



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, January 09, 2019 – 6:00 P.M.
Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

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

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

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

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

7. **SPECIAL PRESENTATIONS & REPORTS:**

A. STAFF REPORTS:

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

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

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

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

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

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

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

8. CONSENT AGENDA ITEMS:

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

- A. Review and Approval of Cash Disbursements
- B. Review of the District's Investment Policies and approve a resolution authorizing investment of monies in the Local Agency Investment Fund

9. BUSINESS ITEMS:

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

- A. Consideration of an appeal of the Intent-to-Serve letter issued for 1929 Wilmar Avenue dated November 28, 2018
- B. Consideration of an update on projects and programs of the South San Luis Obispo County Sanitation District with direction to Board appointed Board members and staff
- C. Consideration of the Special Districts Fire Protection Study for County of San Luis Obispo dated November 2018, District representation with the County Board of Supervisors, and direction to staff as deemed appropriate
- D. Consideration and approval of a Designated Voting Delegate to the Independent Special District Selection Committee for membership on the Local Agency Formation Commission (LAFCo), approval of the Alternative Quorum Procedure and to consider a nomination for membership on LAFCo

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, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, State Park impact to OCSD.

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District

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

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

Date: January 9, 2018

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(A): 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
	57430 – 57465*	
Disbursements Requiring Board Approval prior to Payment:		
Regular Payable Register – paid 01/09/2019	57441 - 57465	\$308,617.28
Subtotal:		\$308,617.28
Reoccurring Payments for Board Review (authorized by Resolution 2018-11):		
Payroll Disbursements – PPE 12/08/2018	N/A	\$28,706.09
Payroll Disbursements – PPE 12/22/2018	N/A	\$27,065.69
County Electronic Journal Entry Disbursements for Water Supplies	N/A	\$558,108.93
Reoccurring Utility Disbursements – paid 12/12/2018	57430 - 57434	\$1,975.13
Reoccurring Utility Disbursements – paid 12/21/2018	57437 - 57440	\$3,324.32
Subtotal:		\$619,180.16
Grand Total:		\$927,797.44

*Check 57428 (from 12/12/2018 Board Meeting's Added Warrants) was VOIDED due to total error and was replaced with Checks 57435-36 (paid at the 12/12/2018 Board Meeting) for \$254.62 to Quill for office supplies.

Other Agency Involvement: n/a

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

Results

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

1/4/2019 1:50 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

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: 057441 THRU 057465

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1-1001-000	1/04/2019	CHECK	057441	PETTY CASH	14.16CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057442	CANNON	11,616.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057443	PERRY'S ELECTRIC MOTORS & CONT	1,275.48CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057444	ARROYO WATER WELL SUPPLY INC	10,942.30CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057445	MARK SCHWIND ELECTRIC INC.	1,100.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057446	ADAMSKI MOROSKI MADDEN CUMBERL	13,566.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057447	BURDINE PRINTING & GRAPHICS	371.64CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057448	CORIX WATER PRODUCTS (US) INC.	233.28CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057449	ARAMARK	451.50CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057450	CENTRAL COAST TECHNOLOGY CONSU	316.06CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057451	ZENITH INSURANCE COMPANY	1,584.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057452	ONE COOL EARTH	4,500.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057453	SHRED-IT USA JV LLC	67.56CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057454	CORTECH ENGINEERING, A DXP COM	5,937.63CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057455	CYNTHIA REPLOGLE	250.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057456	FAMCON PIPE & SUPPLY, INC.	1,444.66CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057457	CITY OF SANTA MARIA	105.85CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057458	J.B. DEWAR, INC.	528.55CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057459	FIVE CITIES FIRE AUTHORITY	246,840.50CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057460	MINER'S ACE HARDWARE, INC.	97.67CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057461	QUILL CORPORATION	52.75CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057462	SLO CO PUBLIC HEALTH DEPT.	1,121.30CR	OUTSTND	A	0/00/0000

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: 057441 THRU 057465

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	1/04/2019	CHECK	057463	SWRCB ACCOUNTING OFFICE	4,250.00CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057464	UNITED RENTALS (NORTH AMERICA)	507.59CR	OUTSTND	A	0/00/0000
1-1001-000	1/04/2019	CHECK	057465	WALLACE GROUP A CALIFORNIA COR	1,442.80CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	308,617.28CR		
				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:	308,617.28CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

Payroll Summary Report
Board of Directors - Agenda Date January 9, 2019

	(*)		
<u>Gross Wages</u>	11/24/2018	12/8/2018	12/22/2018
Regular	\$22,807.53	\$22,729.45	\$22,383.69
Overtime Wages	\$3,774.81	\$2,198.68	\$1,084.65
Stand By	\$700.00	\$700.00	\$700.00
Gross Wages	<u>\$27,282.34</u>	<u>\$25,628.13</u>	<u>\$24,168.34</u>
 <u>Disbursements</u>			
Net Wages	\$20,001.27	\$18,933.03	\$17,899.27
State and Federal Agencies	\$5,649.00	\$5,114.05	\$4,561.42
CalPERS - Normal	\$4,506.18	\$4,505.00	\$4,450.99
SEIU - Union Fees	\$154.01	\$154.01	\$154.01
Total Disbursements processed with Payroll	<u>\$30,310.46</u>	<u>\$28,706.09</u>	<u>\$27,065.69</u>
Health (Disbursed with reoccurring bills)	\$4,014.57	\$4,014.07	\$4,014.07
Total District Payroll Related Costs	<u>\$34,325.03</u>	<u>\$32,720.16</u>	<u>\$31,079.76</u>

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

Oceano Community Services District
 County of San Luis Obispo Electronic Journal Entries

A/P Approval

	Invoice	Vendor	Amount	G/L Account	Account Name	Distribution
1	801	County of SLO Public Works	\$ 245,374.15	02-5-4400-261	Water Supply - Lopez	\$ 245,374.15
	811	County of SLO Public Works	\$ (17,834.28)	02-5-4400-261	Water Supply - Lopez	\$ (17,834.28)
2	2711	County of SLO Public Works	\$ 330,569.06	02-5-4400-262	Water Supply - State Water	\$ 330,569.06

Total County Electronic Journal Entries for Water Supply	\$ 558,108.93
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ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	12/12/2018	CHECK	057430	ADVANTAGE ANSWERING PLUS, INC	208.63CR	OUTSTND	A	0/00/0000
1-1001-000	12/12/2018	CHECK	057431	DIGITAL WEST NETWORKS, INC.	1,071.00CR	OUTSTND	A	0/00/0000
1-1001-000	12/12/2018	CHECK	057432	VERIZON WIRELESS	354.81CR	OUTSTND	A	0/00/0000
1-1001-000	12/12/2018	CHECK	057433	SO CAL GAS	117.19CR	OUTSTND	A	0/00/0000
1-1001-000	12/12/2018	CHECK	057434	ELECSYS INTERNATIONAL CORP	223.50CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	1,975.13CR		
				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:	1,975.13CR		
				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		

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	12/21/2018	CHECK	057437	RABOBANK EQUIPMENT LEASE	755.60CR	OUTSTND	A	0/00/0000
1-1001-000	12/21/2018	CHECK	057438	DE LAGE LANDEN FINANCIAL SERVI	157.66CR	OUTSTND	A	0/00/0000
1-1001-000	12/21/2018	CHECK	057439	AGP VIDEO INC.	2,120.00CR	OUTSTND	A	0/00/0000
1-1001-000	12/21/2018	CHECK	057440	COASTAL COPY, INC.	291.06CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	3,324.32CR		
				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:	3,324.32CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		



Oceano Community Services District

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

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

Date: January 9, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #8(B): Review of the District's Investment Policies and approve a resolution authorizing investment of monies in the Local Agency Investment Fund**

Recommendation

It is recommended that your Board review of the District's Investment Policies and approve a resolution authorizing investment of monies in the Local Agency Investment Fund.

Discussion

The Local Agency Investment Fund (LAIF) is a voluntary program created by statute in 1977 as an investment alternative for California's local governments and special districts. This program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer. The LAIF has grown from 293 participants and \$468 million in 1977 to 2,376 participants and \$20.2 billion at the end of November 2018.

The District previously adopted the attached resolution 1992-12 authorizing the District to invest in the LAIF. For an agency to be eligible to participate in the program a resolution must be adopted by the governing board and filed with the State Treasurer's Office by completing and submitting the attached New LAIF Account Form. The State Treasurer's office recently contacted the District to have the resolution and signatures for the District updated as the Board has been replaced since 1992.

Separately, in December of 2017, the Board adopted the attached District Investment Policy with Resolution 2017-07. The District's Investment Policies will be brought back to your Board at the end of January for the annual report and the adoption of the 2019 Annual Investment Polices, which will include LAIF if the attached resolution is approved.



Other Agency Involvement

The District's resolution and New LAIF Account Form will be sent to the California State Treasurer. The District holds funds with the County of San Luis Obispo.

Other Financial Considerations

There are no financial implications or membership fees in joining the LAIF. As interest rates increase, LAIF will become an option for investment along with the County Treasury and Rabobank.

Results

Remaining current with the LAIF requirements gives the District the option to participate in a program that offers better rates and provides a stable source of funding to promote a well governed community.

