$ 310,560</u></b>	<b><u>\$ 375,000</u></b>
Fiscal Year 2018/19 Increase (50%)	\$ 155,280	\$ 187,500
Less: Use of Deposit with County	(\$ 191,000)	(\$ 191,000)
Less: Deferral of Ass't GM/ Engineer Position	(\$ 83,300)	(\$ 83,300)
Less: Savings from Unpaid Leave by GM	(\$ 20,700)	(\$ 41,400)
Less: Total 2018/19 Budget Measures	<u>(\$ 295,000)</u>	<u>(\$ 315,700)</u>
Net Budget Savings Generated in 2018/19	<u>\$ 139,720</u>	<u>\$ 128,200</u>
Remaining costs to address in 2019/20 Budget	<u>\$ 15,560</u>	<u>\$ 59,300</u>

Note: The cost savings illustrated by deferring the Assistant General Manager / District Engineer position and the Unpaid Leave by the General Manager only reflect the savings generated for the water fund. The water fund savings are 65% of the total District cost savings, with the other 35% of savings primarily benefiting the sewer fund.

## Results

Addressing unanticipated water fund costs promotes a well governed and fiscally responsible District. Minimizing budgetary impacts in 2019/20 promotes fiscal stability. The options identified do not impact existing District reserves.

Attachments:

- Correspondence from the County of San Luis Obispo

**From:** [Wes Thomson](#)  
**To:** [michael.fitzpatrick\\_cdc.ca.gov](#); [scott.buffaloe\\_cdc.ca.gov](#); [rlivick\\_morrobayca.gov](#); [treece\\_cuesta.edu](#); [sdemello\\_cuesta.edu](#); [bfine\\_pismoeach.org](#); [paavo\\_oceanocsd.org](#); [DirectorGibson\\_OceanoCSD.org](#); [DirectorReplogle\\_OceanoCSD.org](#); [gthfs\\_aol.com](#); [Mike Ritter \(mrsails@aol.com\)](#); [hagemann.associates\\_gmail.com](#); [rkoon\\_smmwc.com](#); [medson\\_smmwc.com](#); [rstimson\\_slcusd.org](#)  
**Cc:** [Sherri Weiss](#); [Jill Ogren](#); [Ron Munds](#); [Mark Hutchinson](#); [Colt Esenwein](#); [Lynette O'Neil](#); [Courtney Howard](#); [Kate Ballantyne](#); [Mladen Bandov](#); [Wes Thomson](#)  
**Subject:** IMPORTANT! -- Significant State Water Billing Increase for 2019 – Impacts State Water Subcontractors  
**Date:** Friday, November 16, 2018 5:09:07 PM  
**Attachments:** [image001.png](#)  
[2019-Trans-Min-Cost-Notice\\_Subs\\_FINAL.pdf](#)

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Dear Subcontractors:

Attached is a report to the State Water Subcontractors describing an anticipated large increase in the DWR charges for calendar year 2019 which will likely be reflected in the upcoming December billing.

In a nutshell, DWR's initial estimate of the calendar year 2019 Transportation Minimum OMP&R costs are around \$2 million higher than the initial charges for calendar year 2018.

Please read the attached report for more information on this issue. We have outlined a brief action plan that shares how we are working to address the issue and will keep all of you informed as we make progress.

This will also be on the agenda for discussion at the next State Water Subcontractors Advisory Committee meeting, scheduled for Tuesday, January 8, 2019, 1:30-3:30p, downtown at the SLO County library (more meeting info to come).

In the meantime, if you have any questions, please let me know.

Thank you,  
Wes



**Wes Thomson, M.S., P.E.**

Civil Engineer, Utilities Division

Public Works, County of San Luis Obispo

Tel: (805) 788-2101 | *An APWA Accredited Agency*

[Website](#) | [Twitter](#) | [Map](#)





## MEMORANDUM

November 16, 2018

**TO:** State Water Subcontractors

**FROM:** Wes Thomson, M.S., P.E., Utilities Div., Public Works, County of San Luis Obispo  
Sherri Weiss, Finance Div., Public Works, County of San Luis Obispo

**SUBJECT:** Significant State Water Billing Increase for 2019 – Impacts State Water Subcontractors

### SUMMARY:

The District has received the 2019 Statement of Charges (SOC) invoice from the CA Department of Water Resources (DWR) which has an unusually high estimated cost increase for "Transportation Minimum OMP&R" charges for calendar year 2019 of about \$2 million. These are costs for conveyance facilities, independent of the quantity of water delivered.

This letter explains the estimated potential fiscal impact in 2019, and outlines steps that the District is taking to ensure the costs to the District are correct and allocated appropriately.

### DISCUSSION:

#### DWR Transportation Minimum OMP&R Cost Estimate

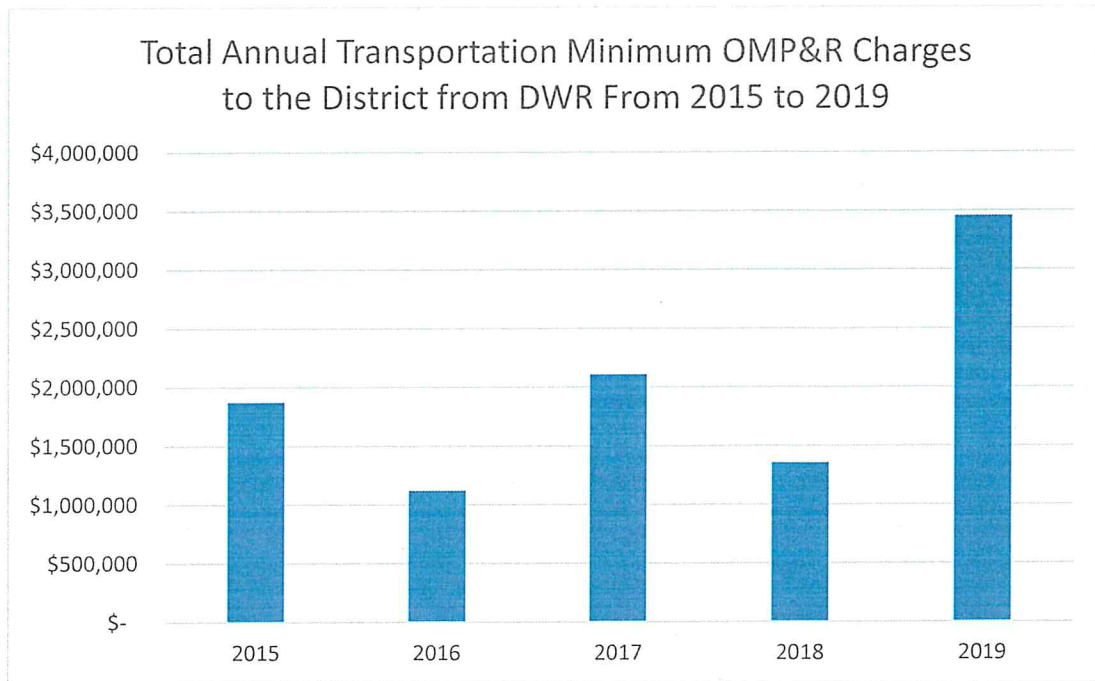
The Coastal Branch is divided into "reaches" to allocate:

- (1) capital costs, and
- (2) operation, maintenance, power & replacement (OMP&R) costs.

Capital costs and a minimum component of the OMP&R costs are then allocated in proportion to *contract allocation*; **and** a variable component of OMP&R cost is then allocated based on *water received*.

Historically, the State Water Project (SWP) has seen cost volatility in Transportation Minimum OMP&R costs (see Figure 1), but this has generally been upstream of the Coastal Branch where the District also shares in the cost obligation (due to its unsubscribed allocation), dampening the annual over- and under-billings.





**Figure 1. Variability in Transportation Minimum OMP&R Charges to the District in DWR Statement of Charges (SOC) from 2015 to 2019.**

The estimated cost spike this time is in “Reach 33A” of the Coastal Branch (see attached map), a region of the aqueduct which only applies to the District’s subcontractors and the Central Coast Water Authority (CCWA), and is the stretch of pipeline and series of pump stations from the Devil’s Den Pumping Plant on up through to the Polonio Pass Pumping Plant.

Calendar Year 2019 Transportation Minimum Cost Estimates – Reach 33A

We are facing approximately \$2 million of increase in the minimum component of Transportation OMP&R costs tied to “Reach 33A” – costs which are primarily reflective of:  
 (1) a billing “true-up” for 2017 & 2018 costs, and  
 (2) the *projected cost estimate* for 2019 operations.

These true-ups occur annually, but this time it is primarily to address DWR’s under-billings from the two previous years (about \$1.3 million total for 2017 & 2018 for Reach 33A), as shown in Table 1 below – Transportation Minimum OMP&R charges for Reach 33A as estimated by DWR in their calendar year “2018 SOC” (column B) and “2019 SOC” (column C) invoices. (Note that the actual costs for these years 2017 and 2018 are also used as weighted factors in the projected cost estimate for 2019 operations.)

