



Oceano Community Services District

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

(805) 461-6730

FAX (805) 481-6836

AGENDA BOARD OF DIRECTORS MEETING

1655 Front Street
6:30 P.M.

November 12, 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

Kevin D. Walsh, 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 24, 2008
 - b. September 28, 2008
 - c. October 6, 2008
 - d. October 8, 2008 – Unavailable
 - e. October 29, 2008 – Unavailable
6. Reports
 - a. Brian Hascall, Commander, Sheriff's South Station *
 - b. Reports of District Department Heads for September, 2008
 - (1) Report of Administration Operations *
 - (2) Report of Utility Department Operations *
 - (3) Report of Fire Department Operations *

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.

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.

 - b. CDBG Sewer Repair and Replacement Project: Awards of Bids
Consider recommendation of the General Manager to award each bid itemized below regarding the CDBG-funded Sewer Repair and Replacement Project, to the lowest responsible bidder as determined by the District Consulting Engineer, the Wallace Group:
 - (1) Archaeological Monitoring
 - (2) Biological Monitoring
 - (3) Soils Monitoring
 - (4) Construction: Sewer Repair and Replacement

9. Administrative Items
 - a. Use of District Equipment
Report by District Legal Counsel regarding District Equipment Use Matter

 - b. Employer Paid Member Contributions To CalPERS
Consider recommendation of the General Manager to adopt OCSD Resolution No. 2008-22, A Resolution Confirming the District's Plan for Employer Paid Member Contributions

 - c. Board of Directors Meetings November 26, and December 24, 2008
Consider recommendation of the General Manager to cancel meetings

 - d. Request to Decorate Antique Light Poles on Highway One
Request by the Kiwanis Club of Oceano to decorate the antique light fixtures along Highway One for the holidays

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) Co Strategic Growth Readiness Workshop: 10 14 2008
 - (2) SSLOCSD: 10 15 2008 and 11 05 2008
 - (3) Other
 - b. **VICE PRESIDENT BILL BOOKOUT**
 - (1) Fire Oversight Committee: 10 10 2008
 - (2) Ad Hoc Comm re Board Meeting Protocol: 10 20 2008
 - (3) Fire Committee: 10 21 2008 and 10 28 2008 (both were cancelled)
 - (4) Other
 - c. **DIRECTOR VERN DAHL**
 - (1) ALUC: 10 15 2008
 - (2) Ad Hoc Comm re Board Meeting Protocol: 10 20 2008
 - (3) OAC: 10 20 2008
 - (4) Zones 1/1A: 10 21 2008
 - (5) Other
 - d. **DIRECTOR PAMELA DEAN**
 - (1) Fire Oversight Committee: 10 10 2008
 - (2) Fire Committee: 10 21 2008 and 10 28 2008 (both were cancelled)
 - (3) Other
 - e. **DIRECTOR BARBARA MANN**
 - (1) Other
12. General Manager Items/Discussion*
 - a. Codification Project
 - b. Rolls Royce Replacement Motor search
 - c. Annexation of Grande Mobile Manner Home Park and Halcyon Estates
 - d. Prop 218 Status
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 93475-0599
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**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES**

WEDNESDAY

September 24, 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 Dean, Director Mann

Absent: None

Staff Present: Patrick O'Reilly, Secretary to the Board/ General Manager, Gina A. Davis, Deputy Secretary to the Board/ Administrative Assistant, Philip T. Davis, Utility Operations Supervisor, Alex Simas, District Legal Counsel, John Bova, Fire Captain

Staff Absent: None

2. Flag Salute

President Hill led the flag salute.

3. Public Comment

Jim Hoover, resident of Duna Vista Mobile Home Park in Oceano, Hugh Gilson, SLO County Manufactured Homes Association; Sylvia Martinez, resident of Duna Vista Mobile Home Park in Oceano and Mark Wampler, Arroyo Grande, made various comments about mobile home parks.

4. Board Member Items/Discussion

Director Dean reminded residents that tomorrow is fall clean-up day in Oceano.

5. Review and Approval of Minutes

a. September 10, 2008

After a request for public comment, there being none, upon motion of Director Dean, second by Director Mann, and on unanimous voice vote (5 – 0) the Minutes of September 10th were approved.

6. Reports

a. Report of Utility Operations Supervisor

UOS Davis presented the report for August 2008.

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

7. Fire Items

None

8. Utility Items

a. Cleaning and Inspection of District Sewer and Water Lines.

President Hill introduced this continuing item

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

WEDNESDAY

September 24, 2008

OCEANO

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

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

NOES: None

ABSENT: None

The Board approved the continuance of the declaration of emergency.

b. Storm Water Management Plan

GM O'Reilly and Loch Driesler, Wallace Group, presented the Draft Storm Water Management Plan to the Board for consideration. During public comment, Mary Lucey, Oceano, asked several questions. Vice President Bookout recused himself due to his ongoing litigation against the District, et.el., concerning drainage issues.

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

AYES: Director Dean, Director Dahl, President Hill

NOES: None

ABSENT: Director Mann

RECUSED: Vice President Bookout

The Board directed the General Manager to submit the draft Storm Water Management Plan to the Regional Water Quality Control Board, to monitor the progress of the draft plan, and submit a final draft to the Board for approval based on public comment, Board comment and reasonable, required revisions by the Regional Water Quality Control Board.

