



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, February 28, 2018 – 5:30 P.M.
Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

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

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

1. CALL TO ORDER:
2. ROLL CALL:
3. FLAG SALUTE:
4. AGENDA REVIEW:
5. CLOSED SESSION:
 - A. Pursuant to Government Code §54956.9 (d)(2): Conference with District Counsel regarding anticipated litigation. Number of cases: one (1).
 - B. Pursuant to Government Code 54956.9(a): Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,
6. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: **(NOT BEGINNING BEFORE 6:00 PM)**

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

7. SPECIAL PRESENTATIONS & REPORTS:
 - A. STAFF REPORTS:
 - i. Operations - Field Supervisor Tony Marraccino
 - ii. FCFA Operations - Chief Steve Lieberman
 - iii. OCSD General Manager – Paavo Ogren
 - iv. Sheriff's South Station - Commander Stuart MacDonald
 - B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:
 - i. Director Angello
 - ii. Director Brunet
 - iii. President White
 - iv. Vice President Austin
 - v. Director Coalwell

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

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

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

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

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

8. CONSENT AGENDA ITEMS:

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

- A. Review and Approval of Minutes for the Regular Meeting on January 24, 2018
- B. Review and Approval of Cash Disbursements

9. BUSINESS ITEMS:

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

- A. Review of the District's Reserve Analysis
- B. Review and discussion of District and staff priorities including consideration of Board correspondence on proposed legislation and issues with other agencies, and other direction that the Board may deem appropriate

10. HEARING ITEMS:

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

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

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District
 Summary Minutes
 Regular Meeting Wednesday, January 24, 2018 – 5:30 P.M.
 Oceano Community Services District Board Room
 1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 5:30 p.m. by President White
2. **FLAG SALUTE:** led by Director Brunet
3. **ROLL CALL:** Board members present Director Brunet, Director Coalwell, Vice President Austin, President White. Also present, District Legal Counsel Jeff Minnery, Business and Accounting Manager Carey Casciola, and Board Secretary Celia Ruiz. Board member absent Director Angello.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **CLOSED SESSION:** was entered at approximately 5:52pm. Open session was resumed at approximate 6:05pm
 No public comment
A. Pursuant to Government Code §54956.9 (d)(2): Conference with District Counsel regarding anticipated litigation. Number of cases: two (2).
 Reportable action: None
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
 No public comment.
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino – None
 - ii. FCFA - Chief Steve Lieberman – None
 - iii. OCSD General Manager – General Manager Ogren reported on meeting Cal OES, update on recruitment for garbage/water operator, gave an update on upcoming audit.
 - iv. Sheriff's South Station – Sargent Nichols – Sargent Nichols gave an update of total calls in Oceano on 2017, gave an update on homeless population and what is being done to help.
 - b. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
 - i. Director Angello – Absent
 - ii. Director Brunet – reported on Zone 3
 - iii. President White – None
 - iv. Vice President Austin – reported on SSLOCSD, and Zone 1 1A
 - v. Director Coalwell – reported on FCFA
 - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**
 No public comment.

8 CONSENT AGENDA:	ACTION:
a. Review and Approval of Minutes for the Regular Meeting on January 10, 2018	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a modification to Item 8b an addition of a check to SLO County Public Works for \$ 447,222.00 total disbursement approval to \$ 502,477.17 with a motion from Director Brunet, a second by Director Coalwell and a 4-0 roll call vote. No public comment.
b. Review and Approval of Cash Disbursements	
c. Review of the District's Fiscal Year 2017-18 Quarter 2 Treasurer Report	

9 A BUSINESS ITEM:	ACTION:
Consideration of an application for a Single Day Use Permit submitted by "Jimmy Paulding for County Supervisor 2018" to use District facilities on February 20, 2018 for political campaign activities	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with modifications and conditions of no alcohol, cost recovery of operators call out, the District's name (OCSD) cannot be used in any material for the workshop, and no pictures with the District's name or logo with a motion from Vice President Austin, a second by Director Coalwell and a 3-1 vote. No public comment.
9 B BUSINESS ITEM:	ACTION:
Review of "New Laws of 2018" published by the California Special Districts Association	After an opportunity for public comment and brief Board discussion, receive and file. No public comment.
9 C BUSINESS ITEM:	ACTION:
Discussion of committee assignments for the Five Cities Fire Authority including possible action to modify assignments, updates on issues, meetings and communications with representatives of other agencies, and direction as deemed appropriate.	After an opportunity for public comment and brief Board discussion, Chief Lieberman spoke and no action taken item will continue to future meetings. No public comment.

10. **HEARING ITEMS:** None

11. **RECEIVED WRITTEN COMMUNICATIONS:** None

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

13. **FUTURE AGENDA ITEMS:** District Policies Continued; Regional Groundwater Sustainability Project (RGSP) update, Roles and Responsibilities with Related Agencies; Emergency Generator, Construction Documents, Five Cities Fire Authority 5 Year Strategic Plan, Special Meeting February 13, 2018 @ 3 pm for Sea Breeze Mobile Home Park.

14. **FUTURE HEARING ITEMS:** None

15. **ADJOURNMENT:** at approximately 8:19 pm



Oceano Community Services District

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

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

Date: February 28, 2018

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

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

Recommendation

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

Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence*	Amounts
	56798 - 56827	
<u>Disbursements Requiring Board Approval prior to Payment:</u>		
Regular Payable Register – paid 02/28/2018	56810 - 56826	\$84,070.00
Single Day Use Permit Cleaning Deposit Refund – paid 02/28/2018	56827	\$250.00
Subtotal:		\$84,320.00
<u>Reoccurring Payments for Board Review (authorized by Resolution 2016-07):</u>		
Payroll Disbursements – pay period ending 02/17/2018	N/A	\$27,081.19
Reoccurring Utility Disbursements – paid 02/13/2018	56798 - 56806	\$7,334.17
Reoccurring Health/Benefits – paid 02/13/2018	56807 - 56808	\$201.03
Subtotal:		\$34,616.39
Grand Total:		\$118,936.39

*Check 56791 VOIDED and reissued as check 56809.

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.