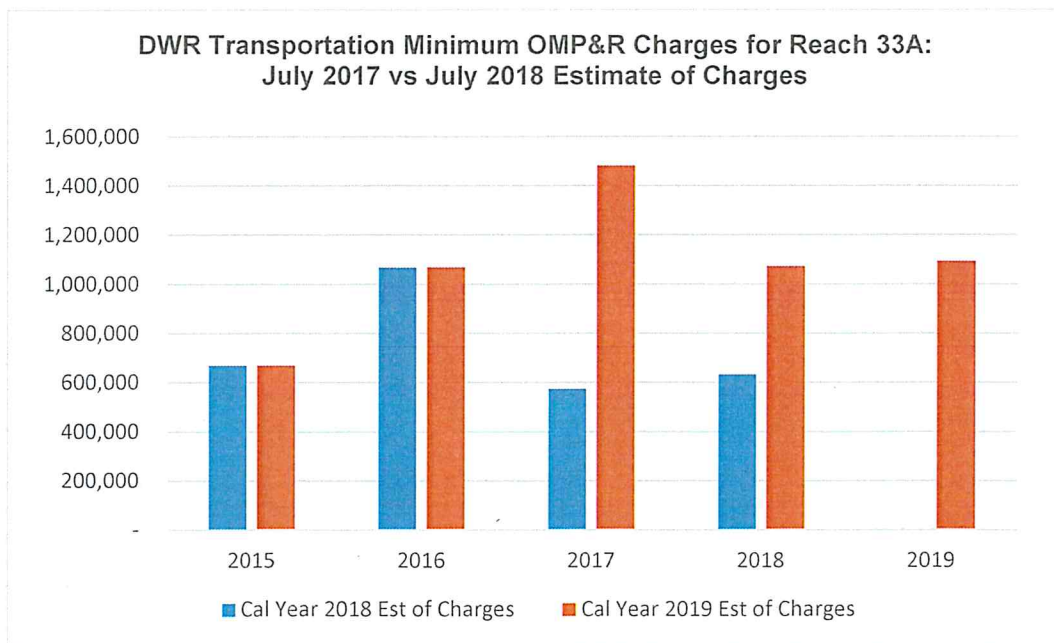
**Table 1. Transportation Minimum OMP&R Charges: 2018 and 2019 Estimates from DWR's July Statement of Charges (SOC).**

A	B	C	D	E	F
<i>"Reach 33A -- Transportation Minimum OMP&amp;R Charges"</i>					
Cal Year	Cal Year 2018 Est of Charges	Cal Year 2019 Est of Charges	Difference	% Change from 2018 Est	
2015	669,605	668,869	(736)	-0.11%	<< Trued-up costs
2016	1,067,900	1,067,793	(107)	-0.01%	<< Trued-up costs
2017	574,354	1,480,853	<b>906,499</b>	<b>158%</b>	<< Under-billing
2018	633,091	1,071,747	<b>438,656</b>	<b>69%</b>	<< Under-billing
2019	--	<b>1,091,730</b>	--	--	

Per the Water Supply Agreement, 60% of the annual charges from DWR is due from the subcontractors by the start of the delivery year, January 1<sup>st</sup>; with the remainder due by July 1<sup>st</sup> in the subsequent fiscal year.

Figure 2 illustrates the 2018 vs 2019 SOC estimates for Transportation Minimum costs in the years 2015 through 2019 in Reach 33A only, and shows:

- (1) the significant volatility in Transportation Minimum costs in Reach 33A,
- (2) the trued-up costs for 2015 and 2016 that have already occurred,
- (3) the under-billing for 2017 and 2018, and
- (4) the projected cost for 2019.



**Figure 2. DWR Transportation Minimum OMP&R Charges: "July 2017" vs "July 2018" Estimate of Charges for 2019 SOC.**

Action Plan

We have been proactively working with both CCWA, and the State Water Contractors (SWC) organization to engage with DWR in the shared goal of understanding the key factors contributing to the cost increase. This effort has so far revealed that direct costs for Reach 33A are relatively in-line with recent years, but indirect costs allocated to Reach 33A are notably higher - and without a clear explanation from DWR.

Additionally, we have partnered with CCWA to request a forensic audit, by our mutually-contracted SWP auditor, Ernst and Young. The audit is specifically focused on DWR's cost accounting system for Reach 33A; the audit is now currently underway. We will keep you informed of any significant developments on this front.

At this point we don't anticipate a revised bill from DWR, so the increase in these annual charges will likely appear on the District's "2019 Department of Water Resources (DWR) Charges," invoiced in December.

We will also have this cost issue on the agenda for discussion at the upcoming State Water Subcontractors Advisory Committee meeting in January (scheduled for Tues., 1/8/2019, 1:30-3:00p).

Regards,

  
W. Thomson, S. Weiss  
SLOFC&WCD

Attachment:

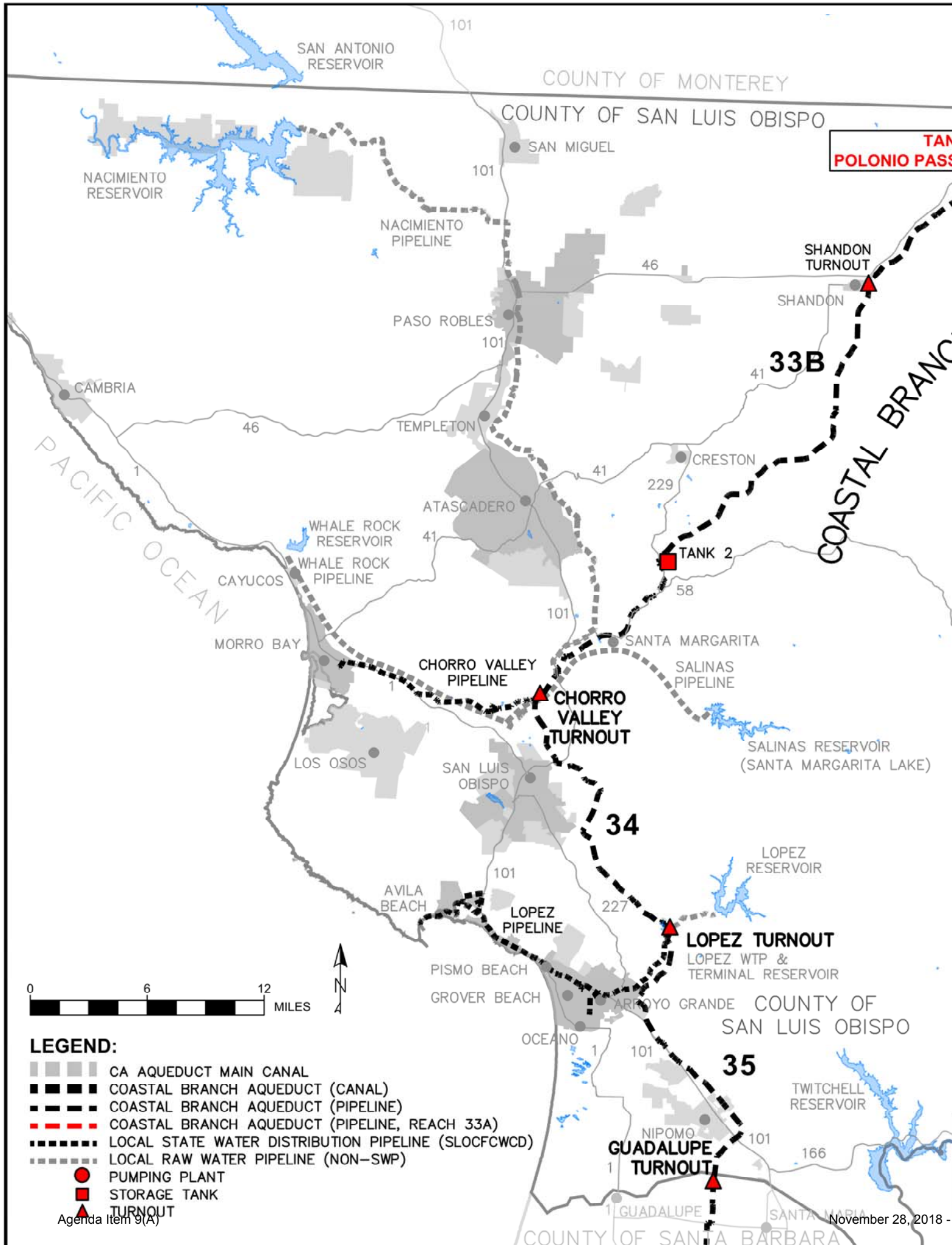
Map - Coastal Branch Aqueduct: Reach 33A (State Water Project)

Contacts:

Wes Thomson, M.S., P.E., Utilities Div., Public Works, County of San Luis Obispo  
(805) 788-2101, wthomson@co.slo.ca.us

Sherri Weiss, Finance Div., Public Works, County of San Luis Obispo  
(805) 781-5296, sweiss@co.slo.ca.us

Public Works Dept., County of San Luis Obispo  
976 Osos St., Rm 206, San Luis Obispo, CA 93408  
(805) 781-5252



**CONTRACTED AQUEDUCT CONVEYANCE & TURNOUT DELIVERY CAPACITY**

REACH NO.	REACH DESCRIPTION	SLOCFCWCD <sup>1</sup> CONTRACTED CAPACITY (AFY)	SBCFCWCD <sup>2</sup> CONTRACTED CAPACITY (AFY)	TOTAL CONTRACTED CAPACITY (AFY)	OWNER-SHIP	O & M
31A	AVENAL GAP TO DEVIL'S DEN PUMPING PLANT	25,000	57,700	N/A <sup>3</sup>	DWR	DWR
<b>33A</b>	<b>DEVIL'S DEN PUMPING PLANT TO TANK 1 SITE</b>	<b>4,830</b>	<b>39,078</b>	<b>43,908</b>	<b>DWR</b>	<b>DWR</b>
33B	TANK 1 SITE TO CHORRO VALLEY TURNOUT	4,830	39,078	43,908	DWR	CCWA
34	CHORRO VALLEY TURNOUT TO LOPEZ TURNOUT	2392	39,078	41,470	DWR	CCWA
35	LOPEZ TURNOUT TO GUADALUPE TURNOUT	0	39,078	39,078	DWR	CCWA

SLOCFCWCD <sup>1</sup> TURNOUT	TURNOUT DESCRIPTION	CONTRACTED CAPACITY (AFY)	OWNER-SHIP	O & M
SHANDON	2-INCH PIPELINE CONNECTION NEAR INTERSECTION OF TOBY WAY AT SAN JUAN RD., SHANDON, CA	100	DWR	CCWA
CHORRO VALLEY	16-INCH PIPELINE CONNECTION NEARBY THE SOUTH PORTAL OF CUESTA TUNNEL, 3 MILES NORTH OF SAN LUIS OBISPO, CA	2,338	DWR	CCWA
LOPEZ	8-INCH PIPELINE CONNECTION NEAR INTERSECTION OF ORCUTT RD. AT LOPEZ DR., 3 MILES NORTHEAST OF ARROYO GRANDE, CA	2,392	DWR	CCWA

NOTES:  
 1. SLOCFCWCD = SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
 2. SBCFCWCD = SANTA BARBARA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT  
 3. TOTAL CONTRACTED CAPACITY WITHIN PHASE 1 OF THE COASTAL BRANCH IS NOT AVAILABLE AT THIS TIME. KERN COUNTY WATER AGENCY HAS CONTRACTED CAPACITY TO DELIVER STATE WATER TO BERRENDA MESA WATER DISTRICT WHICH UTILIZES CAPACITY IN THE COASTAL BRANCH CANAL.