Vice President Bookout resumed his position on the dais.

c. Water Reliability Agreement with San Luis Obispo County

GM O'Reilly announced that County staff has interpreted the agreement approved by this Board on July 23, 2008 to commit the District to purchase 314 acre feet of "program" water from the County in calendar years 2008 and 2009. District staff had interpreted the agreement to mean the District had the option to purchase the water. District staff has determined that any needed water can be pumped at an approximate cost of \$90 per acre foot compared to the cost of "program" water of \$160 per acre foot. District Engineer John Wallace advised the Board that County staff has just decided to allow subcontractors to decide on a "month to month" basis how much water they want to purchase and is willing

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

WEDNESDAY

September 24, 2008

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to accept a revised "Water Delivery Request" where the District can specify less than 314 acre feet of water each year. He advised that we should submit a cover letter with the revised "Water Delivery Request" specifying our understanding of the agreement.

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

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

NOES: None

ABSENT: Director Mann

The Board directed the General Manager to submit a revised delivery request to the County with a cover letter specifying our understanding of the agreement that allows the District to decide on a monthly basis how much "program" water to request.

10. Administrative Items

a. Financial Audit for Fiscal Year 2006-07

AA Davis and GM O'Reilly presented the staff report explaining why it has taken so long to progress with the financial audit for Fiscal Year 2006-07. There was no public comment.

b. Review of District Powers

District Legal Counsel Simas presented a history of the District's legal powers concluding that the powers that are currently active in the District are Water, Sewer, Parks & Recreation, Fire Protection and Solid Waste.

Vice President Bookout suggested that the District use grants to fund the Graffiti power. GM O'Reilly said he would look into that and include this item as an agenda for the Community Enhancement Committee along with consideration of additional street lights.

During public comment, Sylvia Martinez, Oceano, suggested that better lighting and increased sheriff patrols could improve the graffiti situation.

12. Reports of District Representatives

a. PRESIDENT JIM HILL reported on the SSLOCSD meetings of 8/6/08 and 8/20/08 and on the Fire Committee meetings of 8/12/08 and 8/26/08.

b. VICE PRESIDENT BILL BOOKOUT reported on the Water and Sewer Committee meetings of 7/30/08 and 8/21/08 and on the Fire Oversight Committee meeting of 8/15/08.

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

WEDNESDAY

September 24, 2008

OCEANO

- c. DIRECTOR VERN DAHL reported on the Water and Sewer Committee meetings of 7/30/08 and 8/21/08, the OAC meeting of 8/25/08, the Zones 1/1A Committee meeting of 8/21/08, the ALUC meeting of 8/20/08 and on the luncheon meeting between himself, President Hill, GM O'Reilly, Steve Adams, city manager of Arroyo Grande and Tony Ferrara, mayor of Arroyo Grande to discuss water issues.
 - d. DIRECTOR PAMELA DEAN reported on a meeting she had with Fire Chiefs Hubert and Heath for indoctrination into local fire operations.
13. General Manager Items/ Discussion
The GM announced that the Fall Cleanup week is schedule to begin September 22nd. He announced that the street sweeping contractor has not yet established a firm schedule but that residents can call the District office and we will let them know when street sweeping will be accomplished each month. The GM commended the Wallace Group on the excellent job they have done moving the sewer repair project along so the District will not lose almost a million dollars in grants. He reported that the District had submitted a "Will Serve" letter for the Coker-Ellsworth project just across from Halcyon. He announced that we have received the County of San Luis Obispo July 2008 Pavement Report which is available in the office for anyone interested in reviewing it.
14. Board Member Items/ Discussion
None
15. Consideration of Warrants
President Hill presented the warrants for consideration.
- Vice President Bookout recused himself from consideration of the warrant for Kirk & Simas due to his lawsuit against the District.
- Thereafter, after a request for public comment, (none being given), upon motion by Director Dahl, second by Director Dean, the Board approved the warrant for Kirk & Simas by unanimous voice vote (3-0)(Director Mann absent and Vice President Bookout recused).**
- Vice President Bookout returned to his position on the Board.
- Thereafter, after a request for public comment, (none being given), upon motion by Director Dahl, second by Director Dean, the Board approved the warrants by unanimous voice vote (4-0)(Director Mann absent).**
16. Public Comment
Phyllis Martinez, Oceano resident from Duna Vista Mobile Home Park, discussed problems with rent control and being overcharged for Arroyo Grande Creek cleanup. GM O'Reilly told her he would get her a contact with the county for those two items.
17. Written Communication

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

WEDNESDAY

September 24, 2008

OCEANO

None

11. Adjourn to Executive Session

CLOSED SESSION – A closed session pursuant to Government Code Section 54956.9(b) was conducted to meet with agency's legal counsel concerning pending litigation. (Bookout v. State of California, et al.; San Luis Obispo County Superior Court Case #CV 060384)

CLOSED SESSION – A closed session pursuant to Government Code Section 54957(b)(1) was conducted to conduct the annual performance evaluation of the General Manager.

CLOSED SESSION – A closed session pursuant to Government Code Section 54957.6 was conducted to meet and confer with District's designated representative regarding compensation paid to its represented employees; the District's designated representative is Patrick O'Reilly.

District Legal Counsel Simas reported that the Board had voted unanimously in closed session to extend this meeting beyond the 10 pm deadline. He also reported that no action was taken during closed session.