Attachments:

- Proposed Resolution – 2019
- New LAIF Account Form
- Resolution 1992-12 - LAIF
- Resolution 2017-07 – OCSD 2018 Investment Policy

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO: 2019 - __**

**A RESOLUTION AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL
AGENCY INVESTMENT FUND**

WHEREAS, The Local Agency Investment Fund is established in the State Treasury under Government Code section 16429.1 et. seq. for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors hereby finds that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein is in the best interests of the District;

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Board of Directors hereby authorizes the deposit and withdrawal of District monies in the Local Agency Investment Fund in the State Treasury in accordance with Government Code section 16429.1 et. seq. for the purpose of investment as provided therein.

BE IT FURTHER RESOLVED, as follows:

1. The following District officers holding the title(s) specified hereinbelow or their successor in office are each hereby authorized to order the deposit of withdrawal of monies in the Local Agency Investment Fund and may execute and deliver any and all documents necessary or advisable in order to effectuate the purpose of this resolution and the transactions contemplated hereby:

_____ (NAME)	_____ (NAME)	_____ (NAME)
_____ (TITLE)	_____ (TITLE)	_____ (TITLE)
_____ (SIGNATURE)	_____ (SIGNATURE)	_____ (SIGNATURE)

PASSED AND ADOPTED by the Board of Directors of the Oceano Community Services District on January 9, 2019 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors
of the Oceano Community Services District

ATTEST:

Board Secretary of the
Oceano Community Services

APPROVED AS TO FORM:

Jeffrey A. Minnery, District Counsel



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)
Authorization for Transfer of Funds**

Effective Date _____

Agency Name _____

LAIF Account # _____

Agency's LAIF Resolution # _____ or Resolution Date _____

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. ***This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.***

Name	Title

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature

Print Name

Title

Telephone

Signature

Print Name

Title

Telephone

Please provide email address to receive LAIF notifications.

Name	Email

**Mail completed form to: State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001**

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 1992 - 12

RESOLUTION AUTHORIZING INVESTMENT OF
OCEANO COMMUNITY SERVICES DISTRICT
MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Oceano Community Services District Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the Oceano Community Services District.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors for Oceano Community Services District hereby authorizes the deposit and withdrawal of Oceano Community Services District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein.

BE IT FURTHER RESOLVED, that the Oceano Community Services District officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

BERKLEY H. BRANNON
GENERAL MANAGER

GINA A. DAVIS
ADMINISTRATIVE ASSISTANT



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

AYES: Director Kasza, Director Searcy, Director Twitchell, President Senna

NOES: None

ABSENT: Director Baughman

ABSTAINING: None

the foregoing resolution is hereby passed and adopted by the Board of Directors of the Oceano Community Services District, County of San Luis Obispo, State of California on this 25th day of March, 1992.

ATTEST:


WILLIAM A. SENNA, PRESIDENT
GINA A. DAVIS, DEPUTY BOARD SECRETARY

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2017- 07**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT ADOPTING THE YEAR 2018 DISTRICT INVESTMENT POLICY

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

WHEREAS, District funds will be available from time to time that would be beneficial to invest in financial instruments in accordance with the Year 2018 Investment Policy (Exhibit A) and deposited in interest bearing accounts, in banks or financial institutions having offices within the State; and,

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

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Oceano Community Services District that the District Finance Officer/Treasurer is hereby authorized to deposit for safe keeping all money belonging to, or in the custody of, the District pursuant to Exhibit A, the District's Year 2018 Investment Policy; and,

BE IT FURTHER RESOLVED that the District hereby adopts a Statement of Investment Policy attached hereto as Exhibit A, Year 2018 Investment Policy, which supersedes any previously adopted or utilized policies and that this Policy be effective immediately.

On motion by President White, seconded by Director Angello and carried on the following roll call vote, to wit:

AYES: President White, Director Angello, Director Coalwell, Director Brunet

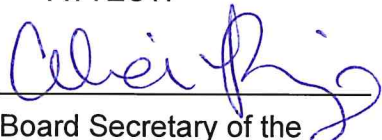
NAYES: None

ABSENT: Vice President Austin

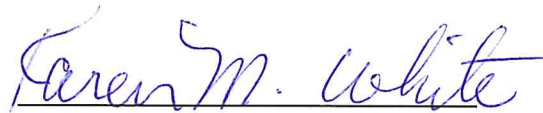
ABSTAIN: None

The foregoing Resolution is hereby passed and adopted this 13 day of December, 2017.

ATTEST:


Board Secretary of the

Oceano Community Services District



President, Board of Directors
of the Oceano Community Services District

RESOLUTION 2017-07
EXHIBIT A

YEAR 2018 INVESTMENT POLICY
OCEANO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

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

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

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

2. FINANCE OFFICER/TREASURER

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

3. SCOPE

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

4. OBJECTIVES

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

A. SAFETY

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

B. LIQUIDITY

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

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

5. **STANDARDS OF CARE**

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

6. **INVESTMENTS AUTHORITY**

A. **PERMITTED INVESTMENTS**

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

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

B. **PROHIBITED INVESTMENTS**

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

- C. Inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages.

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

C. DIVERSIFICATION

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

7. REPORTS

A. QUARTERLY REPORT

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

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

B. ANNUAL REPORT

Prior to February 1 of each year, the Finance Officer/Treasurer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

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

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

C. LIMITED QUARTERLY REPORT

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



Oceano Community Services District

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

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

Date: January 9, 2019
To: Board of Directors
From: Paavo Ogren, General Manager
Subject: **Agenda Item # 9(A): Consideration of an appeal of the Intent-to-Serve letter issued for 1929 Wilmar Avenue dated November 28, 2018**

Recommendation

It is recommended that your Board:

1. Review and consider the attached information (See Agenda Addendum Materials).
2. Hear and consider the appeal of the applicant.

Discussion

On November 28, 2018, an "Intent-to-Serve" letter was issued for 1929 Wilmar Avenue. A Final Will Serve letter has not been issued and the applicant has appealed the conditions included in the Intent-to-Serve letter. The appeal was scheduled for Board consideration on December 12, 2018 but based on the request of the applicant the appeal was rescheduled for January 9, 2019. The agenda materials for December 12, 2018 are also attached in the agenda addendum material for this meeting.

In addition to the materials from the December 12, 2018 meeting, the applicant has provided a letter identifying appeal issues, which is attached. Staff has met with the applicant and email correspondence is attached. No changes in the intent to serve letter have been issued and the December 12, 2018 staff report and materials still provide the substantive evidence pertaining the intent to serve letter.

Other Agency Involvement

The County of San Luis Obispo issues building permits and establishes road related requirements such as curbs, gutters and sidewalks.

Other Financial Considerations

The cost of addressing this appeal is estimated at over \$1,000.