**COASTAL BRANCH AQUEDUCT: REACH 33A**  
**STATE WATER PROJECT**  
 SAN LUIS OBISPO COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

P:\State Water\Maps\Exhibits\Reach 33A\SWP\_SLO-CO\_R33A\_2018-10-22.dwg  
 UTILITIES DIVISION, PUBLIC WORKS DEPT., COUNTY OF SAN LUIS OBISPO  
 10/22/2018, WT

- LEGEND:**
- CA AQUEDUCT MAIN CANAL
  - COASTAL BRANCH AQUEDUCT (CANAL)
  - COASTAL BRANCH AQUEDUCT (PIPELINE)
  - COASTAL BRANCH AQUEDUCT (PIPELINE, REACH 33A)
  - LOCAL STATE WATER DISTRIBUTION PIPELINE (SLOCFCWCD)
  - LOCAL RAW WATER PIPELINE (NON-SWP)
  - PUMPING PLANT
  - STORAGE TANK
  - TURNOUT



# Oceano Community Services District

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

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

---

**Date:** November 28, 2018

**To:** Board of Directors

**From:** Jeffrey Minnery, District Legal Counsel

**Subject:** **Agenda Item #9(B): Consideration of an amendment to the General Manager's employment contract authorizing up to 20 hours per week of unpaid leave with a proportional reduction in benefit accruals.**

## **Recommendation**

It is recommended that your Board approve the attached Amendment #2 to the General Manager's employment contract.

## **Discussion**

The District's initial contract with the General Manager was due to expire in July 2018. Through approval of Amendment #1, the General Manager contract was extended until July 2020. The attached contract Amendment #2 will authorize the General Manager to take up to 20 hours per week of unpaid leave with proportional reductions in benefit accruals. Those benefits include health insurance contributions, retirement, vacation and sick leave accruals provided by the District.

## **Other Agency Involvement**

The California Public Employees Retirement System (CalPERS) administers the District's retirement benefits and has confirmed that retirement benefits will be proportionally reduced with unpaid leave.

## **Financial Considerations**

District cost savings will vary based on actual unpaid leave and could be up to \$127,500 annually.

## **Results**

Approval of the Amendment #2 to the General Manager contract will provide budget savings to the District and will initiate succession management prior to the contract expiration in July 2020.

Attachment: Amendment #2 to the General Manager employment contract and redline/ strikeout version

**OCEANO COMMUNITY SERVICES DISTRICT  
GENERAL MANAGER  
AMENDMENT TO EMPLOYMENT CONTRACT**

**THIS SECOND AMENDMENT** ("Second Amendment") is made and entered into by and between the Oceano Community Services District (herein referred to as "District"), and Paavo Ogren (herein referred to as "General Manager", "Employee", or "Paavo Ogren"), in regards to the General Manager Employment Contract effective July 21, 2014 ("Contract") with reference to the following recitals:

**RECITALS**

A. On or about July 21, 2014, the District executed a four (4) year employment contract with Paavo Ogren.

B. On September 27, 2017, at a duly noticed Regular Meeting of the District, the District voted to approve an amendment of terms of the Contract ("First Amendment").

C. On November 28, 2018, at a duly noticed Regular Meeting of the District, the District voted to approve a second amendment ("Second Amendment") pursuant to the following terms and conditions.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties agree as follows:

1. Unless as specifically identified herein, all other provisions of the Contract and the First Amendment shall remain in full force and effect and unmodified by this Second Amendment.
2. This Second Amendment shall be attached to the end of the Contract pursuant to Contract Section 16 (C). Sections 2, 5, and 6 shall be amended and restated as follows:

**SECTION AMENDMENTS**

**SECTION 2 shall be amended and restated as follows:**

A. General Manager shall devote such time, interest, and effort to the performance of his duties as may be reasonably necessary to fulfill the duties described in Exhibit "A" requirements. The General Manager understands and agrees that he must be available at any time to perform the duties necessary to manage the District.

B. The duties of the General Manager are generally described in Exhibit "A", attached hereto and incorporated herein by this reference, and Government Code Section 61051 which provides as follows:

The General Manager shall be responsible for all of the following, which may include delegation of certain duties to the Business and Accounting Manager consistent with the job specification for that position:

1. The implementation of the policies established by the Board of Directors for the operation of the District.
2. The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the employee relations system established by the Board of Directors.
3. The supervision of the District's facilities and services.
4. The supervision of the District's finances.
5. Additional duties as assigned by the Board that are reasonably related to the business of the District.
6. To fulfill the roles and duties of the District Accountant in accordance with professional standards of that office.

C. The General Manager shall also act as the Secretary to the Board of Directors and shall be responsible for:

1. Maintaining accurate records of the proceedings of the Board of Directors.
2. Maintaining a book of District Ordinances or Codes with his attestation.
3. Maintaining District records including original Ordinances, Resolutions and Contracts and attest to the originals and true and correct copies of the same.
4. Administering Oaths or Affirmations and certifying affidavits and depositions pertaining to District affairs and business which may be used in any court or proceeding in the State.

The General Manager may deputize other District employees to perform the duties in sub-paragraph 1 above and deputize the Business and Accounting Manager to perform the duties referenced in paragraphs 2, 3 and 4 above in the absence of the General Manager.

D. Paavo Ogren agrees to perform the functions and duties that would ordinarily be performed by a District Accountant as follows, which may include delegation of certain duties to the Business and Accounting Manager consistent with the job specification for that position:

1. Provide professional level administrative, procedural, programmatic and/or budgetary and related analysis and support for the Board of Directors.
2. Perform routine to complex accounting work related to the preparation and maintenance of general accounting and financial records, the audit of financial transactions and the production of reports and statements for the District.
3. Establish accounting systems and develop appropriate policies and procedures; facilitate administrative support to the organization.
4. Preparation of the District budget; make standard projections for payroll and other costs; research capital improvement and equipment costs; input draft and final budget information and produce final budget documents.
5. Other responsibilities and duties as identified in Exhibit A.

E. Paavo Ogren agrees to perform the functions and duties specified in Subsections A, B, C, and D (above), the duties as identified in Exhibit A, which may include delegation to other staff, and to perform other legally permissible and proper duties and functions as the District's Board of Directors shall from time to time assign without additional compensation.

F. Both parties acknowledge that specific duties of the General Manager may vary from time to time.

G. Notwithstanding the foregoing, the General Manager is permitted to take unpaid leave up to a maximum of twenty (20) hours a week with a corresponding reduction in benefits that are calculated on a pro rata basis. For purposes of calculation, it will be presumed that a forty (40) hour work week represents "full time" employment.

**SECTION 5 shall be amended and restated as follows:**

A. District agrees to pay General Manager for his services rendered pursuant to this Agreement as follows:



1. An annual salary of One Hundred Ninety Six Thousand Dollars and zero cents (\$196,000.00) payable in equal installments at the same time as other employees of District are paid. The annual salary shall be subject to normal withholdings with respect to amounts paid.

B. District will consider adjustments in compensation based upon performance. At the first annual evaluation, if the District provides Paavo Ogren with a satisfactory or better evaluation than he shall receive a 2.5% increase in salary. If at the second annual evaluation, the District provides Paavo Ogren with a satisfactory or better evaluation, then he shall receive a 2.5% increase in salary. No other increase in compensation shall be considered during the initial term of this Agreement.

C. District agrees to prepare a written summary of each performance evaluation of Employee, and to include the same in his personnel file within two (2) weeks following conclusion of the review and evaluation process and shall schedule at least one (1) closed personnel session with Employee to deliver and discuss the performance evaluation.

D. The General Manager's salary shall remain at the compensation level existing as of the date of this Second Amendment throughout the remaining Term. The General Manager's salary, however, will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. In determining proportional reduction, a forty (40) hour work week will be considered as full-time.

**SECTION 6 shall be amended and restated as follows:**

A. District agrees to enroll General Manager in the California Public Employees Retirement System (CalPERS) and to pay employee's contribution to the Public Employees Retirement System. CalPERS contributions will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave.

B. General Manager will receive sick leave, holiday, and vacation, administrative leave, leave without pay and bereavement leave benefits in the same manner as is accorded to all of District's other employees, with the modifications set forth below. Accrual of sick leave and vacation leave will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. All other benefits in Section 6.B. will remain unchanged.

C. General Manager shall accrue and have credited to his personal account, vacation time of twenty (20) working days (four weeks) per annum. Unused vacation benefits cannot be carried forward from one year to the next. The District will buy back unpaid vacation and administrative leave at 100% on the anniversary of the Effective Date of this Agreement. Holidays that occur during General Manager's vacation will not be counted as a vacation day. Accrual of vacation leave will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. All other benefits in Section 6.C. will remain unchanged.

D. General Manager shall accrue sick leave at the rate of one (1) day per month. If General Manager leaves the District in good standing he shall have the option of converting his accrued sick leave hours into retirement credit with the California Public Employees Retirement System (CalPERS), not to exceed twelve days (96 hours) total, unless prohibited by CalPERS rules and regulations. Accrual of sick leave will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. All other benefits in Section 6.D. will remain unchanged.

E. General Manager is entitled to a total of five (5) days of administrative leave per year in addition to earned vacation time. These administrative leave days may be taken at the General Manager's discretion. Administrative leave cannot be carried forward from year to year.

F. General Manager is entitled to inclusion in and contribution from District to District's available group health insurance plan in the same manner as is accorded to District's other employees. The District's contribution for the health insurance plan will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. In determining the proportional contribution reduction, if any, the District shall 1) divide the District's monthly contribution for the health insurance plan by two to determine the regular District contribution for each of the first two pay periods in a month and 2) reduce the District's contribution for each of those pay periods in proportion to hours actually worked for each applicable pay period if/when the General Manager is taking unpaid leave. All other benefits in Section 6.F. will remain unchanged.

G. There shall be deducted from the payments of salary and other compensation paid to General Manager all sums required for state and federal income and all other employment taxes now applicable or that may be enacted and become applicable to the compensation paid and benefits supplied to General Manager.