The meeting was adjourned by President Hill at 11:02 pm.

Patrick O'Reilly, Secretary to the Board

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

SUNDAY

September 28, 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, Gina A. Davis, Deputy Secretary to the Board/ Administrative Assistant, Alex Simas, District Legal Counsel

Staff Absent: None
2. Flag Salute
President Hill led the flag salute.
3. Public Comment
Jeanette Padilla, Oceano business owner, made general comments.
4. Board Member Items/Discussion
None
5. Administrative Items
 - a. Recruitment of Interim General Manager and Permanent General Manager
GM O'Reilly presented some of the documentation used to in the last GM recruitment.

Concerning the recruitment for a permanent GM, there was general consensus:
 - that District staff would do the recruiting instead of hiring a professional recruiter;
 - that the Job Description and Job Announcement used for the last recruitment would be used for the current recruitment;
 - the entire Board would review all applicants and select those candidates to be interviewed;
 - the recruitment will be coordinated by the District Administrative Assistant so the Interim GM will not be excluded from applying for the permanent position;
 - there will be two interviews. The first conducted by a panel of experts not associated with the District (the last recruitment utilized the District Engineer, the GM of Nipomo CSD, and the City Managers from Arroyo Grande and Grover Beach – the City Manager from Pismo Beach could not attend). The second conducted by the District Board of Directors.
 - the recruitment will be "opened until filled" with an initial review of applications in about a month;

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

SUNDAY

September 28, 2008

OCEANO

- the current salary will be provided with a statement that the salary is "under review".

Concerning the recruitment of the Interim GM, there was general consensus:

- The GM will contact the following potential candidates: Bill Van Orden (previous GM of Templeton CSD), Harold Wright (financial analyst), Bob Mack (previous City Manager of Arroyo Grande), Ed Kreins (previous City Manager of Beverly Hills), Kit Carter (Wallace Group), and John Wallace (Wallace Group);
- The GM will contact other local CSDs for recommendations concerning possible candidates;
- A special meeting of the Board will be convened if necessary to hire an Interim GM before the current GM leaves

6. Board Member Items/Discussion
None

7. Public Comment
Mary Lucey, Oceano resident, made general remarks.

The meeting was adjourned by President Hill at 7:20 pm.

Patrick O'Reilly, Secretary to the Board

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

MONDAY

October 6, 2008

OCEANO

The meeting was called to order by President Hill at 7:00 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, Gina A. Davis, Deputy Secretary to the Board/ Administrative Assistant, Alex Simas, District Legal Counsel, Ryan Fothergill, District Legal Counsel

Staff Absent: None

2. Flag Salute

President Hill led the flag salute.

3. Public Comment

None

4. Board Member Items/Discussion

None

5. Executive Session

There was no public comment on the Executive Session. The Board adjourned to Closed Session at 7:03pm to consider two items. The Board met pursuant to Government Code 5457(b)(1) to consider the appointment or employment of a public employee. The position under consideration was Interim General Manager. The Board also met pursuant to Government Code 54957.6(a) to meet with the District's designated representative to discuss and provide direction to the representative regarding negotiations over the salary, salary schedules or other compensation paid to an unrepresented employee. The District's designated representative is General Manager Patrick O'Reilly.

The Board reconvened in Open Session at 9:58pm. District Legal Counsel Simas reported that the Board had met and interviewed four candidates for the position of Interim General Manager and provided direction to its designated representative concerning negotiating with a candidate for the position of Interim General Manager.

6. Board Member Items/Discussion

None

7. Public Comment

None

The meeting was adjourned by President Hill at 10:00 pm.

Patrick O'Reilly, Secretary to the Board



Oceano Community Services District

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

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November 12, 2008

TO: Kevin D. Walsh, Interim General Manager
FROM: Gina A. Davis, Administrative Assistant
SUBJECT: ITEMS TO BE DELIVERED SEPARATELY FROM THE AGENDA PACKET

Due to reduced resources and other circumstances beyond our control, the following items will be delivered on Monday, November 10, 2008:

Report of the Administrative Assistant

Report of the Utility Operations Supervisor

Warrants

Thank you for your patience and understanding.



Oceano Community Services District

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November 12, 2008

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, Interim General Manager

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 11 12 2008 8.a.



Oceano Community Services District

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DATE: November 12, 2008
TO: Board of Directors
VIA: Kevin D. Walsh, Interim General Manager
FROM: John L. Wallace, District Engineer
SUBJECT: SEWER REPAIR AND REPLACEMENT PROJECT – CONSULTANT/MONITOR RECOMMENDATIONS

RECOMMENDATION:

Staff recommends the Board:

1. Review the information presented below regarding Staff recommendations for the selection of a Biological Monitor, Archeology/Native American Monitor, and Soils Inspector for the Sewer Repair and Replacement Project.
2. After incorporating any comments from District Counsel, authorize the President to execute contracts with the recommended consultants: Morro Group (Biological), CRMS (Archeological/Native American), and GSI Soils Inc. (Soils).

