



Oceano Community Services District

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

(805) 481-6790

FAX (805) 481-6836

AGENDA BOARD OF DIRECTORS MEETING

1655 Front Street
6:30 P.M.

September 24, 2008

Oceano
Wednesday

BOARD MEMBERS

Jim Hill, President
Vern Dahl, Director
Barbara J. Mann, Director

Bill Bookout, Vice President
Pamela Dean, Director

SECRETARY TO THE BOARD

Patrick J. O'Reilly, General Manager

DEPUTY SECRETARY TO THE BOARD

Gina A. Davis, Administrative Assistant

FIRE CHIEF

Chief Mike Hubert

UTILITY OPERATIONS SUPERVISOR

Philip T. Davis

ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION

1. Roll Call*
2. Flag Salute*
3. Public Comment *
Any member of the public may address the Board on any item of interest within the jurisdiction of the Board. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda.
4. Board Member Items/Discussion *
5. Review and Approval of Minutes
 - a. September 9, 2008
6. Reports
 - a. Reports of District Department Heads
 - (1) Report of Utility Department Operations
7. Fire Items
None
8. Utility Items
 - a. Cleaning and Inspection of District Sewer and Water Lines
Continual Disclosure of the Emergency declared by the Board of Directors concerning the Cleaning and Inspection of the District Sewer and Water Mains.

RULES FOR PRESENTING TESTIMONY

All persons who wish to present testimony to the Board of Directors in a public hearing must observe the following rules:

1. When beginning to speak, first identify yourself and place of residence. This is required for the public record. Board of Directors' meetings are tape recorded.
2. All remarks must be addressed to the Chair. Conversation or debate between the speaker at the podium and a member of the audience is not permitted.
3. Please keep your remarks as brief as possible. Focus your testimony on the most important facts you wish to be considered. Avoid duplicating testimony provided by others.
4. It is important that all participants conduct themselves with courtesy, dignity and respect.
5. Whenever possible, written testimony should be presented as well as oral. Written testimony can be submitted in advance of the actual hearing date.

8. Utility Items
 - b. Sale of Water to Grande Mobile Manor and Halcyon Estates
Consider recommendation of the General Manager to approve agreements to provide water service to Grande Mobile Manor and Halcyon Estates. (Staff reports and agreements to be available Monday, September 22, 2008)

9. Administrative Items
 - a. Ordinance/Resolution Codification*
District Legal Counsel will review status of updating District Ordinances and Resolutions.
 - b. Review of District Powers
Discussion of District Powers.
 - c. Review of District Development Procedures
Discussion of District Development Procedures.
 - d. Committee Assignments
Presentation by Ad Hoc Committee and Consideration of Committee Assignments by the President of the Board.
 - e. Board Meeting Protocol*
Discuss the customs and regulations dealing with diplomatic formality, precedence and etiquette required to conduct effective meetings of the District Board of Directors.

10. Adjourn to Executive Session

EXECUTIVE SESSION

- a. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – WATER RIGHTS AGREEMENT
CLOSED SESSION – A closed session pursuant to Government Code Section 54956.8 to meet with the agency's negotiator concerning property negotiations and to grant authority regarding terms. The property involved is an interest in the District's water entitlements. The person or persons with whom the agency negotiator may negotiate is the authorized agent for the City of Arroyo Grande.

Return to Open Session

11. Reports of District Representatives *
This item gives the President and Board Members the opportunity to present reports to other members regarding committees, commissions, boards, or special projects on which they may be participating.
 - a. **PRESIDENT JIM HILL**
 - (1) Board Meeting 09 17 2008
 - (2) SSLOCSD 09 17 2008
 - (3) Fire Committee 09 23 2008
 - (4) Other

11. Reports of District Representatives (continued) *
 - b. **VICE PRESIDENT BILL BOOKOUT**
 - (1) Board Meeting 09 17 2008
 - (2) Other
 - c. **DIRECTOR VERN DAHL**
 - (1) Ad Hoc Committee on Committee Assignments 09 17 2008
 - (2) OAC 09 22 2008
 - (3) Other
 - d. **DIRECTOR PAMELA DEAN**
 - (1) Ad Hoc Committee on Committee Assignments 09 17 2008
 - (2) Zone 3 09 18 2008
 - (3) Other
 - e. **DIRECTOR BARBARA MANN**
 - (1) Board Meeting 09 17 2008
 - (2) Fire Committee 09 23 2008
 - (3) Other
12. General Manager Items/Discussion*
 - a. Other
13. Board Member Discussion*
14. Consideration of Warrants
15. Public Comment *
16. Written Communications
(Correspondence for the Board Received After Preparation of this Agenda is Presented by the General Manager)

Adjournment

* Oral Presentation/Discussion

ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION

Consistent with the American with Disabilities Act and California Government Code §54954.2 requests for disability related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires the modification or accommodation in order to participate at the referenced public meeting by contacting the District General Manager or Administrative Assistant at 805-481-6730.

**P.O. Box 599/Oceano, CA 93475
1655 Front Street/Oceano, CA 93445
(805) 481-6730 / FAX (805) 481-6836
www.oceanocsd.org ocsd@oceanocsd.org**

**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES**

WEDNESDAY

September 10, 2008

OCEANO

The meeting was called to order by President Hill at 6:30 P.M.

1. Roll Call

Present: President Hill, Vice President Bookout, Director Dahl, Director Mann
Director Dean

Absent: None

Staff Present: Patrick O'Reilly, Secretary to the Board/ General Manager, Philip T. Davis, Utility Operations Supervisor, Ryan Fothergill, District Legal Counsel, Craig Angello, Fire Captain

Staff Absent: Gina A. Davis, Deputy Secretary to the Board/ Administrative Assistant

2. Flag Salute

President Hill led the flag salute.

3. Public Comment

Brian Hascall, Commander Sheriff's Station South, presented his monthly report. He introduced Sergeant Steve Harris, a new member of the station. He reported another arrest for theft of copper wire. He announced that there is no County ordinance on graffiti abatement so there is little his department can do at this time. They have paint available to give anyone who wants to clean up graffiti on their property. Mary Lucey, Oceano resident, asked Commander Hascall a question about computer security.

President Hill asked if there were any additional items to be considered tonight. GM O'Reilly stated that there are two items that could potentially be considered emergency items.

GM O'Reilly announced that the District Engineer had presented to him this afternoon a schedule for proceeding with repairs to the sewer system for damages incurred during the earthquake which includes a solicitation of bids to perform the work which need to be issued tomorrow to meet the deadlines for the grant funds being used.

After a request for public comment, there being none, upon motion of Director Mann, second by Vice President Bookout, and on unanimous voice vote (5 – 0) Sewer System – Earthquake Damage Repair and Replacement Program was added to the agenda for this evening. President Hill added it as Agenda Item 9b.

GM O'Reilly announced that Oceano Community Center, Inc. has entered into an agreement to sell the Oceano Community Center to the Lucia Mar Unified School District (LMUSD). The sale will be considered by the San Luis Obispo County Board of Supervisors on September 16, 2008. The District needs to approve the transfer of the existing ground lease for the property to LMUSD before then.

**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES**

WEDNESDAY

September 10, 2008

OCEANO

Directors Dahl and Dean recused themselves because they live within 500 feet of the Community Center.

After a request for public comment, there being none, upon motion of Director Mann, second by Vice President Bookout, and on unanimous voice vote (3 – 0 with two recused) Assignment of Lease for the Oceano Community Center was added to the agenda for this evening. President Hill added it as Agenda Item 10b.

4. Board Member Items/Discussion
Director Dean reminded the community that "Clean Up Week" runs from September 22nd to September 26th.

5. Award Presentations
None

6. Review and Approval of Minutes
a. August 13, 2008
President Hill pointed out that Fukuhara was mis-spelled on page 3 of the minutes. He also noted that Street Lighting should be included as one of the powers in paragraph 10b.

After a request for public comment, there being none, upon motion of Director Dean, second by Vice President Bookout, and on unanimous voice vote (4 – 0 with Director Mann abstaining) the Minutes of August 27th were approved as corrected.

7. Reports
a. Report of Fire Operations
Fire Captain Angello presented the report for August 2008 and for operations so far in September.

After a request for public comment, none being given, President Hill directed that the report be received and filed.

8. Fire Items
None

9. Utility Items
a. Cleaning and Inspection of District Sewer and Water Lines.
President Hill introduced this continuing item. During public comment, Mary Lucey, Oceano resident, asked for an explanation for why the Board was continuing to take this action.

After hearing public comment, upon motion by Director Dean, second by Director Mann, and on the following roll call vote, to wit:

**OCEANO COMMUNITY SERVICES DISTRICT
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AYES: Director Dean, Director Mann, Director Dahl, Vice President Bookout, President Hill

NOES: None

ABSENT: None

The Board approved the continuance of the declaration of emergency.

- b. Sewer System – Earthquake Damage Repair and Replacement Project
GM O'Reilly presented a staff report prepared by District Engineer Wallace providing the schedule for effecting repairs to earthquake damage. In order to meet the expiration dates for the grants received for this project, the first notice to bidders is scheduled for September 11, 2008.

After a request for public comment, none being made, upon motion by Vice President Bookout, second by Director Dean, and on the following roll call vote, to wit:

AYES: Vice President Bookout, Director Dean, Director Dahl, Director Mann, President Hill

NOES: None

ABSENT: None

The Board directed the General Manager to authorize the District Engineer (Wallace Group) to solicit bids for the CDBG and DRI Grant funded project repairing earthquake damage to the OCSD Sewer System.

10. Administrative Items

a. Committee Assignments

President Hill passed out proposed committee assignments which are attached to these minutes. He then discussed his interpretation of the revised rules of order and read an email received from GM O'Reilly discussing the desires of the other members of the Board concerning committee assignments.

Director Dahl moved to table this item for further review by the Ad Hoc Committee. There was discussion among the Board about the proposed assignments.

Legal Counsel Fothergill stated that Board would be in violation of the resolution passing the new Rules of Order but that there were no practical ramifications of being in violation of the resolution.

During public comment, Mary Lucey, Oceano resident, made several remarks.

**OCEANO COMMUNITY SERVICES DISTRICT
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President Hill announced that this item would be held over for consideration later on during the meeting.

- b. Assignment of Lease for Oceano Community Center
Directors Dahl and Dean recused themselves and left the room because they own property close to the Community Center.

GM O'Reilly presented a document to assign the land lease for the Oceano Community Center from Oceano Community Center, Inc. to the Lucia Mar School District to support the sale of the center to the school district.

Legal Counsel Fothergill distributed a copy of an amendment to the original lease agreement dated November 2005.

Mary Lucey, Oceano resident, made several comments concerning funding for the center.

After hearing public comment, upon motion by Director Mann, second by Vice President Bookout, and on the following roll call vote, to wit:

AYES: Director Mann, Vice President Bookout, President Hill

NOES: None

ABSENT: None

RECUSED: Director Dahl, Director Dean

The Board approved the Long Term Property Lease Assignment, Transfer, and Consent Agreement and Authorized the President of the Board to Sign the Agreement.

Directors Dahl and Dean resumed their positions on the dais.

President Hill announced a ten minute break at 7:41pm. Just prior to the break, Fire Captain Angello displayed a new medical jacket recently purchased for our firefighters.

The meeting reconvened at 7:51.

10. Administrative Items

a. Committee Assignments

There was further discussion among the Directors concerning the proposed committee assignments.

During public comment, Mary Lucey, Oceano resident, made several comments concerning committee assignments.

After hearing public comment, upon motion by Director Dahl, second by Director Dean, and on the following roll call vote, to wit:

OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES

WEDNESDAY

September 10, 2008

OCEANO

AYES: Director Dahl, Director Dean, Vice President Bookout

NOES: Director Mann

ABSTAIN: President Hill

ABSENT: None

The Board referred the issue of committee assignments back to the Ad Hoc Committee for further consideration/

12. Reports of District Representatives

- a. PRESIDENT JIM HILL reported on the SSLOCSD meeting of 9/3/08 and on the Fire Committee meeting of 9/9/08.
- b. VICE PRESIDENT BILL BOOKOUT had no reports.
- c. DIRECTOR VERN DAHL reported on a meeting of the Halcyon Advisory Committee that he attended on 9/9/08.
- d. DIRECTOR PAMELA DEAN had no reports.
- e. DIRECTOR BARBARA MANN had no reports.

13. General Manager Items/ Discussion

The GM announced that due to conflicts in their workload, the DMV will start conducting the monthly license testing on the 2nd Tuesday of the month instead of the 2nd Wednesday of the month beginning in November. The GM announced that the consultant hired to prepare the District financial records for financial audit for the fiscal year ending 6/30/07 has finished his preparations and the auditors are coming on October 1st to review the records again. There was no public comment.

14. Board Member Items/ Discussion

None

15. Consideration of Warrants

President Hill presented the warrants for consideration.

GM O'Reilly announced that two checks had been included on the disbursement register for Dispatch Services from the City of Grover Beach and that Check number 048154 was cancelled.

Thereafter, after a request for public comment, (none being given), upon motion by Director Mann, second by Director Dahl, the Board approved the warrants by unanimous voice vote (5-0).

16. Public Comment

None

OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES

WEDNESDAY

September 10, 2008

OCEANO

17. Written Communication

GM O'Reilly presented a letter from the Oceano Improvement Association dated September 8, 2008 announcing a Candidates Night Forum Thursday, October 9, 2008 at 6:30 pm in the OCSD Board Room. The forum is for candidates for the OCSD Board and will be moderated by Arroyo Grande Mayor Tony Ferrara.

11. Adjourn to Executive Session

CLOSED SESSION – A closed session pursuant to Government Code Section 54957.6 to meet and confer with District's designated representative regarding compensation paid to its represented employees was cancelled.

The Board adjourned to Closed Session at 8:17 pm.

CLOSED SESSION – A closed session pursuant to Government Code Section 54956.8 was conducted to meet with agency's negotiator concerning property negotiations and the grant authority regarding terms. The property involved is an interest in the District's water entitlements. The person or persons with whom the agency negotiator may negotiate is the authorized agent for the City of Arroyo Grande.

The Board returned to open session at 9:33 pm.

District Legal Counsel Fothergill reported that Board instructed the General Manager to negotiate with the authorized agent for the City of Arroyo Grande.

The meeting was adjourned by President Hill at 9:34 pm.

Patrick O'Reilly, Secretary to the Board



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 24, 2008

TO: Patrick J. O'Reilly, General Manager
FROM: Philip T. Davis, Utility Operations Supervisor
SUBJECT: REPORT FOR THE MONTH OF AUGUST, 2008

We received 1 call for a possible sewer system failure during the month of August. However when we responded to the location, the resident refused to allow us to enter his property. After a considerable amount of discussion he finally stated that he was cleaning a pond in his back yard and that it was a bit odoriferous.

There were no leaks in the water system reported during the month. The crew replaced the old 3 inch water service for the Fair Grove School and spent considerable time cleaning and painting the exposed pipe manifold at wells 7 and 8.

August was a big month for collecting water samples. In addition to the regular weekly and monthly water system samples, we had to collect 20 additional samples for lead and copper analyses. There were some large tree branches (about half a tree) that fell and blocked the driveway to the well 8 yard and the back entrance to the Sheriff's station. We had an alternate worker on duty that day and he assisted us with cutting and loading the branches so that we could haul them to the landfill.

Other jobs completed during the month were routine meter service orders, vehicle repair, cleaning off some graffiti and picking up some trash that had been dumped on South 4th Street.

During the month, we loaded a truck with approximately 12 ton of accumulated broken pavement and concrete and, had it hauled out to Gator Crushing. We also had 4.5 ton of hot asphalt delivered so we could repair the areas where we had dug in the streets to make necessary water line repairs. The Crew also test ran the Waukesha booster pump and the Rolls Royce generator,

In addition, we prepared 2 fee letters, updated 2 will-serve letters, and completed the Monthly Report to the State Department of Health Services and San Luis Obispo County.

Patrick J. O'Reilly
August 24, 2008
Page 2.

The District produced 90.94 acre feet of water during August, 2008. This was calculated as 20 acre feet of State Project water, 40.07 acre feet of Lopez project water and we pumped 26.8 acre feet of ground water. The total amount of water produced in August, 2008 was 5 % less than was produced in July 2008 but it was 0.7 % more that was produced in August 2007.



Oceano Community Services District

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

(805) 481-6780

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September 24, 2008

TO: Board of Directors, OCSD

FROM: Patrick J. O'Reilly, General Manager *PJO*

SUBJECT: DISTRICT POWERS

1. Existing active District powers were confirmed by LAFCO Resolution 2006-03 (Attachment 1). Attachment 2 was considered by LAFCO when adopting Resolution 2006-03.

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second, and roll call vote, determine if there is a desire to change the active District powers.

Agenda Item 09 24 2008 9.b.

Patrick O'Reilly

From: Paul Hood [phood@slolafco.com]
Sent: Tuesday, August 26, 2008 4:31 PM
To: Patrick O'Reilly
Cc: 'David Church'
Subject: OCSD Active Powers

Hi Patrick:

There seems to be some confusion regarding the Oceano Community Services District's active powers. When SB 135 passed in 2005, LAFCO conducted a survey of all of San Luis Obispo County's CSD to determine which powers were actively being provided. The letter to OCSD dated December 7, 2005, included Graffiti Abatement, Police Protection and Transportation, as well as Water, Wastewater, Parks and Recreation, Fire Protection, Solid Waste and Street Lights as services that had been previously provided. Then District Manager Mitch Cooney, informed us on January 9, 2006, that Graffiti Abatement, Police Protection and Transportation were no longer active powers. On January 19, 2006, LAFCO adopted Resolution 2006-03 (attached) documenting the active powers of all CSD's in SLO County.

I know you have an item on your agenda tomorrow evening, so I wanted to clarify this matter.

Please let me know if you have any questions.

Paul L. Hood
Executive Officer
SLO LAFCO
(805) 781-5795

No virus found in this incoming message.

Checked by AVG.

Version: 7.5.524 / Virus Database: 270.6.9/1635 - Release Date: 8/26/2008 7:29 AM

DIVEST SELF OF POWER APPLICATION

Recording Requested by and mail to:

Executive Officer
Local Agency Formation Commission
1042 Pacific Street, Suite A
San Luis Obispo, CA 93401

DOC#: 2006019108



Titles:	1	Pages:	5
Fees			0.00
Taxes			0.00
Others			0.00
PAID			\$0.00

CERTIFICATE OF COMPLETION

Pursuant to Government Code Section 57200, this Certificate is hereby issued by the Executive Officer of the Local Agency Formation Commission of San Luis Obispo County, California.

1. Short-form designation by LAFCO is Resolution Recognizing Active Powers for the County's Community Services Districts
2. The name of each district or city involved in this change of organization or reorganization and the kind or type of change of organization ordered for each city or district are as follows.

