



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

AGENDA BOARD OF DIRECTORS MEETING

1655 Front Street
6:30 P.M.

February 25, 2009

Oceano
Wednesday

BOARD MEMBERS

Barbara J. Mann, President
Vern Dahl, Director
Mary K. Lucey, Director

Jim Hill, Vice President
Pamela Dean, Director

SECRETARY TO THE BOARD

Kevin D. Walsh
Interim 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. January 20, 2009 (Goal Setting Meeting)
 - b. February 04, 2009 (Special Meeting)
 - c. February 10, 2009 (Special Meeting)
 - b. February 11, 2009
6. Reports *
 - a. Administrative Assistant
 - b. Utility Operations Supervisor

7. Fire Items
 - a. 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. Request to County for Transfer of DRI Funds for 2009
Presentations by Tony Navarro, County Planning Department, regarding transfer of DRI Funds to the Oceano Sewer System Improvements Project

9. Administrative Items
 - a. Old Business *
 - (1) Review of Codification Sections *
Update regarding committee progress to review the various sections of the Code

 - (2) General Manager Recruitment *
Update regarding Recruitment of a new General Manager

 - (3) Halcyon Mobile Home Parks *
Update regarding LAFCO process and insurance requirements

 - (4) Water and Sewer Master Plans *
Update regarding current status of these projects

 - (5) Water and Sewer Rate Studies *
Update regarding current status of these projects

 - b. New Business
 - (1) Quarterly Investment Report
Presentation of the Quarterly Investment Report for the Period Ended December 31, 2008

 - (2) Annual Review of District Investment Policy
2009 Annual District Investment Policy Review by the General Manager

 - (3) Annual Review of District Rules of Order
2009 Annual Rules of Order Review by District Legal Counsel

 - (4) Drainage Issues *
Board Discussion regarding District-wide Drainage Concerns

10. 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 BARBARA MANN**
(1) CSDA: 02 20 2009
(2) SLOCSD: 02 24 2009
(3) Fire Committee: 02 10 2009 (Cancelled) and 02 24 2009
(4) Codification (Fire) 02 24 2009
(5) Other
- b. **VICE PRESIDENT JIM HILL**
(1) SSLOCSD: 02 24 2009
(2) Other
- c. **DIRECTOR VERN DAHL**
(1) Other
- d. **DIRECTOR PAMELA DEAN**
(1) Fire Consolidation: 02 20 2009
(2) Fire Committee: 02 10 2009 (Cancelled) and 02 24 2009
(3) Codification (Fire) 02 24 2009
(4) Other
- e. **DIRECTOR MARY LUCEY**
(1) Special District Institute: 02 19-21 2009
(2) Other
11. General Manager Items/Discussion *
a. Other
12. Board Member Discussion *
13. Consideration of Warrants
14. Public Comment *
15. 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**

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.

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

Wednesday

FEBRUARY 4, 2009

OCEANO

The meeting was called to order by President Mann at 6:23 P.M.

1. Roll Call

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

Absent: None.

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

2. Flag Salute

President Mann led the flag salute.

3. Public Comment

None.

4. Board Member Items/Discussion

None.

Adjourn to Closed Session

5. The Board considered and discussed a process for the selection of the General Manager. There was no reportable action.

Return to Open Session

6. Board Member Items/Discussion

None.

7. Public Comment

None.

8. Written Communications

None.

The meeting was adjourned at 8:30 pm.

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

Wednesday

FEBRUARY 10, 2009

OCEANO

The meeting was called to order by President Mann at 7:00 P.M.

1. Roll Call

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

Absent: None.

Staff Present: Kevin Walsh, General Manager

2. Flag Salute

President Mann led the flag salute.

3. Public Comment

None.

4. Board Member Items/Discussion

None.

Adjourn to Closed Session

5. The Board considered and discussed the applications that had been received for the position of General Manager. The candidates were ranked into three groups. Eight candidates were chosen to continue in the process, with three alternates in the event of a cancellation by one of the candidates. There was no other reportable action.

Return to Open Session

6. Board Member Items/Discussion

None.

7. Public Comment

None.

8. Written Communications

None.

The meeting was adjourned at 8:30 pm.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

February 25, 2009

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, General Manager

SUBJECT: CLEANING AND INSPECTION OF DISTRICT SEWER AND WATER LINES

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 02 25 2009 8.a.

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MEMORANDUM

DATE: February 20, 2009
TO: Board of Directors
VIA: Kevin Walsh, Interim General Manager
FROM: John L. Wallace, P.E., District Engineer
SUBJECT: Sewer Repair and Replacement Project – Disaster Recovery Initiative Funding Transfer

RECOMMENDATIONS:

Staff recommends the Board:

1. Review the attached support letter and have the Board President sign and submit it to the San Luis Obispo County Planning Department.

FUNDING:

Grant funds in the amount of **\$322,126** were awarded from Community Development Block Grants (CDBG) and **\$660,000** 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** 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 reallocation or additional grant funding (described below) or future Capital Improvement budgetary funds and will cost approximately \$400,000 (based upon Additive Alternate pricing for those segments from the current contractor, R. Baker.) The \$400,000 includes a 15% construction contingency, but does not include additional scope for monitoring and construction management. The design for the repairs/replacement of these segments is already complete.

DISCUSSION:

On March 17, 2009, the San Luis Obispo County Board of Supervisors will be reviewing a request to transfer \$340,000 from the "Rehabilitation Single Unit Program" to the "Sewer System Improvements Project" in Oceano. This fund transfer would increase the DRI fund obligated to the Oceano "Sewer System Improvements Project" to **\$1,000,000 (\$660,000 + \$340,000)**.