DISCUSSION:

Permitting conditions for the repair and replacement of some of the earthquake-damaged sections of the District's sewer system require monitoring of biological, archeological, and Native American impacts during construction. Verification of soil compaction for trench backfill is also required. District Staff issued Requests for Proposals (RFPs) for Biological Monitoring, Archeological /Native American Monitoring, and Soils Inspection and the recommended firms are detailed below:

Biological Monitoring RFP

RFPs were sent out to the following seven firms for biological monitoring services:

1. Althouse & Meade
2. LFR
3. LSA
4. Morro Group
5. Padre Associates
6. Rincon
7. Tenera

Agenda Item 11 12 2008 8.B.(1)(2)(3)

Three proposals were received: Padre Associates, Rincon, and Morro Group. Each proposal met the requirements of the RFP and each firm is fully qualified. Having first determined that overall qualifications for the three firms were equal, Staff looked at overall costs:

Padre	\$ 32,775
Rincon	\$ 28,925
Morro Group	\$ 19,000 (Not To Exceed)

Staff recommends the District select The Morro Group as the Biological Monitor for this project because they are qualified, and furthermore, because they wrote the original biological monitoring plan for this project, they are the most familiar with the project site and requirements.

Archeology and Native American Monitoring RFP

RFP's were sent out to the following 7 firms for archeological monitoring services:

1. CRMS
2. Central Coast Archeology
3. LSA
4. Gibson Archeology
5. Heritage Discoveries
6. Robert Hoover
7. Ethan Bertrando

Staff received proposals from LSA and CRMS. Both proposals met the requirements of the RFP, both firms are fully qualified, and both proposals included the same scope.

CRMS has already retained Native American monitors while LSA did not note if they had or had not done this in their proposals. Retaining Native American monitors is sometimes difficult. Having retained Native American monitors prior to proposal shows a good working relationship with the Native American community that will hopefully ensure efficient monitoring management. The Native American monitors for CRMS will be Patricia and Douglas Nulton.

LSA wrote the original archeological report for the project, while CRMS wrote the archeological monitoring plan, so both firms are equally familiar with the project site and requirements.

Having first determined that overall qualifications for both firms were equal, Staff compared the hourly rates submitted by each firm. CRMS quoted the lower rate (\$52.50 / hour for both the Archeological and Native American monitors). LSA hourly costs were \$55/hr and \$75/hr respectively. Since both professions will be required on this project, hourly rate is an important factor relating to overall cost.

Staff recommends CRMS as the Archeological Monitor for this project because they are equally as qualified as the other firm, they have already retained Native American monitors, and their overall cost is competitive.

Agenda Item 11 12 2008 8.B.(1)(2)(3)

Soils RFP

Staff sent RFPs to the following 4 firms for soil compaction testing services:

1. Earth Systems Pacific
2. Geo Solutions Inc.
3. Mid Coast Geotechnical
4. GSI Soils Inc.

All four firms submitted proposals. Having first determined that overall qualifications for all four firms were equal, Staff compared the hourly rates submitted by each firm. Each of the firms is fully qualified for serving the project's needs and each proposal includes the same scope. Having first determined that overall qualifications for all four firms were equal, Staff compared the hourly rates submitted by each firm. GSI Soils Inc. quoted the lowest rate, \$80.00 per hour, which is \$4 per hour lower than the next highest proposal.

Staff recommends GSI Soils Inc. as the Soils Inspector for this project because they are equally as qualified as the other firms and their overall cost is competitive.

Agenda Item 11 12 2008 8.B.(1)(2)(3)

MEMORANDUM

DATE: November 12, 2008
TO: Board of Directors
VIA: Kevin Walsh, Interim General Manager
FROM: John L. Wallace, P.E., District Engineer
SUBJECT: Sewer Repair and Replacement Project – Contractor Bid Award

RECOMMENDATIONS:

Staff recommends the Board:

1. Review the attached Bid Summary, Bid Analysis and Staff Report to consider awarding the Sewer Repair and Replacement Contract to R. Baker Inc., of Arroyo Grande, California for a Total Contract Amount of **\$587,645.00**, consisting of the total Base Bid amount of **\$376,672.00** and Additive Alternate Segments 8, 11, 12, 17, 21, 22, 24, and 25 (totaling **\$210,973.00**).
2. Direct staff to issue the Notice of Award to R. Baker Inc.

FUNDING:

Grant funds in the amount of **\$322,126.00** were awarded from Community Development Block Grants (CDBG) and **\$660,000.00** from Disaster Recovery Initiative (DRI). This provides for a total program budget (including County permitting assistance, design, environmental studies and permitting, construction, monitoring, administration, and construction and monitoring contingencies) of **\$982,126.00** for the Sewer Repair and Replacement Project. Future CDBG funds may be available and Staff has filed an application with the County of San Luis Obispo, requesting additional funds for the completion of this project. Given the current estimate, and assuming the need to use all contingency funds, upon completion of the recommended contract work, 5 segments from the previous District Engineer's recommended list will remain for repair. Funding for this repair may be from additional grant funding or future Capital Improvement budgetary funds and will cost approximately \$400,000-\$500,000 to complete. The design for the repairs/replacement of these segments is already complete.

DISCUSSION:

On October 22, 2008, bids from four prospective construction contractors were received. The bids were favorable, and the base bids were from \$376,672 to \$429,011. The lowest bid submitted was from R. Baker Inc., of Arroyo Grande, California for the Base Bid amount of **\$376,672.00** with a Total Add Alternate Bid of **\$554,569.20**. R. Baker Inc., is a current Class "A" licensed contractor in the State of California, in good standing, and demonstrates favorable consideration on their bid (see attached). Their bid proposal is responsive and presents evidence they have successfully performed similar work satisfactory to the District.