2/23/2018 1:16 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 1
 CHECK DATE: 0/00/0000 THRU 99/99/9999
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CHECK:								
1-1001-000	2/23/2018	CHECK	056810	PETTY CASH	15.84CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056811	CANNON	1,895.50CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056812	USA BLUEBOOK	152.36CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056813	FASTENAL COMPANY	91.51CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056814	ADAMSKI MOROSKI MADDEN CUMBERL	7,351.50CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056815	ARAMARK	157.41CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056816	EVERYWHERE RIGHT NOW, INC.	2,000.00CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056817	CLINICAL LAB OF SAN BERNARDINO	945.00CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056818	J.B. DEWAR, INC.	384.59CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056819	FIVE CITIES FIRE AUTHORITY	65,189.00CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056820	GROVER BEACH, CITY OF	2,367.17CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056821	MIER BROS.	226.28CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056822	MINER'S ACE HARDWARE, INC.	81.87CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056823	SLO AIR POLLUTION CONTROL DIST	1,355.39CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056824	CARQUEST AUTO PARTS	31.44CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056825	STATEWIDE TRAFFIC SAFETY & SIG	257.64CR	OUTSTND	A	0/00/0000
1-1001-000	2/23/2018	CHECK	056826	RRM DESIGN GROUP	1,567.50CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	84,070.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

2/23/2018 1:16 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 1
 CHECK DATE: 0/00/0000 THRU 99/99/9999
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 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: 056827 THRU 056827

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	2/23/2018	CHECK	056827	JIMMY PAULDING	250.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	250.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	250.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

Payroll Summary Report
Board of Directors - Agenda Date February 28, 2018

	(*)	
Gross Wages	2/3/2018	2/17/2018
Regular	\$23,025.75	\$22,977.14
Overtime Wages	\$743.78	\$682.48
Stand By	\$700.00	\$700.00
Gross Wages	\$24,469.53	\$24,359.62
Disbursements		
Net Wages	\$18,523.19	\$18,317.80
State and Federal Agencies	\$4,833.23	\$4,849.10
CalPERS - Normal	\$3,914.29	\$3,914.29
Total Disbursements processed with Payroll	\$27,270.71	\$27,081.19
Health & Other (Disbursed with reoccurring bills)	\$3,553.40	\$3,553.40
Total District Payroll Related Costs	\$30,824.11	\$30,634.59

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

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

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 056798 THRU 056806

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	2/13/2018	CHECK	056798	RABOBANK EQUIPMENT LEASE	755.60CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056799	AGP VIDEO INC.	1,170.00CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056800	CHARTER COMMUNICATIONS	130.00CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056801	DIGITAL WEST NETWORKS, INC.	438.64CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056802	VERIZON WIRELESS	204.75CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056803	PACIFIC GAS & ELECTRIC	4,168.45CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056804	SO CAL GAS	147.18CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056805	STANLEY CONVERGENT SECURITY SO	89.50CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056806	COASTAL COPY, INC.	230.05CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	7,334.17CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	7,334.17CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

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

CHECK DATE: 0/00/0000 THRU 99/99/9999
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
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CHECK NUMBER: 056807 THRU 056808

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CHECK: -----								
1-1001-000	2/13/2018	CHECK	056807	TASC -CLIENT INVOICES	54.67CR	OUTSTND	A	0/00/0000
1-1001-000	2/13/2018	CHECK	056808	SEIU LOCAL 620	146.36CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	201.03CR		
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				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:	201.03CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		



Oceano Community Services District

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

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

Date: February 28, 2018
To: Board of Directors
From: Carey Casciola, Business and Accounting Manager
Via: Paavo Ogren, General Manager
Subject: Agenda Item # 9(a)– Review of the District’s Reserve Analysis

Recommendation

It is recommended that your Board review and discuss the District’s reserve analysis as of February 2018 and provide direction to staff as you deem appropriate.

Discussion

District staff recently submitted the annual Financial Transactions Report (FTR) to the State Controller’s Office. Pursuant to Government Code section 12463.1, the California State Controller’s Office has developed the Special Districts Financial Transactions Report (FTR) to collect information to be published annually in the State’s Special Districts Annual Report. The District’s FTR represents the financial position as of June 30, 2017 and activity relating to fiscal year 2016/17. It is submitted on-line and is a financial reporting requirement that is separate from the annual audit. The 2016/17 audit is also underway.

The timing of the District’s annual accounting and reporting efforts is improving. With significant changes relating to inter-fund debt, which was reviewed during the District’s 2015/16 audit, updating District’s reserves is now possible. Although the amounts presented in the attached Reserve Analysis may still be adjusted during the current audit, those changes should be minimal. In summary, the reclassification of the Sheriff Building and related inter-fund debt is complete, and reflecting those changes is included in the attached analysis of budgetary reserves.

The analysis illustrates how financial reporting information is used to develop estimates of the reserves that are available for budgetary purposes. The District’s financial reports, whether as presented in the



FTR or the audited statements, are “all-inclusive.” In contrast, budgetary information is treated differently.

The following are some examples that illustrate differences between financial reports and budgetary information.

- Principal payments on debt are not treated as “expenses” in financial reports but are treated as “expenditures” for budgetary purposes.
- New financial reporting for pensions that are required by GASB #68 does not directly impact budgetary reserves. Unfunded pension liabilities are paid through rising pension costs, which must be incorporated into annual budgets. Information in financial reports could nevertheless help the Board consider whether to establish budgetary reserves to cover future pension cost increases and mitigate future year budgetary impacts.
- The “measurement” focus of budgetary reserves is based on resources that are available to fund the annual budget, and is referred to as “Modified Working Capital” or MWC. MWC is calculated as current assets minus current liabilities, with some modifications. Long-term and capital assets and inventory, which are not available to fund the annual budget are excluded from budgetary calculations. Likewise, debt is excluded since it is incorporated into the annual budget. Other short term assets and liabilities may also be excluded if they are not available to fund the budget.

In order to help illustrate the differences between financial reporting and budgetary calculations, the attached worksheets have been designed to include the following:

- ✓ Amounts in the 2016-17 Financial Transaction Report are illustrated side-by-side with the amounts included in the Modified Working Capital computation to determine District reserves.
- ✓ Encumbrances approved in 2016-17 are excluded from Modified Working Capital since they are funding prior year budget commitments that rolled forward into the current fiscal year.
- ✓ Increases and Decreases in beginning and ending Reserves, aggregated by fund, are calculated.