Oceano Community Services District

Board of Directors Meeting

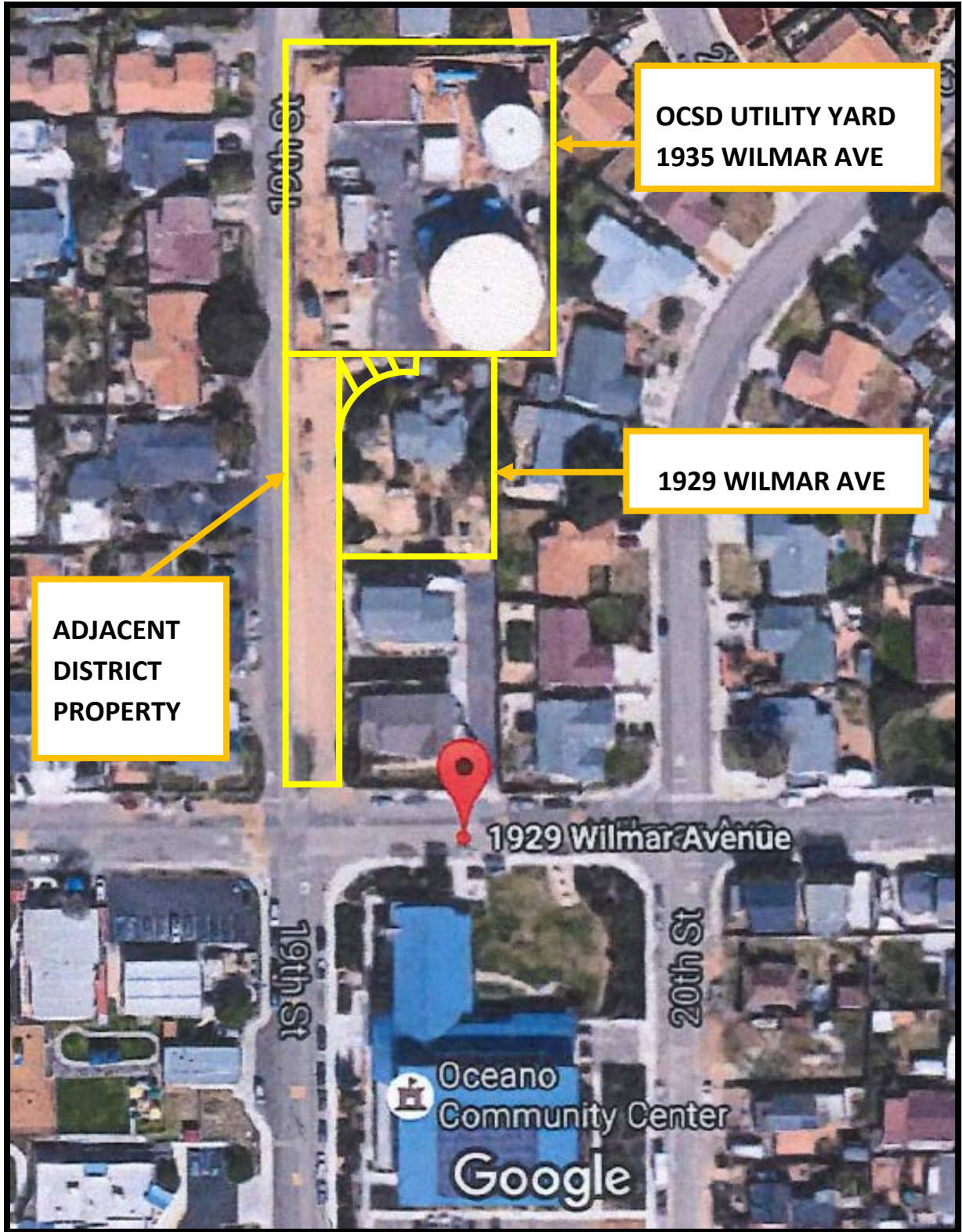
Results

Reviewing the appeal and promotes a well governed community.

Attachments:

- Vicinity Map
- Applicant's written appeal
- Email correspondence
- [Link to Addendum for December 12, 2018 agenda materials](#)

VICINITY MAP



Date: January 4, 2019

To: Board of Directors

From: Art and Angie Vega
1929 Wilmar Ave

This letter is regarding the conditions in the will serve letter issued by the district on 11/28/2018 and the fees associated. We are disputing this fee letter and would like an explanation for the charges calculated.

It appears to us that the charges are for a new residential hookup which we do not need as we are just adding to the existing residence. What we need is a new 1" meter for the new fire sprinkler to be installed in the existing dwelling along with the new addition. (Water Meter Charge (1-inch meters, per FCFA) 1 \$ 1,350.00)

The charges we are disputing are listed below:

- *State Water Project/Lopez Dam Improvement Charge (See OCSD Ordinance No. 2006-1, Article 2, Section 5 for Additional Connection Fees)*
- *\$1000.00*

We do not need a new connection as it is just an addition and not a new single-family residence.

- *Capacity Charges (See OCSD Ordinance No. 2006-1, Article 2, Section 6 and Ordinance 2011-1, Attachment A for Capacity Charges)*
- *\$5806.44*

We would like an explanation as to how these charges were calculated.

- *Sewer Connection Fee*
- *\$500.00*

As stated above, we do not need a new connection as we are just building an addition not a new SFR.

We have examples of other residents that have built additions or granny units that have not been charged the fees above. Along with residents who have built new SFR that have been charged the amounts above. The dispute is that we are not building a new SFR but just an addition to the existing residence as approved by the county.

In addition to the fee issues above we would like to discuss the conditions of the will serve letter regarding the easements and use of district property for ingress/egress along the districts access road. Thank you for your time and consideration.

Best Regards,
Art and Angie Vega

From: [Paavo](#)
To: "Art Vega"
Subject: RE: Board Meeting
Date: Wednesday, December 19, 2018 9:27:00 AM

Hi Art,

I have not heard from Robert Montoya. After I talk with him, let's discuss your request on the ingress/egress statement since a change could complicate your efforts with the County.

Paavo

From: Art Vega [<mailto:artvega51@gmail.com>]
Sent: Tuesday, December 18, 2018 12:01 PM
To: paavo@oceanocsd.org
Subject: Re: Board Meeting

Good morning Paavo. Has Robert Montoya called you? On the letter of intent page 1 could you remove or redefine the ingress/egress statement? Please let me know. I would like to come in and pay fees. Thank you.

Sent from my iPhone

On Dec 12, 2018, at 1:58 PM, Paavo <paavo@oceanocsd.org> wrote:

How about 1:30 on Monday December 17th?

From: Art Vega [<mailto:artvega51@gmail.com>]
Sent: Wednesday, December 12, 2018 1:33 PM
To: paavo@oceanocsd.org
Subject: Re: Board Meeting

Monday afternoon will be fine? What time is good for you?

Sent from my iPhone

On Dec 12, 2018, at 1:07 PM, Paavo <paavo@oceanocsd.org> wrote:

Art,

I'd prefer to schedule a later date for us to meet since the Board item is being deferred to January. I need to prepare for the other agenda items tonight and trying to catch up on other items.

My schedules on Mondays and Wednesdays is usually pretty open, and next Monday afternoon and Wednesday all day are good if either of those dates works for you.

Paavo

From: Art Vega [<mailto:artvega51@gmail.com>]
Sent: Wednesday, December 12, 2018 1:04 PM
To: paavo@oceanocsd.org

Subject: Re: Board Meeting

Would you have time for us to come in today?

Sent from my iPhone

On Dec 12, 2018, at 12:51 PM, Paavo <paavo@oceanocsd.org> wrote:

Art,

Yes we can postpone the appeal hearing and will also be glad to meet in advance of the January meeting.

Hope you and your family have Happy Holidays.

Paavo

From: Celia Ruiz [<mailto:celia@oceanocsd.org>]
Sent: Tuesday, December 11, 2018 10:37 AM
To: 'Art Vega'
Cc: paavo@oceanocsd.org
Subject: RE: Board Meeting

Good morning,

I will forward the message to Paavo.

Thank you

Celia Ruiz
Account Administrator III

Oceano Community Services District
1655 Front St., PO Box 599
Oceano, CA. 93475
Office (805) 481-6730
Fax (805) 481-6836

<http://oceanocsd.org/main/>

<image001.jpg>

From: Art Vega <artvega51@gmail.com>
Sent: Tuesday, December 11, 2018 9:00 AM
To: Celia Ruiz <celia@oceanocsd.org>
Subject: Re: Board Meeting

Good morning Celia

We would like to postpone the appeal until the 1st board meeting of the year so we have more time to prepare. Let me know if this is a problem or if we need to submit another request.

Thank you,

Art Vega

On Mon, Dec 10, 2018 at 8:50 AM Celia Ruiz

<celia@oceanocsd.org> wrote:

Art,

I have attached the Agenda and the Intent to serve appeal for your review. Let us know if you want to meet and discuss before the meeting on Wednesday.

Thank you

Celia Ruiz
Account Administrator III

Oceano Community Services District
1655 Front St., PO Box 599
Oceano, CA. 93475
Office (805) 481-6730
Fax (805) 481-6836

<http://oceanocsd.org/main/>

<image001.jpg>

From: [Paavo](#)
To: ["rob@civildesign-solutions.com"](mailto:rob@civildesign-solutions.com)
Cc: ["artvega51@gmail.com"](mailto:artvega51@gmail.com); ["Jeffrey Minnery"](#); ["Carey Casciola"](#); ["Celia Ruiz"](#); ["nicole@oceanocsd.org"](mailto:nicole@oceanocsd.org)
Subject: RE: Art Vega - Wilmar
Date: Friday, January 04, 2019 9:24:00 AM

Rob,

We are glad to follow up with additional engineering coordination once we have the executed reimbursement agreement and deposit.

Paavo Ogren, General Manager
Oceano Community Services District
1655 Front Street, Oceano CA, 93445
PO Box 599, Oceano CA, 93475
(805) 481-6730 (office); (805) 481-6836 (fax)



From: rob@civildesign-solutions.com [<mailto:rob@civildesign-solutions.com>]
Sent: Friday, January 04, 2019 8:56 AM
To: paavo@oceanocsd.org
Cc: artvega51@gmail.com; 'Jeffrey Minnery'; 'Carey Casciola'; 'Celia Ruiz'; nicole@oceanocsd.org
Subject: RE: Art Vega - Wilmar

Can we at least get the information we are requesting in my email prior to that meeting? I don't believe that in your prior conversations with the owner this information was provided nor were all of the questions answered. We need the location of the water main and all services that branch of the main that service this property and properties adjacent to this property through the district property.

Thanks
Robert M

From: Paavo [mailto:paavo@oceanocsd.org]
Sent: Friday, January 04, 2019 8:44 AM
To: rob@civildesign-solutions.com
Cc: artvega51@gmail.com; 'Jeffrey Minnery'; 'Carey Casciola'; Celia Ruiz; nicole@oceanocsd.org
Subject: RE: Art Vega - Wilmar

Rob,

I have reviewed these questions previously with your client and will do so again at our Board meeting next Wednesday evening when the Board will be considering the appeal of the intent to serve letter. That letter itself provides references to the District's ordinances, which I have also previously sent. In essence, the existing service lateral goes through District owned property, and as with the case with any application, non-standard situations need to be brought up to standards at the time of a new application.