The District requested an additional \$447,000 from CDBG 2009 funding cycle; however, the County only allocated \$116,944. The County made this recommendation on premise that they would transfer the \$340,000 DRI funds to the District and therefore the District would not require the full \$447,000. The cumulative amount of funds proposed for the Oceano Sewer Improvement Project would be **\$1,116,944 (\$1,000,000 DRI funds + \$116,944 CDBG funds)**.

Agenda Item 8.b.

The County Planning department recommended a letter of support from the District for this fund transfer. A letter of support is attached for the Board's review and approval.

Attachments

2009 CDBG Allocation

March 17, 2009 County Announcement regarding Reallocation of DRI funds

OCSD draft Funding Reallocation support letter.

February 20, 2009

Honorable Board of Supervisors
County of San Luis Obispo
Room D-430, County Government Center
San Luis Obispo, California 93408

Subject: County of San Luis Obispo Amendment to Disaster Recovery Initiative
(DRI) funds and 2008 Action Plan for reallocation of Community
Development Block Grant (CDBG)

Dear Supervisors:

The Oceano Community Services District has been involved in the repair of its damaged sewer lines since the 2003 San Simeon Earthquake. The District assessed their sewer line system after the earthquake and determined that many sewer line segments required attention or repair. FEMA funded spot repairs but did not allow for repair of dips which were also caused by the earthquake. After making all of the FEMA funded spot repairs, The District determined that 23 segments still required repair. The District received funding in 2006 from the Community Development Block Grant Program (\$322,126) and Disaster Recovery Initiative Funds (\$660,000). A portion of the 2006 funds have been used for design and environmental studies for the damaged segments. The remaining funds are currently being used for construction which began in January, 2009. Current funding will cover the costs for repairing 18 of the 23 segments needing attention.

In order to continue repairing the remainder of its damage sewer lines and prevent any potential public health and safety endangerment, the District supports the County's recommendation to reallocate the \$340,000 in DRI funds from the "Rehabilitation Single Unit Program" to the "Sewer System Improvements Project" in Oceano. Previously, our general manager informed County Staff of OCSD's support for the transfer of funds. Please consider this letter as the District Board's formal action to accept these funds should the transfer be approved.

The District is available to answer questions regarding this request.

Sincerely,

OCEANO COMMUNITY SERVICES DISTRICT

Barbara Mann
President

2009 CDBG, HOME, ESG and ADDI Draft Funding Recommendations

CDBG PROGRAM

CITY OF ARROYO GRANDE

Applicant	Project	Request	Rec.
Public Services			
Big Brothers Big Sisters of SLO Co.	Mentoring Program	5,000	941
Senior Nutrition Program of SLO County	Senior Nutrition Program	3,000	1,459
SLO County YMCA	Active Older Adults Programming	2,800	941
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	5,000	4,748
Transitional Food & Shelter	Transitional shelter for the homeless	4,000	2,254
Economic Opportunity Commission	Senior Health Screening Program	1,850	1,441
Economic Opportunity Commission	Forty Wonderful Program	2,350	1,941
Economic Opportunity Commission	Teen Academic Parenting Program	1,350	941
The Literacy Council	Literacy Program	4,000	941
Total		29,350	15,605
Public Facilities			
City of Arroyo Grande	Facade Grant	10,000	10,000
City of Arroyo Grande	Architectural Barrier Removal - curb cuts and sidewalks	41,875	41,675
Central Coast Youth Sports, Inc.	Fellowship Field Renovation Project	1,000	0
Total		52,875	51,675
Code Enforcement			
City of Arroyo Grande	Code Enforcement	15,948	15,948
Total		15,948	15,948
Planning and Capacity Building			
211 SLO Hotline	Capacity building and Priority Study - HOTLINE services	3,100	3,100
Total		3,100	3,100
Administration			
City of Arroyo Grande	Administration	17,707	17,707
Total		17,707	17,707
Grand Total		118,760	104,035

CITY OF ATASCADERO

Applicant	Project	Request	Rec.
Public Services			
Big Brothers Big Sisters of SLO Co.	Mentoring Program	5,000	1,980
Atascadero Community Service Fndtn	Youth Activity Scholarships	10,000	1,980
Senior Nutrition Program of SLO County	Senior Nutrition Program	3,000	1,980
Peoples' Self Help Housing, Corp.	HomeBuyer Education/Foreclosure Prevention Workshops	3,000	980
The Literacy Council	Literacy Program	4,000	980
Transitional Food & Shelter	Temporary Shelter for the medically fragile	14,000	0
El Camino Homeless Shelter	Operation of Homeless Shelter	15,000	12,740
Atascadero Loaves and Fishes	Operation of Food Pantry	10,000	8,860
Total		64,000	27,440
Public Facilities			
City of Atascadero	Architectural Barrier Removal - Pedestrian Improvements	150,000	130,150
North County Women's Shelter	Roof Replacement	12,100	12,100
Total		162,100	142,250
Planning and Capacity Building			
211 SLO Hotline	Capacity building and Priority Study - HOTLINE services	4,000	4,000
Total		4,000	4,000
Administration			
City of Atascadero	Administration	38,800	32,600
Total		36,800	32,600
Grand Total		266,900	208,290