City or District

Type of Change or Organization

San Luis Obispo County

Change in the process of
Activating Latent Powers

1. Senate Bill 135 changes the process of activating latent powers by streamlining the process by deleting the requirement to obtain voter approval of District residents before activating a latent power.
2. The territory involved in this change of organization or reorganization is inhabited.
3. This change of organization or reorganization has been approved subject to the following terms and conditions, if any: none
4. The date of adoption of the Resolution ordering this process for activating a latent power without election, was January 19, 2006.

I hereby certify that I have examined the above cited ordinance or resolution for a change the process for activating a latent power and have found this document to be in compliance with Resolution No. 2006-03 approving said change of organization or reorganization and adopted by the Local Agency Formation Commission of the County of San Luis Obispo on January 19, 2006.

Dated: 3/2/06

Paul L. Hood
Executive Officer

IN THE LOCAL AGENCY FORMATION COMMISSION
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Thursday, January 19, 2006

PRESENT: Commissioners Shirley Bianchi, David Brooks, Duane Picanco, Richard Roberts, Vice Chairperson Katcho Achadjian, Chairperson Barbara Mann, Alternate Commissioners, James R. Patterson, and Allen Settle

ABSENT: Commissioner Wendy Scalise, and Alternate Commissioner Tom Murray

RESOLUTION NO. 2006-03

RESOLUTION RECOGNIZING ACTIVE POWERS FOR THE COUNTY'S
COMMUNITY SERVICES DISTRICTS

The following resolution is now offered and read:

WHEREAS, Senate Bill 135 changes the process of activating latent powers by streamlining the process by deleting the requirement to obtain voter approval of District residents before activating a latent power; and

WHEREAS, instead, only LAFCO approval is required to exercise a latent power. To clearly document which powers are currently being exercised by a District as of January 1, 2006, active powers are required to be recognized by LAFCO; and

WHEREAS, the Executive Officer has given the notices required by law and forwarded copies of his report to officers, persons and public agencies prescribed by law; and

WHEREAS, the matter was set for public hearing at 9:00 a.m. on January 19, 2006, and the public hearing was duly conducted and determined and a decision was made on January 19, 2006; and

WHEREAS, at said hearing this Commission heard and received all oral and written protests, objections and evidence, which were made, presented or filed, and all persons present were given the opportunity to hear and be heard in respect to any matter relating to said proposal and report; and

WHEREAS, the Commission has considered Senate Bill 135, the determinations set forth in the Executive Officer's report dated January 19, 2006 said determinations being incorporated by reference herein as though set forth in full,

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Local Agency Formation Commission of the County of San Luis Obispo, State of California, as follows:

1. That the recitals set forth hereinabove are true, correct, and valid.
2. That the Executive Officer of this Commission is authorized and directed to mail copies of this resolution in the manner provided by law.
3. That the list of active powers, attached to this document as Exhibit A, for the Community Services Districts within San Luis Obispo County be approved.

Upon a motion of Commissioner Richard Roberts, seconded by Commissioner Duane Picanco, and on the following unanimous voice vote:

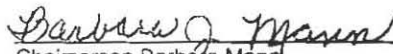
AYES: Commissioner Richard Roberts, Commissioner Duane Picanco Vice Chair Kalcho Achadjian, Commissioners Shirley Bianchi, David Brooks, Allen Settle, and Chair Barbara Mann

NAYS: None

ABSENT: Commissioner Wendy Scalise and Alternate Commissioner Tom Murray

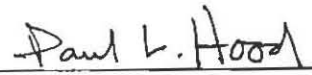
ABSTAINING: None

The foregoing resolution is hereby adopted unanimously.




Chairperson Barbara Mann
Local Agency Formation Commission

ATTEST:



Paul L. Hood
Executive Officer

APPROVED AS TO FORM AND LEGAL EFFECT:

By: 

Raymond A. Biering
LAFCO Legal Counsel

SAN LUIS OBISPO COUNTY LAFCO

COMMUNITY SERVICES DISTRICTS-ACTIVE POWERS

(Established under Government Code Sections 61000-61934)

A Community Services District (CSD) may be formed to provide a variety of services. The following is the inventory of active powers being provided by the CSD's in San Luis Obispo County. This inventory of active powers was gathered pursuant to the Cortese-Knox-Hertzberg Act and the revised principal act governing CSDs.

AVILA BEACH	Water, Sewer, Street Lighting, Fire Protection
CALIFORNIA VALLEY	Solid Waste, Road Maintenance, Fire Protection
CAMBRIA	Water, Sewer, Solid Waste, Fire Protection, Street Lighting, Parks & Recreation, Transit, Veterans Memorial Administration
CRESTON HILLS RANCH	Road Maintenance
GROUND SQUIRREL HOLLOW	Road Maintenance
HERITAGE RANCH	Water, Sewer, Solid Waste, Parks & Recreation, Gas Station Operation
INDEPENDENCE RANCH	Road Maintenance
LINNE	Road Maintenance
LOS OSOS	Water, Sewer, Street Lighting, Fire Protection, Storm Drainage, Parks & Recreation, Solid Waste
NIPOMO	Water, Sewer, Street Lighting, Drainage, Landscape Maintenance, Solid Waste
OCEANO	Water, Sewer, Parks & Recreation, Fire Protection, Solid Waste, Street Lighting
SAN MIGUEL	Water, Sewer, Street Lighting, Fire Protection, Solid Waste
SAN SIMEON	Road Maintenance, Water, Sewer
SQUIRE CANYON	Road Maintenance, Drainage
TEMPLETON	Water, Sewer, Drainage, Fire Protection, Solid Waste, Parks & Recreation, Street Lighting

STATE OF CALIFORNIA

)

) ss.

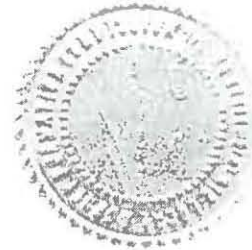
COUNTY OF SAN LUIS OBISPO

)

I, Paul L. Hood, Executive Officer of the Local Agency Formation Commission of County and State, do hereby certify the foregoing to be a full and correct copy of the original on file in my office, and that I have carefully compared the same with the original.

WITNESS my hand this 2ND day of MARCH, 2006

Paul L. Hood
Paul L. Hood
Executive Officer



100-170

MAR 23 2006

100-170

CHAPTER 5 – OCEANO COMMUNITY SERVICES DISTRICT



Oceano is a small coastal agricultural community surrounded by farm fields, the dunes of the south county, and the Pacific Ocean. It is home to many who work the farms and local businesses. Oceanside residences enjoy the beach and vista. Pier Avenue is a vehicular entrance to the dunes in the south. Highway One passes through the small downtown before heading towards the Mesa and into Guadalupe. Oceano packing plants ship most of the Arroyo Grande Valley's produce to markets across America and the world. A small county airport within walking distance of the beach provides tourist, business and recreational visitors access from the air.

The community formed the Oceano Beach Improvement Association in the early 1950's, and in 1972, the majority of residents voted to incorporate. Legal negotiations with the State and County agencies found that Oceano did not have enough of a tax base to incorporate and the application was denied in September 1974. The Oceano Community Services District (OCSD) was formed following a reorganization approved by the voters in November 1980. This reorganization dissolved County Service Area 13, Oceano Lighting District-CSA 13A, Oceano Beach Lighting District, Oceano Sanitary District, and Oceano Fire Protection District. The OCSD now serves approximately 7,200 residents compared to an estimated 4,551 in 1980. The OCSD provides the following services for the residents of Oceano:

- ❖ Water service;
- ❖ Street lighting;
- ❖ Sewage collection;
- ❖ Refuse and Garbage Collection
- ❖ Fire protection and basic life support services; and
- ❖ Parks and recreation services.

The Community of Halcyon receives only fire and basic life support response services from the OCSD. As an unincorporated community, the County maintains and constructs

roads, is responsible for drainage improvements, provides for land use planning and general government services.

The District contracts with PG&E to provide for the operation and maintenance of 201 existing streetlights in Oceano. Also, the District worked with PG&E to implement the under-grounding project along Front Street. The work was completed by PG&E through a contractual agreement. It was paid for from property taxes charged to property owners within the District.

The Parks and Recreation budget unit provides for maintenance and upkeep of the "Tot Lot" which was constructed on the recreation property at 19th and Wilmar.

In April 2002, the County of San Luis Obispo adopted the Oceano Specific Plan in order to plan for future development of the town consistent with the values and expectations of the residents. The Specific Plan and Environmental Impact Report provide a sound database for preparing this Service Review. In addition, the OCSD provided a broad range of information that provides the basis for the analysis contained in this document, including:

- ❖ Water Master Plans, 1982 and 1991 (to be updated in the coming year)
- ❖ Census Data
- ❖ Rates and Fees Schedules
- ❖ Budgets for Fiscal Years 2000-01, 2001-02, and 2002-03
- ❖ Investment Policies
- ❖ Standards and Specification Drawings

The OCSD website was also used to gather information for this report. The map on the next page shows the Oceano Community Services District boundary. The previous comprehensive Sphere of Influence Study for the Oceano Community Services District was completed in 1983 and since that time the following action was considered by LAFCO.

Table 1 - Annexation Proposals Since 1983

ANNEXATIONS TO THE OCEANO CSD - 1983 TO PRESENT			
DATE	FILE NO.	PROPOSAL	ACERAGE
10-1-98	1-E-98	Activation of latent powers – collection/disposal of garbage for the Oceano CSD.	Entire district- Excluding Halcyon

The boundaries of the OCSD have not been changed since they were established in 1980. The District continues to include approximately 1.7 square miles of land. The Cities of Grover Beach and Arroyo Grande are to the north, the Pacific Ocean is to the west and unincorporated county agricultural areas are to the south and east.

Figure 1 on the next page shows the existing service area and adopted Sphere of Influence for the District. Figure 2 is a map submitted to LAFCO by a District Board Member for consideration. This map shows the "automatic aid" areas as an expanded Sphere of Influence that might be considered and proposes to include: 1) the agricultural areas to the south in the Cienega Valley, 2) a residential single-family development to the southeast up on the bluffs, 3) the Oceano Dunes State Beach and dunes to the south, and 4) three Mobile Home Parks adjacent to Halcyon Road in the City of Arroyo Grande's existing SOI and a triangular shaped 1.69 acre parcel (Coker-Ellsworth) adjacent to the northeast corner of the District.

Figure 1-Sphere of Influence
Oceano Community Services District

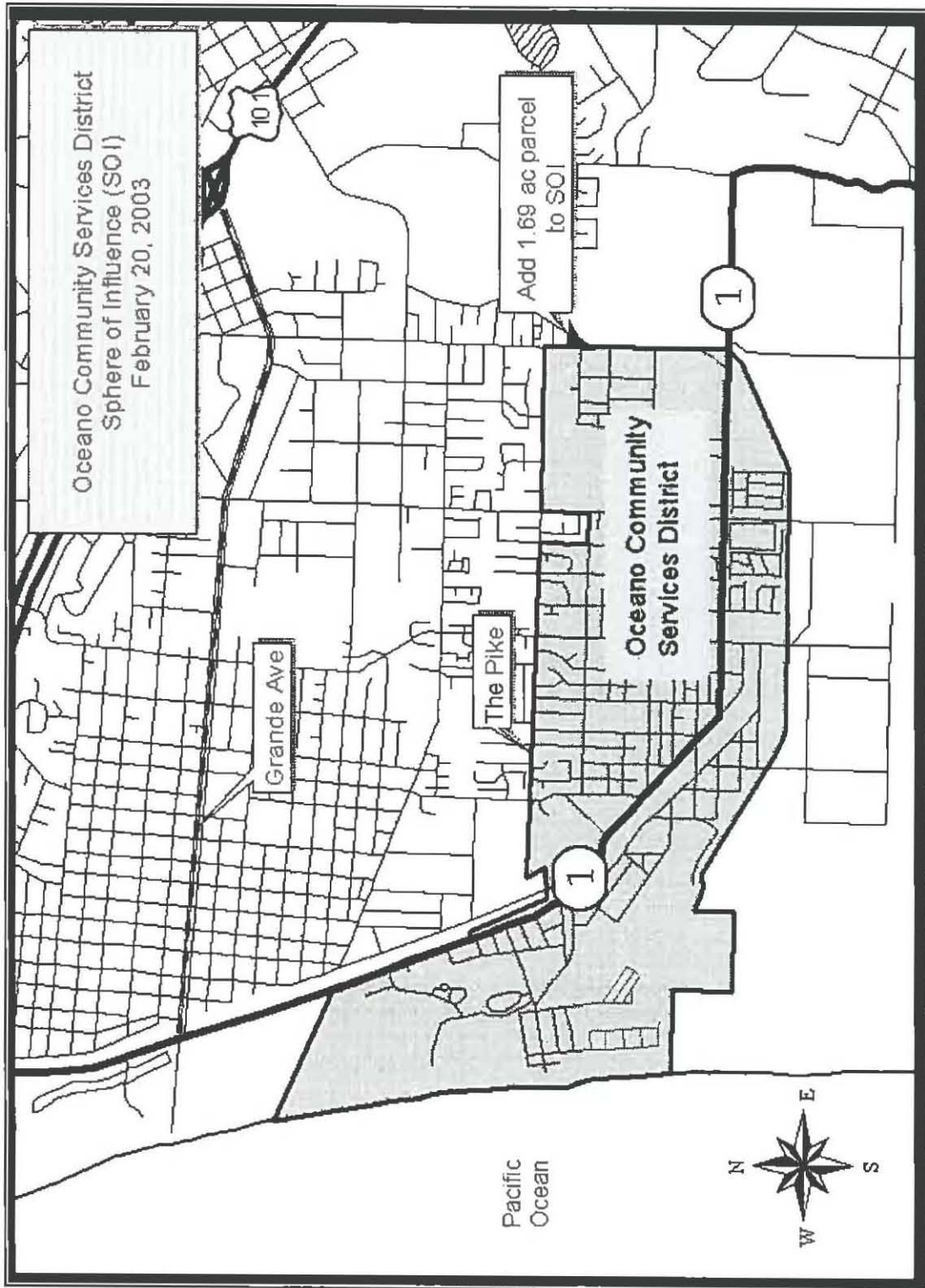
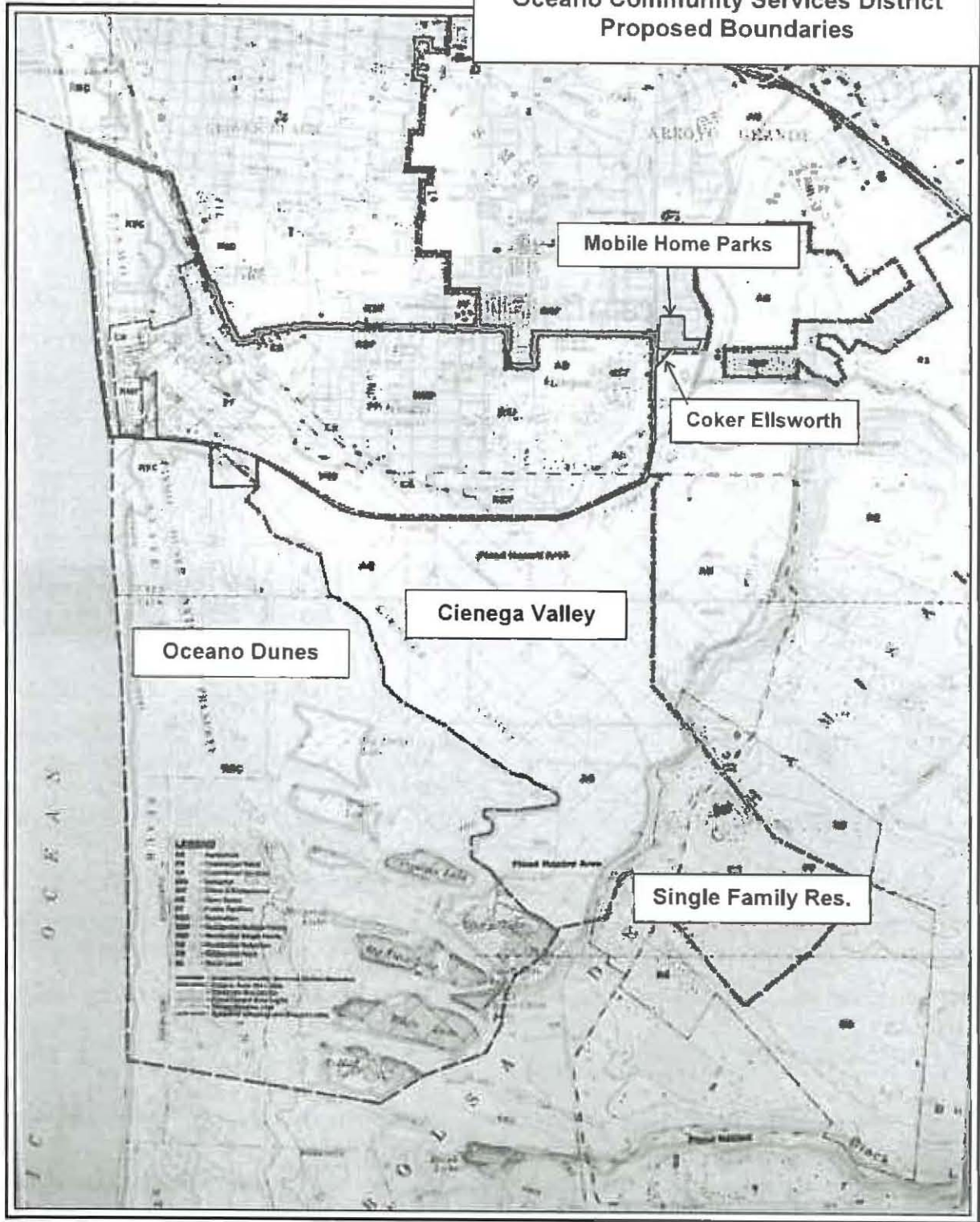


Figure 2
Oceano Community Services District
Proposed Boundaries



1. INFRASTRUCTURE NEEDS AND DEFICIENCIES

Purpose: To evaluate the infrastructure needs and deficiencies of a jurisdiction in terms of capacity, condition of facility, service quality and levels of services.

LAFCO is responsible for determining that an agency requesting SOI amendments is reasonably capable of providing needed resources and basic infrastructure to serve areas within the District and in the Sphere of Influence. It is important that such findings of infrastructure and resource availability occur when revisions to the SOI and annexations occur. In the case of this SOI Update, it is especially prudent for LAFCO to evaluate the present and long-term infrastructure demands and resource availability of the community. LAFCO accomplishes this by evaluating; 1) the resources and services that are available, and 2) the ability of the jurisdiction to provide such resources and services in line with increasing demands.

This section evaluates the District's capabilities with regard to the provision of water, wastewater collection and fire protection. The roads are maintained by the County of San Luis Obispo Public Works Department and law enforcement services by the County Sheriff. The South San Luis Obispo County Sanitation District is responsible for providing sewage treatment services and effluent and biosolids disposal services for Oceano.

The most important infrastructure needs are the provision of water and wastewater services. Beyond these basic services, fire protection and basic life support services are considered high priority needs for future growth of the District.