As a side note, the worksheets illustrate amounts as positive for “debits” and negatives for “credits” since using the normal accounting convention was necessary for computational purposes.



Oceano Community Services District

Board of Directors Meeting

The difference between the MWC and the estimated July, 1, 2017 reserves is reflected in the table below.

Fund	Reserves Per Budget @ 7/1/2017	Increase/ (Decrease)	Inter Fund	Revised Beginning Reserves
General Fund	\$ 233,679	\$ 76,155	\$ 137,957	\$ 447,791
Facilities Fund	386,236	0	(137,957)	248,279
Total Government	<u>\$ 619,915</u>	<u>\$ 76,155</u>	<u>\$ 0</u>	<u>\$ 696,070</u>
Water Fund	\$ 1,039,831	\$ 498,109	\$ 0	\$ 1,537,940
Sewer Fund	920,909	101,406	0	1,022,315
Garbage Fund	362,355	(57,399)	0	304,956
Equipment Fund	15,553	(3,430)	0	12,123
Total Enterprise Funds	<u>\$ 2,338,648</u>	<u>\$ 538,686</u>	<u>\$ 0</u>	<u>\$ 2,877,334</u>

The increase and decrease of reserves primarily resulted from the following:

- The General fund increase of \$76,155 results from a change approved by the Board for funding the backhoe purchase from enterprise funds. The change was reflected in actual payments but not in changes to estimated reserves.
- The inter-fund difference of \$137,957 between the General Fund and Facilities Fund resulted from how the Sheriff's building and other Facilities Fund revenues were allocated during the reclassification process. The two funds are consolidated for audit purposes and therefore the discrepancy was not identified. Since both funds are "Governmental" and not "Enterprise," no changes are needed at this time. During the upcoming budget process, and Board consideration of reserve policies, amounts held by the General Fund versus Facilities Fund can be modified. Minor changes will be needed to ensure that the Facilities Fund accurately reflects Public Facilities Fees, which are "restricted" reserves. Those reserves are held in a separate account at Rabobank and not co-mingled with other District funds to ensure that they are not used for unintended purposes.
- The Water fund increase of \$498,109 results from the Board approval of the interfund loan amortizations that provide for multi-year repayment. Previously, it was a current liability that reduced the Modified Working Capital calculation and provided for a lower estimate of Water Fund reserves. In addition, approximately \$200,000 held by the County of San Luis Obispo



Oceano Community Services District

Board of Directors Meeting

holds as deposits for State and Lopez water were previously treated as a current asset and included in MWC, but is now excluded since those funds are not readily available to the District.

- The Sewer fund of increase of \$101,406 results from funds previously held in the Sheriff Building Fund, which was dissolved when the assets were reclassified, interfund debt was established, and the Facilities Fund was created.
- The Garbage fund decrease of \$57,399 results because the interfund loan to the Water fund was previously treated as a current asset. With approval of the interfund debt amortization schedules, and amortization of the loans, the amount is now excluded from MWC calculations.
- The Equipment fund decrease of \$3,430 results from an error in reserve calculations in 2015-16, which was partially offset by unanticipated insurance proceeds.

The increases/decreases also affect estimated ending reserves, difference between the MWC and the estimated at June 30, 2018 reserves is reflected in the table below.

Fund	Ending Reserves Per Budget	Increase/ (Decrease) with Interfund	Approved Budget AJE's	Revised Ending Reserves
General Fund	\$ 234,642	\$ 214,112	\$ (69,165)	\$ 379,589
Facilities Fund	357,451	(137,957)	(20,000)	199,494
Total Government	<u>\$ 592,093</u>	<u>\$ 76,155</u>	<u>\$ (89,165)</u>	<u>\$ 579,083</u>
Water Fund	\$ 998,900	\$498,109	\$ (56,000)	\$ 1,441,009
Sewer Fund	879,099	\$101,406	(79,000)	901,505
Garbage Fund	345,718	(57,399)	(5,000)	283,319
Equipment Fund	\$19,576	(3,430)	0	16,146
Total Enterprise Funds	<u>\$ 2,243,293</u>	<u>\$538,686</u>	<u>\$ (140,000)</u>	<u>\$ 2,641,979</u>

Closely monitoring the budget in a conservative manner will help ensure staying within budget and improving reserves. The 3th quarter budget results, as of March 31, 2018, will be provided to your Board at your second regular meeting in April 2018. Preliminary review of the 2018/19 & 2019/20 two year budget will also be presented to your Board at the same time.

Other Agency Involvement

The FTR is sent to the California State Controller's Office.



Other Financial Considerations

Items that may influence the budget in the future:

1. Emergency Generator Project – the project is now anticipated to move forward at the March 14, 2018 Board meeting. Funding options include using Public Facilities Fees, or through a partial advanced repayment of the Water Fund loan. Staff will review the pros and cons of the two options during agenda discussions.
2. Utility Relocation Projects with the County of San Luis Obispo –
 - a. Highway One Project – The utility relocation project cost estimate is \$109,868 and a budget adjustment was approved on January 25, 2017 along with the inter-agency agreement with the County. As a result, estimated reserves have already been reduced for this project.
 - b. Airpark Drive Bridge Replacement Project – The utility relocation project cost estimate is \$115,000 and a budget adjustment was approved on September 13, 2017 along with the inter-agency agreement with the County. As a result, estimated reserves have already been reduced for this project.