Agenda Item 11 12 2008 8.b.(4)

R. Baker Inc.'s subcontractor for lining the 10 and 12-inch sewer line is Pacific Liners of Vacaville, California. They are also licensed in the State of California and have successfully completed numerous lining projects for many other municipalities and government agencies.

Staff reviewed the Base Bid for determination of apparent low bidder (per the contract specifications). Having deemed R. Baker Inc. to be the lowest responsive and responsible bidder, Staff then reviewed their bids for the remaining Additive Alternates for determination of which Segments could be repaired within the CDBG and DRI grant funds available to Oceano CSD.

The previous District Engineer designated 29 segments for repair of damage resulting from the 2003 San Simeon Earthquake. Upon further review of sewer video, Wallace Group was able to determine that 6 of these segments did not require repair. The current Staff recommendations are for the replacement/repair of 10 Base Bid Segments and 8 Additive Alternate Segments. Therefore 18 segments of the 23 total segments will be repaired under this contract.

Engineer's Estimate
\$ 585,000.00

OCEANO COMMUNITY SERVICES DISTRICT
SEWER REPAIR AND REPLACEMENT
BID OPENING REPORT
BID OPENING TUESDAY 2:00 PM OCTOBER 21ST, 2008
BID OPENING: WALLACE GROUP – 612 CLARION COURT SAN LUIS OBISPO, CA 93401

BID SET	COMPANY NAME	APPARENT LOW BIDS	LINING CONTRACTOR	OTHER SUBCONTRACTORS	TOTAL BASE BID	TOTAL ADD ALTERNATE COST
10	R. Baker, Inc.	1	Pacific Liners (7%)	None Listed	\$ 376,672.00	\$ 554,569.20
16	D-Kal Engineering	2	Pacific Liners (6%)	Toast Grading and Paving (5%)	\$ 379,418.40	\$ 604,201.40
12	R. Burke Corporation	3	Pacific Liners (11%)	None Listed	\$ 395,121.00	\$ 555,026.00
13	MGE Underground	4	Pacific Liners (15%)	None Listed	\$ 429,011.00	\$ 922,061.00



Bid Proposal Checklist

Owner: **Oceano Community Services District**
 Project: **Sewer Repair and Replacement**
 Bid Opening Date: **October 21, 2008 – 2:00 PM**

Items Required for a Complete Bid Proposal	Contractors		
	(1) R. Baker	(2) D-KAL	(3) R. Burke
Signed Proposal Form	✓	✓	✓
Bid Schedule and acknowledged Addendum	✓	✓	✓
Bid Security Form (or Bid Bond)	✓	✓	✓
Contractors Licensing Statement	✓	✓	✓
One Photocopy of Each License Required	✓	✓	✓
References/Experiences	✓	✓	✓
List of Subcontractors	✓	✓	✓
List of Pipe Lining Material and Equipment Suppliers	✓		
Affirmative Action Form	✓		
Non-Collusion Affidavit	✓	✓	✓
Certificate of Liability Insurance	✓	✓	
Proof of Unemployment Insurance	✓		
Worker's Compensation Insurance Certificate	✓	✓	✓
Errors, Omissions or Computation Acknowledged	✓		✓
Statement of Disposal Facility	✓	✓	✓

Reviewed by: Craig Taylor, Resident Engineer

Checked by: Mark Owens, P.E. Project Manager

Date: October 24, 2008



R. BAKER, INC.

PIPE LINE AND UTILITY CONSTRUCTION

POST OFFICE BOX 419

PHONE: 805 / 489-8711

ARROYO GRANDE, CALIFORNIA 93421-0419

CONTRACTOR'S LICENSE NO. 372751

COMPANY RESUME

R. Baker, Inc. is a pipeline and utility construction California Contractor. Our Contractor's License #372751 expires April 30, 2009 and is rated Class A, Hazard and C-16 HIC.

Robert R. Baker - President, Secretary and Treasurer

Education: B.S. Mechanical Engineering
University of Illinois, Urbana, Champaign
Graduated June, 1955

Experience:

1951-1955 Johns-Manville Corporation
Industrial Millwright, Asbestos-Cement Pipe Division. Summer
Employment, average work week of 48-60 hours - Company
Training Program.

1955-1957 United States Army
First Lieutenant, Corps of Engineers
Heavy Bridge Construction, Company Commander 553rd
Engineer Bridge Company.

1957-1960 Abbott Laboratories
Industrial Plant Design Engineer

1960-1963 General Dynamics Corporation
Aeronautics Division, Atlas Weapon System
Flight Test Engineer, Gas handling propellant, loading systems.
(Liquid Oxygen, Liquid Nitrogen, 6000 psi helium, 10,000 psi
nitrogen). Member of the VAFB Atlas Launch Team 1962-1963.

1963-1972 West Coast Construction Co., Inc.
Secretary, Treasurer, 50% Stockholder.

Specialized in Underground Construction projects throughout the Central Coast. Duties included management, contract administration, contract plans and specifications take off, field supervision, field construction work. Total estimated volume of work successfully completed: \$55 million. Contract failures: None.

1972-Present R. Baker, Inc.
President, Owner
Specializing in underground construction, site development and subdivision projects throughout the Central Coast. Total estimated volume of work successfully completed: \$150 million. Contract failures: None.