At this time, I need to refer you to our District engineer for further technical details and efforts needed for your client to meet the conditions of the intent to serve letter. Prior to doing so, a \$750 deposit and an executed reimbursement agreement is required. I have cc'd Nicole in our office who can assist in preparing the reimbursement agreement.

Paavo Ogren, General Manager
Oceano Community Services District
1655 Front Street, Oceano CA, 93445
PO Box 599, Oceano CA, 93475
(805) 481-6730 (office); (805) 481-6836 (fax)



From: rob@civildesign-solutions.com [mailto:rob@civildesign-solutions.com]
Sent: Thursday, January 03, 2019 2:11 PM
To: paavo@oceanocsd.org
Cc: artvega51@gmail.com
Subject: RE: Art Vega - Wilmar

Paavo –My understanding is that the existing water lateral (1" from main to meter) and sewer lateral are currently servicing the property and are not needing to be upgraded. The only upgrade would be to the water line from the meter to the house which is not on district property and is only a requirement for fire sprinkler demands. The increase in domestic use alone would not necessitate an upgraded water service. As the services are existing and have already been there for many years

why would an easement be required. It is also my understanding that the actual water main is located in the same district lot that contains the water meter and service lateral. Said main is also servicing other customers in different areas. Therefore it's a shared water main and has services branching off of said main serving customers. Therefore there would already have to be an easement or other agreement that these facilities can be located in the district lot and service customers through said lot.

Is there a system map indicating the location of the water main and all residential services on the portion of the water main fronting the property. Where is the closest public roadway that contains the water main? Where exactly does the district main cross from public to private property and what other water services are located along this stretch of water main.

We need to see where the main is and where all the services are located. Then we need the documentation indication that the district is providing water service to these specific customers in this location. Once we have that we can determine the location of district facilities and what they are serving in this area to further determine as to what if any easements may be required.

Thanks
Robert M
805 621 3050

From: Paavo [mailto:paavo@oceanocsd.org]
Sent: Friday, December 21, 2018 2:07 PM
To: rob@civildesign-solutions.com
Cc: artvega51@gmail.com
Subject: RE: Art Vega - Wilmar

Robert

Attached are 1) the intent to serve letter that the District issued for the project and 2) a vicinity map illustrating the District owned property adjacent to the project location. Please review so we can discuss.

I am heading into interviews for the remainder of the day. I will be back in the office on Wednesday.

Paavo Ogren, General Manager
Oceano Community Services District
1655 Front Street, Oceano CA, 93445
PO Box 599, Oceano CA, 93475
(805) 481-6730 (office); (805) 481-6836 (fax)



From: rob@civildesign-solutions.com [mailto:rob@civildesign-solutions.com]
Sent: Friday, December 21, 2018 11:01 AM
To: Paavo@oceanocsd.org
Cc: artvega51@gmail.com
Subject: Art Vega - Wilmar

Pavvo – Can you please provide a detailed written description or basic sketch of what the district is requesting from Arts Civil Engineer/Surveyor?

Thanks
Robert M
805 621 3050



Oceano Community Services District

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

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

Date: January 9, 2019

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(B):** Consideration of an update on projects and programs of the South San Luis Obispo County Sanitation District with direction to Board appointed Board members and staff

Recommendation

It is recommended that your Board:

1. Receive an update on projects and programs of the South San Luis Obispo County Sanitation District by Jeremy Ghent, District Administrator
2. Provide direction to Board members who are appointed to the Sanitation District Board of Directors and District staff, as deemed appropriate.

Discussion

The South San Luis Obispo County Sanitation District provides wastewater treatment and disposal services for residents, property owners and businesses within the communities of Oceano, Arroyo Grande and Grover Beach. In contrast to a Joint Powers Authority, Sanitation Districts are independent special districts formed pursuant to the California Health and Safety Code, Sections 4700-4859. The table of contents for applicable sections of the Health and Safety Code are attached.

The Sanitation District Administrator, Jeremy Ghent, will provide an update on Sanitation District projects and programs with an emphasis on the following:

- The Redundancy Project
- Brine Discharges
- Central Coast Blue



Also attached are Health and Safety Code (HSC) Sections 4738-4767.5, which describe powers of County Sanitation Districts. HSC Sections 4745 and 4767 provide statutory authorizations that may be useful in coordination and implementation of Central Coast Blue, which is the regional wastewater reclamation project that is currently in the pre-construction phase of work.

Other Agency Involvement

The Sanitation District serves the communities of Oceano, Arroyo Grande and Grover Beach. Central Coast Blue is also being coordinated with the City of Pismo Beach.

Financial Considerations

As an independent special district, the Sanitation District budget and the rates and charges collected from its customers are independent of actions taken by the Oceano CSD Board of Directors.

Results

Consideration of existing work efforts of the South San Luis Obispo County Sanitation District will help ensure that the policy interests of Oceano CSD are aligned with direction provided to Board members who serve on the Sanitation District Board of Directors.

Attachments:

- Excerpts from the California Health and Safety Code



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HEALTH AND SAFETY CODE - HSC

DIVISION 5. SANITATION [4600 - 6127] (*Division 5 enacted by Stats. 1939, Ch. 60.*)

PART 3. COMMUNITY FACILITIES [4600 - 6127] (*Heading of Part 3 amended by Stats. 1970, Ch. 420.*)

CHAPTER 3. County Sanitation Districts [4700 - 4859] (*Chapter 3 enacted by Stats. 1939, Ch. 60.*)

ARTICLE 4. District Powers [4738 - 4767.5] (*Article 4 enacted by Stats. 1939, Ch. 60.*)

4738. A county sanitation district may sue and be sued by its own name.

(*Added by Stats. 1951, Ch. 1000.*)

4739. A county sanitation district may employ such sanitation experts, surveyors, counsel, and other persons as are needed to carry into effect any powers of the district.

(*Enacted by Stats. 1939, Ch. 60.*)

4739.5. By resolution, the board may change the name of the district. The change of name shall be effective upon recording a certified copy in the office of the county recorder of the county or counties in which the district is situated.

(*Amended by Stats. 1998, Ch. 829, Sec. 37. Effective January 1, 1999.*)

4740. The district may acquire by gift, purchase, condemnation, or otherwise, in the name of the district, and own, control, manage, and dispose of any interest in real or personal property necessary or convenient for the construction, maintenance, and operation of a sewerage system and sewage disposal or treatment plant, or a refuse transfer or disposal system, or both. As used in this article "refuse" shall include all of the following: (a) animal, fruit and vegetable refuse; (b) offal; (c) leaves and cuttings, trimmings from trees, shrubs and grass; (d) inorganic refuse and rubbish; (e) garbage; (f) anything thrown away as worthless.

(*Amended by Stats. 1957, Ch. 168.*)

4741. A district may acquire, construct, and complete within or without the district, sewage collection, treatment and disposal works, including sewage treatment plants, outfalls, intercepting, collecting and lateral sewers, pipes, pumps, machinery, easements, rights-of-way, and other works, property or structures necessary or convenient for sewage collection, treatment, and disposal. No sewerage system shall be constructed, maintained, or operated in any city not in the district except by consent granted by an affirmative vote by a majority of the full membership of the governing body of the city; provided, however, that the district may construct, operate, and maintain intercepting, trunk and outfall sewerlines, other than ocean outfall lines and other terminal outfall lines, together with pumps and like machinery necessary for sewage transportation, in a city pursuant to Section 4759.1. For the purposes of this section, the term "terminal outfall lines" means any outfall sewerlines that discharge within the city any effluent from a sewer treatment plant or any sewage.

It may also acquire lands and acquire and construct refuse transfer or disposal facilities, or both, within or without the district, and it may maintain and operate within the district boundaries a system for transfer or disposal of refuse, or both; provided, however, that the system shall not include "refuse collection" which is defined as the house-to-house pickup of refuse or any part thereof.

A district shall not acquire land for, or establish and operate, a refuse transfer or disposal facility within either a city or the unincorporated area of a county until the city council, if the facility is proposed to be located in the city, or the board of supervisors of the county, if it is proposed to be located in the unincorporated area of the county, has by resolution, consented to the use of the proposed site for that purpose.

If 90 percent or more of the total area of the district is unincorporated territory and the land proposed to be acquired for a refuse transfer or disposal facility is located in the unincorporated territory of the county, the board of

supervisors, before adopting any resolution consenting to the use of land for that purpose, shall hold a public hearing upon the question of the adoption of the resolution. Notice of the hearing shall be given by publication in the area pursuant to Section 6066 of the Government Code, not more than 30 nor less than 10 days prior to the hearing. If at any time before the hearing, there is filed with the board of supervisors a written objection to the use of the proposed site for a refuse transfer or disposal facility, signed by 2 percent or more of the registered voters of the district, the board shall submit the matter of the proposed use to the voters of the district at an election. The proposition shall be submitted to the voters in the manner and under the procedure prescribed in Article 5 (commencing with Section 4780) of Chapter 3 of this part for submission of the proposition of incurring a bonded indebtedness. If a majority of the votes cast in an election are in favor of the proposed use, the board shall adopt the resolution consenting thereto, but if a majority of the votes cast are against the proposed use, the board shall dismiss the proceedings, and no resolution consenting to the use of any of such land shall be adopted by the board for at least one year from the date of the election.