Results

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

Attachments: Reserve Analysis Worksheets



Oceano Community Services District
1655 Front St.
Oceano, CA 93445

2017-18 Reserve Analysis

As of February 23, 2018



GENERAL & FACILITIES FUND



Oceano CSD
2017/18 Reserve Analysis

	Governmental Fund		Facilities Fund	
	FTR	MWC	FTR	MWC
ASSETS				
Cash and Investments	\$522,715	\$522,715	\$268,151	\$268,151
Account Receivable (Net)	\$4,369	\$4,369	\$3,750	\$3,750
Accrued Revenue	\$0	\$0	\$0	\$0
Inventory	\$0	\$0	\$0	\$0
Prepaid Items	\$26,388	\$26,388	\$0	\$0
Deposits w/ Others	\$0	\$0	\$0	\$0
Total Current Assets	\$553,473	\$553,473	\$271,901	\$271,901
Land	\$610,390	\$0	\$0	\$0
Buildings and Improvements	\$2,044,971	\$0	\$7,210	\$0
Equipment	\$211,064	\$0	\$47,859	\$0
Software	\$0	\$0	\$0	\$0
Depreciation	(\$1,153,552)	\$0	(\$9,375)	\$0
Total Capital Assets	\$1,712,874	\$0	\$45,694	\$0
Due from Other Funds	\$0	\$0	\$488,788	\$0
Deferred Outflows (GASB 68)	\$9,407	\$0	\$0	\$0
TOTAL ASSETS	\$2,275,754	\$553,473	\$806,383	\$271,901
LIABILITIES				
Accounts Payable	(\$11,707)	(\$11,707)	(\$449)	(\$449)
Other Payables	(\$65,388)	(\$65,388)	(\$9,495)	(\$9,495)
Short Term Bonds and Debt	\$0	\$0	\$0	\$0
Deposits	(\$3,000)	(\$3,000)	\$0	\$0
Total Current Liabilities	(\$80,095)	(\$80,095)	(\$9,944)	(\$9,944)
Long Term Bonds & Debt	\$0	\$0	\$0	\$0
Deferred Inflows (GASB 68)	(\$11,962)	\$0	\$0	\$0
Net Pension Liability (GASB 68)	(\$95,020)	\$0	\$0	\$0
Due to Other Funds	\$0	\$0	(\$515,651)	\$0
Total Long Term Debt	(\$106,983)	\$0	(\$515,651)	\$0
TOTAL LIABILITIES	(\$187,078)	(\$80,095)	(\$525,594)	(\$9,944)
EQUITY / MWC	(\$2,088,676)	(\$473,378)	(\$280,789)	(\$261,958)
TOTAL LIABILITIES & EQUITY	(\$2,275,754)	(\$553,473)	(\$806,383)	(\$271,901)

**Oceano CSD
2017/18 Reserve Analysis**

	Governmental Fund		Facilities Fund	
	FTR	MWC	FTR	MWC
<u>EQUITY</u>				
Investment in F/A	(\$1,712,874)		(\$45,694)	
GASB #68 Net Position	\$97,576		\$0	
Interfund Debt Net Position	\$0		\$26,863	
Bonds and Debt	\$0		\$0	
Inventory	\$0			
Fund Balance Unavailable	(\$282,579)		\$124,278	
Encumbrance for Backhoe & Claw		(\$25,000)		
Encumbrance for County Drainage				
Encumbrance for Handhelds				
Encumbrance for Website		(\$475)		(\$380)
Encumbrance for GSI				
Encumbrance for Caliber		(\$112)		(\$89)
Encumbrance for Emergency Gen.				(\$13,210)
Total Encumbrances		(\$25,587)		(\$13,679)
Public Facilities Fees	\$0	\$0	(\$209,536)	(\$209,536)
Water Deposits with County	\$0	\$0	\$0	\$0
Fund Balance Available	\$0	(\$42,880)	(\$10,479)	(\$10,479)
Infrastructure	(\$70,066)	(\$70,066)	(\$30,000)	(\$30,000)
Equipment	(\$3,300)	(\$3,300)	\$0	\$0
Contingenices	(\$45,000)	(\$45,000)	(\$56,079)	(\$56,079)
Unassigned	(\$72,433)	(\$72,433)	(\$80,142)	(\$80,142)
Beginning Budget Reserves		(\$233,679)		(\$386,236)
(Increase) / Decrease		(\$76,155)		
Interfund (Increase) / Decrease		(\$137,957)		\$137,957
Revised Beginning Reserves		(\$447,791)		(\$248,279)
Total Fund Equity	(\$2,088,676)	(\$473,378)	(\$280,789)	(\$261,958)

**Oceano CSD
2017/18 Reserve Analysis**

	Governmental Fund		Facilities Fund	
	FTR	MWC	FTR	MWC
6/30/2018 Ending Reserves Per Budget		(\$234,642)		(\$357,451)
Approved Adjustments:				
Breathing Apparatus		\$69,165		
Roof Repairs			\$20,000	
Airpark Drive Utility Relocations				
Utility Yard Site Planning				
Estimated Reserves @ 6/30/2018		(\$165,477)		(\$337,451)
(Increase) / Decrease		(\$76,155)		
Interfund (Increase) / Decrease		(\$137,957)		\$137,957
Revised Estimated Ending Reserves		(\$379,589)		(\$199,494)
Restricted				(\$209,536)



WATER FUND



Oceano CSD
2017/18 Reserve Analysis

	Water Fund	
	FTR	MWC
<u>ASSETS</u>		
Cash and Investments	\$1,290,694	\$1,290,694
Account Receivable (Net)	\$42,420	\$42,420
Accrued Revenue	\$299,103	\$299,103
Inventory	\$23,772	\$0
Prepaid Items	\$69,022	\$69,022
Deposits w/ Others	\$203,926	\$0
Total Current Assets	\$1,928,937	\$1,701,239
Land	\$6,000	\$0
Buildings and Improvements	\$4,215,804	\$0
Equipment	\$444,831	\$0
Software	\$156,734	\$0
Depreciation	(\$3,531,623)	\$0
Total Capital Assets	\$1,291,746	\$0
Due from Other Funds	\$0	\$0
Deferred Outflows (GASB 68)	\$26,663	\$0
TOTAL ASSETS	\$3,220,683	\$1,701,239
<u>LIABILITIES</u>		
Accounts Payable	(\$23,080)	(\$23,080)
Other Payables	(\$375)	(\$375)
Short Term Bonds and Debt	(\$15,000)	\$0
Deposits	(\$23,673)	(\$23,673)
Total Current Liabilities	(\$62,128)	(\$47,128)
Long Term Bonds & Debt	(\$30,000)	\$0
Deferred Inflows (GASB 68)	(\$43,429)	\$0
Net Pension Liability (GASB 68)	(\$198,939)	\$0
Due to Other Funds	(\$541,557)	\$0
Total Long Term Debt	(\$813,925)	\$0
TOTAL LIABILITIES	(\$876,053)	(\$47,128)
EQUITY / MWC	(\$2,344,630)	(\$1,654,111)
TOTAL LIABILITIES & EQUITY	(\$3,220,683)	(\$1,701,239)