James E. Guiton – Vice President/Operations Manager

Education: Arroyo Grande High School, AG, CA
Graduated June 1968

Experience:
1968-1972 United States Navy
Aviation Machinist Mate 2nd Class
Vietnam Veteran
Honorable Discharge 1972

1972-1976 Phipps Plastering
Hod-Carrier

1976-Present R. Baker, Inc.
Laborer, Laborer Foreman, Field Superintendent, Vice President
Operations Manager.

R. BAKER, INC.

PIPE LINE AND UTILITY CONSTRUCTION

POST OFFICE BOX 419

PHONE: 805 / 489-8711

ARROYO GRANDE, CALIFORNIA 93421-0419

CONTRACTOR'S LICENSE NO. 372751

R. Baker, Inc is an underground utility company specializing in construction and upgrading of Storm Drain, Sewer, Water and Underground Utility systems.

Below is a list of our qualifications and a partial list of our references.

- R. Baker, Inc. is a California licensed General Engineering Contractor, license #372751 with classifications of A Hazard, C-16. R. Baker specializes in all phases of underground utility construction. R. Baker, Inc. is a registered California Corporation.
- Robert R. Baker is the Owner, and President of R. Baker, Inc. which was started in 1972. R. Baker, Inc. was formed after 10 years of successfully operating as a 50% owner of another Corporation performing identical construction services.
- R. Baker, Inc. has ownership of a complete equipment fleet in sufficient numbers to perform multiple tasks.
- R. Baker, Inc. Personnel have an average of 20 years experience in performing this type of work.

Municipal and District References

City of Atascadero

City of San Luis Obispo

City of Morro Bay

City of Pismo Beach

City of Grover Beach

City of Santa Maria

City of Buellton

County of SLO

City of Santa Barbara

South County Sanitation Dist

Oceano Comm Services Dist

Port San Luis

Private Sector References

Union Asphalt, Inc.

S&S Homes

Centex Homes

R. W. Scott Con., Inc.

J. M. Construction

Curtis Development

Rural Water Company

Department of Consumer Affairs
Contractors State License Board

Contractor's License Detail - License # 372751

⚠️ DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- » CSLB complaint disclosure is restricted by law (B&P 7124.6). If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- » Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- » Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- » Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

License Number: 372751 **Extract Date:** 10/22/2008

Business Information: R BAKER INC
P O BOX 419
ARROYO GRANDE, CA 93421
Business Phone Number: (805) 489-8711

Entity: Corporation

Issue Date: 04/09/1979

Expire Date: 04/30/2009

License Status: This license is current and active. All information below should be reviewed.

CLASS	DESCRIPTION
A	GENERAL ENGINEERING CONTRACTOR
C16	FIRE PROTECTION CONTRACTOR

Certifications:

CERT	DESCRIPTION
HAZ	HAZARDOUS SUBSTANCES REMOVAL

Bonding:

CONTRACTOR'S BOND
This license filed Contractor's Bond number 24362798 in the amount of \$12,500 with the bonding company WESTERN SURETY COMPANY.
Effective Date: 01/01/2007
[Contractor's Bonding History](#)

BOND OF QUALIFYING INDIVIDUAL
The Responsible Managing Officer (RMO) ROBERT ROY BAKER certified that he/she owns 10 percent or more of the voting stock/equity of the corporation. A bond of qualifying individual is not required.
1. **Effective Date:** 01/01/1980
Cancellation Date: 05/01/1991


This license has workers compensation insurance with the STATE COMPENSATION INSURANCE FUND
Policy Number: 044-0021218

Workers' Compensation: **Effective Date:** 03/01/2002
Expire Date: 03/01/2009
[Workers' Compensation History](#)

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Department of Consumer Affairs
Contractors State License Board

Contractor's License Detail - License # 678163

 **DISCLAIMER:** A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- » CSLB complaint disclosure is restricted by law (B&P 7124.6). If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- » Per B&P 7071.17, only construction related civil judgments reported to the CSLB are disclosed.
- » Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- » Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

License Number: 678163 **Extract Date:** 10/22/2008

Business Information: J F PACIFIC LINERS INC
70 UNION WAY
VACAVILLE, CA 95687
Business Phone Number: (707) 446-8222

Entity: Corporation

Issue Date: 09/30/1993

Expire Date: 09/30/2009

License Status: This license is current and active. All information below should be reviewed.

Additional Status: The license may be suspended on 11/13/2008 if the workers' compensation insurance policy is not filed with the CSLB.

Classifications:

CLASS	DESCRIPTION
A	GENERAL ENGINEERING CONTRACTOR

Bonding: CONTRACTOR'S BOND
This license filed Contractor's Bond number 0317815 in the amount of \$12,500 with the bonding company INTERNATIONAL FIDELITY INSURANCE COMPANY.
Effective Date: 01/01/2007
[Contractor's Bonding History](#)

Workers' Compensation: BOND OF QUALIFYING INDIVIDUAL
The Responsible Managing Officer (RMO) KENNETH CONRAD DETRICK certified that he/she owns 10 percent or more of the voting stock/equity of the corporation. A bond of qualifying individual is not required.
Effective Date: 09/30/1993
This license has workers compensation insurance with the TRAVELERS INDEMNITY COMPANY OF CONNECTICUT
Policy Number: DTEUB365K783007
Effective Date: 10/01/2007
Expire Date: 10/01/2008
[Workers' Compensation History](#)

Personnel listed on this license (current or disassociated) are listed on other licenses.