The Oceano CSD provides a variety of services to its residents including water, sewer, and fire protection. These services are discussed in greater detail in this section.

WATER

The OCSD provides water services for the community of Oceano and only fire suppression services for the Halcyon area. There are three major water sources in the area: the Tri-Cities Mesa-Arroyo Grande Plain (TCM-AGP) sub-basin of the Santa Maria Groundwater Basin, the State Water Project, and Lopez Reservoir. This sub-basin is shared with Pismo Beach, Grover Beach and Arroyo Grande. Water from this source is used mainly for irrigation of agricultural fields, but also acts as a secondary source of domestic water. The OCSD maintains four active wells and one standby well to extract water from the basin. (Oceano Specific Plan-Environmental Impact Report, 2001)

Lopez Reservoir provides recreation, flood control and groundwater recharge to the Arroyo Grande Basin. Water is extracted for use in Arroyo Grande, Pismo Beach, Grover Beach, Oceano, Avila Beach and Port San Luis. Acre-foot entitlements are listed below.

Table 2 Lopez Reservoir Water Entitlements

The District receives its water supply from surface and groundwater sources as well as a State Water Allocation. Groundwater extractions are derived from four wells in the Arroyo Grande basin. Surface water is obtained from Lopez Reservoir project, which was constructed in the late 1960's and is currently undergoing earthquake retrofitting. The District entered into an agreement with the County of San Luis

Contractor	Water Entitlement (acre feet)
City of Pismo Beach	896
Oceano CSD	303
City of Grover Beach	800
City of Arroyo Grande	2,290
CSA 12	241
Total	4,530
Downstream Releases	4,200
Lopez Safe Yield	8,730

Obispo to receive a yearly allocation of 303 acre feet of water from the Lopez Reservoir project. During past years when Lopez Reservoir had a surplus of water, the surplus was offered to the Contractors based upon the percentage of their allocation.

The County produces an Annual Resources Summary Report that summarizes the resource situation (including water) of Oceano and other unincorporated areas of the County. The following is taken directly from the 2001 Report approved by the County Board of Supervisors:

Water service in Oceano is provided by the Oceano Community Services District. As a member of the South San Luis Obispo County Water Association, the CSD is a party to the voluntary agreement by which the groundwater from Tri-Mesa area is shared with the cities of Arroyo Grande, Grover Beach and Pismo Beach, as well as with agriculture interests. The Oceano CSD share is 900 acre feet per year (AFY). The CSD also contracts with the San Luis Obispo County Flood Control District Three for water from Lopez Reservoir. The district's entitlement to Lopez water is 303 AFY, plus its proportional amount of any surplus from the prior year. Since 1992, water production has increase from 73% to about 77% of the district's total supply of 1,203. The Oceano CSD has contracted for 750 AFY from the State Water Project. (Annual Resource Summary Report, County of San Luis Obispo 2001)

Recommended Level of Severity: None

The level of severity for the water delivery system is zero, which means the system is operating well within its design capacity and will likely continue to do so for over seven years to come. The water system consists of pumps, mains and storage facilities. In general terms, this an indicator that the system is in good operating condition.

Groundwater. Four urban agencies extract water from the Tri-Cities Mesa-Arroyo Grande Plain Mesa (TCM-AGP) sub-basin of the Santa Maria Groundwater Basin. These agencies include the City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, and Oceano Community Services District. The Basin also provides water for agricultural users in the area and some of the water flows underground to the Pacific Ocean. In 1983, the above-mentioned agencies entered into an informal agreement that allocated a portion of the TCM-AGP sub-basin water to each jurisdiction. Each entity was allocated a yearly basin extraction based on the 1979 Groundwater Study performed by the Department of Water Resources and groundwater use prior to the Lopez Reservoir project. The Oceano CSD is allocated up to 900 acre-feet per year. (OCSD Water Master Plan, July 13, 1991)

The following is a summary of the water supply availability for the Oceano CSD from 1975 to 1995 identified in their Water Master Plan:

Table 3: Oceano Community Services District – Past Available Water Supply ¹⁾

Sources of Supply	1980	1985	1990	1995
Groundwater- Tri-Cities Mesa-Arroyo Grande Plain Mesa Sub-Basins	900	900	900	900 ²⁾
Lopez Reservoir	303	303	303	303
State Water Allocation				750 ³⁾
Total Available (AFY)	1203	1203	1203	1953

1) Water Master Plan, 1991. Oceano CSD

2) Annual Resource Summary Report, Resource Management System, 2001

3) 525 acre feet of the allocation are available to the District

With regard to future water supplies, the Master Plan conservatively estimates future supplies because of the uncertainty of the Lopez Water surplus from year to year. Also, the fact that the present pipeline system is only capable of delivering approximately 70% of the State Water reduces the allocation from 750 AF to 525 AF. Potential groundwater quality problems may also compromise the TCM-AGP sub-basin source sometime in the future. The table below shows projected water supply for the District:

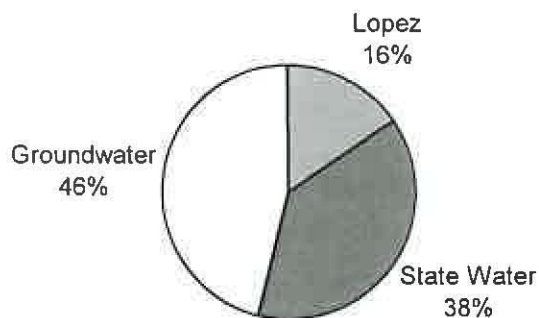
**Table 4: Oceano Community Services District
Future Available Water Supply**

Sources of Supply	Projected Water Available
Groundwater- Tri-Cities Mesa-Arroyo Grande Plain Mesa Sub-Basin	900
Lopez Reservoir	303
Surplus Lopez Water	variable
State Water Allocation	750 ²⁾
Total Supply	1,953
Pipeline Capacity Constraint	1,728

1) City of Arroyo Grande Water System Master Plan, 1999

2) Only 525 acre feet of the 750 acre feet allocated is available due to pipeline capacity constraints

Oceano CSD Future Water Supply



Future water supplies were analyzed as part of the 1991 Water Master Plan and included several potential sources; the State Water Project, Seawater Desalinization, Wastewater Reclamation, Water Fixture Retrofit, Groundwater Management, and the Nacimiento Project. The District does have a share of State Water, 750 acre-feet, which has yet to be fully utilized. Seawater Desalinization remains a potential source in the future; however high costs of developing that supply make it infeasible at this point in time.

Cost studies for wastewater reclamation have been completed, showing this option is not yet cost effective. This may change in the future as demand increases and other sources of water become scarce. The District is not a contractor for the Nacimiento Water project at this time.

Water Demand. Information regarding water use and demand comes from three sources; Department of Water Resources annual reports, the OCSD Water Master Plan, and the Oceano Specific Plan and associated EIR. The total amount of water used in Oceano in the year 2001 was 899 acre feet. The estimated demand for the District at build-out under the Specific Plan adopted in 2001 is estimated to be 1,175

acre-feet. This number is derived from the 899 acre feet used in 2001 by existing users, plus the total future demand anticipated at buildout and shown in the table below.

EIR Information/Documentation. The following information is taken directly from the Final Integrated Program Environmental Impact Report for the County's Oceano Specific Plan and provides information about the future water demand for Oceano:

Future demand associated with the build-out of the Specific Plan would require utilization of Oceano's rights to groundwater supplies in the Arroyo Grande Basin. A DWR report has recently been drafted which attempts to assess current and future ground water levels and recharge in this basin; however, the hydrologic conditions are still not well understood. Although it is likely that approximately 100 acre feet would be available for use by Oceano, mitigation is incorporated into the project to ensure compliance with CEQA Guidelines. Impacts are significant, but mitigable (Class II).

Mitigation

The County will implement the following as Oceano approaches the limits of their water supply:

- ❖ Immediate. The County will institute water-conservation programs, including voluntary retrofit of older buildings over time, and incorporation of water-saving fixtures into all new development.
- ❖ Interim. The County will develop a drought contingency plan for Oceano once it becomes reliant on its Arroyo Grande Supply (Tri-Cities Mesa-Arroyo Grande Plain Subbasin).
- ❖ Long-term. Investigate new sources of water before consumption reaches 75% of the total supply.

It should be noted that in discussions with the OCSD staff the above mitigation measures are perceived as unrealistic. To date, the County has not implemented any of these measures. It appears that the County needs to work closely with the CSD to implement these water conservation measures, since the District is responsible for providing water services to the residents of Oceano.

Department of Water Resources Data. The OCSD provides annual water usage reports to the State Department of Water Resources. These reports, from 1994 through 2000, show the number of connections served by the District, the total amount of water

pumped into the distribution system and the amount of water delivered to the various types of users. The following tables and charts summarize this information:

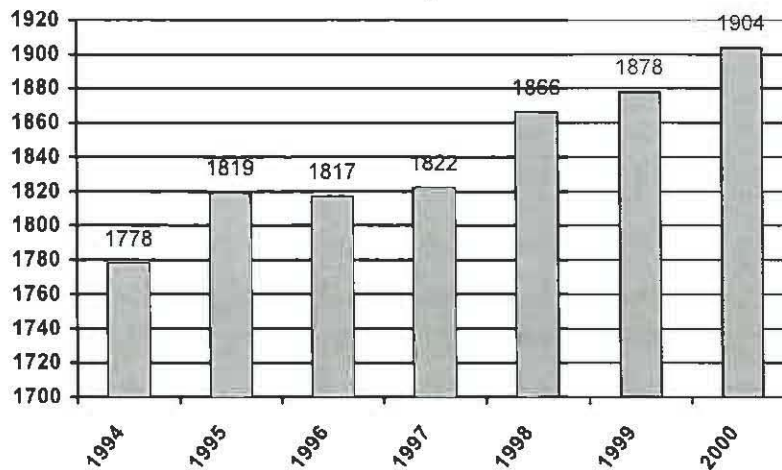
Table 5: Oceano Community Services District - Water Information

User Type	1994	1995	1996	1997	1998	1999	2000
Single Family Res.	1,660	1,510	1,523	1,521	1,544	1,558	1,574
Multi-Family	0	183	179	185	187	189	192
Commercial/Intuitional	73	72	71	72	74	72	74
Industrial	6	6	6	6	6	6	6
Landscape Irrigation		22	24	22	25	29	32
Other	39	26	14	16	30	24	26
Total Connections	1,778	1,819	1,817	1,822	1,866	1,878	1,904
% Increase/(Decrease)	--	2.3%	-1%	1%	2.4%	1%	1.3%
Oceano - Water Statistics							
Population Served	6,605	6,714	6,823	6,932	7,041	7,150	7,260
Persons/connection	3.7	3.69	3.76	3.80	3.77	3.80	3.81
Total Water Used-Acre feet	884	851	863	919	858	895	982
Acre Feet/Person/year	.134	.127	.126	.133	.122	.125	.135
Gallons/person/day	120	113	113	119	109	112	121

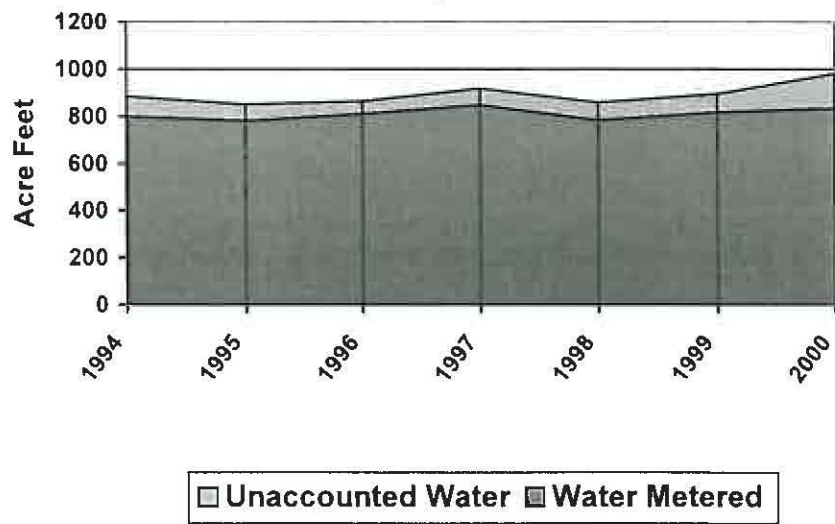
Source: Department of Water Resources - Annual Reports
US Census, 1990 and 2000. Yearly Population estimate: total 10 year growth/10 years

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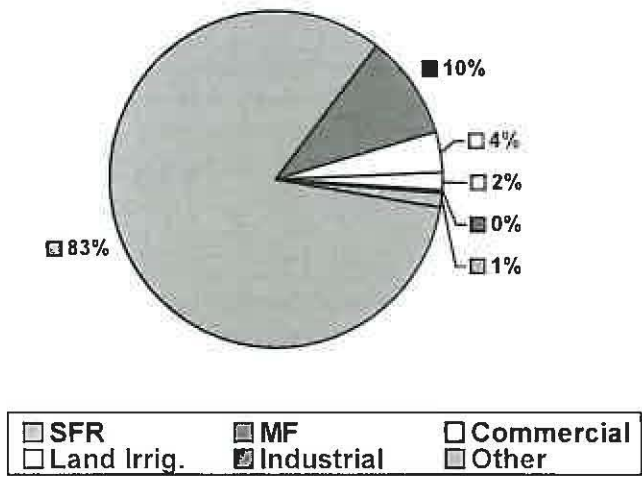
**Figure 3 Total Connections 1994-2000
Oceano Community Services District**



**Figure 4 Total Water Metered and Unaccounted Water
Oceano Community Services District**



**Figure 5 Breakdown of Connections - 2000
Oceano Community Services District**



**Figure 6: Breakdown of Water Use - 2000
Oceano Community Services District**

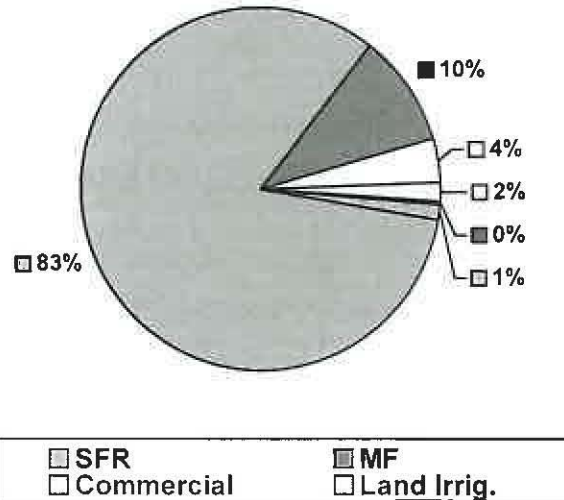
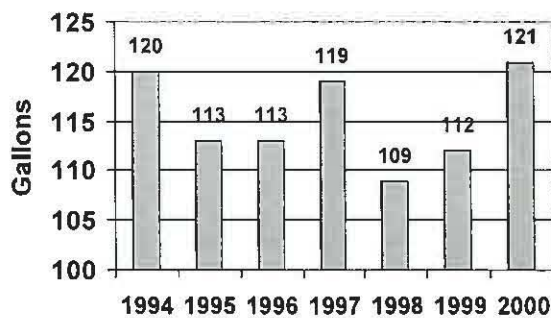


Figure 1-Water Users

**Figure 7: Gallons/Person/Day
Oceano Community Services District**



Water Supply and Demand

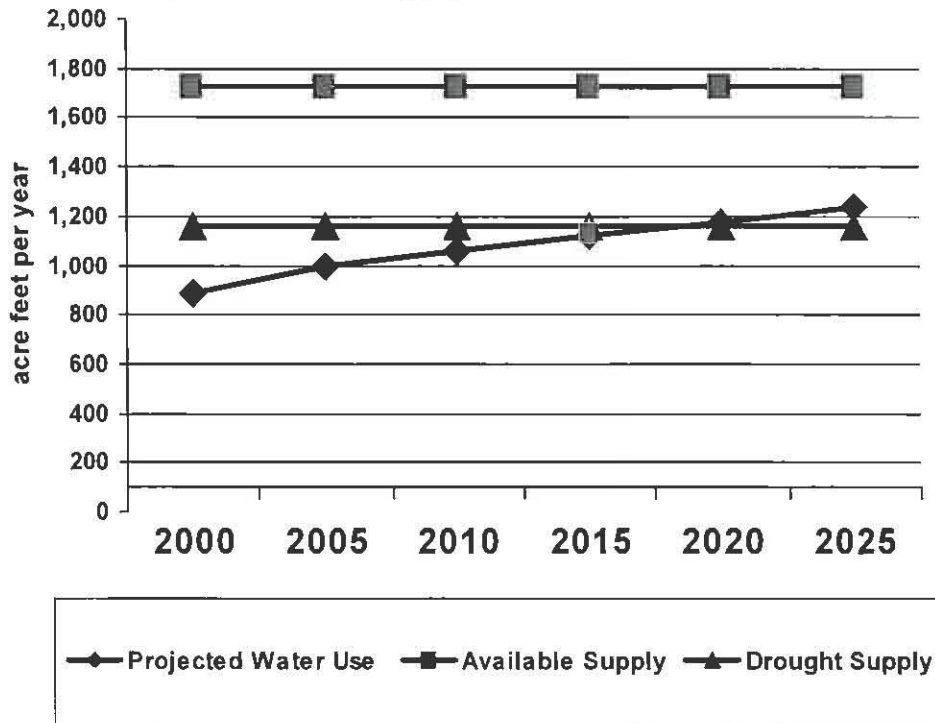
The average amount of water used per person for the District from 1994 to 2000 is .129 acre-feet per year. This equates to 42,007 gallons each year or 115 gallons per day. The following table uses the .129 acre feet per person to project water use over the next 20 years:

Table 6: Projected Water Demand - Based on Per Capita Use

	2000	2005	2010	2015	2020	2025
Projected Population	7,260 (actual)	7,728	8,196	8,664	9,132	9,601
Water Use (Actual)	885					
Five Year Projected Population Increase		468	468	468	468	467
Per Person Water Use		.129	.129	.129	.129	.129
AF Increase per five years		60 af	60 af	60 af	60 af	60 af
Projected Use AFY		996	1,057	1,118	1,178	1,239
Future Available Water Supply	1,953	1,953	1,953	1,953	1,953	1,953
Pipeline Constraint	1,728	1,728	1,728	1,728	1,728	1,728
Difference	1,068	957	896	835	775	714
Pipeline Constrained	843	732	671	610	550	489

The chart below shows the projected water use for the District through 2025 based on the average per capita demand using the actual total water used from 1994-2000 (.129 acre feet per person per year). The supply remains unchanged and does not account for any supplemental water sources or reduction in water sources. However, due to pipeline capacity, only 525 acre feet of the State Water allocation can be received by the District. On the demand side, no conservation measures have been incorporated into the model. On paper, the District has more than adequate water to serve its customers through 2025. The District is trying to sell part of the State Water allocation since it is expensive and represents a drain on the District's finances. The District is also in a position to help other jurisdictions if water is needed.