**IN WITNESS WHEREOF**, the parties hereto have executed this Second Amendment on the below identified dates.

GENERAL MANAGER

DISTRICT

\_\_\_\_\_  
Paavo Ogren

\_\_\_\_\_  
Karen White, President

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

Approved as to form:

---

Jeffrey A. Minnery  
District Legal Counsel

**OCEANO COMMUNITY SERVICES DISTRICT  
GENERAL MANAGER  
AMENDMENT TO EMPLOYMENT CONTRACT**

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2. This Second Amendment shall be attached to the end of the Contract pursuant to Contract Section 16 (C). Sections 2, 5, and 6 shall be amended and restated as follows:

**SECTION AMENDMENTS**

**SECTION 2 shall be amended and restated as follows:**

A. General Manager shall devote such time, interest, and effort to the performance of his duties as may be reasonably necessary to fulfill the duties described in Exhibit "A" requirements. ~~Without limiting the generality of the foregoing General Manager understands that the management of the District is essentially a full-time job, and may at times require more, less or other hours than from 8:00 a.m. to 5:00 p.m. Monday through Friday.~~ The General Manager understands and agrees that he must be available at any time to perform the duties necessary to manage the District.

B. The duties of the General Manager are generally described in Exhibit "A", attached hereto and incorporated herein by this reference, and Government Code Section 61051 which provides as follows:

The General Manager shall be responsible for all of the following, which may include delegation of certain duties to the Business and Accounting Manager consistent with the job specification for that position:

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4. The supervision of the District's finances.
5. Additional duties as assigned by the Board that are reasonably related to the business of the District.
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C. The General Manager shall also act as the Secretary to the Board of Directors and shall be responsible for:

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3. Maintaining District records including original Ordinances, Resolutions and Contracts and attest to the originals and true and correct copies of the same.
4. Administering Oaths or Affirmations and certifying affidavits and depositions pertaining to District affairs and business which may be used in any court or proceeding in the State.

The General Manager may deputize other District employees to perform the duties in sub-paragraph 1 above and deputize the Business and Accounting Manager to

perform the duties referenced in paragraphs 2, 3 and 4 above in the absence of the General Manager.

D. Paavo Ogren agrees to perform the functions and duties that would ordinarily be performed by a District Accountant as follows, which may include delegation of certain duties to the Business and Accounting Manager consistent with the job specification for that position:

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3. Establish accounting systems and develop appropriate policies and procedures; facilitate administrative support to the organization.
4. Preparation of the District budget; make standard projections for payroll and other costs; research capital improvement and equipment costs; input draft and final budget information and produce final budget documents.
5. Other responsibilities and duties as identified in Exhibit A.

E. Paavo Ogren agrees to perform the functions and duties specified in Subsections A, B, C, and D (above), the duties as identified in Exhibit A, which may include delegation to other staff, and to perform other legally permissible and proper duties and functions as the District's Board of Directors shall from time to time assign without additional compensation.

F. Both parties acknowledge that specific duties of the General Manager may vary from time to time.

G. Notwithstanding the foregoing, the General Manager is permitted to take unpaid leave up to a maximum of twenty (20) hours a week with a corresponding reduction in benefits that are calculated on a pro rata basis. For purposes of calculation, it will be presumed that a forty (40) hour work week represents "full time" employment.

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B. District will consider adjustments in compensation based upon performance. At the first annual evaluation, if the District provides Paavo Ogren with a satisfactory or better evaluation than he shall receive a 2.5% increase in salary. If at the second annual evaluation, the District provides Paavo Ogren with a satisfactory or better evaluation, then he shall receive a 2.5% increase in salary. No other increase in compensation shall be considered during the initial term of this Agreement.

C. District agrees to prepare a written summary of each performance evaluation of Employee, and to include the same in his personnel file within two (2) weeks following conclusion of the review and evaluation process and shall schedule at least one (1) closed personnel session with Employee to deliver and discuss the performance evaluation.

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**SECTION 6 shall be amended and restated as follows:**

A. District agrees to enroll General Manager in the California Public Employees Retirement System (CalPERS) and to pay employee's contribution to the Public Employees Retirement System. CalPERS contributions will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave.

B. General Manager will receive sick leave, holiday, and vacation, administrative leave, leave without pay and bereavement leave benefits in the same manner as is accorded to all of District's other employees, with the modifications set forth below. Accrual of sick leave and vacation leave will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. All other benefits in Section 6.B. will remain unchanged.

C. General Manager shall accrue and have credited to his personal account, vacation time of twenty (20) working days (four weeks) per annum. Unused vacation benefits cannot be carried forward from one year to the next. The District will buy back unpaid vacation and administrative leave at 100% on the anniversary of the Effective Date of this Agreement. Holidays that occur during General Manager's vacation will not be counted as a vacation day. Accrual of vacation leave will be reduced in proportion to

hours actually worked if/when General Manager is taking unpaid leave. All other benefits in Section 6.C. will remain unchanged.

D. General Manager shall accrue sick leave at the rate of one (1) day per month. If General Manager leaves the District in good standing he shall have the option of converting his accrued sick leave hours into retirement credit with the California Public Employees Retirement System (CalPERS), not to exceed twelve days (96 hours) total, unless prohibited by CalPERS rules and regulations. Accrual of sick leave will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. All other benefits in Section 6.D. will remain unchanged.

E. General Manager is entitled to a total of five (5) days of administrative leave per year in addition to earned vacation time. These administrative leave days may be taken at the General Manager's discretion. Administrative leave cannot be carried forward from year to year.

F. General Manager is entitled to inclusion in and contribution from District to District's available group health insurance plan in the same manner as is accorded to District's other employees. The District's contribution for the health insurance plan will be reduced in proportion to hours actually worked if/when General Manager is taking unpaid leave. In determining the proportional contribution reduction, if any, the District shall 1) divide the District's monthly contribution for the health insurance plan by two to determine the regular District contribution for each of the first two pay periods in a month and 2) reduce the District's contribution for each of those pay periods in proportion to hours actually worked for each applicable pay period if/when the General Manager is taking unpaid leave. All other benefits in Section 6.F. will remain unchanged.

G. There shall be deducted from the payments of salary and other compensation paid to General Manager all sums required for state and federal income and all other employment taxes now applicable or that may be enacted and become applicable to the compensation paid and benefits supplied to General Manager.

**IN WITNESS WHEREOF**, the parties hereto have executed this Second Amendment on the below identified dates.

GENERAL MANAGER

DISTRICT

\_\_\_\_\_  
Paavo Ogren

\_\_\_\_\_  
Karen White, President

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_



Approved as to form:

---

Jeffrey A. Minnery  
District Legal Counsel



## Oceano Community Services District

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

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

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**Date:** November 28, 2018

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

**Via:** Paavo Ogren, General Manager

**Subject:** **Agenda Item # 9(C): Consideration of a recommendation to approve a resolution authorizing the President to modify the date that the District must relocate its facilities in the attached Utility Relocation Agreement for the Oceano Drainage Improvement Project**

### Recommendation

It is recommended that your Board approve a resolution authorizing the President to modify the date that the District must relocate its facilities in the attached Utility Relocation Agreement for the Oceano Drainage Improvement Project.

### Discussion

The County's Highway One Drainage Project requires the District to relocate certain existing water and wastewater infrastructure which conflict with the County's project design. On January 25, 2017, your Board approved the original Utility Relocation Agreement for the County's Highway One drainage project. On July 25, 2018 your Board revised the agreement to recognize delays that were encountered when the project was originally bid by the County.

When the County originally went out to bid the contractor bids exceeded the County's project budget and those bids were then rejected. Since the County's schedule has been revised due to funding delays the District's relocation deadline in the attached Utility Relocation Agreement must be updated. Based on the current project schedule the County has tentatively used March 29, 2019 as the date the District will need to relocate District facilities. Since future delays may still be encountered the attached resolution will authorize the President to approve the date modification.



## Other Agency Involvement

The General Manager will file a Notice of Exemption pursuant to the California Environmental Quality Act with the San Luis Obispo County Clerk Recorder. Some work is required on Highway One, which is maintained by Caltrans. The requirement for the District to relocate facilities is mandated by the County and not a discretionary action. As a result, the County has been the lead agency on overall environmental requirements.

## Other Financial Considerations

The water fund portion of estimated costs, including contingencies, and County administrative costs is approximately \$71,390 and the sewer fund portion is \$38,478 for a total of \$109,868. Both funds have sufficient capital improvement financial reserve to fund the adjustments. The Board previously approved the budget and it has been encumbered and still available. Budget adjustments may be needed based on contractor bids.

## Results

Coordination of work with the County on the required utility modifications will help ensure that the District is proceeding in a cost effective manner and promotes well governed communities.

### Attachments:

- A. Correspondence from the County
- B. Resolution
- C. Utility Relocation Agreement – Oceano Drainage Improvement Project

**From:** [Genaro Diaz](#)  
**To:** [paavo\\_oceanocsd.org](#); [Joe Morris](#); [tony\\_oceanocsd.org](#); [Joshua R. Roberts](#)  
**Cc:** [Patrick Foran](#)  
**Subject:** RE: [EXTERNAL]RE: 300465 Oceano Drainage Improvement Project Phase 1  
**Date:** Thursday, November 08, 2018 9:24:05 AM  
**Attachments:** [image001.png](#)  
[Partially Signed 8-9-18.pdf](#)

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Paavo –

You're correct that the project schedule has been revised due to funding delays ... and therefore OCSD relocation deadlines have changed.

[Prev/Attached Partially signed Agreement](#)

=> this assumed the following schedule

- \* 10/02/18 - BOS Advertisement
- \* 11/01/18 – Bid Openings
- \* 11/13/18 – OCSD decision to perform relocation separately or with project Contractor
- 12/31/18 – deadline for OCSD to relocate on its own, if this option is elected

[As of now, current project schedule is as follows:](#)

- => January 2019 – BOS Advertisement
- => February 2019 – Bid Results
- => March 2019 – BOS Award
- => April/May 2019 – CON start

Based on current project schedule, OCSD relocation deadline of 3/29/19 is needed.

I vaguely remember you mentioning you've obtained OCSD Board approval for you to make edits/deposits/other to this Utility Relocation Agreement. Is this correct? If so, how do you propose this gets done?