(Added by Stats. 1986, Ch. 195, Sec. 37.)

4741.1. A district board desiring to construct, maintain and operate a refuse transfer or disposal system, or both, within or without the district in addition to its sewage collection, treatment and disposal system shall adopt a resolution of its intention to do so. The resolution shall contain the following:

- (a) A statement of the intention to construct, maintain and operate a refuse transfer or disposal system, or both;
- (b) A statement that in the absence of any exclusion as provided in Section 4741.2, the boundaries of the proposed refuse transfer or disposal system, or both, shall coincide with the existing district boundaries;
- (c) The name of the county sanitation district proposing to construct, maintain and operate said system;
- (d) Instructions to the secretary of the district board to deliver within 10 days after the passage of said resolution of intention a certified copy thereof to the governing body of each political subdivision having representation on said district board;
- (e) A statement that any political subdivision having representation on the district board may be excluded from said system and relieved of all liability in connection therewith upon complying with the provisions of Section 4741.2.

(Repealed and added by Stats. 1957, Ch. 168.)

4741.2. That portion of a political subdivision lying within a district and having representation on the district board of directors, shall be excluded from the proposed refuse transfer or disposal system, or both, and shall not be liable for any cost incurred by said district in acquiring, constructing, operating and maintaining such system; provided, that the governing body of said political subdivision within 90 days after passage of the resolution of intention by the district to form such system, delivers to said district a certified copy of its resolution requesting exclusion from the proposed refuse transfer or disposal system, or both.

(Repealed and added by Stats. 1957, Ch. 168.)

4741.3. At the expiration of not less than 90 days after adoption of the resolution of intention to construct, maintain and operate a refuse transfer or disposal system, or both, the district board may, in its discretion, adopt a resolution declaring the system formed or may rescind its resolution of intention to form said system and declare all prior proceedings in connection therewith void.

Any existing refuse collection and disposal system of a district shall be dissolved without further action by the board upon the adoption by the same district board of a resolution declaring a refuse transfer or disposal system, or both, formed.

(Repealed and added by Stats. 1957, Ch. 168.)

4741.4. The board of directors of a county sanitation district shall be the same for all district purposes, activities, and objectives, whether for collection, treatment and disposal of sewage or the acquisition and operation of a refuse transfer or disposal system, or both, and no director shall be excluded from the board of directors because the political subdivision which he represents on the board has excluded itself from the said refuse transfer or disposal system, or both.

(Repealed and added by Stats. 1957, Ch. 168.)

4741.5. When a refuse transfer or disposal system, or both, is established by a district pursuant to the provisions of this article, the district shall comply with the provisions of Sections 54900 to 54903, inclusive, of the Government Code, by furnishing a statement and map or plat to each assessor whose roll is used for the levy as provided in Section 4815 of this code and to the State Board of Equalization, showing the boundaries of said refuse transfer or disposal system or both.

(Repealed and added by Stats. 1957, Ch. 168.)

4741.6. The provisions of Sections 4741.1 through 4741.5 shall not apply to any district whose resolution of intention pursuant to Section 4710 discloses that the district was formed for the purposes of constructing, maintaining and operating both sewage collection and disposal systems and refuse collection and disposal systems. Also nothing contained in this chapter shall be construed to preclude any district from using its sewerage system to dispose of ground garbage or other acceptable material which is ground into the form of slurry.

(Added by Stats. 1953, Ch. 1495.)

4741.7. Notwithstanding any of the provisions of this chapter, or of Article 4 (commencing with Section 5470) to the contrary, a district may fix and collect a fee or charge in connection with its refuse transfer or disposal system only pursuant to the provisions of Section 5471, and for these purposes "sanitation or sewerage system" includes a refuse transfer or disposal system. Any entity which collects such a fee or charge for a district pursuant to the provisions of Section 5471 may deduct the administrative costs of these collections from the revenue produced from such fee or charge. The revenues of these charges shall not be used for acquisition, construction, maintenance, or operation of any refuse transfer or disposal system, whether by the district, jointly, by contract, or otherwise, unless the system is either a facility for the conversion of solid waste into energy, synthetic fuels, or reusable materials or is open for use by all persons in the district. For the purposes of this section, "person" includes an individual, company, public or private corporation, or public entity.

(Amended by Stats. 1982, Ch. 1158, Sec. 7.)

4742. It may join with any other district, city or other governmental agency in the purchase, ownership, use, construction, maintenance, or operation of a sewerage system or sewage disposal or treatment plant, or a refuse transfer or disposal system, or both, either within or without the district, or so join for any combination of these purposes, but no sewage disposal or treatment plan shall be constructed or maintained in any city not in the district, except by consent granted by the unanimous vote of the governing body of the city.

(Amended by Stats. 1957, Ch. 168.)

4742.1. It may contract with any district, city, governmental agency, or person, for the handling, treatment or disposal by the district of refuse, sewage, or industrial wastes originating within the district or county or within areas outside of the district or county when, in the judgment of the district board, it is for the best interest of the district to do so, upon such terms and conditions as may be agreed upon; provided, that the contract shall be for such term as agreed upon, but in no event for a term in excess of 50 years, or for such time as in the judgment of the district board the district shall have the capacity for handling, treatment or disposal of such refuse, sewage, or industrial wastes.

(Amended by Stats. 1959, Ch. 1303.)

4742.3. Whenever a person installs sewers or other facilities for sewers and the district board determines that it is necessary that such sewers or other facilities be constructed so that they can be or will be used for the benefit of property other than that of the person making the installation and such sewers or other facilities are dedicated to the public or become the property of the district, the district board may by contract agree to reimburse such person for such sewers or other facilities. Such contract may provide that the district may collect from any person using such sewer or other facility for the benefit of property not owned by the person making the installation a reasonable fee or charge.

(Added by Stats. 1961, Ch. 1380.)

4742.4. Any county sanitation district and any county may enter into a contract agreeing to pay and apportion between them the costs of locating, removing, repairing, or relocating any facilities owned or to be owned by either party on the roads or other property of the other in such proportion and upon such terms as the governing boards of the parties shall determine to be equitable.

(Added by Stats. 1967, Ch. 164.)

4742.5. It may make provision for street-cleaning and streetsweeping services upon the roads and streets within the boundaries of the district. It may contract with any district, city, governmental agency or person for the operation of a street-cleaning and streetsweeping service upon the roads and streets within the boundaries of the district, when, in the judgment of the district board, it is for the best interest of the district to do so, upon such terms and conditions as may be agreed upon.

(Added by Stats. 1967, Ch. 780.)

4743. It may sell, lease, or otherwise dispose of any property of the district or any interest therein whenever it is no longer required for the purposes of the district, or when its use may be permitted without interfering with its use by the district.

(Enacted by Stats. 1939, Ch. 60.)

4744. It may sell, or otherwise dispose of, any water, sewage effluent, fertilizer, or other by-product resulting from the operation of a sewerage system, sewage disposal plant, refuse disposal plant or process, or treatment plant, and construct, maintain, and operate such pipe lines and other works as may be necessary for that purpose.

(Amended by Stats. 1949, Ch. 721.)

4745. It may construct, maintain, and operate such pipe lines or other works as may be necessary to conserve and put to beneficial use any water or sewage effluent recovered from the operation of the sewerage system, plant, or works, by sale or disposition for agricultural or industrial purposes, or by discharging or spreading the water or sewage effluent in such a manner as to percolate into the underground gravels and replenish the natural water resources.

(Enacted by Stats. 1939, Ch. 60.)

4746. It may issue bonds.

(Enacted by Stats. 1939, Ch. 60.)

4746.1. If funds are needed to meet current expenses of maintenance and operation, a district may incur indebtedness by the issuance of negotiable promissory notes pursuant to this section, without an election. The notes shall be general obligations of the district payable in the same manner as bonds of the district, shall mature not later than two years from the date thereof, and shall bear interest at a rate not to exceed 7 percent per annum, payable as provided therein. The aggregate amount of the notes outstanding at any one time shall not exceed an amount equal to seven cents (\$.07) on each one hundred dollars (\$100) of the assessed valuation of the taxable real property within the district as shown on the last equalized assessment roll of the county. If such assessed valuation is not obtainable, the county auditor's estimate of the assessed valuation of the taxable real property within the district for the fiscal year in which the indebtedness is to be incurred shall be used.

All such notes shall be issued after the adoption of a resolution by a four-fifths vote of the district board setting forth the following:

- (a) The necessity for such borrowing.
- (b) The assessed valuation of the taxable real property within the district, or the auditor's estimate thereof.
- (c) The amount of funds to be borrowed.
- (d) The date, maturity, denomination, and form of such notes.

The notes shall be signed by the chairman of the district board and countersigned by the county treasurer and the seal of the district board shall be affixed.

The district board shall cause the board of supervisors to levy and collect taxes to pay the interest on and the principal of the notes as the same comes due and, if the maturity of the notes begins more than one year after the date thereof, to constitute a sinking fund for the payment of the principal thereof at maturity.