**Figure 8
Projected Water Supply & Demand Use - 2025**



Sources:

- 1) Department of Water Resources, Annual Reports
- 2) Water Master Plan, Oceano Community Services District
- 3) Drought projection assumes reduction in Lopez allocation by 100% and State Water allocation by 50%

Water Storage. The Water Storage system in Oceano is described in the 1991 Water Master Plan. The following is an excerpt from that plan describing the system. According to the OCSD, the system is in good condition and is maintained on a regular basis. The OCSD is developing a request for proposal to hire a consultant for updating their Water Master Plan. They expect to have an updated plan in the next year. Updated information per the OCSD staff for the excerpt below is shown in *(parentheses, bold and italics)*.

Oceano CSD Water Master Plan, 1991

OCSD is presently served by a diverse arrangement of water storage systems. There are two above ground steel water tanks, with capacities of one million and 300,000 gallons. Also, Lopez Lake provides storage available within the constraints of the flow allocations. Some wells are

supplied with (*natural gas engines*) emergency generators, which effectively utilizes the groundwater as a storage basin. In addition, there is an emergency intertie to the Grover City (*Beach*) water system should the need arise.

STORAGE ANALYSIS

There are three components commonly used to evaluate storage analysis. These are fire flow, emergency backup, and daily service.

Daily storage is necessary to attenuate the peak hourly demands and to allow the wells to operate during off peak hours when electrical charges are less. Water in the tanks must also be pumped to supply the users, but the total power requirements are less due to the lower total head. As noted in the 1982 Master Plan, daily service is commonly estimated at about one quarter of the maximum daily flow. On that basis, the current requirement is about 312,500 gallons.

Emergency storage is intended to provide for emergencies such as power outages, line breaks and similar problems. There is no industry standard for this value, however, several criteria have been used by various authorities. The concept is to provide adequate storage to last through an unplanned system failure and allow time for repairs without depleting fire reserves. Emergency storage is also needed for protection in the case of natural disaster such as earthquake.

The 1982 Water Master Plan estimated that three days is an appropriate period to consider for OCSD to be prepared to supply during an emergency. The three day criteria is deemed appropriate, but most current water planners accept that during emergencies, supply per capita may be reduced to minimum levels. Typically, on that basis an emergency storage would supply 50 gpcd. This amounts to approximately 40% of average daily use. Assuming a minimal need of 50 gpcd for three days, the recommended level of emergency storage for the current population is about 325,000 gallons.

The 1982 report considered groundwater supplies to account for needed storage, assuming diverse and reliable sources. In order for a groundwater well to qualify as a reliable emergency source, it must be supplied with emergency power backup. In recognition of this, OCSD included a power generator, an emergency generator with the installation of Well No.'s 7 (*well #7 is on standby*) and 8. Therefore, these wells are considered part of the essential water storage available to OCSD.

Well 5 also has an emergency generator (*a natural gas fuel source*), however because of quality and production problems it is considered

not to be a primary supply. *(These issues have been resolved by the District.)*

Fire storage is based on the recommended fire flow and the duration of that flow. The flow and duration requirements vary with the type of development.

The agencies which establish the relationships between land use and fire requirements include the Uniform Fire Code (UFC) and the Insurance Service Office (ISO). OCSD has adopted the 1985 edition of the UFC by resolution. The 1988 edition has more stringent fire requirements, but also allows greater flexibility to reduce the requirements when a building is sprinklered. The 1988 UFC was relied on in the preparation of this report and formal adoption of the 1988 edition by OCSD is recommended.

The services of ISO are advisory only and are used to establish insurance ratings for OCSD. Currently, OCSD has an ISO rating of 6 *(recently updated to a 5)*.

Both the UFC and the ISO standards provide a very wide range of fire requirements for some of the land uses allowed in Oceano. A fire requirement for an industrial use could vary from 1500 gpm for 2 hours to 12,000 gpm for 8 hours. It is not recommended for a water agency to provide fire flow and storage for the most hazardous of all possible allowed land uses. Instead, an agency should provide fire flow which is consistent with likely land users, and requires an unusual land use to provide its own additional storage and pumping capacity.

The fire requirements listed in this report are based on a review of likely land uses, the 1988 UFC and ISO requirements. Generally, these agree with the 1988 Water Plan update.

Fire storage is recommended to provide 3,500 gpm for four hours, or 840,000 gallons. It is recommended that this be available at all times in above ground storage.

The information in the Water Master Plan will be updated when the Water Master Plan is completed in the next year.

Water Distribution. A total of 13,631 feet of new water mains have been installed in the last 10 years and include the following:

- ❖ 220 feet of 4 inch PVC
- ❖ 2,973 feet of 6 inch PVC
- ❖ 7,217 feet of 8 inch PVC

- ❖ 2,050 feet of 12 inch PVC
- ❖ 995 feet of 10 inch PVC
- ❖ 80 feet of 10 inch DIP
- ❖ 96 feet of 8 inch DIP

These new water mains replace 586 feet of old 2 inch steel pipe, 2,832 feet of old 4 inch steel pipe, 395 feet of old 6 inch steel pipe and 1,600 feet of old 2 and 6 inch transit pipe. A total of 5,413 feet of old water mains have been replaced. Several old 4 inch standpipes were replaced and 27 new fire hydrants were installed during the past 10 years. Other improvements included upgrading the 1 million gallon water storage reservoir by replacing the floor and a protective coating on the outside and inside of the tank. Earthquake safe connections were installed on the 300,000 gallon water storage reservoir and a variable frequency drive was recently installed on the system's lead booster pump. It was recommended that 4,654 feet of new water mains be replaced in the beach area. According to OCSD staff, approximately 32% of the 1991 Master Plan line replacement recommendations in the beach area have been completed.

According to the OCSD, the water distribution system is in good condition and is maintained on a regular basis. A portion of the Lopez waterline was recently cleaned by using a piece of equipment called a "pig". "Pigging" is a common maintenance practice for pipelines. The Water Storage system in Oceano is described in the 1991 Water Master Plan. The following is an excerpt describing the system.

Oceano CSD Water Master Plan, 1991

OCSD's water distribution system includes almost 21 miles of pipeline, booster pumps, wells, valves and fire hydrants. The function of these facilities is to deliver water for customers and fire flow needs at adequate flow and pressure. This chapter evaluates the performance of the distribution system relative to the design standard.

DESIGN REQUIREMENTS

The design requirements for the water distribution system relate primarily to the flow and pressure delivered by the system. Ideally, normal operating (static) pressures will be within the range of 40 to 80 psi. This is the range which most people find comfortable. Higher pressures are acceptable

within the distribution system, but should be reduced to 80 psi at the service connection.

Flow requirements typically include fire flow, maximum daily, maximum hourly, and average daily flows. Average daily flow is known from the flow records, and "peaking factors" (PF) are applied to determine maximum hourly and maximum daily flow. OCSD keeps records of maximum daily flows, and from that, a PF of 1.75 times average is established. Maximum hourly flow is estimated at 3.5 times the average daily flow.

Fire flow is based on land use. In Oceano, recommended fire flow varies from 1,500 to 3,500 gpm. Fire flow should be supplied concurrently with maximum daily flow and with a minimum residual pressure of 20 psi within the system. The recommended fire flow is reduced in some categories from that recommended in the 1982 Water Master Plan. This is partly due to the increase in the use of fire sprinklers in high risk structures. The use of fire sprinklers significantly reduces the amount of total fire flow required and is recommended as an alternative to large fire flow requirements.

EXISTING SYSTEM PERFORMANCE

In the analysis of the OCSD distribution system, the governing performance criteria was found to be the delivery of fire flow. Under normal flow, the system operates properly with all customers being served at pressures, in a single pressure zone, from 40 to 80 psi. However, because of the layout and size of the existing mains, some areas are deficient in the ability to deliver required fire flow.

The deficiency is more significant on the west side of the railroad tracks than on the east side. On the east side, the primary grid of pipes can generally supply the recommended flow, however there are many localized deficiencies which limit flow out of isolated hydrants. Recommended improvements in this area correct the deficiencies by increasing pipe size, completing pipe looping and adding hydrants where spacing is inadequate.

On the west side of the tracks, the primary system of pipes is undersized and most all of the area cannot supply recommended fire flows. Much of this area is soon to be upgraded as a result of developer installed waterlines, and recommendations in this report coordinate with those developer improvements.

The Master Plan goes on to describe the testing that was completed regarding the distribution system and the recommendations for improvements.

The County's Annual Resource Summary Report rates the capability of unincorporated communities to provide public services to the areas they serve. The Annual Report uses

a Level of Severity rating system (0 being no problem and 3 being that a water delivery system has reached its design capacity) to assess water systems in the County areas. The rating system for water includes evaluating the available supply and the production and distribution system for a particular jurisdiction. In the case of the OCSD, the Report indicates "0" Level of Severity for its water supply and distribution system. This means that the OCSD has an adequate and stable water supply and that the delivery system is in operating well within design specifications.

Drainage Infrastructure. Oceano is a low-lying community that is prone to flooding and drainage problems. The experience of OCSD staff in responding to drainage and flooding events over the years indicates that most of the areas of concern in Oceano are well known. The Specific Plan and EIR completed in 2001 analyzed the drainage issues in Oceano. The EIR identifies a lack of information that exists with regard to the drainage problems in Oceano. The EIR recommends that a parcel specific survey be completed to pinpoint problem areas and develop solutions. This study has yet to be undertaken. The following excerpts from the EIR characterize the drainage issues in Oceano:

Drainage Systems. Major drainage corridors in the Oceano area include Arroyo Grande Creek, Meadow Creek and Oceano Lagoon, which drain to the ocean southwest of the community (refer to Figure 6- 3). The lower portion of Arroyo Grande Creek originates at the foot of the Lopez dam, and conveys reservoir outfall to the ocean. The Creek is also fed by overland runoff and rainfall infiltration in wet months, and receives controlled runoff from area development. The channel was constructed for flood control in 1959, and was maintained for that purpose. During droughts in the 1980's and 90's, maintenance was reduced because of limited flows. Subsequent rain events washed silt into the channel and reduced the capacity by an estimated 80 percent. Recent efforts to restore the channel to its original design capacity have been hampered by the presence of wetland characteristics and threatened animal species which are present in the creek. The consequences of not maintaining the channel were evident this last winter (February 2001), when the channel flooded and damaged adjoining agricultural property.

Meadow Creek drains Pismo Lake north of the community, and runs southwest until it meets Oceano Lagoon. Oceano Lagoon is a confined dune lake west of the community. It drains areas west of the railroad tracks, including the campgrounds and surrounding residential

development. To control water levels, a floodgate has been installed at its southwestern end, which drains to Arroyo Grande Creek under a levee.

Drainage Issues. Oceano is without an organized curb and gutter system, and therefore some residences and buildings experience poor drainage and/or flooding, while others create undirected and unchecked runoff. Retention basins have been constructed in recent years as part of new subdivisions, but have not solved all of the drainage problems. Poor drainage in the area is therefore the function not only of geology and shallow topography, but also of a lack of appropriately sited drainage facilities. Localized flooding may be observed in the southern portion of the community, north of Cienaga Street. No parcel-specific drainage studies have been completed, although new development is required to retain water on-site through detention basins. The Specific Plan contains language directing the County to assess and rectify drainage problems over time.

Flooding. Aside from localized flooding, portions of the community near the Oceano Lagoon and Arroyo Grande Creeks, as well as areas adjacent to Pier Avenue have been classified by the United States Geologic Service (USGS) as being within the 100-year flood hazard zone. These areas correspond to land that may experience flooding or inundation during rainfall or water levels at the 100-year level (refer to Figure 6-4). Failure of Lopez Dam would result in inundation of the entire community.

Erosion and Sedimentation. Erosion in the Oceano area is a result of water (runoff) and wind. Site visits did not reveal generally excessive problems with erosion of soils within the study area. However, substantial erosion of agricultural soils occurred during severe storm events in February 2001. Incidents of wind erosion are generally limited to denuded areas, including the beaches and dunes, and fallow agricultural fields. A 1991 report stated that the Oceano Lagoon experiences significant sedimentation and eutrophication problems, due in part to urban runoff. Arroyo Grande Creek has also experienced substantial sedimentation, which has reduced its flood control capacity. Erosion and sedimentation is further addressed in the Geologic and Seismic Hazards section.

The Specific Plan offers policies and programs that if implemented, should help alleviate flooding problems in the area. The Specific Plan identifies the first step as the completion of an assessment that evaluates the drainage and flooding problems. The second step is developing a drainage improvement plan that articulates solutions and estimates costs to resolve the problems and the last step is implementation of this plan.

It should be noted that OCSD staff indicates that no progress has been to date with regard to implementing the policies and programs called for in the Specific Plan.

WASTEWATER COLLECTION SYSTEM

The OCSD is responsible for collecting and transporting wastewater from its 1,817 lateral connections. The collection system is generally in good condition and is regularly maintained by the District. The District is in the process of developing a capital improvement program to help prioritize and implement projects related to the water, sewer, and other infrastructure. The following excerpt is from the OCSD's 2002-03 budget and describes the wastewater system and the maintenance activities that occur on a regular basis.

PURPOSE

The Sewer Fund provides for the operation and maintenance of, and improvements to, the OCSD sanitary sewer collection system. The system includes one lift station, approximately 1,817 active service laterals, 15+/- miles of line, and serves approximately 7,200 people. This Fund receives revenues from user fees, connection fees, and interest from cash flow accumulations and reserves.

PERSONNEL

Through the end of the 1990-91 Fiscal Year, this Fund contained no personnel. Administration and operations were performed by District personnel from other budget units. However, in conjunction with implementation of "Allocation of Administrative Expenses" in the 1991-92 Budget, the 2002-03 Fiscal Year Budget will distribute the personnel costs of the employees of the Water Department directly to the funds of benefit, and this practice will be continued in future fiscal years. In order to ensure an equitable distribution, an analysis was performed of the time cards for the Water Department personnel during the two previous fiscal years. It was determined that the average percentage of time spent on the sewer function will be 13% in the 2002-2003 Fiscal Year. In addition to personnel, certain Service and Supply costs that could not be directly distributed to the Water Department were also spread based on the above percentage. These line items included: Clothing, Maintenance/Vehicles, Fuel, and Maintenance/Structures.

PROGRAMS

Operation and Maintenance: The sewer system's daily operations are handled by District personnel and consist of daily lift station inspection and monitoring, the investigation of any problems or complaints, the installation of new sewer services, and maintenance of vehicles and/or

equipment. During the 1992-93 Fiscal Year, the District purchased a high-pressure sewer cleaner. District personnel now attempt to perform all routine sewer system cleaning as well as clearing the majority of emergency main line blockages. In the past, this work was contracted out to the City of Arroyo Grande. The majority of the emergency lateral blockages, after being investigated by District personnel, are cleared by a local plumbing contractor.

Capital Improvements: As mentioned previously, District personnel install new sewer laterals. All other capital improvements are installed on an as-needed basis when they become necessary to serve new developments and are normally constructed at the developer's expense. At this time, District staff is beginning to formulate an ongoing capital improvement program, and funds are being reserved to provide for future capital improvements.

2001-2002 Accomplishments and 2002-2003 Projects:

During the 2001-02 Fiscal Year, there were several new homes constructed and projects that connected to the District sewer system. However, only seventy feet of new 8-inch sewer main was installed during the year. This short sewer main extension was necessary in order to serve two existing homes on the end of Rochelle Way.

The District's routine sewer cleaning program remains behind schedule. However, in compliance with the California Regional Water Quality Control Board's Waste Discharge Requirement Order no. 99-32, the District contracted with Video Inspection Specialists to clean and flush the entire sewer system. The District Water Department Crew coordinated the job and assisted the contractor whenever assistance was needed.

Through May 8, 2002, the District Crew had responded to five sewer main line blockages during the 2001-02 fiscal year. In addition, the District Crew responded to three lateral blockages that were found to be in the portion of the lateral that the District maintains.

Other than a short sewer-main extension for a proposed subdivision, clearing any blockages that may occur, and the connection of new homes to the District's sewer system, no sewer system projects are anticipated during the 2002-03 Fiscal Year.

According to OCSD staff, a number of deficiencies were noted in the Oceano sewer collection system soon after installation was completed. In order to correct these deficiencies, it was necessary for the predecessor Oceano Sanitary District to pursue litigation. The litigation process lasted many years. After the lawsuit was settled, OCSD took over the maintenance of the sewer collection system.

The original sewage collection was composed of vitrified clay pipe (VCP). Due to the fact that VCP is noted for root intrusion problems and because of the deficiencies that had occurred during the original installation, there have been significant numbers of problems in the sewer collection system during the past 12 years that the OCSD has operated and maintained the system, since the lawsuit was resolved. As these problem areas were located, the District has made a concerted effort to quickly initiate the needed repairs. As a result, the number of blockages and/or other problems experienced has been fewer each year. The District has contracted to have all the sewers cleaned on two occasions. Cleaning the sewer collection system has proved to be a cost-effective and beneficial preventative maintenance practice. In addition, for the past ten years, all new sewer main installations have utilized SDR 35 PVC pipe. No blockages or problems have occurred in any of the newer PVC sewer mains.

The County's Annual Resource Summary Report rates the capability of unincorporated communities to provide public services to the areas they serve. To assess sewer systems in the County areas, the Annual Report uses a Level of Severity rating system with 0 being no problem and 3 being that peak daily flows equal or exceed the treatment plant capacity. The Sewage Collection system of a community is also evaluated with "0" being no problem and "3" being that peak flows reach 100% of capacity. In the case of the OCSD, the Report indicates "0" Level of Severity for its sewer collection system. This means that the OCSD does not have a capacity problem with its sewage collection system.

STREETS AND ROADS

The County of San Luis Obispo Public Works Department is responsible for the maintenance and repair of the street and roads in Oceano. The routes of regional significance include Highway 1, Halcyon Road, Valley Road, the Pike, Front Street, Railroad Avenue/Beach Street and Pier Avenue.

The roadway conditions are estimated by the County Public Works Department to be typical of conditions in other unincorporated communities in the region. The County is making efforts to bring the streets and roads up to a desirable standard; however, funding is shared among the needs of all the unincorporated communities and progress towards improvement of the local street network is slow.

According to the County Public Works Department there are approximately 21 miles of maintained roads in Oceano. Due to an increased road maintenance budget over past four years, Oceano roads have seen significant maintenance. Major efforts include:

- ❖ Paving of Lakeside Ave, Aloha St, Airpark in 1999
- ❖ Slurry Seal on Streets west of Route 1 in 1999
- ❖ Slurry Seal on Streets east of Route 1 in 2002
- ❖ Addition of sidewalks fronting Oceano Elementary School in 2001
- ❖ Development of constructed sidewalks, approx. one mile over past two years
- ❖ Street improvements for bike lanes on 13th Street and South Elm Street
- ❖ Caltrans Route 1 improvements from Front Street to Casitas Street in 1996
- ❖ Improvements to "The Pike"

The Public Works Department would rate the general street condition as "good" with these improvements. Paso Robles Street is a key street requiring maintenance attention. The focus of the Department is now on the Drainage Master Plan and associated Capital Improvement Program with potential funding mechanisms. Sidewalk construction remains a prominent issue. There is approximately \$80,000 in State Highway Account funding designated for Oceano. These funds will be committed to drainage improvements.