CITY OF GROVER BEACH

Applicant	Project	Request	Rec.
Housing			
Economic Opportunity Commission	Minor Home Repair Program	10,000	10,000
Total		10,000	10,000
Public Services			
Project			
Big Brothers Big Sisters of SLO Co.	Mentoring Program	7,500	4,000
Senior Nutrition Program of SLO County	Senior Nutrition Program	5,000	4,000
Peoples' Self Help Housing, Corp.	HomeBuyer Education/Foreclosure Prevention Workshops	3,000	3,000
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	5,000	3,500
Economic Opportunity Commission	Senior Health Screening Program	3,575	3,500
Total		24,075	18,000
Public Facilities			
City of Grover Beach	Architectural Barrier Removal at City Hall	86,092	86,092
Central Coast Youth Sports, Inc.	Fellowship Field Renovation Project	1,000	0
Total		87,092	86,092
Planning and Capacity Building			
211 SLO Hotline	Capacity building and Priority Study - HOTLINE services	3,000	3,000
Total		3,000	3,000
Administration			
City of Grover Beach	Administration	4,000	4,000
Total		4,000	4,000
Grand Total		128,167	121,092

CITY OF PASO ROBLES

Applicant	Project	Request	Rec.
Housing			
Housing Authority of the City of SLO	Property acquisition - 80 S. River Rd., Paso Robles	500,000	0
Total		500,000	0
Public Services			
Peoples' Self Help Housing, Corp.	HomeBuyer Education/Foreclosure Prevention Workshops	3,000	TBD
Big Brothers Big Sisters of SLO Co.	Mentoring Program	4,000	TBD
Senior Nutrition Program of SLO County	Senior Nutrition Program	4,000	TBD
Economic Opportunity Commission	Senior Health Screening Program	2,350	TBD
Economic Opportunity Commission	Teen Academic Parenting Program	2,850	TBD
The Literacy Council	Literacy Program	4,000	TBD
El Camino Homeless Shelter	Operation of Homeless Shelter	15,000	TBD
Lifestyles Recovery Center, Inc.	Life Changing Programs	12,000	TBD
Total		47,200	40,950
	TBD = To Be Determined upon additional review by the City		
Public Facilities			
City of Paso Robles	Removal of Architectural Barriers - Riverside & 24th St	213,750	177,450
Total		213,750	177,450
Planning and Capacity Building			
City of Paso Robles	Capacity Building	27,000	0
211 SLO Hotline	Capacity building and Priority Study - HOTLINE services	3,300	0
Total		30,300	0
Administration			
City of Paso Robles	Administration	27,000	54,800
Total		27,000	54,800
Grand Total			273,000

CITY OF SAN LUIS OBISPO

Applicant	Project	Request	Rec.
Housing			
Housing Authority of the City of SLO	Paint and Window Replacement at the Anderson Hotel	35,000	35,000
Housing Authority of the City of SLO	Anderson Hotel painting	215,000	0
Judson Terrace Lodge	Rehabilitation of Senior Housing	40,000	0
AIDS Support Network	Remodel dwelling into two units	71,000	0
Total		361,000	35,000
Public Services			
Economic Opportunity Commission	Prado Day Center for the Homeless	59,907	0
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	141,753	93,000
Total		201,660	93,000
Public Facilities			
City of San Luis Obispo	Railroad Museum	206,405	100,000
City of San Luis Obispo	Architectural Barrier Removal - Curb Ramps	100,000	0
City of San Luis Obispo	Architectural Barrier Removal - Santa Rosa Park Restrooms	395,000	288,000
Total		306,405	368,000
Planning and Capacity Building			
City of San Luis Obispo	Implementation of Housing Element	84,000	84,000
211 SLO Hotline	Capacity building and Priority Study - HOTLINE services	7,500	0
Total		7,500	84,000
Administration			
City of San Luis Obispo	Administration	40,000	40,000
Total		40,000	40,000
Grand Total		916,665	620,000

COUNTY OF SAN LUIS OBISPO

Applicant	Project	Request	Rec.
Housing			
Economic Opportunity Commission	Minor Home Repair Program	25,000	0
Peoples' Self Help Housing Corp.	Beiridge Apt. Sewer Lift Station	19,533	0
Total		44,533	0
Public Services			
Economic Opportunity Commission	Prado Day Center for the Homeless	68,800	28,025
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	155,505	87,500
El Camino Homeless Shelter	Operation of Homeless Shelter	15,000	0
211 SLO Hotline	Capacity building and Priority Study - HOTLINE services	18,000	0
Senior Nutrition Program of SLO County	Senior Nutrition Program	5,000	0
Project Amend	Drug and Alcohol Treatment Program	82,500	0
Peoples' Self Help Housing, Corp.	HomeBuyer Education/Foreclosure Prevention Workshops	3,000	0
Atascadero Leaves and Fishes	Operation of Food Pantry	10,000	0
Total		337,806	113,525
Public Facilities			
County Public Works	Mission Street Enhancement, San Miguel	300,000	0
County Public Works	River Road Drainage Project, San Miguel	300,000	300,000
Oceano Community Services District	Oceano Sewer Rehabilitation	487,500	118,944
County Public Works	Los Osos Sewer Revolving Loan Fund Program	400,000	0
Project Amend	Rehabilitation to Drug and Alcohol Treatment Facility	22,500	0
Central Coast Youth Sports, Inc.	Fellowship Field Renovation Project	3,000	0
Economic Opportunity Commission	Develop/construct Nipomo Child Dev. Center	98,450	75,000
County General Services	Nipomo Senior Center Barrier Removal Project	19,550	0
County General Services	Barrier Removal at Arroyo Grande Veterans Building	23,525	0
Total		1,664,625	491,944
Economic Development			
Mission Community Services Corp.	Home-Grown Wealth	20,000	0
Total		20,000	0
Planning and Capacity Building			
Port San Luis Harbor District	Harford Pier Rehabilitation/Restoration Planning/Engineering	95,000	0
Total		95,000	0
Administration			
County of San Luis Obispo	Administration	157,087	151,367
Total		157,087	151,367
		2,308,950	756,838