**Oceano CSD
2017/18 Reserve Analysis**

	Water Fund	
	FTR	MWC
<u>EQUITY</u>		
Investment in F/A	(\$1,291,746)	
GASB #68 Net Position	\$215,705	
Interfund Debt Net Position	\$541,557	
Bonds and Debt	\$45,000	
Inventory	(\$23,772)	
Fund Balance Unavailable	(\$791,543)	
Encumbrance for Backhoe & Claw		(\$25,000)
Encumbrance for County Drainage		(\$71,390)
Encumbrance for Handhelds		(\$9,740)
Encumbrance for Website		(\$4,275)
Encumbrance for GSI		(\$4,765)
Encumbrance for Caliber		(\$1,001)
Encumbrance for Emergency Gen.		
Total Encumbrances		(\$116,171)
Public Facilities Fees	\$0	\$0
Water Deposits with County	(\$201,255)	(\$201,255)
Fund Balance Available	(\$228,805)	(\$228,805)
Infrastructure	(\$183,023)	(\$183,023)
Equipment	\$0	\$0
Contingencies	(\$60,101)	(\$60,101)
Unassigned	(\$366,647)	(\$366,647)
Beginning Budget Reserves		(\$1,039,831)
(Increase) / Decrease		(\$498,109)
Interfund (Increase) / Decrease		
Revised Beginning Reserves		(\$1,537,940)
Total Fund Equity	(\$2,344,630)	(\$1,654,111)

**Oceano CSD
2017/18 Reserve Analysis**

Water Fund	
FTR	MWC

6/30/2018 Ending Reserves Per Budget

	(\$998,900)
Approved Adjustments:	
Breathing Apparatus	
Roof Repairs	
Airpark Drive Utility Relocations	\$46,000
Utility Yard Site Planning	\$10,000
Estimated Reserves @ 6/30/2018	(\$942,900)
(Increase) / Decrease	(\$498,109)
Interfund (Increase) / Decrease	
Revised Estimated Ending Reserves	(\$1,441,009)
Restricted	\$0



SEWER FUND



Oceano CSD
2017/18 Reserve Analysis

	Sewer Fund	
	FTR	MWC
<u>ASSETS</u>		
Cash and Investments	\$1,066,091	\$1,066,091
Account Receivable (Net)	\$56,904	\$56,904
Accrued Revenue	\$0	\$0
Inventory	\$2,881	\$0
Prepaid Items	\$0	\$0
Deposits w/ Others	\$0	\$0
Total Current Assets	\$1,125,876	\$1,122,995
Land	\$0	\$0
Buildings and Improvements	\$2,577,477	\$0
Equipment	\$243,456	\$0
Software	\$39,184	\$0
Depreciation	(\$1,485,284)	\$0
Total Capital Assets	\$1,374,833	\$0
Due from Other Funds	\$515,651	\$0
Deferred Outflows (GASB 68)	\$18,445	\$0
TOTAL ASSETS	\$2,500,709	\$1,122,995
<u>LIABILITIES</u>		
Accounts Payable	(\$31,462)	(\$31,462)
Other Payables	\$0	\$0
Short Term Bonds and Debt	\$0	\$0
Deposits	(\$1,050)	(\$1,050)
Total Current Liabilities	(\$32,512)	(\$32,512)
Long Term Bonds & Debt	\$0	\$0
Deferred Inflows (GASB 68)	(\$30,051)	\$0
Net Pension Liability (GASB 68)	(\$137,622)	\$0
Due to Other Funds	\$0	\$0
Total Long Term Debt	(\$167,673)	\$0
TOTAL LIABILITIES	(\$200,185)	(\$32,512)
EQUITY / MWC	(\$2,300,524)	(\$1,090,483)
TOTAL LIABILITIES & EQUITY	(\$2,500,709)	(\$1,122,995)

**Oceano CSD
2017/18 Reserve Analysis**

	Sewer Fund	
	FTR	MWC
<u>EQUITY</u>		
Investment in F/A	(\$1,374,833)	
GASB #68 Net Position	\$149,228	
Interfund Debt Net Position	(\$515,651)	
Bonds and Debt	\$0	
Inventory	(\$2,881)	
Fund Balance Unavailable	\$364,522	
Encumbrance for Backhoe & Claw		(\$25,000)
Encumbrance for County Drainage		(\$38,478)
Encumbrance for Handhelds		
Encumbrance for Website		(\$3,800)
Encumbrance for GSI		
Encumbrance for Caliber		(\$890)
Encumbrance for Emergency Gen.		
Total Encumbrances		(\$68,168)
Public Facilities Fees	\$0	\$0
Water Deposits with County	\$0	\$0
Fund Balance Available	(\$109,116)	(\$109,116)
Infrastructure	(\$65,571)	(\$65,571)
Equipment	\$0	\$0
Contingenices	(\$5,000)	(\$5,000)
Unassigned	(\$741,222)	(\$741,222)
Beginning Budget Reserves		(\$920,909)
(Increase) / Decrease		(\$101,406)
Interfund (Increase) / Decrease		
Revised Beginning Reserves		(\$1,022,315)
Total Fund Equity	(\$2,300,524)	(\$1,090,483)

**Oceano CSD
2017/18 Reserve Analysis**

Sewer Fund	
FTR	MWC

6/30/2018 Ending Reserves Per Budget

Approved Adjustments:

Breathing Apparatus
Roof Repairs
Airpark Drive Utility Relocations
Utility Yard Site Planning

(\$879,099)

\$69,000

\$10,000

Estimated Reserves @ 6/30/2018

(\$800,099)

(Increase) / Decrease

(\$101,406)