Note: the following sections need to replace 12/31/18 with 3/29/19

- \* Section D, item #1 (see pg 4)
- \* Section D, item #2 (see pg 5)
- \* Section E, item #4 (see pg 6)
- \* Section E, item #6 (see pg 6)



**Genaro Diaz**

Capital Projects Manager

Public Works, County of San Luis Obispo  
Tel: 805-781-5279 | An APWA Accredited Agency

[Website](#) | [Twitter](#) | [Map](#)



**From:** Paavo <paavo@oceanocsd.org>  
**Sent:** Thursday, November 8, 2018 8:23 AM  
**To:** Joe Morris <jmorris@co.slo.ca.us>; tony\_oceanocsd.org <tony@oceanocsd.org>  
**Cc:** Genaro Diaz <gdiaz@co.slo.ca.us>  
**Subject:** [EXTERNAL]RE: 300465 Oceano Drainage Improvement Project Phase 1

**ATTENTION:** This email originated from outside the County's network. Use caution when opening attachments or links.

Joe/Genaro

This is a reminder that we need to update the deadline in the OCSD agreement for our utility relocation work. I believe it currently states we need to have our utilities relocated in December, and we need to know the new dates based on the County's revised bid and construction dates???

Paavo

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**From:** Joe Morris [<mailto:jmorris@co.slo.ca.us>]  
**Sent:** Wednesday, November 07, 2018 8:26 AM  
**To:** Turner, Claudia; Lewis, Jason G.; tony\_oceanocsd.org; paavo\_oceanocsd.org  
**Cc:** Genaro Diaz  
**Subject:** 300465 Oceano Drainage Improvement Project Phase 1

Utility Owners,

We are providing you with this Project Update. We intend to build a portion of the Oceano Drainage Improvement Project. Phase 1 of this project will be the construction of the infiltrator on 13<sup>th</sup> Street and associated surface improvements as shown on the attached Plans with plot date of 10-24-2018. We intend to advertise for construction bids in November 2018 and start construction in December 2018.

We do not anticipate any conflicts with your facilities.

Should you have any questions or like to discuss further, please feel free to contact me via e-mail at [jmorris@co.slo.ca.us](mailto:jmorris@co.slo.ca.us) or at (805) 781-4246 or Genaro Diaz PM at [gdiaz@co.slo.ca.us](mailto:gdiaz@co.slo.ca.us) or at (805) 781-5279.

Thank you



**Joe Morris**

Survey Program Manager

Public Works, County of San Luis Obispo

Tel: (805) 781-4246 | *An APWA Accredited Agency*

[Website](#) | [Twitter](#) | [Map](#)



OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2018- \_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO  
COMMUNITY SERVICES DISTRICT AUTHORIZING THE PRESIDENT TO  
MODIFY THE DATE THAT THE DISTRICT MUST RELOCATE ITS FACILITIES IN  
THE ATTACHED UTILITY RELOCATION AGREEMENT FOR THE OCEANO  
DRAINAGE IMPROVEMENT PROJECT

The following Resolution is hereby offered and read:

**WHEREAS**, the County of San Luis Obispo has designed drainage improvements along Highway One which are intended to reduce the frequency and extent of flooding that occurs; and

**WHEREAS**, the District is obligated to relocate certain water and wastewater pipelines that conflict with the design of the County's Highway One Drainage Project; and

**WHEREAS**, on July 25, 2018 the Board of Directors approved a revised Utility Relocation Agreement to provide the relocation of the District's facilities; and

**WHEREAS**, the agreement further provided that the District facilities would need to be relocated no later than December 31, 2018; and

**WHEREAS**, the County has rescheduled its project efforts and the requirement for the District to relocate its facilities by December 31, 2018 has been deferred; and

**WHEREAS**, the County has recently expressed the need for the District's facilities to be relocated no later than March 29, 2019; and

**WHEREAS**, the County's schedule may be subject to further modifications; and

**WHEREAS**, the District President originally executed the Utility Relocation Agreement; and

**WHEREAS**, considering the continuing changes in the County project schedule, it is in the District's interest to authorize the Board President to execute revisions to the date that the District must relocate its facilities in the Utility Relocation Agreement.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED AS FOLLOWS:

1. The President of the Oceano Community Services District Board of Directors is hereby authorized to modify the date that the District must relocate its facilities in the attached Utility Relocation Agreement.
2. The District General Manager along with the District Legal Counsel is authorized to make non-substantive revision to the Utility Relocation Agreement as deemed necessary and/or convenient from time to time.
3. The Resolution shall take effect upon its adoption.

**PASSED, APPROVED, and ADOPTED** by the Board of Directors of the Oceano Community Services District, State of California, this \_\_\_ day of \_\_\_\_\_, 2018, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
President of the Board of Directors

ATTEST: \_\_\_\_\_  
Board Secretary of the Oceano Community Services District

APPROVED AS TO FORM:

\_\_\_\_\_  
District Counsel

## UTILITY RELOCATION AGREEMENT

### Oceano Drainage Improvement Project Oceano, California

**THIS UTILITY RELOCATION AGREEMENT** ("Agreement") is made by and between the **OCEANO COMMUNITY SERVICES DISTRICT**, a community services district, hereinafter referred to as "District," and the **COUNTY OF SAN LUIS OBISPO**, a political subdivision of the State of California, hereinafter referred to as "County." (Hereafter, the District and the County may also be referred to as the "Parties.")

#### WITNESSETH:

**WHEREAS**, the County is preparing to install storm drain improvements associated with the Oceano Drainage Improvement Project (WBS 300465) in Oceano, California (hereinafter the "Project"); and

**WHEREAS**, the plans, specifications, and estimates (PS&E) for the construction of the Project shall hereinafter be referred to as the "Project Plans"; and

**WHEREAS**, the County has provided the District a copy of the Project Plans; dated November 13, 2017; and

**WHEREAS**, the area within ten (10) feet of any digging or excavation work contemplated by the Project Plans shall hereinafter be referred to as the "Conflict Area;" and

**WHEREAS**, the District's water and sewer pipelines and related facilities (hereinafter "District Utility Lines") that are within the Conflict Area need to be relocated; and

**WHEREAS**, the Project Plans show approximately sixty (60) linear feet of District Utility Lines located within the Conflict Area for work shown along Dolphin Avenue (hereinafter the "Dolphin Avenue Facilities"); and

**WHEREAS**, District Utility Lines located within the Conflict Area for work on any other portion of the Project (i.e., any work other than the Dolphin Avenue work) shall hereinafter be referred to as the "Other District Facilities;" and

**WHEREAS**, the Other District Facilities include the District Utility lines located within the Project areas described in the attached Exhibit "A" (which constitute approximately four hundred (400) linear feet of District Utility Lines); and

**WHEREAS**, the District hereby represents that it is not aware of any other District Utility Lines that would constitute Other District Facilities other than those located within the Project areas described in the attached Exhibit A; and

**WHEREAS**, the Parties desire to work together to coordinate the relocations work with the Project's construction contract (hereafter, "Construction Contract") pursuant to the terms of the Agreement; and



**WHEREAS**, the Parties acknowledge that the Project's Construction Contract will be performed in highways and funded with federal funds; and

**WHEREAS**, it is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement. In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this Agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving Federal funding; and

**WHEREAS**, the Parties understand and acknowledge that this Project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance. The County hereby certifies that in the performance of this Agreement, for products where Buy America requirements apply, it shall use only such products for which it has received a certification from its supplier, or provider of construction services that procures the product certifying Buy America compliance. This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

**NOW, THEREFORE**, the Parties hereto agree as follows:

A. Recitals

1. The above recitals are incorporated herein by reference as though fully set forth herein.

B. Allocation of Costs

1. "Relocation Work" shall mean all design, construction, inspection, and Project administration work relating to the relocation of any District Utility Lines within the Conflict Area pursuant to the Project's Construction Contract.
2. Except as otherwise expressly provided for in this Agreement, the District shall be responsible for all reasonable costs of the Relocation Work associated with the Other District Facilities.
3. Except as otherwise expressly provided for in the Agreement, the County shall be responsible for all reasonable costs of the relocation Work associated with the Dolphin Avenue Facilities.
4. The Parties acknowledge that, to the extent the construction of the relocation of any District Utility Lines is performed as part of the Project's Construction Contract, the

construction work shall be performed by the independent contractor (hereafter "Contractor") that is awarded said Construction Contract based upon the lowest responsive bid on the base contract under Public Contract Code Section 20103.8(a). The Parties agree that, as between the District and the County, the Contractor's bid price for any additive bid item regarding the relocation of Other District Facilities shall be deemed reasonable subject to the terms of this Agreement.

5. The Parties further acknowledge that neither the County nor the District guarantees the performance of the Contractor, and neither Party insures or indemnifies the other Party for any breaches of the Construction Contract by the Contractor. Except as otherwise expressly provided for in this Agreement, neither the County nor the District are responsible for any costs or damages incurred by the other Party arising from a breach of the Construction Contract by the Contractor.

C. Preconstruction Work

1. The parties acknowledge that the County shall not be responsible for the design of any Relocation Work. As the owner of the District Utility Lines, the District shall be solely responsible for preparation of all necessary plans, specifications, and estimates (PS&E) for the relocation of any District Utility Lines.
2. In order to facilitate the timely completion of the Project, the County has retained a design engineer to prepare the PS&E for the relocation of the Dolphin Avenue Facilities, which have been included in the Project Plans. The portions of the Project Plans regarding the relocation of the Dolphin Avenue Facilities have already been reviewed and approved by the District's retained engineer, and the District hereby approves those portions of the Project Plans regarding the relocation of the Dolphin Avenue Facilities.
3. The District has provided the County the District's final PS&E for the construction of the relocation of the Other District Facilities. Said PS&E are dated January 19, 2018 and were prepared by the District's retained engineer. Pursuant to the latest approved County construction standards, any above grade facilities included in said PS&E shall ensure 10-foot clearance and any affected valves or covers shall be adjusted to finish grade. The District shall be responsible for ensuring that said PS&E are in compliance with any applicable laws and regulations, including any State Health Department utility separation requirements.
4. The District is responsible for the accuracy and completeness of all documents and information submitted to the County relating to the design, bidding, and/or construction of the relocations of any District Utility Lines. The County assumes no responsibility for the accuracy or completeness of any documents or information submitted on behalf of the District relating to the design, bidding, and construction

of Relocation Work. The District shall defend, indemnify and hold harmless the County, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability (hereafter "Claims") arising from any assertions regarding the inaccuracy or incompleteness of any documents and information submitted to the County relating to the design, bidding, and/or construction of the Relocation Work, including but not limited to any Claims by the construction Contractor that said inaccuracy or incompleteness caused by the Contractor to incur delays, additional costs or monetary damages.