HOME PROGRAM			
Applicant	Project	Request	Rec.
Habitat for Humanity	Construct Affordable Housing In Grover Beach	105,000	105,000
Sunny Acres, Inc.	Construct Farmworker Housing	50,000	0
Peoples' Self-Help Housing	Construct Affordable Housing - Schoolhouse Lane, Cambria	835,000	588,859
Peoples' Self-Help Housing	Construct Affordable Housing - Courtland Street, Arroyo Grande	1,500,000	0
Peoples' Self-Help Housing	Property Acquisition - Paso Robles Gardens Apartments	200,000	0
Housing Authority of the City of SLO	Property acquisition - 80 S. River Rd., Paso Robles	500,000	0
Transitions-Mental Health Association	Bridge St. Studios - Construction of Studio Apartments - A.G.	208,434	200,000
Housing Authority of the City of SLO	First Time Home Buyer Program	500,000	132,358
Housing Authority of the City of SLO	Tenant Based Rental Assistance Program	212,500	139,500
Friends of Prado Day Center	Tenant Based Rental Assistance Program	10,000	0
Housing Authority of the City of SLO	Tenant Based Rental Assistance Program Admin. (10%)	22,250	15,500
County of San Luis Obispo	Administration	134,182	114,023
Total		4,118,934	1,295,238

ESG PROGRAM			
Applicant	Project	Request	Rec.
Transitional Food & Shelter	Vocational Training, Homeless Family Shelter	4,097	0
North County Women's Shelter	Women's shelter	13,829	13,867
Women's Shelter Program of SLO Co.	Women's shelter	7,168	7,138
El Camino Housing Organization	Homeless shelter	14,955	14,888
Economic Opportunity Commission	Prado Day Center for the Homeless	20,820	20,828
Economic Opportunity Commission	Maxine Lewis Memorial Shelter	35,515	35,358
Total		92,487	95,684

ADDI PROGRAM			
Applicant	Project	Request	Rec.
Housing Authority of the City of SLO	First Time Home Buyer Program	9,294	9,294
Total		9,294	9,294

NOTICE OF PUBLIC HEARING REGARDING THE REALLOCATION OF DISASTER RECOVERY INITIATIVE FUNDS, AND THE REALLOCATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS FROM THE 2008 ACTION PLAN

WHO: A public hearing will be held by the San Luis Obispo County Board of Supervisors

WHEN AND WHERE: Tuesday, March 17, 2009, 9:00 A.M.*, in the Board of Supervisors Chambers, 1055 Monterey St., San Luis Obispo, CA.

WHAT'S BEING PROPOSED: The County of San Luis Obispo requests the amendment to the agreement between the State of California and the County of San Luis Obispo for Disaster Recovery Initiative (DRI) funds, and to the 2008 Action Plan for the reallocation of Community Development Block Grant (CDBG) Program funds as follows:

County of San Luis Obispo DRI Funds

1. Authorize the amendment of Agreement #05-DRI-0004 between the State of California Department of Housing and Community Development and the County of San Luis Obispo to reallocate up to \$340,000 in DRI funds from the "Rehabilitation Single Unit Program" to the "Sewer System Improvements Project" in Oceano

County of San Luis Obispo CDBG Funds

1. Amend the 2008 Action Plan to create a new project: "Home-Grown Wealth Program" by the Mission Community Services Corporation - reallocate \$25,000 in CDBG funds from "Cuesta College Small Business Development Center".

WHERE YOU COME IN: Comments and questions are invited. The Board of Supervisors will consider public comments as they consider the amendment to the DRI agreement and the 2008 Action Plan. Concerns regarding the amendments can be expressed in writing or verbally at the hearing.

WHAT'S AVAILABLE: Information concerning the above-mentioned amendment is available upon request at the County Department of Planning and Building, County Government Center, San Luis Obispo, California (976 Osos, Room 300, San Luis Obispo).

CONTACT: If you have questions about this proposal, contact Tony Navarro, Planner III, Department of Planning and Building, County Government Center, San Luis Obispo, California 93408, (805) 781-5787. *All Board of Supervisors hearing items are scheduled for 9:00 A.M. To determine the placement of this item on the agenda, please contact Mr. Navarro the Thursday before the scheduled hearing date.

DATED: 2/11/2009

Julie L. Rodewald, County Clerk-Recorder

By: C.M. Christensen, Deputy Clerk

[SEAL]



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

February 25, 2009

TO: Kevin Walsh, Interim General Manager

FROM: Cindy J. Winter, Office Manager

SUBJECT: **QUARTERLY INVESTMENT REPORT/DISTRICT INVESTMENT POLICY
QUARTER ENDED DECEMBER 31, 2008**

In accordance with the District's Board-approved investment portfolio, all District investments are with the following agencies:

There are sufficient funds to meet the next 30 days' obligations.