The EIR in the Oceano Specific plan provides a good deal of information regarding the existing circulation system and local street network. It identifies the existing and future Levels of Service for the streets and roads. From a capacity standpoint the key roads and streets in Oceano will likely maintain a high Level of Service rating throughout build out of the Specific Plan. The key streets and roads have the capacity to handle the increase in population and trips anticipated by the Specific Plan. Most of the main streets in Oceano will maintain a Level of Service "A" which means that traffic will flow

freely through the area. State Route 1 is projected to maintain a Level of Service "B", which equates to a "stable flow" of traffic through the area.

Based on the above information, street and road capacity is not the problem facing the community of Oceano. According to the Specific Plan EIR, the key deficiencies are related to substandard sections caused by limited roadway width and poor pavement structure. One solution to these deficiencies is the allocation of more funding by the County Board of Supervisors to complete road maintenance and repair projects. Another solution is establishing an assessment district that collects funds that will be used to improve that local streets and roads.

CAPITAL IMPROVEMENT PLANS/STUDIES

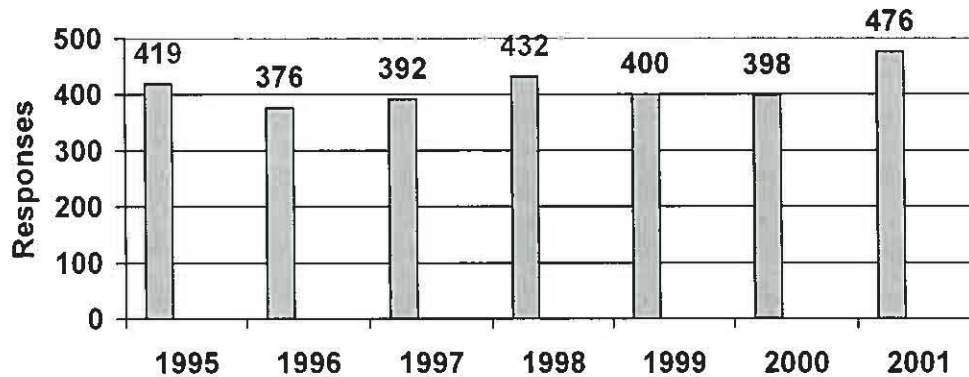
The District considers capital improvements on a year-to-year basis. Improvements are made as needed or required. The Water Master Plan to be completed in the next year should contain a prioritized listing of projects to be completed related to the water system.

FIRE & POLICE SERVICES

Fire. The Oceano Community Services District manages the Oceano Fire Department which is responsible for providing fire protection and rescue services for all lands and properties within the District boundaries, including Halcyon and Oceano Airport. The District also has a dual aid agreement with the City of Grover Beach, automatic aid agreements with Cities of Grover Beach and Arroyo Grande, and County of San Luis Obispo, and Mutual Aid Agreements with the California Department of Forestry. (2002-03 Final Budget. OCSD)

Services provided by the Department include inspections, community education and weed abatement, as well as emergency response to fires, medical service calls and traffic accidents. The Fire Department averaged 39.7 responses each month in 2001. A breakdown of the types of responses can be found in the Budget. The chart below shows the number of responses by the Department over the last 7 seven years:

Figure 9
Total Responses OCSD Fire Department: 1995-2001



The Fire Department employs a Fire Chief, Assistant Fire Chief, 4 Captains, 4 Engineers, 4 Provisional Engineers, 4 operator/Drivers, and 16 Firefighters for a total of 34 employees. The Department is currently staffed with a paid part-time Fire Chief. Paid staff is paid from 8:00 am to 5:00 pm. Staffing includes one engine with one Fire Captain, one Fire Engineer, and one Firefighter. Prior to January 1, 2001, the Department was fully volunteer (volunteers do receive a stipend for their services). The following programs are implemented by the Fire Department:

- ❖ Life Safety and Fire Protection
- ❖ Investigation/Fire Prevention
- ❖ Public Relations
- ❖ Training
- ❖ Dual Aid and Automatic Aid Agreements

The District recently (November, 2001) entered into two important Aid Agreements. The Aid Agreement with San Luis Obispo County Fire/CDF allows for the closest resource to respond to emergencies without regard to jurisdictional boundaries. Oceano Fire Department will respond automatically with SLO County Fire/CDF into the following areas; State Parks, and Arroyo Mesa south of Halcyon and north of Lopez High School.

The second agreement is a Dual Aid Agreement with the City of Grover Beach. This agreement allows both Departments to work ostensibly as one.

Police/Sheriff. The District has funded the construction of the Sheriff's South Station that opened in October, 2002. This Station represents a law enforcement presence that previously did not exist in Oceano. The Sheriff had maintained a substation in Oceano in the early 1990's, but the station was moved to the Arroyo Grande area due to facility availability. The construction of the South Station brings the Sheriff closer to not only the Community of Oceano, but also to other South County unincorporated areas. This is a significant improvement for the Community of Oceano. The South Station is located at 1681 Front Street, Oceano. The South Station serves the communities of Oceano, Nipomo, Huasna, rural Arroyo Grande, New Cuyama, and Lopez Lake, totaling 950 square miles. South Station deputies work in a demanding environment and handle a high volume of calls for service. The County is divided into three areas. Each area has its own substation, which is supervised by a Lieutenant, staffed with approximately 23 deputies and two legal clerks. Although each substation is a separate entity responsible for law enforcement duties in its area, they all work together to provide the community with the best law enforcement services possible.

The California Crime Rate for the unincorporated areas of the County, is the lowest in the State compared with other counties with a population of 100,000 or more. The statewide average for serious crimes per 100,000 people is 3,187; the County's crime rate was at 603/100,000 people. The Sheriff Department's goal in the South County is to provide a 10-minute response time for high priority, life-threatening calls for service.

The following charts characterize the effectiveness of the Sheriff's Department's efforts in providing law enforcement services in terms of crime rates. The Action for Healthy Communities completed a telephone survey that asked the question: "How safe would you say you feel in your neighborhood?" The South County, North County and North Coast unincorporated areas are shown in the chart below. The next two charts show the violent crime rate per thousand people from 1995-2000 and the property crime rate per

thousand people from 1995-2000. This is for all of the unincorporated areas in the County and does not focus specifically on the Community of Oceano.

Figure 10
Action for Healthy Communities Survey Question
"How safe would you say you feel in your neighborhood?"

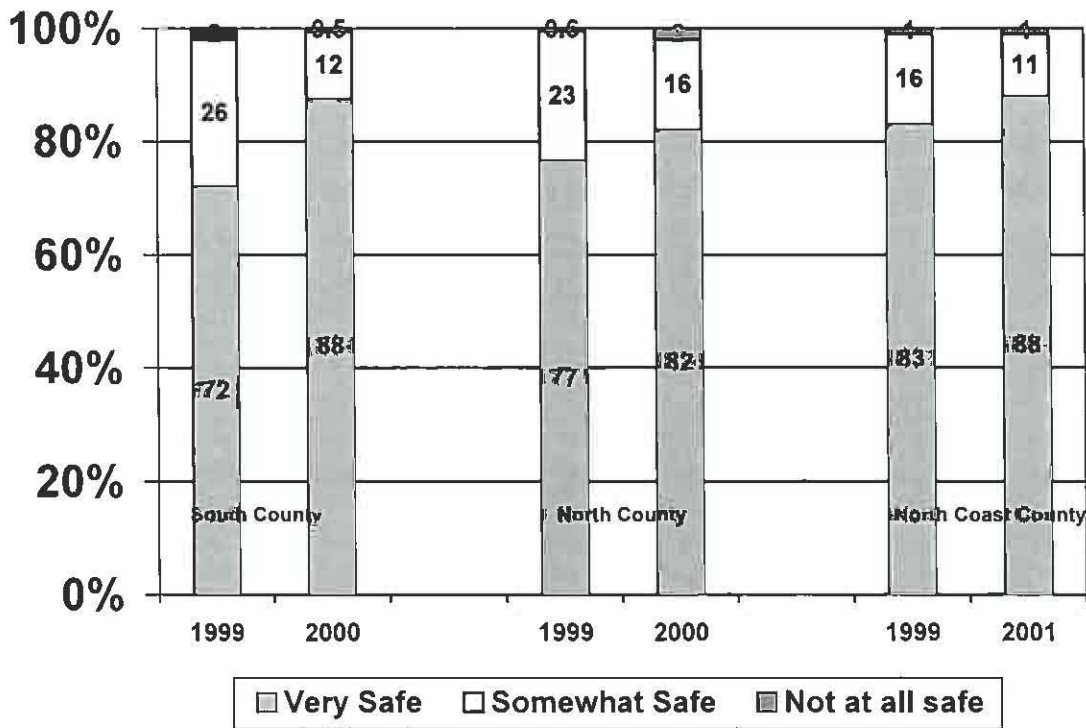
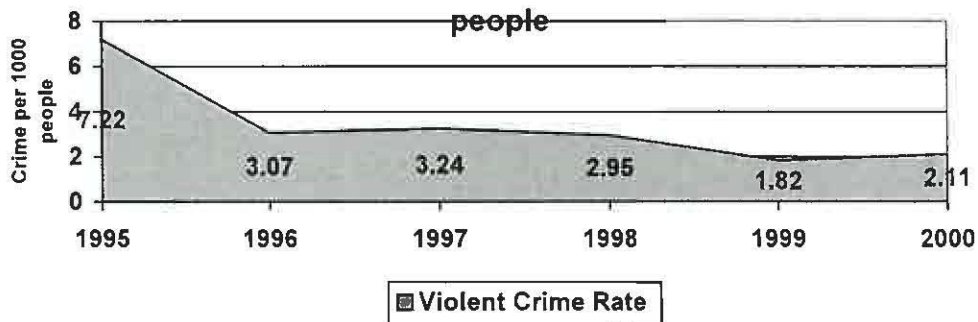
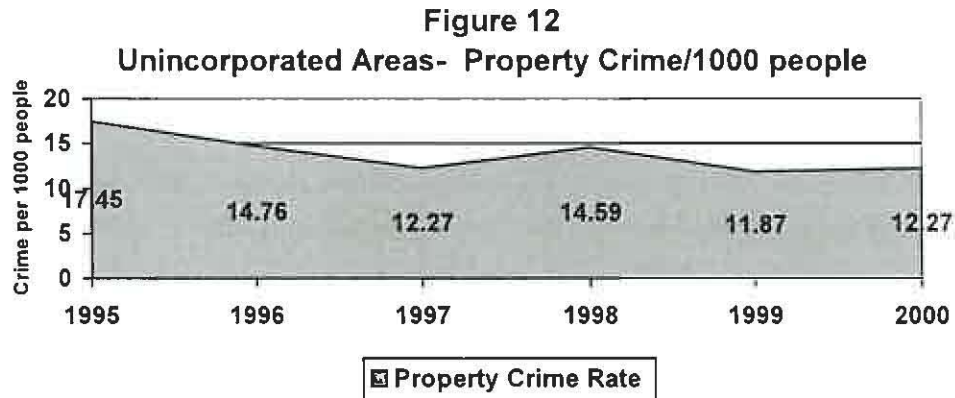


Figure 11
Unincorporated Areas - Violent Crime per 1000 people





SOLID WASTE DISPOSAL

Waste Connections, Inc. owns South County Sanitary Service is the private vendor that provides services to the area. Waste Connections, Inc. has purchased the Cold Canyon Landfill, Coastal Rolloff Service, Morro Bay Garbage Service, San Luis Garbage Co., Mission Country Disposal and the South County Sanitary Service. Waste Connections, Inc. ("WCI" or "the Company") was incorporated in Delaware on September 9, 1997, and commenced its operations on October 1, 1997, through the purchase of certain solid waste operations in Washington. The Company is a regional, integrated, non-hazardous solid waste services company that provides collection, transfer, disposal and recycling services to commercial, industrial and residential customers in California, Colorado, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Montana, Nebraska, New Mexico, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington and Wyoming.

In 1998-99, OCS D adopted an ordinance making garbage collection mandatory in the Community. The District is working with South County Sanitary Service to ensure that the District's water customer list matches the South County Sanitary Service list. The

District also spent considerable time evaluating WCI's assumption of the franchise from South County Sanitary Service.

WRITTEN DETERMINATIONS

Water Supply and Demand

1. Based on information from the Department of Water Resources, the District's Water Master Plan, and the Environmental Impact Report for the Oceano Specific Plan, the District clearly recognizes the need for managing water resources to sustain growth in the District and the proposed Sphere of Influence over the next 20 years.
2. Adding the 1.69 acre Coker-Ellsworth site to the District's Sphere of Influence will not significantly increase water demand.
3. The District has adequate and reliable water resources available to meet the needs of current and future residents over the next 20 years.

Wastewater

4. The capacity of the South County Sanitation District's sewer treatment plant is adequate to serve the growth anticipated in the District's proposed Sphere of Influence.
5. The District continues the process of upgrading and replacing sewer collection pipelines through the implementation of their annual budget.

Roads and Streets

6. The District is not responsible for the construction or maintenance of roads and streets in Oceano. This responsibility lies with the County of San Luis Obispo, Public Works Department.
7. The District continues to advocate for the upgrading and maintenance of the roads and streets in Oceano.
8. The Oceano Specific Plan adopted in April 2002, provides the policy and program base for improving the circulation system in Oceano. These policies and programs are to be implemented by the County Public Works Department.
9. According to the Specific Plan EIR the key deficiencies are related to substandard sections of road and streets caused by limited roadway width and poor pavement structure.

Infrastructure

10. The SOI site (Coker-Ellsworth) would be required to extend physical infrastructure (water and sewer lines, wire utilities, power, natural gas) to the location and pay fees for services provided by the District.
11. The Specific Plan identifies drainage as a key problem that must be addressed. The Plan calls for a community wide study of drainage issues to assess problem areas and develop solutions. This study is the responsibility of the County Public Works Department and has yet to be completed.
12. The District is in the process of upgrading and maintaining public facilities, including the water distribution pipelines and wastewater collection system.

13. The District should be able to provide the public services to the development proposed within the proposed Sphere of Influence while continuing to serve existing residents at the same time.
14. Based upon review of the available information, the District's facilities comply with environmental and safety standards.
15. The Specific Plan adopted by the County provides for future development and considers recent regional growth projections and patterns in terms of promoting planned, orderly, and efficient patterns of urban development.

Police and Fire

16. The County of San Luis Obispo Sheriff's Department provides adequate law enforcement services to cover the proposed Sphere of Influence areas.
17. The District maintains fire facilities and adequate staff as needed to serve the residents of Oceano.
18. The District will provide fire services to serve the proposed Sphere of Influence areas.

2. GROWTH AND POPULATION

Purpose: To evaluate service needs based upon existing and anticipated growth patterns and population projections.

The OCSD now serves approximately 7,260 residents compared to an estimated 4,551 in 1980. The OCSD provides water service, street lighting, sewage collection, and fire protection services for the area.

Over the last 20 years, Oceano's population has increased by approximately 2,709 people. From 1980 to 1990, the community of Oceano increased by 1,618, a 35.55% increase, an average growth rate of 3.55% per year. In the 1990's, Oceano's population increased by 1,091 residents, a 10 year growth rate of 17.68%. The annual growth rate for that last decade was an average of 1.77%. The projection is based on the build-out population in the Oceano Specific Plan.

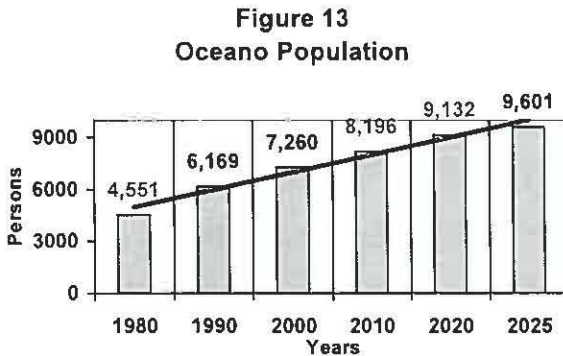


Table 7: Historical & Projected Population Growth – Oceano

	1980	1990	2000	2010	2020	2025
Population	4,551	6,169	7,260	8,196	9,132	9,601 ⁽¹⁾
10 Year Increase	---	1,618	1,091	936	936	469
10 year % Incr.		36%	18%	13%	11%	5%

Source: US Census..

(1) Projection based on estimated Build-out per Oceano Specific Plan

Land Use

The County's General Plan governs the development of land in the Community of Oceano. The District provides the County with comments regarding land use decisions but does not have authority over land use entitlements. The General Plan identifies the type and intensity of development allowed in each of several land use categories for Oceano. The Oceano Specific Plan identifies the following land use categories:

Table 8: Land Use Breakdown

Land Use Designation	Specific Plan (acres)	Percent of Total
Residential Single Family	191.60	28.34%
Residential Multi-Family 15 units/acre	212.22	31.39%
Commercial Retail	27.40	4.05%
Commercial Service	31.33	4.63%
Industrial	40.31	5.96%
Agricultural	58.15	8.60%
Public Facility	88.97	13.16%
Recreation	25.58	3.78%
Open Space	0.49	0.07%
	676.05	100%

The map on the next page shows the Land Uses addressed by the Specific Plan. The Specific Plan was adopted in 2001 and made minor changes to the zoning in the Community. The Plan reduced the densities available for the Residential Multi-Family land use category, increased the Commercial Retail land, and reduced the available Industrially zoned land.

Build-out is the possible amount of development that could occur on every parcel under current planned uses allowed by the General Plan. Full build-out is rarely reached within a community because some parcels are not suitable for full development and other parcels are not developed to their maximum potential by choice of the owner. The Oceano Specific Plan reduced potential build-out to 9,601 because of the decrease in density allowed for Residential Multi-Family projects.