Interfund (Increase) / Decrease

Revised Estimated Ending Reserves

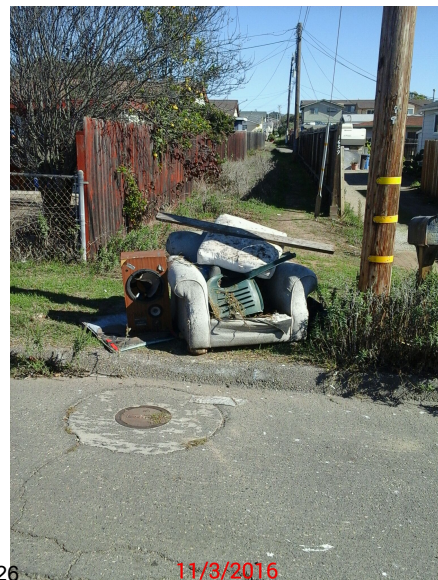
(\$901,505)

Restricted

\$0



GARBAGE FUND



Oceano CSD
2017/18 Reserve Analysis

	Garbage Fund	
	FTR	MWC
<u>ASSETS</u>		
Cash and Investments	\$298,416	\$298,416
Account Receivable (Net)	\$17,241	\$17,241
Accrued Revenue	\$0	\$0
Inventory	\$0	\$0
Prepaid Items	\$68	\$68
Deposits w/ Others	\$0	\$0
Total Current Assets	\$315,724	\$315,724
Land	\$0	\$0
Buildings and Improvements	\$0	\$0
Equipment	\$11,922	\$0
Software	\$0	\$0
Depreciation	(\$11,922)	\$0
Total Capital Assets	\$0	\$0
Due from Other Funds	\$52,770	\$0
Deferred Outflows (GASB 68)	\$2,651	\$0
TOTAL ASSETS	\$315,724	\$315,724
<u>LIABILITIES</u>		
Accounts Payable	(\$65)	(\$65)
Other Payables	\$0	\$0
Short Term Bonds and Debt	\$0	\$0
Deposits	\$0	\$0
Total Current Liabilities	(\$65)	(\$65)
Long Term Bonds & Debt	\$0	\$0
Deferred Inflows (GASB 68)	(\$10,397)	\$0
Net Pension Liability (GASB 68)	(\$13,699)	\$0
Due to Other Funds	\$0	\$0
Total Long Term Debt	(\$24,096)	\$0
TOTAL LIABILITIES	(\$24,162)	(\$65)
EQUITY / MWC	(\$291,562)	(\$315,659)
TOTAL LIABILITIES & EQUITY	(\$315,724)	(\$315,724)

**Oceano CSD
2017/18 Reserve Analysis**

		Garbage Fund	
		FTR	MWC
<u>EQUITY</u>			
Investment in F/A		\$0	
GASB #68 Net Position		\$21,446	
Interfund Debt Net Position		(\$52,770)	
Bonds and Debt		\$0	
Inventory		\$0	
Fund Balance Unavailable		\$102,116	
Encumbrance for Backhoe & Claw			(\$10,000)
Encumbrance for County Drainage			
Encumbrance for Handhelds			
Encumbrance for Website			(\$570)
Encumbrance for GSI			
Encumbrance for Caliber			(\$133)
Encumbrance for Emergency Gen.			
Total Encumbrances			(\$10,703)
Public Facilities Fees		\$0	\$0
Water Deposits with County		\$0	\$0
Fund Balance Available		(\$29,010)	(\$29,010)
Infrastructure		(\$25,000)	(\$25,000)
Equipment		(\$30,639)	(\$30,639)
Contingenices		(\$277,706)	(\$277,706)
Unassigned		\$0	\$0
Beginning Budget Reserves			(\$362,355)
			\$57,399
(Increase) / Decrease Interfund (Increase) / Decrease			
			(\$304,956)
Revised Beginning Reserves			
			(\$304,956)
Total Fund Equity		(\$291,562)	(\$315,659)

**Oceano CSD
2017/18 Reserve Analysis**

Garbage Fund	
FTR	MWC

6/30/2018 Ending Reserves Per Budget

Approved Adjustments:
 Breathing Apparatus
 Roof Repairs
 Airpark Drive Utility Relocations
 Utility Yard Site Planning

Estimated Reserves @ 6/30/2018

**(Increase) / Decrease
 Interfund (Increase) / Decrease**

Revised Estimated Ending Reserves

Restricted

	(\$345,718)
	\$5,000
	<u>(\$340,718)</u>
	\$57,399
	<u>(\$283,319)</u>
	<u>\$0</u>



EQUIPMENT FUND



Oceano CSD
2017/18 Reserve Analysis

	Equipment Fund	
	FTR	MWC
<u>ASSETS</u>		
Cash and Investments	\$11,491	\$11,491
Account Receivable (Net)	\$0	\$0
Accrued Revenue	\$0	\$0
Inventory	\$0	\$0
Prepaid Items	\$756	\$756
Deposits w/ Others	\$0	\$0
Total Current Assets	\$12,247	\$12,247
Land	\$0	\$0
Buildings and Improvements	\$0	\$0
Equipment	\$58,025	\$0
Software	\$0	\$0
Depreciation	(\$26,619)	\$0
Total Capital Assets	\$31,407	\$0
Due from Other Funds	\$0	\$0
Deferred Outflows (GASB 68)	\$0	\$0
TOTAL ASSETS	\$43,653	\$12,247
<u>LIABILITIES</u>		
Accounts Payable	(\$123)	(\$123)
Other Payables	\$0	\$0
Short Term Bonds and Debt	(\$8,195)	\$0
Deposits	\$0	\$0
Total Current Liabilities	(\$8,319)	(\$123)
Long Term Bonds & Debt	(\$15,242)	\$0
Deferred Inflows (GASB 68)	\$0	\$0
Net Pension Liability (GASB 68)	\$0	\$0
Due to Other Funds	\$0	\$0
Total Long Term Debt	(\$15,242)	\$0
TOTAL LIABILITIES	(\$23,561)	(\$123)
EQUITY / MWC	(\$20,093)	(\$12,123)
TOTAL LIABILITIES & EQUITY	(\$43,653)	(\$12,247)