TYPE OF INTEREST	INSTITUTION	DATE OF MATURITY	CASH BALANCE	QUARTERLY INTEREST PAID AND RATE
Pooled Investments:				
	SLO County Fund 41005-00000	Demand	* \$ 964,357.04	\$ 7,134.74 3.21%
	LAIF	Demand	* \$ 407,139.81	\$ 2,821.98 2.77%
Non-FDIC Investments:				
Mutual Fund Account Sweep Account	Rabobank	Demand	* \$ (50.00)	\$ 139.66 2.08%
FDIC Investments:				
Facilities Fees	Rabobank	CD	* \$ 288,940.16	\$ 1,745.84 2.40%
Checking Account Operating	Rabobank	Demand	<u>\$ 339,979.87</u>	0.00 <u>0.00%</u>
Quarterly Interest				<u>\$ 13,464.01</u>
TOTAL BALANCE FUNDS ON DEPOSIT AT 12-31-2008			<u>\$ 2,051,622.51</u>	

* (Includes interest for the quarter ended December 31, 2008)
(Balance at 12-31-08 Quarter End - \$1,555,484.65)



Oceano Community Services District

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February 25, 2009

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, General Manager

SUBJECT: ANNUAL INVESTMENT REPORT AND RE-ADOPTION OF DISTRICT INVESTMENT POLICY

Attached pursuant to the Investment Policy adopted by the OCSD Board of Directors as Resolution 1997- 4, is the Annual Investment Report.

The Investment Policy adopted by the OCSD Board of Directors on February 12, 1997, requires that the Board either:

Re-adopt the District's current Investment Policy, or
Amend the District's current Investment Policy.

Staff has reviewed the current investment policy and finds that no modifications are needed. Staff does note that the District would be well-served in having a separate but complementary comprehensive Reserve Policy.

THE RECOMMENDED ACTION BEFORE YOUR BOARD is to: by Board discussion, public comment, motion, second, and voice vote, re-adopt the current Investment Policy.

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 1997 - 4

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE OCEANO COMMUNITY SERVICES DISTRICT
ADOPTING A STATEMENT OF FINANCIAL POLICY
FOR SAID DISTRICT

WHEREAS, the Board of Directors of the Oceano Community Services District ("District") believes that public funds should be invested in financial instruments and institutions in accordance with State law and District guidelines; and,

WHEREAS, District funds will be available from time to time for the purpose of investing in financial instruments in accordance with the 1997 Investment Policy (Exhibit A) and deposited in interest bearing accounts, in banks or financial institutions having offices within said State; and,

WHEREAS, the Board of Directors finds that it is impractical to take individual action authorizing the investment of such funds which are permissible investments under the government code, as well as the District's financial policy, and finds and determines that the District Finance Officer/Treasurer should be authorized to invest such funds in accordance with the provisions of the District's current Investment Policy and the California Government Code.

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

BE IT FURTHER RESOLVED that the District hereby adopts a Statement of Investment Policy attached hereto as Exhibit A, 1997 Investment Policy, which supersedes any previously adopted or utilized policies and that this Policy be effective immediately.

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

AYES: Director Baughman, Director Angello, Director Brannon
Director Gallardo, President Searcy

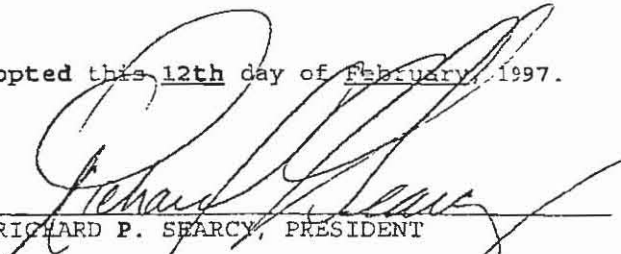
NOES: None

ABSENT: None

ABSTAINING: None

the foregoing Resolution is hereby adopted this 12th day of February, 1997.

ATTEST:


RICHARD P. SEARCY, PRESIDENT


C. J. WINTER, DEPUTY BOARD SECRETARY

EXHIBIT "A"

1997 INVESTMENT POLICY

OCEANO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

The purpose of this written Investment Policy is to establish the guidelines for the prudent investment of Oceano Community Services District funds (herein referred to as District funds). The objectives of this Policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

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

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

2. FINANCE OFFICER/TREASURER

The Board of Directors appoints the General Manager as the District Finance Officer/Treasurer. The District's Administrative Assistant shall serve as the District Finance Officer/Treasurer in the absence of the District's General Manager and shall obtain the Board President's approval for directing transactions between investment institutions. The District's Finance Officer/Treasurer shall serve at the Board's pleasure.

3. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this Policy.

4. OBJECTIVES

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

Adopted by the Board on February 12, 1997

-1-

A. SAFETY

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

B. LIQUIDITY

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

C. YIELD

Yield shall be a consideration only after the requirement of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer/Treasurer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds in the District's investment portfolio, the Finance Officer/Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

The Finance Officer/Treasurer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

Adopted by the Board on February 12, 1997

-2-

A. PERMITTED INVESTMENTS

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

1. County pooled funds (California Government Code Section 61730).
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code Section 16429.1).
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code Section 61737.02).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer/Treasurer shall not invest in:

1. Inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the state or federal credit union.

C. DIVERSIFICATION

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

7. REPORTS

A. QUARTERLY REPORT

The Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy.

Adopted by the Board on February 12, 1997

The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code Section 53646). Required elements of the quarterly report are as follows:

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

B. ANNUAL REPORT

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

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

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

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code Section 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer/Treasurer may submit to the Board of Directors and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A., above. This special

Adopted by the Board on February 12, 1997

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reporting policy does not relieve the Finance Officer/Treasurer of the obligation to prepare an annual investment statement as identified in paragraph 7.B., above.

Adopted by the Board on February 12, 1997

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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

February 25, 2009

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

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

SUBJECT: 2009 Annual Rules of Order Review

RECOMMENDATION: Consider the staff report and provide direction to staff regarding any desired changes.

DISCUSSION: Rule 14 of the District's current Rules of Order provides that:

"These Rules of Order shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board Action."

The last comprehensive review was conducted in February 2008. Additional changes were made during 2008 ultimately resulting in a read option of the Rules in December.