Before selling such notes, the district board shall give notice inviting sealed bids in such manner as the board may prescribe. If satisfactory bids are received, the notes offered for sale shall be awarded to the highest responsible bidder. If no bids are received, or if the district board determines that the bids received are not satisfactory as to price or responsibility of the bidders, the district board may reject all bids received, if any, and either readvertise or sell the notes at private sale.

(Amended by Stats. 1972, Ch. 1384.)

4746.2. (a) If the district board determines by resolution that funds are needed to meet current expenses of maintenance and repair of damage caused by disaster, a district may borrow and repay county funds not to exceed 85 percent of the district's anticipated revenue for the fiscal year in which they are borrowed or for the next ensuing fiscal year. In levying taxes as authorized by this article the district may raise sufficient revenues to repay such loans.

(b) The district may also borrow funds from another sanitation district and may lend available district funds to another sanitation district, subject to the same terms and conditions as apply to loans of county funds.

(c) At no time shall a district borrow funds pursuant to this section in an amount exceeding 85 percent of the district's anticipated revenue for the fiscal year in which the funds are borrowed or for the next ensuing fiscal year.

(d) As used in this section, "disaster" includes any fire, earthquake, landslide, mudslide, flood, or tidal wave.

(Added by Stats. 1969, Ch. 419.)

4746.3. Notwithstanding any other provisions of law, the funds, when borrowed by a sanitation district pursuant to Section 4746.2, shall forthwith increase the appropriations of the district for which they are needed. The board of supervisors may specify the date and manner in which the funds shall be repaid. In no case shall repayment of the loan be deferred longer than 10 calendar years.

(Added by Stats. 1969, Ch. 419.)

4746.4. The district shall pay interest to the county on all funds borrowed pursuant to Section 4746.2 at the same rate that the county applies to funds of the district on deposit with the county.

(Added by Stats. 1969, Ch. 419.)

4747. It may cause to be levied and collected taxes upon all the taxable real property in the district sufficient to meet the obligations evidenced by its bonds, to maintain the works of the district, and to defray all other expenses incidental to the exercise of the district powers.

(Enacted by Stats. 1939, Ch. 60.)

4748. The district board shall, by resolution, employ one or more sanitation engineers to make a survey of the problems of the district concerning sanitation especially with reference to the matters of sewage collection, treatment, and disposal, and refuse transfer or disposal, or both, the resolution shall direct the engineer or engineers to prepare and file with the district board of the district a report setting forth:

(a) A general description of existing facilities for sewage collection, treatment, and disposal, or a general description of existing facilities for refuse transfer or disposal, or both.

(b) A general description of the work proposed to be done to carry out the objects of the district.

(c) A general plan and general specifications of the work.

(d) A general description of the property proposed to be acquired or damaged in carrying out the work.

(e) A map showing the boundaries of the district and in general the location of the work proposed to be done, property taken or damaged, and any other information useful to an understanding of the proposed work.

(f) An estimate of the cost of the proposed work.

(Amended by Stats. 1957, Ch. 168.)

4749. The engineer or engineers may, subject to the direction of the district board, employ such surveyors and others as may be necessary to prepare the report. The district board at any time may remove any or all engineers or other persons employed, and may fill all vacancies.

(Enacted by Stats. 1939, Ch. 60.)

4750. When the engineers' report is filed the district board shall examine it and may thereupon (a) reject it and direct that a new report be prepared; (b) direct that changes be made in it; or (c) if it complies with the provisions of this chapter and is satisfactory to the board it shall fix a time and place for hearing objections to the report and to doing all or any part of the work referred to in the report.

(Enacted by Stats. 1939, Ch. 60.)

4751. Notice of the hearing shall be given by the district board by publishing the notice for at least five times in a daily, or twice in a weekly, newspaper circulated in the district, as the district board may direct. At the time and place so fixed, or at the time and place to which the hearing may be from time to time continued, the board shall hear all objections.

(Enacted by Stats. 1939, Ch. 60.)

4752. At the conclusion of the hearing the district board shall either order the report changed to conform to some or all the objections made or shall approve and adopt the report as made. If changes in the report are ordered a further hearing shall be had upon it as amended and further hearings shall be had until the district board approves and adopts the report.

(Enacted by Stats. 1939, Ch. 60.)

4753. The district board may, thereafter, have such portions of the report as are adapted to publication, or a resume, published for free public distribution.

(Enacted by Stats. 1939, Ch. 60.)

4754. The engineers employed by the district board to make the report required by this chapter, or other engineers, shall be directed by the district board to superintend the doing of the work recommended to be done in the report as approved and adopted.

(Enacted by Stats. 1939, Ch. 60.)

4758. Any work recommended to be done in the report approved and adopted by the district board shall be done in conformity with the general plans and specifications contained in the report unless the district board, by a four-fifths vote, adopts a resolution declaring that the public interest requires a modification of or departure from the plans and specifications, which resolution shall contain a statement of the manner in which the modification is required or departure is to be made.

(Enacted by Stats. 1939, Ch. 60.)

4759. A right of way in or across any public highway, street, or property in the district is hereby granted to the district wherever the right of way is found by the district board to be necessary or convenient for doing any of the work.

(Enacted by Stats. 1939, Ch. 60.)

4759.1. (a) There is granted to every district the right to construct, operate and maintain outfall, intercepting and trunk sewerlines, other than ocean outfall lines and other terminal outfall lines, together with pumps and like machinery necessary for sewage transportation, across, along, in, under, over or upon any road, street, alley, avenue or highway within any city, in such a manner as to afford security for life and property. For the purposes of this section the term "terminal outfall lines" means any outfall sewerlines that discharge within the city any effluent from a sewage treatment plant or any sewage. Any use, under this section, of a public highway now or hereafter constituted a state highway shall be subject to the provisions of Chapter 3 (commencing with Section 660) of Division 1 of the Streets and Highways Code.

(b) A district exercising its rights under this section shall restore the road, street, alley, avenue or highway so used to its former state of usefulness as nearly as may be, and shall locate such sewerlines and machinery so as to interfere as little as possible with other existing uses of such road, street, alley, avenue or highway.

(c) Before any district uses any street, alley, avenue or highway within any city, it shall request the city in which the street, alley, avenue or highway is situated to agree with it upon the location of such sewerlines and machinery and the terms and conditions to which the construction, operation and maintenance of such sewerlines shall be subject.

(d) If the district and the city are unable to agree on the terms and conditions and location of such sewerlines and machinery within three months after a proposal to do so, the district may bring an action in the superior court of the county in which the street, alley, avenue or highway is situated against the city to have the terms and conditions and location determined. The superior court may determine and adjudicate the terms and conditions to which the use of the street, alley, avenue or highway shall be subject, and the location thereof, and upon the making of the final judgment the district may enter and use the street, alley, avenue or highway upon the terms and conditions and at the location specified in the judgment.

(Added by Stats. 1963, Ch. 530.)

4760. The district board may, by agreement with any city or other public agency, take possession of, or acquire by condemnation or in any other manner any sewerage system, or any sewage or refuse disposal or treatment plant, or any combination of the foregoing necessary or convenient to carry out any of the objects of the district, or may acquire by agreement or in any manner the right to use them, and any city or other public agency may enter into such an agreement with a county sanitation district.

A compliance with this chapter is sufficient to authorize such an agreement by either a county sanitation district, city, or other public agency entering into such a contract with a county sanitation district.

Whenever any sewerage or refuse disposal system, or sewage or refuse disposal or treatment plant so taken possession of or otherwise acquired was built from the proceeds of a bond issue, the district may assume and pay out of its funds the outstanding bonds of the city or public agency according to their terms, and in that case the

principal sum remaining unpaid shall be credited to it and deducted from any sum to be paid by it to the city or public agency.

Funds may be obtained by the county sanitation districts to pay the principal and interest on the assumed bonds in the manner as is provided for paying the principal and interest on its own bonds.

(Amended by Stats. 1957, Ch. 125.)

4761. Any city or public agency in the district may enter into an agreement with the district for the use, or entire possession and operation, by the county sanitation district of any sewerage or refuse disposal system, or sewerage or refuse disposal or treatment plant owned or operated by the city or public agency.

(Amended by Stats. 1949, Ch. 721.)

4762. Whenever any area in the district is provided with a sewerage system the governing body of the city in which the area lies may declare the further maintenance or use of cesspools or other local means of sewage disposal to be a public nuisance, and may require all buildings inhabited or used by human beings to be connected with the sewerage system. The board of supervisors may prohibit the use of cesspools or other local means of sewage disposal and declare the same to be a public nuisance in any area in the district which is outside of any incorporated city, and may require all buildings inhabited or used by human beings to be connected with the sewerage system.

(Amended by Stats. 1963, Ch. 1097.)

4762.1. All connections of lateral or other sewerlines to the sewerage system of the district, whether within or without any city, shall be made at points and in the manner to be directed by the engineers of the district under instructions from the district board, subject to such terms and conditions as the district board may prescribe. The district board may prescribe standards for installation and maintenance of laterals or sewerlines connecting to the sewerage system of the district, including, but not limited to, installation and maintenance by property owners of cleanouts and backflow protective devices.

(Added by Stats. 1963, Ch. 1097.)

4763. All powers of the district shall be exercised by the district board unless otherwise specified.

(Added by Stats. 1939, Ch. 596.)