**Oceano CSD
2017/18 Reserve Analysis**

	Equipment Fund	
	FTR	MWC
<u>EQUITY</u>		
Investment in F/A	(\$31,407)	
GASB #68 Net Position	\$0	
Interfund Debt Net Position	\$0	
Bonds and Debt	\$23,437	
Inventory	\$0	
Fund Balance Unavailable	\$3,430	
Encumbrance for Backhoe & Claw		
Encumbrance for County Drainage		
Encumbrance for Handhelds		
Encumbrance for Website		
Encumbrance for GSI		
Encumbrance for Caliber		
Encumbrance for Emergency Gen.		
Total Encumbrances		\$0
Public Facilities Fees	\$0	\$0
Water Deposits with County	\$0	\$0
Fund Balance Available	\$0	\$0
Infrastructure	\$0	\$0
Equipment	(\$15,553)	(\$15,553)
Contingenices	\$0	\$0
Unassigned	\$0	\$0
Beginning Budget Reserves		(\$15,553)
(Increase) / Decrease		\$3,430
Interfund (Increase) / Decrease		
Revised Beginning Reserves		(\$12,123)
Total Fund Equity	(\$20,093)	(\$12,123)

**Oceano CSD
2017/18 Reserve Analysis**

Equipment Fund	
FTR	MWC

6/30/2018 Ending Reserves Per Budget

Approved Adjustments:
 Breathing Apparatus
 Roof Repairs
 Airpark Drive Utility Relocations
 Utility Yard Site Planning

	(\$19,576)
Estimated Reserves @ 6/30/2018	<u>(\$19,576)</u>
(Increase) / Decrease	\$3,430
Interfund (Increase) / Decrease	
Revised Estimated Ending Reserves	<u>(\$16,146)</u>
Restricted	<u>\$0</u>



Oceano Community Services District

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

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

Date: February 28, 2018

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item #9(b): Review and discussion of District and staff priorities including consideration of Board correspondence on proposed legislation and issues with other agencies, and other direction that the Board may deem appropriate**

Recommendation

It is recommended that your Board review and discuss the attached "Review of Priorities" and consider approving Board correspondence on proposed legislation and issues with other agencies, and other direction that the Board may deem appropriate.

Discussion

Attached is a "Review of Priorities." Two legislative proposals are being considered by the State Legislature and attached is information provided by the California Special District's Association (CSDA). The proposals include establishing a state-wide water tax and prohibiting collections of fees relating to "Accessory Dwelling Units." In addition, CSDA information is also provided on a case that is being heard by the State Supreme Court involving inverse condemnation where a property owner failed to comply with infrastructure standards, but the local agency has been found liable for damages resulting from a sewer system blockage.

Overall, the Review of Priorities is organized as follows:

- Emergency Services
- Operations
- Capital Projects
- Administration
- Fiscal



Other Agency Involvement

n/a

Other Financial Considerations

n/a

Results

Reviewing District priorities promotes a well governed community.

Attachments:

- Review of Priorities
- CSDA Enews – Proposed Water Tax
- CSDA Enews – Prohibiting Fees on Accessory Dwelling Units
- CSDA Enews – State Supreme Court hearing on Inverse Condemnation

Oceano Community Services District – Review of Priorities

EMERGENCY SERVICES	
<p>FCFA</p> <ul style="list-style-type: none"> • Los Osos Parcel Tax – based on land use • Cambria Parcel Tax – equal amount per parcel • Parcel Analysis for Oceano • Recent Meetings • Developing Key Points for Public Discussion • Preliminary 2018/19 Budget Review at March meeting <ul style="list-style-type: none"> ○ Two alternatives discussed with Executives ○ Timing to consider a special tax election <p>LHMP (Local Hazard Mitigation Plan)</p> <ul style="list-style-type: none"> • Meeting with CalOES • Discussions with County OES • Public Outreach • Timing 	<p>Direction to proceed with a fire tax election on the November, 2018 ballot would require the District Board of Director’s to initiate formal consideration no later than June 30, 2018.</p> <p>Timing to initiate LHMP work is rising as a priority. The County could help under a multi-jurisdictional effort.</p>
OPERATIONS	
<p>SSMP (Sewer System Management Plan)</p> <ul style="list-style-type: none"> • 2017 Review <p>Sewer Laterals</p> <ul style="list-style-type: none"> • Parcel Investigation substantially complete • Existing work limits time for additional work <p>Easements and Access</p> <ul style="list-style-type: none"> • Access to some District facilities is impaired • Developing a list of sites with impaired access <p>Schools - Lead and Copper</p> <p>Solid Waste</p> <ul style="list-style-type: none"> • Need to recruit for vacant position • Non-compliant storage case <p>Code Enforcement (non-Garbage)</p> <ul style="list-style-type: none"> • Multiple cases 	<p>The District’s Utilities System Supervisor may verbally add to the some of the listed priorities during discussion of this item.</p>

Oceano Community Services District – Review of Priorities

CAPITAL PROJECTS	
<p>Emergency Generator</p> <ul style="list-style-type: none"> • 3/14/2018 Agenda to consider approval of: <ul style="list-style-type: none"> ○ County Permit Submitted – In Process ○ Final Design ○ Funding (Public Facilities Fees / Options) ○ Proceeding with bidding and construction <p>Utility Relocations for County Airpark Dr. Bridge Project</p> <ul style="list-style-type: none"> • County Bid Opening April 5, 2018 • Concurrent District Bidding needed for alternative bids • Funding previously approved <p>Utility Relocations for County Drainage Project</p> <ul style="list-style-type: none"> • Caltrans permit obtained for alternative bidding • Timing on County bidding is uncertain • Concurrent District Bidding needed for alternative bids <p>WRRP (Water Resource Reliability Program)</p> <ul style="list-style-type: none"> • Cannon Contract <ul style="list-style-type: none"> ○ Water System CIP Update ○ Stormwater Recharge ○ RGSP Recharge & update on meetings • RCAC Funding Assistance <ul style="list-style-type: none"> ○ Possibility to advance some water system projects now <p>Sewer System CIP</p> <ul style="list-style-type: none"> • Lift Station • Line Replacements • Lateral Program <p>Utility Yard Site Plan</p> <ul style="list-style-type: none"> • Update on RRM discussions with County 	<p>The Board may wish to consider a partial advanced repayment of the General Fund loan to Water to fund the generator.</p> <p>Timing is critical on developing the alternative bids.</p> <p>The General Manager will discuss a storm water recharge concept along Highway One.</p> <p>RCAC has been approved by the State Water Board to help with project funding applications.</p> <p>Existing workloads and staff priorities compel funding for a consultant to prepare an updated Master Sewer Plan.</p>