We do not believe that any substantive changes are necessary at this time, but have proposed a number of minor changes to improve clarity and readability. Attached as Exhibit "A" is a redlined draft of the Rules to show the proposed changes.

**EXHIBIT "A" TO
REPORT TO THE OCSD BOARD OF DIRECTORS
PROPOSED RULES OF ORDER**

*[Copy of the proposed OCSD Rules of Order with editing marks
to show changes follows on the next page.]*

EXHIBIT "A"

OCEANO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS - RULES OF ORDER

1. OFFICERS OF THE BOARD OF DIRECTORS.

1.1 The officers of the Board of Directors (the "Board") are the President and Vice President.

1.2 The President of the Board shall serve as chairperson at all Board meetings. The chairperson shall have the same rights as the other members of the Board to vote, introduce motions, resolutions and ordinances, and participate in any discussion of questions that follow these actions. In addition to such duties as are customarily performed by the chairperson of an organization, the chairperson shall conduct all meetings in a manner consistent with the policies of the District and perform the following duties:

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(a) Open the session at the appropriate meeting time.

(b) Announce the business before the Board in the order in which it is to be acted upon. (Announce agenda items and determine the type of action necessary).

(c) Recognize Board members and others deserving the floor.

(d) State and put to vote all questions which arise during the course of a Board meeting and announce the Board's decision on all subjects.

(e) If reasonable, restrain debate.

(f) Inform and enforce the Rules of Order as they have been adopted by the Board.

(g) Authenticate, by signature, all Board acts, orders, and proceedings.

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(h) Close debate.

(i) Make all committee appointments subject to Board approval.

1.3 In the absence of the President, the Vice President of the Board or his/her designee shall serve as chairperson over all meetings of the Board. If the President and Vice 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

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**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

last regular meeting of each calendar year.

(a) The election 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.

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(b) The call for nominations shall be opened by the existing President or other chairperson of the meeting and nominations shall be received by voice. No nomination needs to be seconded.

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(c) Nominations shall be closed upon approved motion.

(d) An absent candidate may not be nominated and elected unless that candidate has submitted, in writing, his or 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 or her office, and his or her term commences, immediately following the vote.

(g) After the President is determined, the Vice President shall be determined in the same manner as the President, from among the remaining Board members. The elected Vice President takes possession of his or her office, and his or her term commences immediately following the vote.

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(h) Committee appointments shall be made, by the new President, during the first meeting in January, subject to approval of the Board.

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(1) No committee shall include in its membership more than two (2) Board members.

(2) 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.

(3) The General Manager, or his/her designee, shall be an ex-officio member of all committees.

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**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

2. MEETINGS.

2.1 Regular meetings of the Board shall commence at 6:30 p.m. and adjourn by 10:00 p.m. on the second and fourth Wednesday of each calendar month in the Board room at the District Office currently located at 1655 Front Street, Oceano, CA. It shall be the policy of the Board to complete meetings, including closed sessions, by 10:00 p.m. unless the majority of the Board elects to continue past the adjournment hour. If at the hour of 10:00 p.m. the Board has not concluded its business, the Board will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 10:00 p.m., continue the remaining items, or adjourn the meeting to another date and time.

2.2 Members of the Board shall attend all regular and special meetings of the Board unless there is good cause for absence.

2.3 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:

(a) Board Members may briefly respond to statements or questions from the public; and

(b) Board Members may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting; and

(c) Board Members or the Board itself may take action to direct staff to place a matter on a future agenda.

2.4 A majority of the Board shall constitute a quorum for the transaction of business. While a majority of the Board is sufficient to do business, motions must be passed unanimously if only three Board members are present. Only those Board members present at a meeting may vote on business conducted at that meeting. Members may not vote when absent or by proxy. If a quorum does not arrive within fifteen (15) minutes of the time the meeting has been scheduled, it shall be determined that a quorum is not present. When there is no quorum for a regular meeting, the President, Vice President, or any Board member shall adjourn such meeting, or, if no Board member is present, the District secretary shall adjourn the meeting.

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2.5 A roll call vote shall be taken upon the passage of all ordinances, resolutions, and other matters established by Board policy or state law that require solicitation of bids, and upon all matters involving more than a five thousand dollars (\$5,000.00) expenditure by the District. The roll call vote shall be entered in the minutes of the Board showing those Board

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members voting aye, those voting no and those not voting or absent. In calling the roll, the chairman of the meeting's name shall be called last. Upon demand by any Board member, or at the discretion of the President, the vote on any other motion or matter shall be by roll call. Unless a Board member states that he or she is not voting because of a conflict of interest and steps down from the dais prior to the discussion of the item, his or her silence, or vote of abstention shall be recorded as an affirmative vote. Tie votes shall be lost motions.

2.6 A motion to reconsider any action previously taken by the Board must be made by a Board member who voted on the prevailing side or who had no opportunity to vote on the original motion.

2.7 Any person attending a meeting of the Board may record the proceedings with an audio or video tape recorder or a still or motion picture camera, unless the recording cannot continue without unreasonable noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.

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2.8 All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speakers podium once the meeting begins. The President retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room. Artificial illumination and/or flash lighting can be used only during the "Public Comment" period portion of the agenda and during special presentations such as awards at the discretion of the President.

2.9 A block of time shall be set aside to receive general public comment. Comments on agendized items should be held until the appropriate item is called. Unless otherwise directed by the President, public comment shall be presented from the podium. The person giving public comment shall state his or her name and general place of residence prior to giving his or her comment. Public comment shall be directed to the Board as a whole and not to any member individually or to the public. Public comment shall be limited to three minutes unless extended or shortened by the President in his or her discretion. In order to avoid repetitious presentations and delay in the business of the Board, whenever any group of persons wishes to address the Board on the same subject matter, the President may request a spokesperson be chosen by the group to present their position. After public comment has been closed, no member of the public shall address the Board from the audience on the matter under consideration without first securing permission to do so from the President or a majority of the Board members present.