4764. It may borrow money and incur indebtedness and guarantee the performance of its legal or contractual obligations whether heretofore or hereafter incurred; and also refund or retire any public indebtedness or lien that may exist against the district or any property therein which shall have arisen out of the transaction of the affairs of the district. It shall not, however, incur any bonded indebtedness unless it submits the proposition for incurring the bonded indebtedness to the voters of the district, or if the bonded indebtedness is for an improvement district, to the voters of the improvement district, at a regular election or a special election called for that purpose and at least two-thirds of the votes cast at the election are in favor of incurring the bonded indebtedness as proposed.

(Amended by Stats. 1957, Ch. 2123.)

4765. Any district, directly or through a representative, may attend the Legislature and any committees thereof and present information to aid the passage of legislation which the district deems beneficial to the district or to prevent the passage of legislation which the governing board of the district deems detrimental to the district. The cost and expense incident thereto are proper charges against the district. Such districts may enter into and provide for participation in the business of associations and through a representative of the associations attend the Legislature, and any committees thereof, and present information to aid the passage of legislation which the association deems beneficial to the districts in the association, or to prevent the passage of legislation which the association deems detrimental to the districts in the association. The cost and expense incident thereto are proper charges against the districts comprising the association.

Each member of the district board engaging in such activities on behalf of the district shall be allowed eleven cents (\$0.11) per mile, without any constructive mileage, for his expenses of traveling necessarily done by automobile, and his actual traveling expenses when he travels by public conveyance.

(Amended by Stats. 1968, Ch. 1095.)

4766. The district board may adopt ordinances to carry out the provisions of Sections 5473 to 5473.11, inclusive, of the Health and Safety Code and this chapter; the procedure for the adoption of said ordinances shall be the same as is provided for in Article 7 (commencing with Section 25120), Chapter 1, Part 2, Division 2, Title 3 of the Government Code for counties. In the absence of county or city regulation, the district board may also adopt

ordinances for the purpose of exercise and effect of any of its powers, or for the purposes for which it was formed. Any ordinance adopted by the district board shall impose restrictions equal to or greater than those imposed by the State Housing Law, Part 1.5 (commencing with Section 17910), Division 13 of this code, and the rules and regulations promulgated pursuant thereto by the Commission of Housing and Community Development. A violation of a regulation or ordinance of a district is a misdemeanor, punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to exceed 30 days, or both.

(Amended by Stats. 1976, Ch. 898.)

4766.1. The board of supervisors of any county may adopt a model county sanitation district ordinance. The procedure for the adoption of said ordinance shall be the same as is provided for in Article 7 (commencing with Section 25120) of Chapter 1, Part 2, Division 2, Title 3 of the Government Code for the adoption of county ordinances. The ordinance may be amended by the same procedure used for the adoption of the ordinance. The ordinance and amendments thereto shall be effective only as to districts which have adopted it by reference as hereinafter provided.

(Added by Stats. 1975, Ch. 489.)

4766.2. The district board is hereby authorized to enact an ordinance which adopts by reference all or any part of a model county sanitation district ordinance. The adopting ordinance may also enact provisions to add to or amend the model sanitation district ordinance as it is applied to that district.

(Added by Stats. 1975, Ch. 489.)

4766.3. Prior to adoption of any ordinance which adopts by reference all or any part of a model county sanitation district ordinance, the district board shall give notice that copies of the model ordinance being considered for adoption are on file with the clerk of the district and are open to public inspection. Such notice shall be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation in the district. If there is no newspaper of general circulation in the district, the notice shall be posted in the manner as provided for the posting of any proposed ordinance.

(Added by Stats. 1975, Ch. 489.)

4766.4. Nothing contained in this article shall be deemed to relieve any district from the requirement of publishing in full the ordinance which adopts by reference the model sanitation district ordinance; and all provisions applicable to such publication shall be fully carried out. Such publication shall contain notice that copies of the model county sanitation district ordinance are on file with the clerk of the district and are open to public inspection.

(Added by Stats. 1975, Ch. 489.)

4766.5. If at any time the model sanitation district ordinance is amended by the county board of supervisors, then the district board may adopt such amendment or amended model sanitation district ordinance by reference as provided in this article; or an ordinance may be enacted in the regular manner, setting forth the entire text of such amendment.

(Added by Stats. 1975, Ch. 489.)

4766.6. If the board of directors of the district is the board of supervisors, the district may adopt the model county sanitation district ordinance and any amendments thereto by reference without following the procedures contained in Section 4766.3.

(Added by Stats. 1983, Ch. 117, Sec. 1.)

4766.7. A district may destroy a record pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code.

(Added by renumbering Section 4766.5 (as added by Stats. 2005, Ch. 158, Sec. 21) by Stats. 2015, Ch. 303, Sec. 299. (AB 731) Effective January 1, 2016.)

4767. Any county sanitation district may, in addition to its other powers, acquire, construct, control, operate, and maintain waterworks, conduits, reservoirs, storage sites, and other works and facilities for the production, treatment, storage and distribution of a water supply for domestic and other uses. The district may also purchase water from any other utility district, public agency, person, or private company, and distribute it.

The district may only distribute and sell to retail customers domestic water supplies outside the district by means of facilities designed primarily to serve inside the district. Before a district may so distribute and sell to retail customers

domestic water supplies within the boundaries of another district or municipality which has the same or similar powers with respect to domestic water supplies, it shall secure the consent of the governing body of such other district or municipality to do so.

(Amended by Stats. 1968, Ch. 1096.)

4767.5. A district may contract with any state agency to finance any district improvement authorized by Section 4767. The terms of the contract shall be consistent with this chapter. Notwithstanding any other provision in this chapter, the term of the contract may extend up to 30 years.

(Added by Stats. 2001, Ch. 606, Sec. 3. Effective October 9, 2001.)



Oceano Community Services District

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

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

Date: January 9, 2019

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(C):** Consideration of the Special Districts Fire Protection Study for County of San Luis Obispo dated November 2018, District representation with the County Board of Supervisors, and direction to staff as deemed appropriate.

Recommendation

It is recommended that your Board:

1. Consider and discuss the Special Districts Fire Protection Study for County of San Luis Obispo dated November 2018.
2. Consider and discuss options for District representation with the County Board of Supervisors.
3. Provide Board direction to staff as deemed appropriate.

Discussion

The District received the Special Districts Fire Protection Study for County of San Luis Obispo in early December, 2018. It is included in the addendum materials for the agenda with yellow highlights on portions of the study that are especially applicable to the Oceano Community Services District (OCSD). Pages 77-95 of the study are dedicated to a review of fire and emergency services for Oceano, with findings. The study does not include recommendations. Instead the "Study Methodology," which begins on page 15, includes the following goal:

"The goal of the study was to determine the current state of fire protection delivery in the five districts, challenges, sustainability, and risk of a district either divesting (CSD) or dissolution (FPD) and affecting the delivery of fire protection."¹

¹ As further explained on pages 21-22 of the report, Community Services Districts (CSD's) may divest fire and emergency services while Fire Protection Districts (FPD's) may dissolve.



A summary of "Issues Facing Districts" begins on page 6 of the study and includes several that are applicable to OCSD. The following summary statement is included:

"Inadequate revenue, community growth, greater expectations for fire service delivery, reduction in volunteerism and cost of full-time firefighting staff have combined to create funding problems for special districts providing fire protection in San Luis Obispo County and throughout California."

The study addresses "Organization of Change of Fire Service Delivery Provider" beginning on page 7 and discusses the review and approval process through the Local Agency Formation Commission (LAFCo). For Oceano, on page 8 the study states the following:

"Oceano CSD intends to remain with the Five Cities Fire Authority; however, withdrawal of one of the other JPA members could cause Oceano to seek other options, including divestiture."

"Based on County Fire's Strategic Plan service level analysis, if Oceano CSD divests fire protection, it would require staffing at the Oceano Fire Station."

"Annual staffing and operational cost to the County is approximately \$600,000 in addition to the current \$900,000 allocation of property tax from the District."

The study, however, also identifies on page 22 significant constraints / challenges that would exist in a divestiture scenario.

"The OCSD Board of Director can apply to the LAFCo to divest their fire authority..."

"A Plan for Service must be approved by the district."

"The successor fire agency (i.e. the County) that will provide the service must agree to the plan for services." (Underline and parenthesis added for emphasis).

The study addresses overall County funding constraints and includes the following statements on pages 24 and 25:

"Since all the study districts are in the unincorporated area, the county is concerned with the sustainability of fire protection, funding options, and being the successor agency if divestiture or dissolution occurs. One consideration being



proposed is the County augment district fire protection funding by a permanent property tax exchange. Providing financial assistance for fire protection will require redirection of county general fund financial resources from other county services. Financial assistance from the county may change the independence of the district as well as creating funding assistance expectations from other districts. Divestiture may also create financial burdens on the county if the district revenue is insufficient to fund County Fire cost at the same time that the closure of Diablo Canyon Power Plant will affect the county's single largest property tax source."

In summary, the study reflects the current challenges facing special districts that provide fire and emergency services, estimated costs for the County to provide the services, shortfalls in funding and impacts on other County services if the County became the "successor agency," which would require County approval.