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Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93445 (805) 481-6730 FAX (805) 481-6836

November 12, 2008

**TO: Board of Directors
Oceano Community Services District**

**FROM: Alexander F. Simas
District Legal Counsel**

SUBJECT: District Equipment Use Matter

Background: This report relates to a sensitive and confidential personnel matter. For that reason, I intentionally have not included the names of the parties involved.

This matter has been placed on the agenda at Director Bookout's request under the District's Rules of Order (Rule 2.3(c)). While the District staff must honor that request, it was made against my advice for two reasons:

1. This matter involves a sensitive and confidential personnel matter and potentially exposes the District to liability.
2. As the matter has developed, handling it falls exclusively within the General Manager's purview, and not that of the Board.

Discussion: In late July of this year, then General Manager O'Reilly contacted me to discuss certain electronic files that had been discovered on the District's computer network and did not appear to relate to District business. Most of the files related to certain civic and charitable work occurring several years ago, but some clearly were of a personal nature.

The use of District equipment for personal matters is prohibited by District policy, and is generally prohibited by Government Code Section 8314(a), which states:

"It is unlawful for any elected state or local officer, including any state or local appointee, employee, or consultant, to use or permit others to use public resources for a campaign activity, or personal or other purposes which are not authorized by law."

Certain exceptions exist in the law as described below.

GM O'Reilly requested direction from me regarding the appropriate action to take. After consultation with representatives of both the San Luis Obispo County Sheriff's Department

and the District Attorney's office, copies of the documents were forwarded to the Sheriff's Department for investigation to see if any criminal provisions of California law had been violated, and if so, how to proceed on the matter.

The Sheriff's department conducted its investigation. The investigator ultimately concluded that in this case, the use of District equipment either did not violate Government Code Section 8314(a), or fell within the exceptions to that section, contained in subsection (b)(1) and b(2), which provide:

"(1) 'Personal purpose' means those activities the purpose of which is for personal enjoyment, private gain or advantage, or an outside endeavor not related to state business. 'Personal purpose' does not include the incidental and minimal use of public resources, such as equipment or office space, for personal purposes, including an occasional telephone call." [emphasis added]

"(2) 'Campaign activity' means an activity constituting a contribution as defined in Section 82015 or an expenditure as defined in Section 82025. 'Campaign activity' does not include the incidental and minimal use of public resources, such as equipment or office space, for campaign purposes, including the referral of unsolicited political mail, telephone calls, and visitors to private political entities." [emphasis added].

Based upon these findings, the Sheriff's department closed its investigation of the matter without further action against any individuals who may have been involved in it. Based upon that determination, we believe that no further action is warranted with regard to any possible criminal liability.

Following the criminal investigation's completion, I advised GM O'Reilly and the Board, how that matter was concluded. I also advised him that it theoretically is possible that the individuals involved could have some civil liability to the District for use of the District's equipment. I asked him to determine, if he could, what costs the District may have incurred by the use or any fair market use value that might be associated with the equipment use. A few days later, on October 7, GM O'Reilly advised that after some work analyzing the material, he was not able to come up with any basis for a charge, and that if he could, it likely would be de minimis. Following that, I advised GM O'Reilly that no further action was warranted as to any civil liability.

Following completion of the civil liability review, GM O'Reilly asked me to review the matter in connection with the District's policies. Pursuant to Resolution 1999-21, the District adopted an *"Electronic Mail / Internet Use Policy and Guidelines."* In general, the policy and guidelines prohibit use of the District computer system for anything other than

official District business. By its terms, it applies to both District employees and elected officials.

The only punishment imposed for violation of the policy is “. . . *termination of System access, disciplinary action up to and including termination of employment and /or criminal prosecution.*”

On October 8, I advised GM O'Reilly that:

1. As discussed above, criminal prosecution is not an option.
2. To the extent that a District employee may be involved, the exclusive right to determine whether a violation occurred, and to impose discipline rests in the GM's sound discretion. If the GM determines that discipline is warranted, he could impose it and the employee involved has the right to appeal the decision to the Board of Directors. The Board otherwise has no involvement in the process.
3. To the extent that a District elected official may be involved, the right to determine whether a violation occurred, and to terminate System access also rests in the GM's sound discretion. If the GM determines that such action is warranted, he could impose it and the elected official involved similarly has the right to appeal the decision to the Board of Directors. Again, the Board otherwise has no involvement in the process.

Current Status: While I have not spoken with him regarding the matter, my impression is that before his departure, GM O'Reilly determined that overall, the policy violations involved were so minimally detrimental to the District that no further action was warranted. Based upon my knowledge of the facts, I support that decision and consider the matter closed.

Because the electronic files involved do not relate to District business, I have opined to District staff that the District has no obligation to maintain them. District staff has purged the files from the District's computer system and provided them to me on CD-ROM for eventual disposal.

Summary, Conclusion and Recommendation: At sometime in the past, one or more persons, likely current or former District employees and/or an elected official, made improper use of some District computer equipment. The full extent of the use cannot be determined at this time.

It was possible that the use violated criminal and civil statutes so an investigation was conducted. The Sheriff's Department ultimately determined that no criminal liability existed and there is no basis for determining the extent of any civil liability.