5. The County agrees that it will satisfy all preconstruction environmental planning requirements of the Project under the California Environmental Quality Act, National Environmental Policy Act, and related environmental regulations with respect to any Relocation Work performed under the County's Construction Contract. However, the District shall remain responsible for all reasonable costs relating to any construction work addressing and/or mitigating any environmental or related matters associated with any Relocation Work regarding the Other District Facilities. (For example, if any Native American artifacts or remains are located in any areas where said Relocation Work is to be performed, the District shall remain responsible for all reasonable costs incurred in addressing and/or mitigating said matters, regardless of whether or not said Native American artifacts or remains were addressed in any preconstruction environmental planning documents.)

D. Required Deposit of Funds by District

1. The District shall pay the County an initial deposit of \$109,868.00 for the Relocation Work relating to the Other District Facilities within seven (7) days of receiving a written demand therefor from the County Public Works Department. If said deposit is not received by County by said date, the Relocation Work relating to the Other District Facilities will not be part of the Project and the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018. (Hereafter, the term "Deposit Amount" shall refer to the amount of said initial deposit, plus any subsequent deposits and less any deposit refunds made under this Agreement.
2. If the District does pay the County the initial Deposit Amount of \$109,868.00 within seven (7) days of receiving a written demand therefor from the County Public Works Department, the District's PS&E for the construction of the relocation of the Other District Facilities shall be incorporated into the Project Plans for the purpose of including the relocation of the Other District Facilities as an additive bid item when the Construction Contract for the County's Projects is advertised for bids pursuant to Public Contract Code Section 20103.8(a). (If the County elects to advertise the Construction Contract for bids before said seven (7) day period expires, and said deposit is not received within said seven (7) day period, the County will issue an

addendum to the Construction Contract deleting the inclusion of the relocation of Other District Facilities as an additive bid item, the Relocation Work relating to the Other District Facilities will no be part of the Project, and the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018.

E. Award of County Project Construction Contract

1. The below subsections of this Section E are applicable only if the relocation of the Other District Facilities is included as an additive bid item in the Construction Contract for the County's Project pursuant to this Agreement.
2. If the relocation of the Other District Facilities is included as an additive bid item pursuant to this Agreement, the lowest bid shall be the lowest responsive bid price on the base contract for the Project without consideration of the bid prices on any additive or deductive items included in the County's bid solicitation pursuant to subdivision (a) of Public Contract Code Section 20103.8. In other words, any amount(s) bid as the bid price for the additive bid item for constructing the relocation of the Other District Facilities shall be irrelevant to the County's determination of the lowest responsive bid.
3. After the bids are opened, the County will provide the District with written notice of which bid has been determined to be the lowest responsive bid by the County's Public Works Department pursuant to the criteria set forth in subdivision (a) of Public Contract Code Section 20103.8. (Said written notice by the County shall hereafter be referred to as the "Low Bid Notice.") the County will try to send out the Low Bid Notice within five (5) business days of the bid opening date, but the notice may be delayed if any bidder(s) submit a bid protest (or to allow the time for submitting a protest to lapse). If the District has any objection to the County's determination of the lowest responsive bid, the District's sole remedy is to timely provide the County with written notice that the District is rejecting having the relocation of the Other District facilities performed as part of the Project's Construction Contract as set forth below. The District hereby waives any right(s) it may have to protest or challenge in any forum (including any administrative procedures of the County or judicial proceedings of the courts) the County's determination of the lowest responsive bid. The District further waives any claims for damages against the County arising from any alleged erroneous determination by the County of the lowest responsive bid.
4. The District shall have seven (7) days from the date the County provided the Low Bid Notice to the District to provide the County written notice of the District's decision to reject having the relocation of the Other District Facilities performed as part of the Project's Construction Contract. If the County does not receive such written notice of rejection within seven (7) days of the Low Bid Notice, and the District timely pays any

supplemental deposit amounts required in Section E.6 below, then (a) the District shall be deemed to have approved the additive bid amount for the relocation of the Other District Facilities submitted by the lowest responsive bid (as determined by the County), (b) the County shall accept said additive bid item, and (c) said relocation of the Other District Facilities shall be performed as part of the Project's Construction Contract. If the District does provide such written notice of rejection within seven (7) days after date the County provided the Low Bid notice to the District, or fails to timely pay any supplemental deposit amounts required in Section E.6. below, this shall result in the following: (a) the Deposit Amount shall be promptly returned to the District (less any reasonable costs incurred by the County for any relocation Work regarding the Other District Facilities); (b) the County will not include the additive bid item as part of the Project Construction Contract; and (c) the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018, or as otherwise agreed in a separate written agreement signed by the District's General manager and the County Director of Public Works.

5. In the event the county's Public Works Department ever later sends the District a subsequent Low Bid Notice as a result of a bid protest for any other reason whatsoever, the last Low bid Notice provided to the District shall be considered the only Low Bid notice for purposes of this Section E, any prior versions of the Low Bid Notice shall be deemed null and void, and all District deadlines identified in this Section E shall be reset based upon the last Low Bid Notice.
6. If the bid amount for the additive bid item for the Other District Facilities on the lowest responsive bid (as determined by the County) is greater than \$99,880.00, the District must pay the supplemental deposit described in this paragraph in order for the County to be obliged to accept that additive bid. If the bid amount for the additive bid item for the Other District Facilities on the lowest responsive bid (as determined by the County) is greater than \$99,880.00, the District must pay the County a supplemental deposit in a an amount equal to 110% of the amount in excess of \$99,880.00 within fourteen (14) calendar days of the date the County provided the Low bid Notice to the District. If said supplemental deposit is not received by County by that date, the relocation of the Other District Facilities will not be part of the Project and the District shall independently relocate the Other District Facilities at its own expense no later than December 31, 2018, or as otherwise agreed in a separate written agreement signed by the District's General Manager and the County Director of Public Works.
7. Notwithstanding the foregoing, the County reserves its right to reject all bids for the Project (including the relocation Work), and to not award any Construction Contract at all. If the County does exercise this right, each party shall be responsible for bearing its own costs, expenses, and damages relating to this Agreement.

8. If the District does independently relocate the Other District Facilities, the District shall comply with all applicable laws and regulations, including the obligation to obtain an encroachment permit from the County for any relocation work within any County right of way.

F. Adjustments to Deposit Amount

1. In the event the Deposit Amount ever falls below 110% of the County's Third Party Costs ("County 3P Costs") relating to the Other District Facilities, the County shall have the right to request in writing that the District pay an additional deposit to the County in an amount that would make the Deposit Amount equal to 110% of said County 3P Costs. (For purposes of this Agreement, "County 3P Costs" shall refer to the Contractor's total bid price for the additive bid item for the relocation of the Other District Facilities, plus/minus any increases/decreases in the contract price for said work under the Construction Contract per change orders executed by the County in a manner consistent with this Agreement, plus any reasonable costs the County pays an outside consultant for any services relating to said Relocation Work). Within ten (10) days of being provided such written request from the County, the District shall pay to the county an amount that would make the District's Deposit Amount equal to 110% of said 3P Costs. If the County does not receive a District payment within said time period in an amount sufficient to make the Deposit Amount equal to at least 110% of said County 3P Costs, the County shall be entitled to recover interest from the District on the amount the District failed to so timely pay at the rate of 2% per month.
2. In the event the Deposit Amount ever exceeds 110% of the County 3P Costs for the relocation Work relating to the Other District Facilities, the District shall have the right to request in writing a refund of the amount by which the Deposit Amount exceeds 110% of said County 3P Costs. Within ten (10) days of being provided such written request from the District, the County shall refund to the District an amount that would make the District's Deposit Amount equal to 110% of said County 3P Costs. If the district does not receive a refund payment from the County within said time period in an amount sufficient to make the Deposit Amount equal to no more than 110% of said County 3P Costs, the District shall be entitled to recover interest from the County on the amount the District failed to so timely pay at the rate of 2% per month.

G. Construction of Relocation Work

1. The parties acknowledge that the County shall not be responsible for inspecting any work under the Construction Contract relating to the relocation of any District Utility Lines, including but not limited to, any testing of any District Utility Lines relocated pursuant to the Construction Contract. As between the District and the County, the District shall be solely responsible for any and all such inspections.

2. The County will forward to the District any Request for Information (“RFI”) it receives from the Contractor pertaining to the construction of the relocation of any District Utility Lines, and the District shall be obliged to provide a timely response to the County regarding the RFI.
3. The District shall provide, in a timely manner, all inspections necessary to verify that any work under the Construction Contract relating to the relocation of any District Utility Lines is constructed in conformance with the Construction Contract. The District shall coordinate any such inspections with the Contractor, and shall have access to the job site to inspect the construction and testing of any such work.
4. The District acknowledges that the Contractor is responsible for the safety of the job site. The District shall hold the County harmless of any claim arising from any injury to District property or personnel which may occur on the job site that is not caused by an act of negligence of the County, a County employee, or an agent of the County. Similarly, if an independent consultant or contractor of the District suffers any injury to person or property while on the job site, the District shall defend and indemnify the County from any and all such claims related thereto unless an act of negligence of the County, a County employee, or an agent of the County caused the injury.
5. The District shall immediately report to the County any substandard or defective work or materials discovered by the District relating to the relocation of any District Utility Lines that is not in compliance with the Construction Contract. If the County receives such a timely report from the District, the County shall direct the Contractor to repair or replace any such materials or work which the County agrees is substandard or defective. The Parties acknowledge that no inspection performed by the District under this Agreement shall relieve the Contractor of its obligation to perform any work in accordance with the Construction Contract. The District acknowledges that the County’s sole and exclusive obligations with respect to any substandard or defective work or materials are set forth in this Agreement. In the event the District fails to immediately report any substandard or defective work or materials to the County, or later discovers any substandard or defective work or materials, the District shall have no claims against the County for any District damages relating to any such substandard or defective work or materials.
6. Prior to making any payment to the Contractor for any work under the Construction Contract relating to the relocation of any District Utility Lines, the County shall provide written notice to the District regarding the proposed payment amount for work relating to the relocation of any District Utility Lines. Within five (5) days of being provided said notice, the District shall notify the County in writing of any reasonable objections it has to the proposed payment amount with sufficient particularity so that the Contractor and/or the County can take whatever appropriate actions may be

necessary to address the District's objection(s). The District will be deemed to have approved any payment items which are not so objected to in writing within said five (5) day period. In the event the District provides a timely written objection to any payment items, and a payment to the Contractor is denied, delayed or reduced by the County in response to a District objection, the District shall hereby defend, indemnify and hold harmless the County from any and all liability, damages, claims, demands, and costs (including costs of defense and attorney fees) relating to, or arising from, any claims by the Contractor that said denial, delay or reduction in payment was improper or unlawful. Although the County reserves the right to disregard any objection it receives from the District that the County deems to be unreasonable, the District's above obligation to defend, indemnify and hold harmless the County shall apply regardless of the reasonableness of the District's objection.