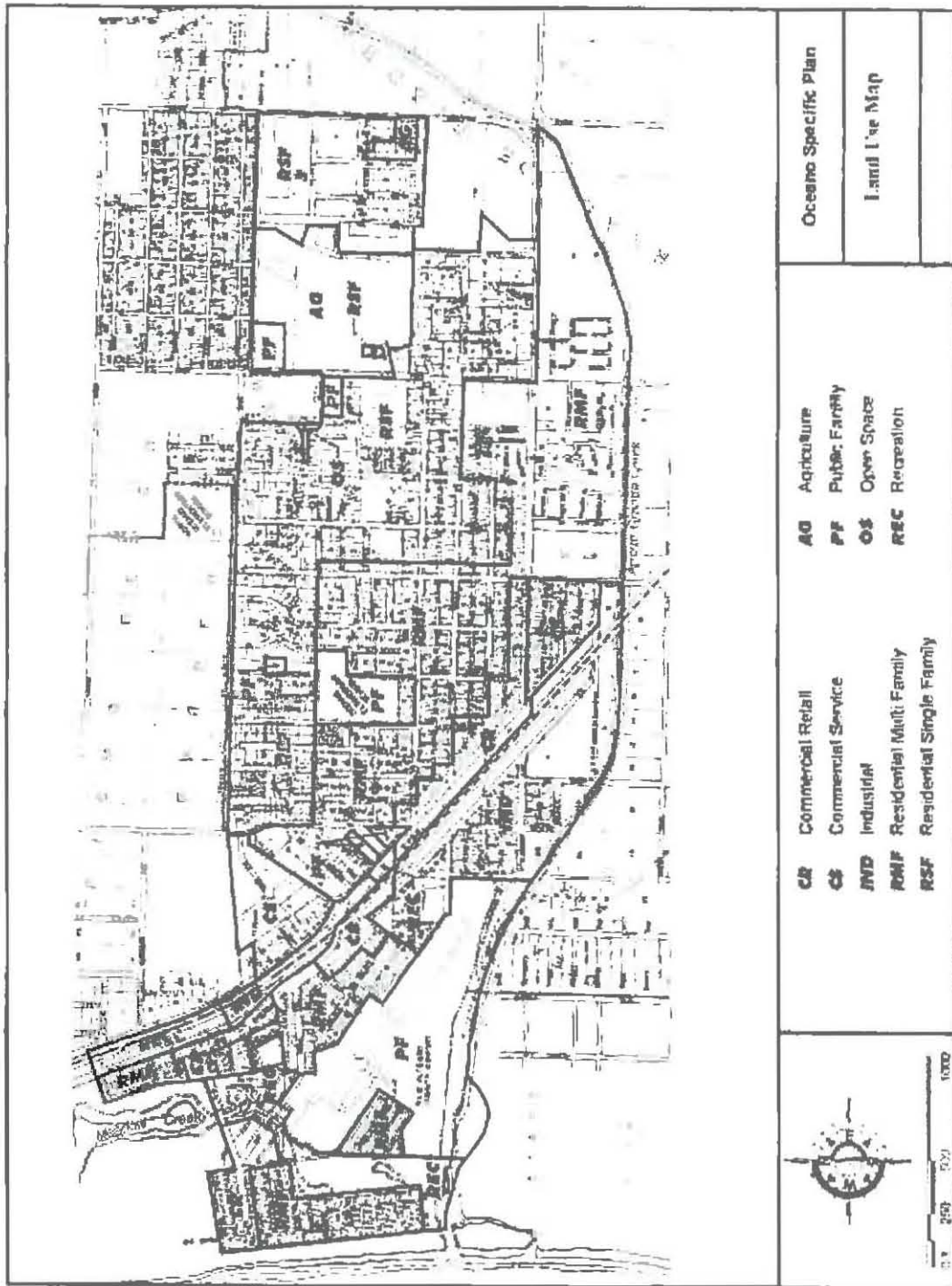


Figure 14-Land Use Map-Oceano Specific Plan

WRITTEN DETERMINATIONS

1. The Specific Plan provides an excellent information and policy base for the improvement and future development of the Community of Oceano. The Plan provides detailed policies and programs that were considered by the Community through public workshops and hearings. The Plan is reflective of the Community's concerns, values and vision for Oceano.

2. The Specific Plan also provides design guidelines that will govern future growth in Oceano. The Plan has provisions for adding curb, gutter and sidewalks and other drainage improvements. The Plan details transportation and circulation system improvements that will improve Oceano's traffic flow and walkability.

3. The District has the administrative capability, water resources and sewer facilities to serve the 1.69 acre parcel recommended for inclusion into the Sphere of Influence.

3. FINANCING OPPORTUNITIES AND CONSTRAINTS

Purpose: To evaluate factors that affect the financing of needed improvements.

The 2002-03 budget document is well organized, thorough and clearly articulates the District's future financial performance plans. It also contains the past year's accomplishments and financial performance. The document provides information that is divided into the following sections:

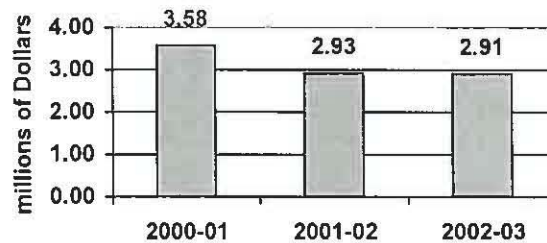
- Section 1, Introduction
- Section 2, Resolutions
- Section 3, Payment and Compensation and Personnel
- Section 4, Budget Summaries
- Section 5, General Fund
- Section 6, Water Fund
- Section 8, Sewer Fund
- Section 9, Garbage Franchise
- Section 10, Major Litigation Fund
- Section 11, Sheriff's Department Facility
- Section 12, OCCI Grant Fund

The District adopts the Budget each year and it is used as the spending plan for the District. The Budget provides a framework for the District to address the following issues: reserves, revenues, expenditures, transfer authority, fiscal management, investments, capital improvements and rates and fees. The District has adopted fiscal policies that guide OCSD staff in preparing the Budget and other fiscal matters. The General Manager of the District characterized the financial status of the OCSD as excellent. Reserves are maintained in the each cost center and the District is able to meet its financial obligations and responsibilities. Annual audits confirm the fiscal status of the OCSD.

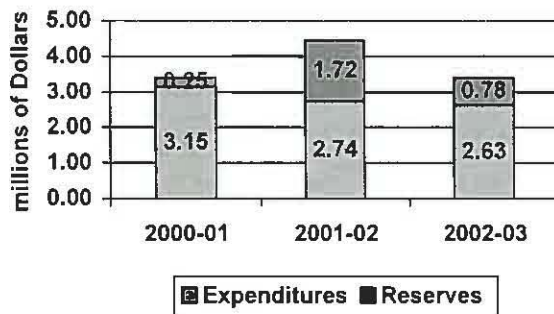
The District's financial constraints involve the governmental structure and the desires of the people in the community to fund certain activities by establishing assessment districts or fees. The laws under which a Community Service District is governed provide the structure for funding

activities. Revenue sources for the OCSD are diverse and include key sources such as property taxes, fees collected from water sales, water connection fees, state water project connection fees, sewer sales and connections, and pass-through monies such as grants for the construction of the Community Center. One-time revenues that are pass through funds account for the increases and decreases in revenues from year to year.

**Figure 15 Oceano CSD- Revenues
2000-2003**



**Figure 16 Oceano CSD-Expenditures
2000-2003**



On the expenditures side, the District budgets for the services paid for by residents and provides for other expenses using property tax and, if appropriate, restricted reserve accounts. Key expenditures include personnel, services and supplies, pass through revenues for projects, principal and interest payments for State Water and

repayment of the Safe Drinking Water Loan and Water and Sewer Bonds. The chart to the left shows the expenditures and restricted reserves budgeted over the last three years. In fiscal year 2001-02 the District budgeted \$1.5 million dollars for construction of the Sheriff's South Station. The District has a policy of allocating the water and sewer connection fees directly into reserves. This helps establish and maintain financial reserves for future needs.

WRITTEN DETERMINATIONS

1. The District prepares a comprehensive and thorough annual budget that clearly describes the services provided to residents and the funds expended for those services.
2. The District does not pay for infrastructure needed to serve new development projects. It is reasonable to conclude that the District endeavors to avoid long-term District obligations for the capital improvement or maintenance of new development projects.
3. The District has in place financial regulations that are codified in its implementing ordinances and resolutions.
4. There are no apparent fiscal constraints limiting the ability of the District to serve existing and future residents.

4. COST AVOIDANCE OPPORTUNITIES

Purpose: To identify practices or opportunities that may help eliminate unnecessary costs.

LAFCO should consider the relative financial and operational burden of new annexations to the community when it comes to its ability to public services, as well as capital maintenance and replacements required as a result of expanding the District limits.

The District's budget process is designed to screen out unnecessary costs. A base budget is completed by the General Manager for review and discussion by the Board of Directors. This base budget normally allows for the same levels of staffing, supplies, materials and services that were adopted the previous year. Any augmentations to the budget must include a funding source and rationale for granting the requested increase.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/Annexation areas. Generally, the District requires development projects to pay for their own infrastructure (water lines, sewer lines, fire protection and lighting) to serve their projects.

The District has the available staff resources and administrative capabilities to provide the needed level of services to the residents within its boundaries. The majority of future development in Oceano will be rehabilitation of existing developed areas or new infill development on vacant or underutilized sites. According to the Oceano Specific Plan, the community has approximately 58 vacant single family residential parcels on approximately 26 acres.

If the SOI were expanded in the future, the District would assume fiscal responsibilities to construct or maintain any of the infrastructure associated with the SOI and any territories that were annexed. The developer of a project would likely be responsible for constructing the infrastructure.

Opportunities exist at the time of annexation and development to introduce alternative methods of construction and maintenance of public or semi-public infrastructure to serve the future SOI/Annexation areas.

Services provided by the District and the County are well delineated. The County provides for roads and streets maintenance, Sheriff services, and general government. The District provides fire protection, water, sewer, and garbage services as well as lighting.

WRITTEN DETERMINATIONS

1. The District can adequately provide the services needed in Oceano in the short-term and the long-term.
2. The District has a thorough and well-established budget process that they continue to improve upon as way of avoiding unnecessary costs.
3. A program of developer-obligated infrastructure improvements will provide for installation of physical infrastructure to serve development sites and therefore will not become an obligation of the District.
4. At present, the County provides basic general government (Tax Collector, Assessor, etc.) Roads and Streets and Sheriff services to the community of Oceano. The District provides fire protection, water, sewer, and garbage services, as well as, lighting.
5. There may be opportunities for the District, the surrounding cities and the County to work out cooperative service agreements with regard to consolidating fire services. A variety of cost sharing/saving programs could be pursued that may be cost effective to all parties.

5. OPPORTUNITIES FOR RATE RESTRUCTURING

Purpose: To identify opportunities to positively impact rates without decreasing service levels.

The District reviews rates and fees as part of the annual budget preparation cycle to maintain a consistent and updated revenue stream that ensures covering the costs of providing services. Fees are established to cover bonded indebtedness, on-going costs and have been stable over the last several years. The District last updated water service fees in 1997 and sewer use rates in 1994. Garbage rates were established in 1999. The District has the opportunity to consider updating the current rates and fee structure for services.

The rates for services are reviewed on an as needed basis. The rates for services within the District should not be increased for existing residents due to future development within the District boundaries. The District has full responsibility for any decision to review and establish rates and fees. Costs for services for new development projects should be examined during the development review process.

The following tables compare the water and sewer rates of the cities of Morro Bay, Pismo Beach, Arroyo Grande, Grover Beach, and Oceano. The sample monthly bill was calculated using 12 units of water as a base. This information was gathered by contacting the billing departments for each jurisdiction.

Table 9: Single-Family Water Rates

Rate/Fee	Morro Bay	Pismo Beach	Arroyo Grande	Grover Beach	Oceano
Monthly Service Meter Charge	\$0.00	\$9.79	\$3.90	\$6.75	\$11.97 (for 3 units)
Water (per 100 cubic feet)	\$5.63	\$1.16 (under 15 units) \$1.47 (over 16 units)	\$0.90	\$1.33	\$2.25 ⁽²⁾
Other Charges	\$0.00	\$10.00 (1)	\$14.30 (Lopez Treatment)	\$0.00	\$3.55 (Outside Users)

Note: (1) Pismo Beach assesses a special water tax that can range from \$0.00 to \$100.00 annually. For comparison purposes \$10.00 was added.
 (2) Oceano rates include Units \$2.25/unit for 7 thru 25 units and \$2.95/unit from 26 & up.

Figure 17: Monthly Bill Comparison - Based on 12 Units of Water (1 unit = 100 ccf)

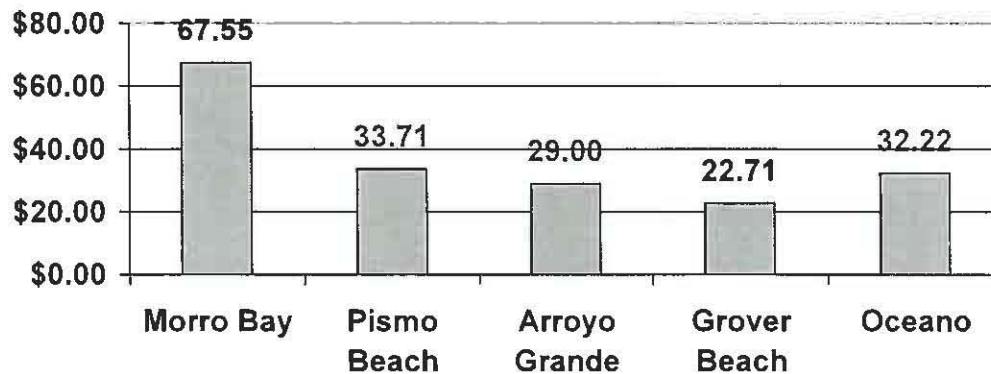


Table 10: Single-Family Sewer Rates

Rate/Fee	Morro Bay	Pismo Beach	Arroyo Grande	Grover Beach	Oceano
Flat Monthly Rate	\$13.25	\$13.35	\$0.00	\$16.42	4.60
Sewer (per 100 cubic feet water)	\$1.61/unit >10 ccf	\$0.00	\$0.22	\$0.00	\$0.00
Other Charges	\$0.00	\$0.00	\$3.70	\$0.00	\$0.00
Sample monthly bill (12 units of water)	\$16.47	\$13.35	\$14.70	\$16.42	\$4.60 (Flat Rate)

Tables 10 and 11 show a rate comparison for four cities and the OCSD in the County. Morro Bay has the highest water rates and is based on a graduated table that increases the rate paid for each unit of water as consumption increases. The following charts below show the comparison of the cities. The charts are based upon a sample billing using "12 units" of water as a basis.

**Figure 18: Monthly Bill Comparison - Residential Sewer
Based on 12 Units of Water (1 unit = 100 ccf)**

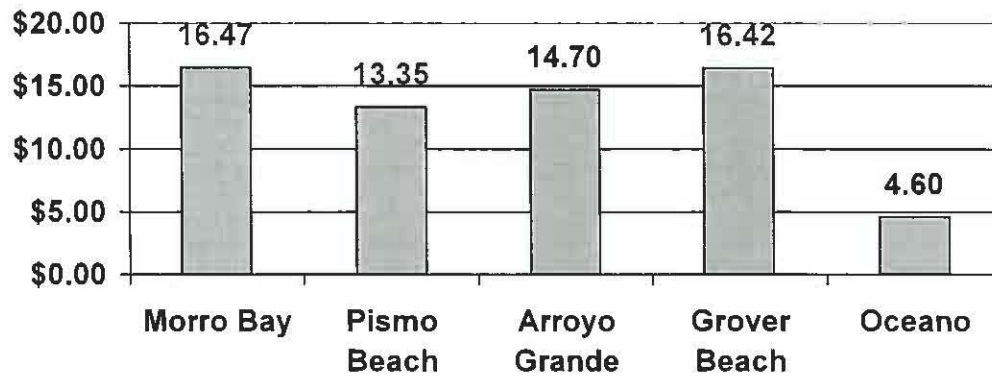


Figure 2-Sewer Rate Comparison

The District's Sewer Rates are the lowest among the jurisdictions compared in the above chart.

WRITTEN DETERMINATIONS

1. Rates and fees for services are established using the District's budget process. Public hearings would be conducted to establish fees and rates.

6. OPPORTUNITIES FOR SHARED FACILITIES

Purpose: To evaluate the opportunities for a jurisdiction to share facilities and resources to develop more efficient service delivery systems.

In the case of developing areas in the District, LAFCO can evaluate whether services or facilities can be provided in a more efficient manner if both the District and County share them. In some cases, it may be possible to establish a cooperative approach to facility planning by encouraging the District, surrounding cities, and County to work cooperatively in such efforts.

The District has also worked with the South San Luis Obispo County Sanitation District to maintain and repair the wastewater trunk mains for Oceano.

There are opportunities for shared relationships between agencies for services within the OCSD boundary. The County and the District coordinate to provide services and avoid a duplication of effort. The relationship between the District and the County could be enhanced by improving the lines of communication. It appears that the County and District do not communicate on a regular basis and could benefit from building a stronger working relationship. The Cities of Grover Beach and Arroyo Grande work with the District with regard to road improvements and emergency response.

Development in Oceano can lead to shared infrastructure between the County, the District and the Cities. At present, the distinction between District and County services in the area is clear. The opportunities more coordination may include:

- ❖ Roadway connections (this is a county function, not a District)
- ❖ Coordinated open space preservation
- ❖ District and County parks and recreational facilities
- ❖ Preservation and enhancement of Agricultural Lands

WRITTEN DETERMINATIONS

1. The development of areas within the OCSD service boundary may lead to shared infrastructure with the County; i.e. roads and streets a County function), Sheriff services, parks and recreational facilities. The potential to create shared relationships for providing some services is suggested and may be appropriate when providing certain services.
2. At present, the distinction between District and County services with the service boundary is clear.
3. The relationship between the District and the County could be improved by clarifying the lines of communications and working more closely with one another. A voluntary Memorandum of Understanding between the District and the County that outlines roles and responsibilities as well as opportunities for collaboration to enhance public services would help the jurisdictions to better serve the public.

7. GOVERNMENT STRUCTURE OPTIONS

Purpose: To consider the advantages and disadvantages of various government structures to provide public services.

One of the most critical elements of LAFCO's responsibilities is in setting logical service boundaries for communities based on their capability to provide services to affected lands.

The District and the County work together to provide various services (water, sewer, road maintenance, Sheriff) to the residents of Oceano. When necessary, the adjacent Cities of Arroyo Grande and Grover Beach assist Oceano CSD in responding to emergencies. This structure works well when the communication between the District, the County, and cities is clear and frequent.

The County Board of Supervisors prioritizes services on a county-wide basis and must make difficult decisions about where and to what services a limited amount of financial resources are allocated. The preparation of the Oceano Specific Plan helped the District and the County to identify community values and prioritize the projects that needed to be completed. For example, it became obvious that solving the drainage problems in Oceano is a key issue. Another key issue that was identified included traffic circulation. This type of comprehensive planning approach will help the District and County to improve the level of services provided to the residents of Oceano.

The Specific Plan calls for the implementation 40 programs. Standards or guidelines to improve Oceano, including:

- ❖ Changing the ordinance to require curb, gutter and sidewalk for new developments;
- ❖ A community-wide study of drainage issues to assess problem areas;
- ❖ Forming an assessment district to underground existing overhead powerlines;
- ❖ A sand removal program near Pier Avenue and the Strand area; and
- ❖ Development of a downtown conceptual plan.

The Specific Plan contains an implementation table that shows the agency responsible for the improvement, whether any permits are needed, the timing and cost, funding sources, and priority of the project. Many of the projects are the responsibility of the County Planning and Building Department. Often these programs take time to implement because of the lack of funding and staffing resources to complete the work.