Oceano Community Services District – Review of Priorities

ADMINISTRATION	
<p>2018 Legislation</p> <ul style="list-style-type: none"> • Water Tax • Accessory Dwelling Units • Inverse Condemnation <p>Policies and Procedures</p> <ul style="list-style-type: none"> • Human Resources – SEIU MOU • Rules and Regulations <p>Training - Completed</p> <ol style="list-style-type: none"> 1. Harassment Prevention, Ethics and other requirements 2. CalOSHA Compliance 3. Payroll Law 4. Human Resources Law 5. CalPERS Health & Pension Amortization 6. Financial Transactions Report 7. Romac 8. Water Quality Sampling 9. Mathematics of Water Hydraulics 10. Quickbooks 11. Exceptional Assistants 12. Records Retention <p>Website & Outreach</p> <ul style="list-style-type: none"> • Web Go-Live • Outreach: <ul style="list-style-type: none"> ○ FCFA ○ WRRP ○ LHMP 	<p>The Board may wish to send letters of support or opposition to proposed legislation.</p> <p>The current SEIU MOU provides that meet and confer starts no later than May 1, 2018</p> <p>Training - Upcoming</p> <ul style="list-style-type: none"> • Ongoing Req'ts • CSTI • Backflow Certification • Target Solutions <p>Preparing for a multi-purpose town hall meeting is rising as a priority.</p>



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Governor's Budget Includes Tax on Water Bills



Governor Brown's initial budget proposal for 2018-2019, released in January, includes funding to implement a new State tax on water bills. While just a "framework" at this point, the tax is expected to cost ratepayers from \$1 to \$10 per month depending on the size of the household's water meter. The proposal would also place a fee on fertilizer

mills and dairies. The new revenue would fund State Water Board efforts to provide safe and affordable drinking water to disadvantaged communities with unsecure water supplies. The Governor's proposed budget provides \$4.7 million in 2018-2019 for the State Water Board and the Department of Food and Agriculture to take initial steps toward implementation of this new program, including developing and implementing tax collection systems, conducting an assessment to estimate the level of funding needed to assist water systems, and developing and making available a map of high-risk aquifers used as drinking water sources.

While the Administration has not released the statutory language for the proposal, it has indicated it will be developed out of the framework of [SB 623 \(Monning\)](#), introduced last summer. SB 623 establishes a statewide tax on water, to be collected as a surcharge on water bills by local agencies. Households living under 200% of the federal poverty level would be exempt from the surcharge. The bill also raises fees on fertilizer mills and dairy producers. In exchange for increased fees, SB 623 will provide time-limited protections from enforcement for these businesses under the Porter-Cologne Water Quality Control Act. To be eligible, the businesses must be regulated by the state and in compliance to benefit. This includes a requirement to implement nitrate management programs, best management practices and other state requirements.

According to the Assembly Appropriations Committee, the water tax is expected to raise approximately \$100 million a year to be used to fund projects that improve access to safe drinking water. This aid will be primarily funneled to disadvantaged communities that lack such access to clean drinking water. The funds may be spent on water purification and treatment systems and other critical needs to improve drinking water quality and access. More than 300 schools and communities are estimated to lack safe drinking water in California.

CSDA, ACWA and a coalition of public agencies are opposed to SB 623 unless amended. In an August 18 coalition letter, opponents cite the counterproductive nature of taxing a resource held by California law to be a human right and keeping that resource affordable to all Californians. Opponents also raise concerns about the efficiency and fairness of requiring local water agencies to collect the tax on the State's behalf. The coalition in opposition has proposed amendments that include leveraging federal resources and the State general fund as alternatives to a statewide tax.

The Governor's budget proposal will be heard in the Senate and Assembly Budget Subcommittees on Natural Resources in the coming months. The Governor will issue a budget revision in May and the final budget must be approved by midnight on June 15. Any budget trailer bills have until August 31 to pass the Legislature, but are typically taken up in June with the Budget. Normally, budget trailer bills may be passed with a majority vote. However, any bill imposing a tax requires a two-thirds vote of each house of the legislature. Three of the 80 seats in the State Assembly are currently vacant due to resignations—Assembly Districts 39, 45 and 54. The special elections for each of these offices will occur on April 3. Should no candidate receive a majority of the vote for an office, run-off elections will occur June 5 in conjunction with the Statewide Primary Election.

CSDA legislative representatives will continue to monitor developments of the Governor's proposed budget and work with the legislature and the administration to secure a better solution for California's water challenges. Please contact CSDA Legislative Representative, Rylan Gervase at Rylang@csla.net if you have any questions.

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New Bill Would Ban Local Fees on Accessory Dwellings

Senator Bob Wieckowski (D-Fremont) recently introduced [Senate Bill 831](#) to ban all fees placed by local agencies, including special districts, on accessory dwelling units (ADUs). ADUs, also known as “granny flats”, are secondary housing units

built on an existing lot. Historically, ADUs are built to accommodate additional family on the grounds of a traditional single-family home. Some suggest ADUs place burdens on limited community resources like parking, roads, parks, and public safety services, while other suggest they may be part of the solution to California’s growing housing demand.

SB 831 would eliminate all fees charged by a local agency, school district, special district, or water corporation for an ADU. These one-time fees are paid by developers to local agencies to account for the cost of installing water and sewer connections, impact on the capacity of the local water systems, as well as impacts on the usage of local parks, fire station services, and other public services that will be used by the new residents.

Under the legislation, local agencies would still be required to provide services to new ADU developments, but would be prohibited from collecting reimbursement. This proposed statutory prohibition would conflict with the proportionality requirements of Proposition 218 in the State Constitution. Proposition 218 prohibits local agencies from imposing assessments that exceed the reasonable cost of service to a specific parcel. This means that local agencies are Constitutionally precluded from passing along the impact costs of an ADU to the whole system by simply raising rates on other users. How local agencies will pay for services provided to ADUs under SB 831 is unclear.

CSDA will consider its formal position on SB 831 at its March 2 Legislative Committee meeting. If you have any questions or comments on SB 831, please contact Rylan Gervase at rylang@csda.net.

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