7. Prior to giving its final approval of any proposed change order for any work under the Construction Contract relating to the relocation of any District Utility Lines, the County shall notify the District in writing by providing the District a copy of the proposed change order. As expeditiously as reasonable possible, and no later than 48 hours of being provided said notice by email and facsimile, the District shall notify the County in writing (by email and facsimile) of any reasonable objections it has to the proposed change order with sufficient particularity so that the Contractor and/or the County can take whatever appropriate actions may be necessary to address the District's objection(s). It is understood and agreed by the Parties that any District approval regarding proposed change orders to the Dolphin Avenue Facilities shall be only in regards to the Relocation work and not as to cost of the change in work, as any such change in cost shall be paid by the County pursuant to this Agreement. The District will deemed to have approved any proposed change orders which are not so timely objected to in writing. In the even the District provides a timely written objection to any proposed change order, and the proposed change order is denied, delayed or reduced by the County in response to a District objection, the District shall hereby defend, indemnify and hold harmless the County from any and all liability, damages, claims, demands, and costs (including costs of defense and attorney fees) relating to, or arising from, any claims by the Contractor that said denial, delay or reduction was improper or unlawful. Although the County reserves the right to disregard any objection it receives from the District that the County deems to be unreasonable, the District's above obligation to defend, indemnify and hold harmless the County shall apply regardless of the reasonableness of the District's objection.
8. Notwithstanding the foregoing, the Parties recognize that exigent circumstances may arise at the job site where it would be impractical for the County to provide written notice to the District before the County ordered the Contractor to perform work relating to the relocation of District Utility Lines that is different than that set forth in the Construction Contract. Under such exigent circumstances, the County is not obliged to providing the District with any written notice before ordering the



Contractor to perform the changed work. To the extent it is practical, the County shall try to consult with the District under such circumstances.

9. The construction of the relocation of any District Utility Lines performed under the Construction Contract shall be deemed completed on the earliest "completion" date under Public Contract Code Section 7107(c). Upon such completion date, the District shall automatically assume full, complete and sole ownership and control over the District Utility Lines installed as part of the Construction Contract, and shall be solely responsible for the operation and maintenance of said facilities. The County shall not be responsible for any costs incurred for and Relocation Work on any District Utility Lines after said completion date, unless said costs are incurred as a result of a breach of an express obligation of the County provided for in this Agreement.
10. The District's failure to provide the County a timely written objection to a proposed payment to the Contractor under Section G.6. above shall constitute an acknowledgement by the District that it is not aware of any substandard or defective work or materials regarding any of the Relocation Work relating to the proposed payment. Prior to making a final payment to the Contractor, the County reserves the right to require that the District provide the County a list of any and all written objections it has provided the County pursuant to Section G.5. and G.6. above that the District does not believe have been properly resolved. The District shall provide the County a written response within five (5) days of being provided a written notice by the County that the County is exercising its rights under this subsection. The District's written response shall either list and describe any such objections, or simply state that no such objections exist. If the District does not respond within said five (5) day period, the District shall be deemed to have acknowledged that no such objections exist.
11. The County's Construction Contract shall require that the District, its directors, officers, and employees be named as additional insured's for the Relocation Work under the general liability and automobile insurance policies of the construction Contractor.
12. The County's Construction Contract shall identify the District as an expressed third-party beneficiary of any and all terms, provisions, plans, specifications and drawings in the Construction Contract relating to any work and materials regarding any District Utility Lines and the District shall have all rights and remedies against the Contractor for latent and other defects.
13. The Construction Contract shall require the Contractor to defend, indemnify, and save harmless the District, its director, officers, and employees in the same manner as the County under the Construction Contract.

14. Upon completion of the Project, the District will apply for an encroachment permit from County for any District Utility Lines within the County right of way. The District will be responsible for all general provisions of the encroachment permit, and the County agrees to issue the District said encroachment permit.

#### H. District Reimbursement of County Costs

1. The District shall reimburse the County for all reasonable costs incurred by the County relating to the Relocation Work associated with the Other District Facilities including but not limited to (a) any Relocation Work relating to change orders approved by the County in a manner consistent with the terms of this Agreement, and (b) any amounts the County deems reasonable to pay the Contractor to settle any claims made by the Contractor regarding work under the Construction Contract relating to the relocation of any Other District Facilities.
2. The Parties agree that the portion of the County's internal costs (i.e. County Staff time) for Project administration work attributable to the Relocation Work (including, but not limited to costs relating to reviewing and assembling the bid package, advertising and evaluating bids, award of contract, pre-construction environmental planning and compliance, processing payments to the Contractor, and other Construction Contract administration) shall be calculated as 10 percent of the construction cost of the relocation of the Other District Facilities. The District shall reimburse the County for all of the County's 3P Costs (as defined in Section F.1. above).

#### I. General Provisions

1. Time is of the essence. If the District fails to act in a timely manner, and said failure causes the County to incur additional cost under the Construction Contract, the District shall reimburse the County for any and all such costs. Unless otherwise specified, whenever the term "day" or "days" is used herein, it shall mean calendar days.
2. The County reserves the right to not proceed with the Project, or any portion thereof, for any reason. In the event the County exercises such right in writing, no Relocation Work shall be required under this Agreement, and the District shall be obliged to reimburse the County for all costs incurred by the County relating to the Relocation Work up to the date the County provides such written notice.
3. The District shall defend, indemnify and save harmless the County, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability arising from any act or omission of the District that is negligent or otherwise in breach of this Agreement.

4. The County shall defend, indemnify and save harmless the District, its officers, agents, and employees from any and all claims, demands, damages, costs, expenses, judgments or liability arising from any act or omission of the County that is negligent or otherwise in breach of this Agreement.
5. This Agreement shall not be changed or modified except upon written consent of the parties hereto.
6. Non-enforcement of any term, covenant or provision of the Agreement by either party shall not be considered a waiver by that party of rights under that Agreement or a waiver of any breach of the Agreement. To the extent any conduct of a party is construed as a waiver, the party's waiver of the breach of any on term, covenant or provision of this Agreement shall not be a waiver or a subsequent breach of the same term, covenant or provision of this Agreement.
7. This Agreement has been executed and delivered in, and shall be interpreted, construed, and enforced pursuant to and in accordance with the laws of the State of California. All duties and obligations of the parties created hereunder are performable in the County of San Luis Obispo; and such County shall be that venue for any action or proceeding that may be brought or arise out of, in connection with, or by reason of, this Agreement. If any action or other proceeding is filed to enforce or interpret this Agreement or any provision herein, the prevailing party shall be entitled to recover from the non-prevailing party, in addition to all other relief, its reasonable attorneys' and expert witnesses' fees, expenses and costs incurred in preparation for such action or proceeding, in pursuing such action or proceeding, on appeal from any such action or proceeding, and in collecting any monetary award resulting from such action or proceeding.
8. If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.
9. Unless otherwise provided, all notices herein required shall be in writing, shall be delivered either by email or United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows:

First Class Mail Delivery  
Department of Public Works  
Room 206 County Government Center  
San Luis Obispo, CA 93408  
Attn: Dave Flynn, Deputy Director

-Or-

Email Delivery  
[dflynn@co.slo.ca.us](mailto:dflynn@co.slo.ca.us)  
[pwd@co.slo.ca.us](mailto:pwd@co.slo.ca.us)

-Or-

Facsimile (Fax)  
(805) 781-1229

Notices required to be given to District shall be addressed as follows:

First Class Mail Delivery  
Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445  
Attn: Paavo Ogren, General Manager

-Or-

Email Delivery  
[paavo@oceanocsd.org](mailto:paavo@oceanocsd.org)  
[office@oceanocsd.org](mailto:office@oceanocsd.org)

-Or-

Facsimile (Fax)  
(805) 481-6836

Notices sent by email or facsimile (fax) shall be deemed provided to, and received by, the other party when the email or facsimile (fax) was properly sent. Notices sent by first-class U.S. mail shall be deemed provided to the other Party on the third business day after it was sent. If this Agreement specifically provides notices by email and facsimile, such notices will not be deemed provided by any other means.

10. This Agreement is intended by the parties as a final expression of their understanding with respect to the matters contained herein and is a complete and exclusive statement of the terms and conditions thereof.
11. The time for the parties to commence and/or complete their obligations required by this Agreement shall be extended for such period reasonable necessary to take into account any delays caused by riots, insurrections, martial law, civil commotion, war, flood, earthquakes or other acts of God.
12. Each party to this Agreement agrees to do all things that may be necessary, including without limitation, the execution of all documents which may be required hereunder, in order to implement and effectuate this Agreement.
13. The parties acknowledge that each party and its attorneys have reviewed, negotiated and revised this Agreement; and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in

the interpretation of this Agreement or any document executed and delivered by any party in connection with the transactions contemplated by this Agreement.

14. Unless this Agreement (or other applicable law) specifically requires and action by the County Board of Supervisors, all County actions under this Agreement are delegated to the County Director of Public Works (or the Director's designee). Unless this Agreement (or other applicable law) specifically requires an action by the District's Board, all District actions under this Agreement are delegated to the District's General Manager (or the General manager's designee).