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3. AGENDAS.

3.1 The General Manager, in cooperation with the President, shall prepare an

(Rev. 02/25/2008)

**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

agenda for each regular and special meeting of the Board. Any Director may call the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30 p.m. one week prior to the meeting date.

4. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES.

4.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheadings.

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4.2 The District Secretary shall be required to make a record only of such business as was actually passed upon by a vote of the Board and, except as provided in Section 4.3 below, shall not be required to record any remarks of Board Members or any other person.

4.3 Any Director may request for inclusion into the minutes, brief comments pertinent to an agenda item, but only at the meeting in which the item is discussed.

4.4 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.

4.5 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

4.6 Any tape or film record of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. District tape and film records may be erased ninety (90) days after the taping or the recording.

4.7 Nothing herein shall be deemed to create a requirement that minutes be taken or tape or film recordings be made of any closed sessions of the Board.

5. MEMBERS OF THE BOARD OF DIRECTORS.

5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board. Information may be requested from staff or exchanges between Directors before meetings.

5.2 Information that is exchanged before meetings shall be distributed through the General Manager, and all Directors will receive all information being distributed.

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**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

5.3 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.

5.4 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and options, but without being disagreeable. Once the Board takes action, Directors should commit to supporting the action and should not obstruct implementation of the action.

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6. AUTHORITY OF DIRECTORS.

6.1 The Board is the unit of authority within the District. Apart from his or her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

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6.2 Directors do not represent any fractional segment of the community, but are, rather, a part of the body which represents and acts for the community as a whole.

6.3 The primary responsibility of the Board is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are delegated to professional staff members of the District.

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7. DIRECTOR GUIDELINES.

7.1 Board Members, by making a request to the General Manager or Administrative Assistant, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, and justification for Staff recommendations. If the General Manager or the Administrative Assistant cannot timely provide the requested information by reason of information deficiency, or without major interruption to work schedules, work loads, and priorities, then the General Manager or Administrative Assistant shall inform the individual Board Member why the information is not or cannot be made available.

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7.2 In handling complaints from residents, property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the District's response, if any.

7.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and

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**OCEANO COMMUNITY SERVICES DISTRICT
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programming, should refer said concerns directly to the General Manager.

7.4 When approached by District personnel concerning specific District policy, Directors should direct inquiries to the General Manager or Administrative Assistant. The chain of command should be followed.

7.5 Directors and General Manager should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.

7.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager, or in his or her absence, to the Administrative Assistant.

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7.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

7.8 Resolution 1998-19 is incorporated into these Bylaws and is attached hereto as reference.

8. DIRECTOR COMPENSATION.

8.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board attended by him or her and for each day's service rendered as a Director by request of the Board.

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8.2 Each Director is authorized to receive fifty dollars (\$50.00) as a compensation for each meeting other than regular, adjourned or special meetings or other function attended by him or her and each half day's service rendered as a Director at the request of the Board.

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8.3 In no event shall Director compensation exceed one hundred dollars (\$100) per day.

8.4 Director compensation shall not exceed six (6) full days in any one (1) calendar month.

8.5 Each Board Member is entitled to reimbursement for their expenses incurred in the performance of the duties required or authorized by the Board.

(a) It is the policy of the District to exercise prudence with respect to hotel or motel accommodations. It is also the policy of the District for Board members and staff to stay at the main hotel or motel location of a conference, seminar, or class to gain maximum

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**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

participation and advantage of interaction with others whenever possible. Actual hotel or motel costs shall be reimbursed. Personal phone calls are not reimbursed.

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(b) Any Director traveling on District business shall receive, in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement and the Director shall neither be required to account for use of the per diem, return the unused portions, nor claim additional expenses for these items. The per diem shall be the same as established by the County Board of Supervisors for the purposes of reimbursing those traveling on county business.

(c) Mileage reimbursement for use of privately owned vehicles used for District business shall be as established by the Internal Revenue Service.

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9. COMMITTEES.

9.1 Ad Hoc Committees.

The President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself or herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

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9.2 Standing Committees.

(a) The Board may create standing committees at its discretion. Standing committees shall be advisory committees to the Board and shall not commit the District to any policy, act or expenditure. Each standing committee may consider those District related issues assigned to it by the Board of Directors, on a continuing basis. Committee members shall be appointed as provided herein.

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(b) All standing committee meetings shall be conducted as public meetings in accordance with the Brown Act and Sections 2, 3 and 4 of these Rules. Summary notes for each meeting of each committee shall be forwarded to the Board as a public record.

10. CORRESPONDENCE DISTRIBUTION POLICY.

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board on Friday of each week and/or with agenda packet.

OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER

(a) All letters approved by Board and/or signed by the President on behalf of the District; and

(b) All letters and other documents received by the District that are of District-wide concern as reasonably determined by District staff.

11. CONFLICTS AND RELATED POLICY.

State laws exist which attempt to eliminate any action by a Board Member or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the Fair Political Practices Commission (the "FPPC") at (916) 322-5660, prior to the day of the meeting if they have a question about a particular agenda item.

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11.1 Conflicts of Interest. Each Director is encouraged to review the District's Conflicts of Interest Code on an annual basis. The general rule is that an official may not participate in the making a governmental decision if it is: (1) reasonably foreseeable that the decision will have a (2) material financial effect on the (3) official or a member of his or her immediate family or on an economic interest of the official, and (4) the effect is distinguishable from the effect on the public generally. If real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is deemed to be directly involved in the decision. Additionally, FPPC rules generally require a disqualified Board member to leave the room during the discussion of the matter.