The Specific Plan, in particular, will enhance management of the development of the land within the OCSD's service boundary. The Plan represents a method to provide for high quality, orderly and sensible growth, as well as adequate and efficient public services for logical and appropriate municipal expansion into the area while preserving agricultural lands for priority agricultural use, consistent with County land use policies. The Plan also draws the line at urban growth limits for the Community.

An overall plan for development that is coordinated and jointly implemented in cooperation with the County holds the potential to improve the quality of life of both District and County residents by improving public safety response time to the areas, enhancing storm drainage and flood control management, improving regional circulation and developing recreational improvements in the area.

In meeting with the OCSD's staff the idea of forming a "South County Water District" was discussed. The new District, or entity, would include the Five Cities area, as well as, Nipomo and would be responsible for providing water services to the entire South County area. While this idea may have merit, it also has disadvantages as well. A comprehensive study of the concept would be needed before moving forward with such an ambitious plan.

WRITTEN DETERMINATIONS

1. It is reasonable to conclude that the District can adequately serve the areas under its jurisdiction.

2. The District remains focused on providing quality water, fire, lighting, garbage and parks and recreation services to its customers.

8. EVALUATION OF MANAGEMENT EFFICIENCIES

Purpose: To evaluate the quality of public services in comparison to cost.

The following section briefly discusses various operational and service aspects of the District. Much of the information was obtained from the District's budgets and discussions with their staff. Overall, the documentation reviewed shows that the District well run and organized in an efficient manner. The organizational chart shows the three major divisions of the District; the Fire Department, the Administrative Department and the Utility Operations Department.

The Budget includes a purpose statement for each service department or budget unit, a description of the activity or service, the personnel allocated to the tasks, and the programs being implemented by the budget unit. The OCSD has an adopted Mission Statement as well as broad goals that were re-affirmed in the 2002-03 budget.

The following questions were discussed with the General Manager of the OCSD

1. Does the District have the administrative capacity to assume expanded responsibilities over the SOI/Annexation areas without decreasing existing services?

The District has the administrative resources and expertise to manage the area being proposed for addition to their Sphere of Influence. The District's General Manager is an experienced manager of public sector organizations and indicated that the OCSD is meeting the current needs of residents and has the capability to serve a wider area.

2. Does the District have a customer-oriented service philosophy?

The District strives to work with each customer on a case-by-case basis in a manner that will resolve the problem or issue in an expeditious manner. The District's response to problems is portrayed as swift and timely by the staff.

3. Does the District maintain capital improvement programs and enterprise fund management plans?

Each year the District funds capital improvements that are most needed. The District desires to have a long-term (five-year) capital improvement plan and is working towards that end.

4. Does the District maintain sound accounting principles and best practice fiscal management programs?

The District has passed all of the recent (last five years) annual audits with no issues or problems being identified by an outside, independent auditor.

5. Does the District have a reasonably good record of safety, environmental and permit compliance?

No record of environmental violations has been identified in our review. The District responds quickly to environmental problems that affect the community.

6. Has the District undergone unusually heavy litigation or governmental enforcement actions directed at its management functions?

The District was sued as part of the Santa Maria Groundwater Basin lawsuit filed by the City of Santa Maria. This is not an unusual situation since many organizations and private property owners were named in this action as well. No governmental enforcement actions are pending against the District.

WRITTEN DETERMINATIONS

1. The District has not been subject to extraordinary levels of litigation or regulatory actions.
2. Long-term affects of individual annexations and development will be analyzed when site-specific annexations are presented. An economic analysis should be used to evaluate effects on both the District and County.

9. LOCAL ACCOUNTABILITY AND GOVERNANCE

Purpose: To evaluate the accessibility and levels of public participation associated with the agency's decision-making and management processes.

LAFCO may consider the agency's record of local accountability in its management of community affairs as a measure against the ability to provide adequate services to the SOI/Annexation areas. To address this, questions include:

1. Does the District strive to involve the public in decision-making?

The District involves the public in decision-making process by complying with the Brown Act open meeting law. The District's meeting agenda's are clearly posted at their office and other places in the community. A regular mailing list is maintained; press and interested parties are mailed copies of the agenda. Meetings are run according to the Brown Act.

2. Does the District facilitate local media coverage and public information programs?

The District sends agendas to the local media newspapers, radio and television.

3. Are elected and appointed District members accessible and attentive to its constituency?

The elected officials are accessible and responsive to their constituency. Directors serve on committees that are relevant to the District. For example a Director serves as a LAFCO commissioner. Another attends the Water Resources Advisory Committee (WRAC) meetings, etc.

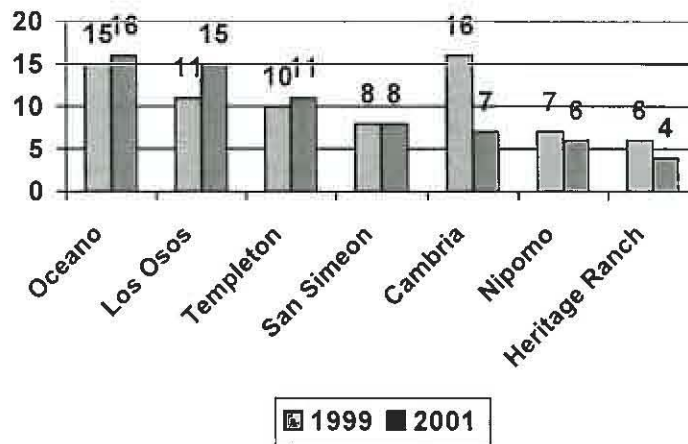
4. Are annual budget and audit reports available to the public?

Audits are completed on an annual basis as required by law and submitted to the District Board for consideration. The reports are available to the public upon request at the District Office.

Action for Healthy Communities Survey

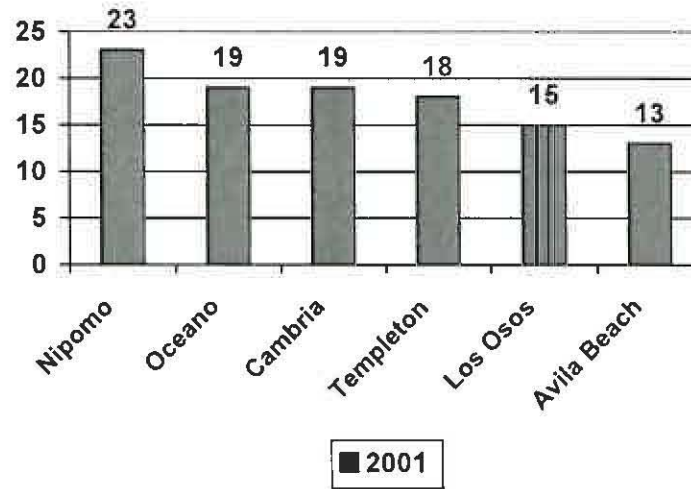
The Action for Healthy Communities prepares a comprehensive report that evaluates community indicators. A survey with regard to the different methods a District uses to provide information to its residents was completed. In 2001, The OCSD ranked first out of the seven Districts in the County surveyed, obtaining a score of 16 out of a maximum of 30 possible points, one point ahead of the Los Osos Community Services District. The chart below shows the results of the survey:

Figure 19: Public Access and Information Methods



A survey with regard to customer service is also prepared by the Action for Healthy Communities. This survey contacted each District three times and requested basic information from their utility (water and sewer) departments. The responses were rated in accordance with 20 criteria. A District could achieve a maximum score of 29 points. In 2001, the OCSD tied for second of all the Districts in the county with 19 points. The chart below shows the results:

Figure 20: Customer Service Index



WRITTEN DETERMINATIONS

1. The District has historically made reasonable efforts to maintain a public dialogue regarding issues and projects of concern to the community. The District's outreach program includes information regarding current issues of significance to the community. In particular, the District has conducted workshops and public town hall meetings to address matters for the broadest public input possible. The District also publishes a quarterly community newsletter.
2. The District has maintained relationships with local news media, providing information and/or interviews as requested.
3. The Action for Healthy Communities survey shows that the District is rated first among other Community Services Districts in the County in public access and information methods.

Patrick O'Reilly

From: David Church [dchurch@slolafco.com]
Sent: Monday, September 08, 2008 4:08 PM
To: Patrick@OceanoCSD.Org
Subject: Documentation of Powers



Chapter
i-OCSD.pdf (632 KB)

Hi Patrick

The SOI Update and Municipal Service Review (MSR) we completed in 2003 was in large part the documentation we used to identify the Districts powers. The MSR is attached for your information. Hope this helps.

David Church, AICP
San Luis Obispo LAFCO
Deputy Executive Officer
(805) 788-2096 Phone
(805) 788-2072 FAX
DChurch@SLOLAFCO.COM

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Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 24, 2008

TO: Board of Directors, OCSD

FROM: Patrick J. O'Reilly, General Manager *PJO*

SUBJECT: CLEANING AND INSPECTION OF DISTRICT SEWER AND WATER LINES

1. Public Contracts Code Section 22050(c)(1) requires that if the governing body orders any action after the emergency has been declared, the governing body shall review the emergency action at its next regularly-scheduled meeting and at every regularly-scheduled meeting thereafter until the action is terminated, to determine, by four-fifths vote, that there is need to continue the action.

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second, and roll call vote, determine, by four-fifths vote, that there is a need to continue the action.

Agenda Item 09 24 2008 8.a.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 24, 2008

TO: Board of Directors, OCSD

FROM: Patrick J. O'Reilly, General Manager *PJO*

SUBJECT: DISTRICT DEVELOPMENT PROCEDURES

1. The District does not currently have any specific written procedures to be followed for developing property within the District. This leads to confusion among staff and members of the community.

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second, and roll call vote, provide direction to staff concerning the establishment of written procedures for developing property within the District.

Agenda Item 09 24 2008 9.c.

**OCEANO COMMUNITY SERVICES DISTRICT
AD HOC COMMITTEE ON COMMITTEE ASSIGNMENTS
MEETING MINUTES**

WEDNESDAY

SEPTEMBER 19, 2008

OCEANO

The meeting convened at 6:00 P.M.

1. Roll Call

Present: Director Dahl, Director Dean

Absent: None

Staff Present: Patrick O'Reilly, General Manager

2. Public Comment

None

3. New Business

None

4. Old Business

a. Committee Assignments

The Ad Hoc Committee reviewed the committee assignments proposed by President Hill on 9/10/08. A copy of the proposed assignments is attached to these minutes as Attachment 1. The Ad Hoc Committee determined that the proposed assignments are not in accordance with the Rules of Order (Attachment 2). The Ad Hoc Committee reviewed prior committee assignments (Attachment 3) and Director requests (Attachment 4) along with the current Rules of Order and determined what appropriate appointments would be as shown on Attachment 5.

The meeting ended at 7:27 pm.

Patrick O'Reilly, Secretary to the Board

CORE

Finance

1. Dahl
2. Dean

Fire

1. Dean & Fire Oversight
2. Mann

Personnel

1. Bookout
2. Dahl

SSLOCSD

- Hill Alt. Bookout

NON – CORE

Water & Sewer

1. Bookout
2. Hill Alt. Mann

Community Enhancement

1. Dean
2. Bookout

OUTSIDE

- Airport Land Use – Dahl
CA Special District – Mann
Oceano Advisory – Mann Alt Dahl
Supervisor Liaison – Hill President Alt. Bookout
Zone 3 – Dean
Zone 1/1A – Dahl
Zone 3 Technical – Phil Davis
WRAC – O'Reilly
Fire Consolidation – See Fire

OCEANO COMMUNITY SERVICES DISTRICT RULES OF ORDER

President the Board are both absent, the remaining members present shall select one of themselves to act as chairperson of the meeting.

1.4 The President and Vice President of the Board shall be elected annually at the last regular meeting of each calendar year as follows.

(a) The determination and seating of the President and Vice President shall be the first order of business after the call to order, roll call, flag salute, and if appropriate, certification of election and seating of new board members.

(b) The call for nominations for President shall be opened by the President and nominations shall be received by voice. No nomination needs to be seconded.

(c) Nominations shall be closed upon an approved motion.

(d) An absent candidate may not be nominated and elected unless such candidate has submitted in writing his/her desire to serve.

(e) Nothing herein shall prohibit a Board member from declining to serve as a Board officer, in which case, the determination of the officer in question shall be made without regard to the declining person.

(f) The elected President takes possession of his/her office immediately and his/her term commences immediately.

(g) After the President is determined, the Vice President shall be determined in the same manner as the President. The elected Vice President takes possession of his/her office immediately and his/her terms commences immediately.

(h) Committee, interagency, and other third party body appointments shall be made by the new President during the first meeting in January or when requested by a majority of the Directors, subject to approval of the Board.

- (1) No committee shall include in its membership more than two (2) Board members.
- (2) "Core" appointments shall be to the Finance Committee, the Fire Committee, the Personnel Committee and the representative to the South San Luis Obispo County Sanitary District (SSLOCSD).
- (3) The President will automatically be assigned as the District representative to the South San Luis Obispo County Sanitary District.

**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

- (4) At least one "Core" appointment will be made to each Director unless a Director declines the appointment.
- (5) No more than two "Core" appointments will be made to any one Director.
- (6) "Core" appointments will be rotated annually with no Director assigned to the same "Core" committee, except the SSLOCSD, two years in a row unless approved by a majority of the Directors.
- (7) Other appointments will be rotated on an annual basis if a Director requests assignment to a specific committee.
- (8) No more than one Director who has not previously served as a Director will serve on any "Core" committee.
- (9) Assignment to the Fire Oversight Committee will be made to a member of the Fire Committee unless both primary members of the Fire Committee decline appointment.
- (10) The President shall be appointed as an alternate member to all standing committees. The Vice President shall be appointed as an alternate for those meetings where the President serves as a regular member or where the President is unable, due to scheduling or other conflicts, to attend a committee meeting as an alternate.
- (11) The General Manager, or his/her designee, shall be an ex-officio member of all committees.

**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES**

WEDNESDAY

JANUARY 23, 2008

OCEANO

The Board approved Phase I of the Sewer System Management Plan to comply with the State Water Resources Control Board Statewide General Waste Discharge Requirements (WDR) Order No. 2006-0003-DWQ and directed staff to continue with the implementation of the SSMP, Phases II and III.

8. Administrative Itemsa. Committee Assignments

President Hill announced that Vice President Bookout is unable to attend Zones 1/1A meetings requiring slight changes to committee assignments. He recommended Director Dahl as the primary delegate to Zone 1/1A with Director Mann as the alternate to Zone 1/1A and Vice President Bookout as alternate to the OAC.

Thereafter, after a request for public comment, (none being given), upon motion by Director Mann, second by Director Dean, the following committee assignments were approved by unanimous voice vote.

Core Committees (Two Directors)

Fire	Mann	&	Hill
Finance	Hill	&	Mann
Personnel	Dean	&	Hill
Water & Sewer	Dahl	&	Bookout
Community Enhancement**	Bookout	&	Dean

Essential Committees (Director/Staff with Alternates)

	<u>Primary</u>	<u>Alternate</u>	<u>Time & Place</u>
Airport Land Use	Dahl		3 rd Wed / 1:30 / SLO
CA (Local) Special District	Mann		Varies (Usually Noon Fri)
Oceano Advisory	Dahl	Bookout	3 rd Mon / 6:30 / OCSD
SSLOCSD	Hill	Mann	1 st & 3 rd Wed / 6:00 / OCSD
Supervisor Liaison	Hill		Varies
Zone 3	Dean	Bookout	3 rd Thurs Odd / 6:30 / Varies
Zone 3 Technical	P. Davis		1 st Thurs / 10:00 / AG
WRAC	O'Reilly	P. Davis	1 st Wed / 1:30 / SLO
Zone 1/1A	Dahl	Mann	3 rd Tues / 3:00 / OCSD
Fire Consolidation <small>(VEGETATION)</small>	Hill	Bookout	TBA

** Includes Garbage/Street Lighting/Alleys/Parks & Recreation

b. Annual Investment Report and Re-adoption of District Investment Policy

GM O'Reilly presented the Annual Investment Report. He also noted that the District Investment Policy requires that the policy be reviewed each year and that staff has not had time for that review as yet. He stated that a detailed review of that policy would be conducted about March as part of the development of the budget for Fiscal Year 2008-09.

Patrick O'Reilly

From: Patrick O'Reilly [patrick@oceanocsd.org]
Sent: Friday, September 05, 2008 3:58 PM
To: 'Hill, James E'
Cc: 'Bill Bookout'; 'Vern Dahl'; 'Pamela Dean'; 'Bjm8923@cs.com'
Subject: Committee Assignments

Jim,

I received the following requests for committee assignments.

Vice President Bookout would like to be assigned to the Fire Oversight Committee, the Fire Committee and the Water & Sewer Committee in that priority order.

Director Dahl believes that the "outside" committees should remain the same and the only changes that should be made now are to "internal" committees. Therefore he would like to stay on the OAC and the ALUC. He is currently chair of the OAC and an alternate commissioner to the ALUC. For internal committees, he would like to be assigned to the Finance Committee.

Director Mann would like to be assigned to the Fire Committee. If she cannot be on that, she would like to be assigned to the Water & Sewer Committee and the OAC.

Director Dean's first preference for Core Committees is the Fire Committee (never assigned). Her second preference for Core Committees is the Finance Committee (assigned last year). For non-Core Committees, her first preference is the Community Enhancement Committee (assigned last two years and would like to finish this year). Her second preference is Water and Sewer Committee (never assigned). For Other Committees, her first preference is the Zone 3 Committee (to finish current assignment). Zone 3 must be approved by the Board of Supervisors.