15. This Agreement is effective as of the date it is fully executed by the Parties.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year set forth below.

Oceano Community Services District

By: *Saren M. White*

Date: *8/2/2018*

**ATTEST:**

By: *C. Cill*  
Clerk of the District

Date: *8/2/18*

COUNTY OF SAN LUIS OBISPO

By: \_\_\_\_\_  
Chairperson of the Board of Supervisors  
County of San Luis Obispo  
State of California

Date: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
County Clerk and Ex-Officio Clerk  
Of the Board of Supervisors  
County of San Luis Obispo  
State of California

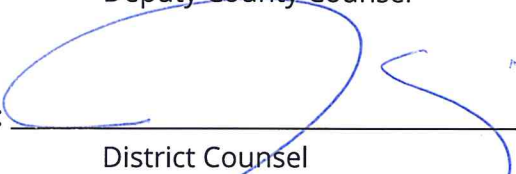
Date: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGAL EFFECT**

RITA NEAL  
COUNTY COUNSEL

By:   
Deputy County Counsel

Date: 8/8/18

By:   
District Counsel

Date: 8-2-18

L:\Transportation\2018\July\2015 Urban Water Mngmt Plan Update Zone 3 FC Prof Engr Agmt\_nonfed funds\_061013.docx

## **Exhibit A to Reimbursement Agreement**

### **Other District Utilities**

1. Paso Robles Street: relocate the waterline at project station 10+65; 15' right as shown on Sheet 8 of the project plans.
2. State Route 1: relocate the waterline at project station 10+90 as shown on Sheet 8 of the project plans.
3. Railroad Street: relocate the sewer line at project station 13+55 as shown on Sheet 12 of the project plans. Atlas information is different from pothole information obtained along the sewer line.
4. 15<sup>th</sup> Street: relocate the waterline at project station 13+80 as shown on Sheet 10 of the project plans.
5. 15<sup>th</sup> Street at Paso Robles Street: relocate the waterline at project station 10+15 as shown on Sheet 11 of the project plans.
6. Relocate any surface facilities or markers not yet identified to ensure 10-foot clearance from the edges of the proposed storm drain line and any appurtenances thereto.
7. Adjust to finished grade any valve or vault covers not yet identified.
8. Railroad Street: relocate waterline at station 13+45 as marked on Sheet 12 of plans.



# Oceano Community Services District

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

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

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**Date:** November 28, 2018

**To:** Board of Directors

**From:** Paavo Ogren, General Manager

**Subject:** **Agenda Item # 9(D): Consideration of 2019 District Priorities and Goals with Board Direction as deemed appropriate.**

## **Recommendation**

It is recommended that your Board discuss and consider the District priorities and goals for 2019 and provide direction as deemed appropriate.

## **Discussion**

The following is a list of "categories" that have been utilized by the District in prior goal setting discussions:

- Capital Projects
- Professional Services
- Operations
- Customer Accounts
- Contracts
- Water Rates and Conservation
- Risk Management
- Administration
- Accounting/Finance
- Budgets
- Other

Attachment "A" provides a bullet list of priorities associated with the categories listed above.





Existing District priorities include the following:

- A. Develop the District's Multi-Year Capital Improvement Program with Funding Alternatives
- B. Update the District's Policies and Complete the District Codification
- C. Develop the District's Staff Training Program
- D. Update the District's Enforcement Program
- E. Update the District Website (complete)

Attachment "B" provides an overview of the status of the existing priorities. In general, the existing priorities reflect a variety of needs associated with the basic community services provided by the District. The history of deferred infrastructure replacement projects, turnover of management and a deteriorating financial condition have been significant institutional challenges that the District is addressing. Overall progress continues on these priorities. Development and approval of a water system "Infrastructure and Funding Plan" will be one of the more significant Board and community decisions in 2019.

Other priorities that have been developing relating to the District's existing services include the following:

- 1. Amending the Five Cities Fire Authority Joint Powers of Authority (JPA) agreement
- 2. Amending the Lopez Water supply contracts to obtain storage rights in the reservoir
- 3. Supporting Central Coast Blue through the South San Luis Obispo County Sanitation District and the development of funding options

Emerging issues that are not part of the District's historical services include the following:

- E1. The Place
- E2. Recreation options at the Community Center
- E3. Landscape Maintenance in public rights of way
- E4. A community garden at Wilmar Avenue and 19th Street



## **Other Agency Involvement**

Numerous other agencies are involved with District efforts.

## **Other Financial Considerations**

Current budget and staff resources continue to be limited and should be considered while setting District priorities in 2019.

## **Results**

Establishing goals and reviewing the results of previously set goals promotes a well governed community.

Attachments:

- Attachment "A"
- Attachment "B"

## **Attachment "A"**

### **Categorical Priorities**

The following is a list of “categories” that have been utilized by the District in prior goal setting discussions.

- Capital Projects - See Attachment "B"
  - Technical assistance from State Water Board on Low Impact Development concepts
  - Options for utility yard upgrades
- Professional Services
  - Sewer System Capital Improvement Program
  - Solid Waste Rate Review by Statler
  - WRRP by Cannon
  - Norswing/Pershing and Highway One designs by Cannon
  - Audit by Moss, Levy Hartzheim LLP
  - District Engineering by DPSI
  - Local Hazard Mitigation Plan by Category Five
- Operations
  - Training
  - Water and sewer easements
  - Engineering standards
  - Solid waste programs
  - Lift Station
  - Waterline replacement projects
  - SCADA, GIS and smart meters
  - Documentation of non-standard situations
- Customer Accounts
  - Credit Card Payments, E-bills, Online Payments
  - New legislation (2020) - Non-payment of bills
  - Fees on service calls
  - Fees for non-compliance with District standards
  - Clarification & documentation of out of District customers
- Contracts
  - Five Cities Fire Authority JPA amendment
  - Lopez Water supply contract amendment
  - Sheriff's Building Lease
  - Other contract compliance review

- Water Rates and Conservation
  - Post Drought Rate transition
- Risk Management
  - Obtain insurance quotes from the Special Districts Risk Management Authority
- Administration
  - Update to policies / rules and regulations
    - Retrofit on sale requirements for non-standard situations
  - Records retention efforts & old fire station
  - Succession Management
- Accounting/Finance
  - Funding options for Central Coast Blue
  - Tracking Public Facilities Fees with Will-Serve Letters / New Development
  - Infrastructure Rates
  - Water and Sewer rate reviews
  - Fees on new development including mixed use development
  - Five Cities Fire Authority Special Tax Analysis
- Budgets
  - Multi-year budget projections
  - Multi-year capital improvement budgets
  - Incorporating budgets in Tyler accounting software
  - Develop strategies to meet standards for Excellence in Budget Reporting
  - Refinement of District reserve policies
- Other
  - The Place
  - RFP for recreation at the Community Center
  - Landscape maintenance
  - Community garden
  - Legislative platform

## Attachment "B"

### Update on Existing District Priorities

#### Develop the District's Multi-Year Capital Improvement Program (CIP) with Funding Alternatives

The Water Resource Reliability Program (WRRP) funded by a Proposition 84 grant includes development of water system capital improvement recommendations. The WRRP is nearing completion and will be presented to your Board in early 2019. Development of funding alternatives will be a major work effort in 2019 to address grant opportunities, local funding requirements, and phasing of work efforts.

In addition to the CIP and WRRP work, the District's existing system has encountered breaks and leaks that are requiring waterline replacements in advance of the overall capital improvement program. An emergency project to replace a waterline under the Oceano lagoon was completed this past summer. The waterline in Norswing and Pershing is a 2-inch galvanized line that is continuing to develop new leaks and needs to be replaced at this time. Design and permitting was approved by your Board in October along with a separate project to replace another 2-inch galvanized waterline in Highway One prior to a CalTrans pavement project scheduled for 2019. The following is a list of pending projects.

<u>Project</u>	<u>Status</u>
Emergency Generator Project	The generator purchase is funded through a grant with the County. Grant coordination work is scheduled for Monday November 26th with Five Cities Fire Authority and County staff so that a purchase order for the generator procurement can be issued.
Highway One Utility Relocation Project	Mandated by the County's Highway One Drainage Project, the District's revised bid documents need to be completed by District staff in December to coordinate the bid advertising in early 2019 with County bidding.
Norswing/Pershing waterline replacement project	Design and encroachment permit is underway and bid documents need to be prepared in December/January timeframe.
Highway One waterline replacement project (west of 21st Street)	Design and encroachment permit is underway and bid documents need to be prepared in December/January timeframe.

### Update the District's Policies and Complete the District Codification

The District's update to policies and completion of the District code encompasses review of over 700 resolutions and approximately 50 ordinances. The efforts include utilizing the policy handbook published by the California Special Districts Association and overall review of the District's rules and regulations. The final outcome is publication of a District Code including references to the resolutions and ordinances that reflect Board approved action.

The next steps include updating human resource policies and the District's rules and regulations. Priorities for Board discussion on updating the rules and regulations include the following:

- Overall review of rules and regulations with the Board of Directors
- Service and maintenance standards in private development including apartment and condominium complexes, mobile home parks and other multi-residential complexes
- Service and maintenance standards for laterals and appurtenant facilities
- Code compliance requirements upon sale of property
- Shut-Off for non-payment of bills
- Enforcement for non-compliance with District standards
- Conditions on new development

### Develop the District's Staff Training Program

Staff has initiated work utilizing "Target Solutions" software to develop the training program. Development of the training program is considered a priority for administrative efficiencies. Overall training includes mandated training and job-specific training. Examples of mandated training include harassment prevention, ethics and training required to maintain certifications and licenses. Job-specific training includes safety and task-oriented training that improves job effectiveness.

### Update the District's Enforcement Program

Different aspects of the District's enforcement activities should be reviewed and updated concurrent with the update to the District's rules and regulations. For example, Ordinance 1999-1 covers the abatement of illegal dumping of solid waste and includes reference to the County Health Agency. The Health Agency is, however, not directly involved in the District's solid waste program. Other examples include coordination with County Code enforcement on land use violations when they involve violation of the District's rules and regulations.

### Update the District's Website

Website update is complete and compliance efforts (SB 929 and AB 2257) are ongoing. Suggestions on improvements are always welcomed.