Pages 77-95 provides community specific information on Oceano including the following "Key Findings""

"1. Oceano CSD says they intend to remain with the Five Cities Fire Authority and are working on the following issues:

- 1.1. Renegotiation of the funding formula for Five Cities JPA.*
- 1.2. Review of the Five Cities JPA strategic plan to reduce expenditures.*
- 1.3. There has been discussion by one of the other member agencies withdrawing from the JPA. If one of the other members withdraws, Oceano CSD will need to consider other delivery options.*
- 1.4. The District reports they are currently using reserve funds to fund FCFA services through FY 2019/2020 and will pursue a special tax or benefit assessment to fund service cost increases thereafter.*

2. Divestiture would be an option in the event voters do not approve a special tax or benefit assessment.



3. *Five Cities Fire Authority staff report difficulty utilizing reserve firefighters to augment career staff. They also report that efforts to sustain a volunteer/PCF program have been largely unsuccessful.*

4. *Based on the County Fire Strategic Plan service level analysis, if Oceano divested, County Fire will need to staff the Oceano fire station since there is not a reasonably proximal alternative.*

5. *The District did not have a specific request of the County but would like to share in any revenue enhancements opportunities and/or would like to have financial support for mobile data computers and dispatch costs."*

The Oceano specific information also includes details associated with response times, staffing, budgets and additional costs envisioned by the County if they were to become the successor agency. In some respects, since the study expresses concern over the projected annual estimated fiscal impact to the County of \$600,000, that estimate can be used to compare the cost of services from Five Cities Fire Authority (FCFA) under a revised joint powers agreement. Differing service levels would nevertheless exist.

Modifying the funding formula for FCFA is anticipated for review and consideration by your Board and the City Councils for Arroyo Grande and Grover Beach in February. Staff will provide a brief verbal update on the status of the FCFA discussions during the staff presentation of this item.

Other Agency Involvement

The unincorporated communities and special districts included in the County study are listed below.

- Cambria Community Services District
- Oceano Community Services District
- San Miguel Community Services District
- Santa Margarita Fire Protection District
- Templeton Community Services District

Financial Considerations

The study includes an estimate of a flat rate per-parcel benefit assessment that would be required to generate \$500,000 annually in Oceano. Based on the \$600,000 estimate provided for the



Oceano Community Services District

Board of Directors Meeting

County to provide services (through CalFire), the Oceano cost per parcel would be approximately \$245 annually.

Results

The study is important for community consideration in evaluating current challenges relating to fire and emergency services and future options for services.

Agenda addendum materials:

- Special Districts Fire Protection Study for County of San Luis Obispo, November 2018

Link: [Special District Fire Protection Study - Highlighted](#)



Oceano Community Services District

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

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

Date: January 9, 2019

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(D): Consideration and approval of a Designated Voting Delegate to the Independent Special District Selection Committee for membership on the Local Agency Formation Commission (LAFCo), approval of the Alternative Quorum Procedure and to consider a nomination for membership on LAFCo**

Recommendation

It is recommended that your Board:

1. Designate President Austin as the voting delegate to the Independent Special Districts Selection Committee.
2. Approve the Alternative Quorum Procedure for the Independent Special District Selection Committee.
3. Determine whether the Board wishes to voluntarily nominate a member to serve as a Special District representative on LAFCo, subject to the vote of the Independent Special District Selection Committee.

Discussion

Attached is correspondence from David Church, Executive Director, of the San Luis Obispo County Local Agency Formation Commission (LAFCo) which provides information on upcoming elections for the Special District membership on LAFCo.

On January 25, 2019 the San Luis Obispo Chapter of the Special District's Association (CSDA) will be holding its annual meeting at the Avila Beach Community Center. During the meeting, the voting representatives will be conducting an election to determine the special district membership on LAFCo.

On December 12, 2018, your Board approved committee appointments for 2019. President Austin was appointed as the primary representative for the CSDA. President Austin



Oceano Community Services District

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was also appointed as the primary liaison with LAFCo. The election is conducted as part of the CSDA meeting, and as a result, the recommendation for the Designated Voting Delegate is based on your Board's appointments to CSDA. If your Board also chooses to nominate a Board member for the election, then the Candidate's Statement of Qualifications would need to be completed for submittal with the attached form by January 18, 2019.

Other Agency Involvement

There are 35 special districts in San Luis Obispo County, 29 of which have participated in elections at least once in the past eleven elections. The Alternative Quorum Procedure allows that a quorum can be established based on the 29 participating districts.

Other Financial Considerations

N/A

Results

Participating in CSDA and LAFCo promotes inter-agency collaboration and well-governed communities.

Attachment:

Correspondence from David Church, Executive Director, Local Agency Formation Commission



Independent Special District Selection Committee

San Luis Obispo Chapter of the
California Special District Association

TO: Special District General Manager

FROM: David Church, LAFCO Executive Officer

DATE: November 30, 2018

SUBJECT: Regular LAFCO Member Selection

Background. At the CSDA Annual Meeting (**January 25, 2019-Avila Beach Community Center**) the San Luis Obispo Chapter of the CSDA dons the hat of the Independent Special District Selection Committee. The Committee is responsible for the selection of Special District representatives to serve on LAFCO. Establishing a quorum is always a challenge.

Alternative Quorum Procedure. There are a total of 35 Special Districts in the County. In researching the prior 11 district elections from 2010-2018, it was found that six Special Districts have participated in zero to one of the elections. Based on that finding, the Selection Committee should consider an alternative method for calculating a quorum founded on 29 total Districts. This provides for a reduced quorum number of 15; which is more achievable at the Annual Meeting. All 35 Special Districts would continue to participate as part of the Selection Committee.

The term for this position would begin in February 2019 and run through December 2022. The full election procedure and form is attached. If only one candidate is nominated, that individual shall be selected to the position.

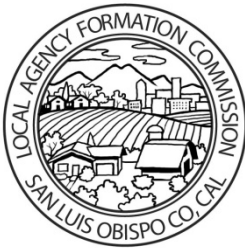
Please place this item on your Board's Agenda:

- 1) **Designate a Director as a voting delegate** to attend the January 25, 2019 Special District Annual Meeting in Avila Beach at the Community Center.
- 2) **Vote on the Alternative Quorum Procedure** as found on the attached form.
- 3) **Nominate a candidate if you would like.** A nomination must be approved by the District's Board.
- 4) **Nominations are required to be submitted by January 18, 2019.** The completed and signed nomination form (attached) may be submitted to the LAFCO office via mail, fax-788-2072, or e-mail to DChurch@slolafco.com. The form must be signed by the General Manager or Board President, and the Nominee.

Independent Special District Selection Committee

Selection Procedure

- 1- **Determining a Quorum.** All 35 Districts shall be notified of the special district election for the LAFCO member and are eligible to participate. Based on past participation, the quorum would be considered to be 15 District Delegates in attendance at the annual meeting. All Districts are allowed to participate. The quorum procedure applies to the email election process as well.
- 2- **Designate Voting Delegates.** Special Districts shall designate the presiding officer or another board member as the voting delegate for the Selection Committee meeting.
- 3- **Nomination Procedure.** A notice of nomination would be emailed to the Special Districts requesting that nominations be submitted within 45 days. The Candidates' Statement of Qualifications should be submitted at the same time. Nominations may be received from the floor at the meeting.
- 4- **Alternate Position.** If the Alternate LAFCO Commissioner is elected to the Regular position, nominations from the floor for filling the term of the vacated Alternate may be considered and a vote conducted at the meeting.
- 5- **Election Procedure.**
 - a. A candidate's information package is emailed to all Special Districts prior to the Annual Meeting. It would include a list of the nominees and their Statements of Qualifications. The package would be emailed as soon as the nomination period ends and the package can be compiled.
 - b. A Special District Roll Call is conducted to determine if the Selection Committee has a quorum. Ballots would be distributed at the meeting.
 - c. Each candidate shall be given up to five minutes at the Selection Committee Meeting to present his/her qualifications.
 - d. If a quorum of 15 District Delegates is achieved, the delegates in attendance complete and submit ballots.
 - e. The ballots would be counted by three reviewers appointed by the Selection Committee.
 - f. Results would be announced at the Selection Committee Meeting.
 - g. If a quorum is not achieved at the meeting, the voting period will be extended for 45 days. Districts that were not present would be emailed a ballot and instructions. Districts in attendance at the meeting may submit ballots at that time if they choose.



LAFCO SPECIAL DISTRICT MEMBER SELECTION FORM
Independent Special District Committee

The _____
(Insert Name of Special District)

Delegate

Hereby designates _____ as a voting delegate to the Selection Committee.
(Insert Name of Delegate)

Approval of the Alternative Quorum Procedure.

- Yes
 No

Nomination-(Optional)

Hereby nominates _____ to serve as the
(Insert Name of Nominee-nomination is voluntary)

Special District Member on the San Luis Obispo Local Agency Formation Commission (LAFCO).

Board of Director's action in the nomination was taken on:

Insert Date of Board Action

General Manager or Chairman/President

Consent of the Nominee – Signature (If Nominated)