The matter also was reviewed in connection with District policies and it was determined that a policy prohibiting such use likely was violated. The policy creates limited remedies that rest in the GM's discretion. The GM considered the same and determined that no further action was warranted. I support that decision and further believe that the Board has no role to play in the matter as it has evolved.

Further pursuit of this matter is not likely to achieve any benefit for the District. Rather, it only is likely to unnecessarily expose the District to potential liability.

I recommend that the Board take no further action on the matter.

Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93445 (805) 481-6730 FAX (805) 481-6836

November 12, 2008

**TO: Board of Directors
Oceano Community Services District**

**FROM: Alexander F. Simas 
District Legal Counsel**

SUBJECT: EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS

Recommendation: Consideration and recommended adoption of Resolution 2008-22, a Resolution of the Oceano Community Services District Board of Directors Confirming the District's Plan for Employer Paid Member Contributions.

Background and Discussion: As the Board knows, the District participates in the California Public Employees Retirement System ("CalPers"). The District has a long standing policy of paying the employee share of contributions to the system. Under the federal tax law, this contribution could be treated as an additional, nontaxable employer contribution to the retirement plan, or it could be treated as additional taxable wages to the employee, depending upon certain circumstances.

In 1980, the California legislature adopted Government Code Section 20691 intended to authorize treatment of the contributions as an additional, nontaxable employer contribution if certain requirements are met. In 1985, CalPers obtained a private letter ruling from the Internal Revenue Service confirming that if the requirements of Government Code Section 20691 are met, then the contribution is nontaxable to the employee for federal income tax purposes.

Government Code Section 20691 generally requires that in order to be nontaxable to the employee, the sponsoring governmental agency must make the contributions for all employees of a designated classification on the same basis.

Apparently in the early or mid-1980s, CalPers recommended that each governmental agency participating in its program adopt a formal resolution memorializing its contractual obligation or policy to make the contributions on this basis. District staff has reviewed its records and has not been able to locate such a resolution.

In Revenue Ruling 2006-43, the Internal Revenue Service has advised that if a governmental agency adopts such a resolution before December 31, 2008, then it will not question the taxability of payments made for these purposes before that date or thereafter.

Failure to adopt such a resolution does not mean that such payment necessarily will be treated as taxable to the employee, but it is an open question.

It is important to note that adoption of this resolution does not change the District's policies or procedures or increase its expenses. It merely confirms long standing practice in a manner that assures the federal tax law treatment intended and which has been assumed since the practice started.

Attached as Exhibit "A" is a form of resolution to accomplish this.

**EXHIBIT "A" TO
STAFF REPORT**

RESOLUTION 2008-22

[A copy of proposed Resolution 2008-22 follows on the next page.]

EXHIBIT "A"

Agenda Item 11 12 2008 9.b.

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2008-22**

**A RESOLUTION OF THE OCEANO COMMUNITY SERVICES DISTRICT BOARD OF
DIRECTORS CONFIRMING THE DISTRICT'S PLAN FOR EMPLOYER PAID MEMBER
CONTRIBUTIONS**

WHEREAS, the governing body of the Oceano Community Services District (the "Board" and the "District" respectively) has authority to implement Government Code Section 20691; and

WHEREAS, the Board has existing labor policies or agreements which specifically provide for the normal member contributions to the California Public Employees Retirement System ("CalPERS") thereunder to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Government Code Section 20691 is for the Board to adopt a Resolution to commence Employer Paid Member Contributions ("EPMC") to CalPERS; and

WHEREAS, the Board has identified the following conditions for the purpose of its election to pay EPMC:

- A. This benefit shall apply to all District employees participating in CalPERS.
- B. The benefit shall consist of paying 100% of the normal member contributions as EPMC.
- C. The effective date of this Resolution is November 12, 2008, but it is acknowledged that the District has a long standing policy of paying the same as EPMC.

NOW, THEREFORE, BE IT RESOLVED that the District Board elects to pay EPMC, as set forth above.

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

AYES:
NOES:
ABSENT:
ABSTAINING:

the foregoing resolution is hereby adopted this 12th day of November, 2008.

ATTEST:

Jim Hill, President

Gina A. Davis, Deputy Secretary

Agenda Item 11 12 2008 9.b.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

November 12, 2008

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, Interim General Manager

**SUBJECT: BOARD OF DIRECTORS MEETINGS OF NOVEMBER 26, AND
DECEMBER 24, 2008**

The regularly scheduled Board meetings for November 26, and December 24, 2008, conflict with the Thanksgiving and Christmas holiday periods. In the past, workload permitting, these meetings have been cancelled.

Current District workload should accommodate having only one Board meeting in November and December of this year.

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second and roll call vote, cancel the regularly scheduled meetings of the Board of Directors on November 26, 2008 and December 24, 2008.

Agenda Item 11 12 2008 9.c.



November 6, 2008

Mr. Jim Hill
President
Oceano Community Service District
1655 Front Street
Oceano, CA 93445

Dear President Hill:

The Kiwanis Club of Oceano would like permission to put holiday decorations on the antique light poles on Front and Cienaga Streets in our main part of town.

The decorations would be put up around Thanksgiving Day and removed by the third day of January.

Thanking you in advance for your consideration.

Sincerely,

Linda M. Austin
President
Kiwaniis Club of Oceano