Patrick O'Reilly
General Manager
Oceano Community Services District
Office Phone 805-481-6730 Cell Phone 805-458-5139

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**OCSD Committee Assignments
Reviewed by Ad Hoc Committee (Dahl / Dean) September 17, 2009**

<u>Committee</u>	(Note 1) <u>Current Members</u>	(Note 2) <u>Director Requests</u>	<u>Required Appointees</u>	<u>Possible Appointees</u>
Finance	Hill / Mann	Dahl / Dean	Dahl / Dean	
Fire	Hill / Mann	Bookout / Dean / Mann	Bookout / Dean	
Personnel	Hill / Dean			Mann / Bookout / Dahl
SSLOCSD	Hill		Hill	
Fire Oversight	Bookout	Bookout		Bookout/Dean (Note 3)
Water and Sewer	Dahl / Bookout	Bookout / Dean / Mann	Mann / Dean	
Community Enhancement	Dean / Bookout	Dean	Dean	Bookout / Hill / Dahl / Mann
OAC	Dahl	Mann / Dahl	Mann	

Note 1: Current members cannot be reappointed except SSLOCSD (Rules of Order Paragraph 1.4(h)(6))

Note 2: Committees will be rotated if Directors request (Rules of Order Paragraph 1.4(h)(7)) (see GM email dated 9/5/08)

Note 3: Fire Oversight Committee must be assigned to a member of the Fire Committee (Rules of Order Paragraph 1.4(h)(9))



Oceano Community Services District

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

(805) 481-6780

FAX (805) 481-6836

WARRANT SUMMARY

\$21,477.91	REGULAR PAYROLL THRU 090508	PR0901	2008/09
5,458.64	REGULAR PAYROLL THRU 091008	PR0902A	2008/09
23,752.68	REGULAR PAYROLL THRU 091308	PR0902B	2008/09
17,324.47	REGULAR WARRANTS THRU 092408	EX0917	2008/09
			2007/08
\$ 68,013.70	TOTAL WARRANTS SUBMITTED		
	FOR APPROVAL 092408		
-(1618.00)	VOIDED WARRANTS		2008/09
	#048220 DATED 090908		
	#048154 DATED 073108		

AGENDA ITEM 2008 0924 

AGENDA 092408

T:\Agendas\Warrant Summary\2009\2008-09.xls092408

CK.#	LAST NAME	F M	REGULAR	O.T.	OTHER	AUTO/BUS	GROSS	NET PAY
48197	O'REILLY	P J	3365.60	.00	332.50	150.00	3848.10	.00
48198	DAVIS	G A	2411.76	.00	.00	.00	2411.76	.00
48199	WINTER	G J	2000.56	.00	.00	.00	2000.56	.00
48200	BEA	G J	1350.72	25.33	.00	.00	1376.05	.00
48201	SANCHEZ	G D	1283.18	.00	.00	.00	1283.18	.00
48202	DAVIS	P T	2566.64	.00	.00	.00	2566.64	.00
48203	TORRES	M A	1971.04	314.13	.00	.00	2285.17	.00
48204	SILVEIRA	D P	1674.96	251.25	.00	.00	1926.21	.00
48205	LANGSTAFF	S A	1437.52	.00	.00	.00	1437.52	.00
48206	LEATHERS	B W	2448.77	.00	.00	.00	2448.77	.00
48207	BOVA	J M	2288.31	.00	.00	.00	2288.31	.00
48208	RODLIN	L M	612.00	.00	.00	.00	612.00	.00
48209	ANGELLO	G A	2396.67	1014.54	.00	.00	3411.21	.00
48210	FUKUHARA	B R	209.00	.00	.00	.00	209.00	.00
			26016.73	1605.25	332.50	150.00	28104.48	.00 *

14 RECORDS PROCESSED

PLUS AUTO PAY PG. 2 21,477.91
TOTAL NET PAYROLL 21,477.91

REGULAR PAYROLL FOR THE PAY PERIOD ENDING 08 30 2008 (PR0901)

1/6

P/R DATE 8/30/08
CHK DATE 9/05/08

OCEANO COMMUNITY SERVICES DISTRICT
DIRECT DEPOSIT LIST

RUN:

EMP#	NAME	DEDUCTION	DATE	CHECK#
1-2000	O'REILLY, PATRICK J	2,900.36	9/05/08	48197
1-2100	DAVIS, GINA A	1,902.68	9/05/08	48198
1-2120	WINTER, CINDY J	1,335.59	9/05/08	48199
1-2206	REA, GINA J	1,313.80	9/05/08	48200
1-2207	SUMPTER, HEATHER M	.00	9/05/08	
1-2323	ROMERO, VIRIDIANA M	.00	9/05/08	
2-3100	DAVIS, PHILIP T	1,851.11	9/05/08	48202
2-3150	TORRES, MAXIMIANO A	2,001.38	9/05/08	48203
2-3182	SILVEIRA, DANIEL P	1,287.73	9/05/08	48204
2-3194	LANGSTAFF, STEVEN A	983.26	9/05/08	48205
5-4881	LEATHERS, BRIAN W	.00	9/05/08	
5-4891	BOVA, JOHN M	.00	9/05/08	
5-4908	RODLIN, JIM M	.00	9/05/08	
5-4931	ANGELLO, CRAIG A	.00	9/05/08	
5-4956	KALATA, PAUL J	.00	9/05/08	
5-4968	MCTIGUE, BRET H	.00	9/05/08	
5-4969	MEISTER, DEVON S	.00	9/05/08	
5-4972	CIECEK, DANIEL C	.00	9/05/08	
5-4973	FUKUHARA, BRIAN R	.00	9/05/08	
5-4979	SCHMIDT, MICHAEL E	.00	9/05/08	
5-4981	CORSIGLIA, SCOTT L	.00	9/05/08	
5-4982	LANE, JEFFREY R	.00	9/05/08	
25-4881	LEATHERS, BRIAN W	1,916.99	9/05/08	48206
25-4891	BOVA, JOHN M	1,707.79	9/05/08	48207
25-4908	RODLIN, JIM M	523.59	9/05/08	48208
25-4931	ANGELLO, CRAIG A	2,535.99	9/05/08	48209
25-4972	CIECEK, DANIEL C	.00	9/05/08	
25-4973	FUKUHARA, BRIAN R	198.37	9/05/08	48210
1-2208	SANCHEZ, CASSEY D	1,019.27	9/05/08	48201
29	-EMPS CODED FOR DIRDEP	21,477.91	TOTAL DIRECT DEPOSIT	
14	-EMPS WITH DEDUCTION			

PAGE 2

CK.#	LAST NAME	F M	REGULAR	O.T.	OTHER	AUTO/BUS	GROSS	NET PAY
48211	GARCIA	G	137.69	.00	.00	.00	137.69	116.05
48212	KALATA	P J	1176.00	.00	.00	.00	1176.00	.00
48213	CORSIGLIA	S L	1584.00	.00	.00	.00	1584.00	.00
48214	LANE	J R	1617.00	.00	.00	.00	1617.00	.00
48215	LOCOCO	T L	396.00	.00	.00	.00	396.00	362.54
48216	MIHLHAUSER	M W	132.00	.00	.00	.00	132.00	120.85
48217	BENNET	I M	720.00	.00	.00	.00	720.00	609.24
48218	LOKART	E H	120.00	.00	.00	.00	120.00	109.85
			5882.69	.00	.00	.00	5882.69	1318.54 *

8 RECORDS PROCESSED

PLUS AUTO PAY PG 2 4140.10

TOTAL NET PAYROLL \$ 5458.64

FIREFIGHTER PAYROLL FOR THE PAY PERIOD ENDING 08 31 2008 (PR0902A)
(FINAL MONTHLY PAYROLL)

P/R DATE 8/31/08
CHK DATE 9/10/08

OCEANO COMMUNITY SERVICES DISTRICT
DIRECT DEPOSIT LIST

RUN: 9/
15:

EMPL#	NAME	DEDUCTION	DATE	CHECK#	
1-2000	O'REILLY, PATRICK J	.00	9/10/08		NC
1-2100	DAVIS, GINA A	.00	9/10/08		NC
1-2120	WINTER, CINDY J	.00	9/10/08		NC
1-2206	REA, GINA J	.00	9/10/08		NC
1-2207	SUMPTER, HEATHER M	.00	9/10/08		NC
1-2323	ROMERO, VIRIDIANA M	.00	9/10/08		NC
2-3100	DAVIS, PHILIP T	.00	9/10/08		NC
2-3150	TORRES, MAXIMIANO A	.00	9/10/08		NC
2-3182	SILVEIRA, DANIEL P	.00	9/10/08		NC
2-3194	LANGSTAFF, STEVEN A	.00	9/10/08		NC
4-4881	LEATHERS, BRIAN W	.00	9/10/08		NC
4-4891	BOVA, JOHN M	.00	9/10/08		NC
4-4908	RODLIN, JIM M	.00	9/10/08		NC
4-4931	ANGELLO, CRAIG A	.00	9/10/08		NO
4-4954	KALATA, PAUL J	984.84	9/10/08	48212	
4-4968	MCTIGUE, BRET H	.00	9/10/08		NC
4-4969	MEISTER, DEVON S	.00	9/10/08		NC
4-4972	CIECEK, DANIEL C	.00	9/10/08		NC
4-4973	FURUHARA, BRIAN R	.00	9/10/08		NC
4-4979	SCHMIDT, MICHAEL E	.00	9/10/08		NC
4-4981	CORSIGLIA, SCOTT L	1,222.42	9/10/08	48213	
4-4982	LANE, JEFFREY R	1,323.60	9/10/08	48214	
20-4881	LEATHERS, BRIAN W	.00	9/10/08		NC
20-4891	BOVA, JOHN M	.00	9/10/08		NC
20-4908	RODLIN, JIM M	.00	9/10/08		NC
20-4931	ANGELLO, CRAIG A	.00	9/10/08		NO
20-4972	CIECEK, DANIEL C	.00	9/10/08		NC
20-4973	FURUHARA, BRIAN R	.00	9/10/08		NC
1-2208	SANCHEZ, CASSEY D	.00	9/10/08		NC
29	-EMPS CODED FOR DIRDEP	37530.86	TOTAL DIRECT DEPOSIT		
3	-EMPS WITH DEDUCTION				

+ Bennett 609.24 48217
\$ 4140.10

CK.#	LAST NAME	F	M	REGULAR	O.T.	OTHER	AUTO/BUS	GROSS	NET PAY
48237	O'REILLY	P	J	3365.60	.00	332.50	150.00	3848.10	.00
48238	DAVIS	G	A	2411.76	.00	.00	.00	2411.76	.00
48239	WINTER	C	J	1875.53	.00	.00	.00	1875.53	.00
48240	REA	G	J	1283.18	.00	.00	.00	1283.18	.00
48241	SANCHEZ	C	D	1266.30	.00	.00	.00	1266.30	.00
48242	DAVIS	P	T	2566.64	.00	.00	.00	2566.64	.00
48243	TORRES	M	A	1971.04	517.40	.00	.00	2488.44	.00
48244	SILVEIRA	D	P	1674.96	251.25	.00	.00	1926.21	.00
48245	LANGSTAFF	S	A	1437.52	.00	.00	.00	1437.52	.00
48246	GARCIA	G	A	63.55	.00	.00	.00	63.55	58.18
48247	KALATA	P	J	576.00	.00	.00	.00	576.00	.00
48248	CIECEK	D	C	144.00	.00	.00	.00	144.00	.00
48249	SCHMIDT	M	E	836.00	.00	.00	.00	836.00	.00
48250	CORSIGLIA	S	L	803.00	.00	.00	.00	803.00	.00
48251	LANE	J	R	665.50	.00	.00	.00	665.50	.00
48252	LOCOCO	T	L	276.00	.00	.00	.00	276.00	248.73
48253	LEATHERS	B	W	2288.31	.00	.00	.00	2288.31	.00
48254	BOVA	J	M	2517.54	1065.94	.00	.00	3583.48	.00
48255	RODLIN	J	M	576.00	.00	.00	.00	576.00	.00
48256	ANGELLO	C	A	2189.40	.00	.00	.00	2189.40	.00
48257	FURUHARA	B	R	524.49	.00	.00	.00	524.49	.00
				29412.32	1834.59	332.50	150.00	31729.41	306.91 *

21 RECORDS PROCESSED

PLUS AUTO PAY PG2 23,445.77

TOTAL NET PAYROLL \$ 23,752.68

PAYROLL FOR THE PAY PERIOD ENDING 09 13 2008 (PR0902B)
 TOTAL PAYROLL - FIRST COMBINING ALL DEPARTMENTS

P/R DATE 9/13/08
CHK DATE 9/19/08

OCEANO COMMUNITY SERVICES DISTRICT
DIRECT DEPOSIT LIST

RUN: 97
17:

EMP#	NAME	DEDUCTION	DATE	CHECK#	
1-2000	O'REILLY, PATRICK J	2,900.36	9/19/08	48237	
1-2100	DAVIS, GINA A	1,902.69	9/19/08	48238	
1-2120	WINTER, CINDY J	1,254.62	9/19/08	48239	
1-2206	REA, GINA J	1,232.30	9/19/08	48240	
1-2207	SUMPTER, HEATHER M	.00	9/19/08		NO
1-2323	ROMERO, VIRIDIANA M	.00	9/19/08		NO
2-3100	DAVIS, PHILIP T	1,851.12	9/19/08	48242	
2-3150	TORRES, MAXIMIANO A	2,157.38	9/19/08	48243	
2-3182	SILVEIRA, DANIEL P	1,287.73	9/19/08	48244	
2-3194	LANGSTAFF, STEVEN A	983.26	9/19/08	48245	
4-4881	LEATHERS, BRIAN W	.00	9/19/08		NO
4-4891	BOVA, JOHN M	.00	9/19/08		NO
4-4908	RODLIN, JIM M	.00	9/19/08		NO
4-4931	ANGELLO, CRAIG A	.00	9/19/08		NO
4-4956	KALATA, PAUL J	478.55	9/19/08	48247	
4-4968	MCTIGUE, BRET R	.00	9/19/08		NO
4-4969	MEISTER, DEVON S	.00	9/19/08		NO
4-4972	CIECEK, DANIEL C	122.62	9/19/08	48248	
4-4973	FUKUHARA, BRIAN R	.00	9/19/08		NO
4-4979	SCHMIDT, MICHAEL E	42.51	9/19/08	48249	
4-4981	CORSIGLIA, SCOTT L	608.06	9/19/08	48250	
4-4982	LANE, JEFFREY R	555.28	9/19/08	48251	
25-4881	LEATHERS, BRIAN W	1,815.17	9/19/08	48253	
25-4891	BOVA, JOHN M	2,523.64	9/19/08	48254	
25-4908	RODLIN, JIM M	494.52	9/19/08	48255	
25-4931	ANGELLO, CRAIG A	1,672.83	9/19/08	48256	
25-4972	CIECEK, DANIEL C	.00	9/19/08		NO
25-4973	FUKUHARA, BRIAN R	557.48	9/19/08	48257	
4-4988	BENNET, IAN M	.00	9/19/08		NO
1-2208	SANCHEZ, CASSEY D	1,005.65	9/19/08	48241	
30	-EMPS CODED FOR DIRDEP	23,445.77	TOTAL DIRECT DEPOSIT		
19	-EMPS WITH DEDUCTION				

PAYEE	DETAIL OF DEMANDS VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
090108	8054816730	805481673062	01-4100-111	ADMINISTRA		735.08		10
090108	8054810085	805481008558	02-4400-111	WATER		97.69		250
090108	8054892124	805489212449	02-4400-111	WATER		103.94		260
090108	8054817760	805481776058	03-4500-111	SEWER		104.11		270
A T & T	00255				048221	1,040.82		
0437:R&M CL2R ARDEN INDUSTRIES	02010	2008.06.06	02-4400-163	WATER	048222	1,594.62 1,594.62		50
6701:CYN CREST WHEEL 6704:CHRISTIE FAM WHEEL CITY OF ARROYO GRANDE	02083	08-037 08-037	02-4400-297 02-4400-297	WATER WATER	048223	1,420.80 68.24 1,489.04	670160297 670460297	20 30
SDWA REG AWWA	02574	1000398607	02-4400-235	WATER	048224	45.00 45.00		60
1 OAC MTG DAHL, VERN	10300	083108	01-4100-225	ADMINISTRA 7/31/08	048219	50.00 50.00	118860225	280
WEB HOSTING-07/08 DIGITAL WEST NETWORKS	11433	24038	01-4100-220	ADMINISTRA	048225	25.00 25.00		70
0441:CONCRETE MIER BROS.	21020	146024	02-4400-163	WATER	048226	130.38 130.38	44180163	80
08/08 CLOTHING/TOWELS MISSION LINEN SUPPLY	21186	083008	02-4400-100	WATER	048227	327.29 327.29		90
CCWA VAR O&M 01-03/08 3RD SAN LUIS OBISPO, COUNTY OF	QTR 2027 28217		02-4400-398	WATER	048228	5,905.92 5,905.92	649280398	100
X-CONN SERV:07-08/31/08 SAN LUIS OBISPO, COUNTY OF	28611	IN58726	02-4400-220	WATER	048229	310.10 310.10		110
09/14 1555 FRONT 09/14 1589 FRONT 09/11 1935 WILMAR THE GAS COMPANY	31878	14371606006 15211606007 01761523008	01-4100-290 01-4200-290 02-4400-290	ADMINISTRA FIRE WATER	048230	86.13 68.13 521.76 676.02		120 130 140
OFF SUPP		3107615837	01-4100-200	ADMINISTRA		108.30		150

PAYEE	DETAIL OF DEMANDS VEND.NO.	INV.NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
OFF SUPP		3107615838	01-4100-200	ADMINISTRA		84.57		160
OFF SUPP		3108160194	01-4100-200	ADMINISTRA		85.76		170
STAPLES BUSINESS ADVANTAGE	32425				048231	278.63		
SWR REVEGITATION 083108		14742-001	03-4500-358	SEWER		3,200.00		40
SWCA	32890				048232	3,200.00		
10/08 ALARM SERV		5728862	02-4400-110	WATER		42.00	44180220	180
10/08 ALARM SERV		5728862	02-4400-110	WATER		42.00	44080220	190
10/08 ALARM SERV		5728862	03-4500-110	SEWER		42.00	57380220	200
10/08 ALARM SERV		5728862	01-4200-110	FIRE		42.00	927380220	210
HSM ELECTRONIC PROTECTION	SER33040				048233	168.00		
AUDIT 07/08		3796	01-4100-220	ADMINISTRA		2,000.00		220
MOSS, LEVY & HARTZHEIM	91034				048234	2,000.00		
MILEAGE		083008	01-4100-280	ADMINISTRA		64.93		230
REA, GINA	91212				048235	64.93		
MILEAGE		083008	01-4100-280	ADMINISTRA		18.72		240
SANCHEZ, CASSEY	91216				048236	18.72		
CHECKS WRITTEN						17,274.47		
* PREPAID ITEMS						50.00	*	
TOTAL DEMANDS PAID						17,324.47		

PAYEE	VEND.NO.	CHECK DATE	CHECK #	CHECK AMT	PREPAID
SAN LUIS OBISPO, COUNTY OF	28217	73108	48228	5905.92	0
SWCA	32890	73108	48232	3200.00	0
MOSS, LEVY & HARTZHEIM	91034	73108	48234	2000.00	0
ARDEN INDUSTRIES	2010	73108	48222	1594.62	0
CITY OF ARROYO GRANDE	2083	73108	48223	1489.04	0
A T & T	255	73108	48221	1040.82	0
THE GAS COMPANY	31878	73108	48230	676.02	0
MISSION LINEN SUPPLY	21186	73108	48227	327.29	0
SAN LUIS OBISPO, COUNTY OF	28611	73108	48229	310.10	0
STAPLES BUSINESS ADVANTAGE	32425	73108	48231	278.63	0
HSM ELECTRONIC PROTECTION SERV	33040	73108	48233	168.00	0
MIER BROS.	21020	73108	48226	130.38	0
REA, GINA	91212	73108	48232	64.93	0
DAHL, VERN	10300	73108	48231	50.00	1
AWWA	2574	73108	48224	45.00	0
DIGITAL WEST NETWORKS	11433	73108	48225	25.00	0
SANCHEZ, CASSEY	91216	73108	48236	18.72	0
				17324.47	*

17 RECORDS PROCESSED