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11.2 Interest in Contracts, Government Codes Section 1090.

The prohibitions of Government Code Section 1090 provide that the District may not contract with any business in which a Board member has a financial interest.

11.3 Incompatible Office.

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment of either public office, the discharge of the duties of the two offices by one person is incompatible with the affected office and the official must step down.

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**OCEANO COMMUNITY SERVICES DISTRICT
RULES OF ORDER**

12. EVALUATION OF CONSULTANTS.

The District Consultants, including the District Legal Counsel and District Consulting Engineer shall be evaluated annually during the months of May and June of each year.

13. CONTINUING EDUCATION.

Members of the Board are encouraged to attend educational conferences and professional meetings to improve District operation. Subject to budgetary constraints, there is no limit on the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

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14. BOARD RULES OF ORDER REVIEW POLICY.

These Rules of Order shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

15. RESTRICTIONS ON RULES.

15.1 These Rules shall govern the Board in all cases to which they are applicable, and not otherwise, inconsistent with State, and Federal laws.

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15.2 In all matters not otherwise governed by these Rules, Roberts Rules of Order shall govern.

Oceano Community Services District

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

February 25, 2009

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

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

SUBJECT: 2009 Annual Rules of Order Review

RECOMMENDATION: Consider the staff report and provide direction to staff regarding any desired changes.

DISCUSSION: Rule 14 of the District's current Rules of Order provides that:

"These Rules of Order shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board Action."

The last comprehensive review was conducted in February 2008. Additional changes were made during 2008 ultimately resulting in a read option of the Rules in December.

We do not believe that any substantive changes are necessary at this time, but have proposed a number of minor changes to improve clarity and readability. Attached as Exhibit "A" is a redlined draft of the Rules to show the proposed changes.

**EXHIBIT "A" TO
REPORT TO THE OCSD BOARD OF DIRECTORS**

PROPOSED RULES OF ORDER

*[Copy of the proposed OCSD Rules of Order with editing marks
to show changes follows on the next page.]*

EXHIBIT "A"

OCEANO COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS - RULES OF ORDER

1. OFFICERS OF THE BOARD OF DIRECTORS.

1.1 The officers of the Board of Directors (the "Board") are the President and Vice President.

1.2 The President of the Board shall serve as chairperson at all Board meetings. The chairperson shall have the same rights as the other members of the Board to vote, introduce motions, resolutions and ordinances, and participate in any discussion of questions that follow these actions. In addition to such duties as are customarily performed by the chairperson of an organization, the chairperson shall conduct all meetings in a manner consistent with the policies of the District and perform the following duties:

Deleted: in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.

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(a) Open the session at the appropriate meeting time.

(b) Announce the business before the Board in the order in which it is to be acted upon. (Announce agenda items and determine the type of action necessary).

(c) Recognize Board members and others deserving the floor.

(d) State and put to vote all questions which arise during the course of a Board meeting and announce the Board's decision on all subjects.

(e) If reasonable, restrain debate.

(f) Inform and enforce the Rules of Order as they have been adopted by the Board.

(g) Authenticate, by signature, all Board acts, orders, and proceedings.

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(h) Close debate.

(i) Make all committee appointments subject to Board approval.

1.3 In the absence of the President, the Vice President of the Board or his/her designee shall serve as chairperson over all meetings of the Board. If the President and Vice 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

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last regular meeting of each calendar year.

(a) The election 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.

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(b) The call for nominations shall be opened by the existing President or other chairperson of the meeting and nominations shall be received by voice. No nomination needs to be seconded.

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(c) Nominations shall be closed upon approved motion.

(d) An absent candidate may not be nominated and elected unless that candidate has submitted, in writing, his or 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 or her office, and his or her term commences, immediately following the vote.

(g) After the President is determined, the Vice President shall be determined in the same manner as the President, from among the remaining Board members. The elected Vice President takes possession of his or her office, and his or her term commences immediately following the vote.

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(h) Committee appointments shall be made by the new President during the first meeting in January, subject to approval of the Board.

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(1) No committee shall include in its membership more than two (2) Board members.

(2) 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.

(3) The General Manager, or his/her designee, shall be an ex-officio member of all committees.

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2. MEETINGS.

2.1 Regular meetings of the Board shall commence at 6:30 p.m. and adjourn by 10:00 p.m. on the second and fourth Wednesday of each calendar month in the Board room at the District Office currently located at 1655 Front Street, Oceano, CA. It shall be the policy of the Board to complete meetings, including closed sessions, by 10:00 p.m. unless the majority of the Board elects to continue past the adjournment hour. If at the hour of 10:00 p.m. the Board has not concluded its business, the Board will review the balance of the agenda and determine whether to extend the meeting beyond the hour of 10:00 p.m., continue the remaining items, or adjourn the meeting to another date and time.

2.2 Members of the Board shall attend all regular and special meetings of the Board unless there is good cause for absence.

2.3 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:

(a) Board Members may briefly respond to statements or questions from the public; and

(b) Board Members may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting; and

(c) Board Members or the Board itself may take action to direct staff to place a matter on a future agenda.

2.4 A majority of the Board shall constitute a quorum for the transaction of business. While a majority of the Board is sufficient to do business, motions must be passed unanimously if only three Board members are present. Only those Board members present at a meeting may vote on business conducted at that meeting. Members may not vote when absent or by proxy. If a quorum does not arrive within fifteen (15) minutes of the time the meeting has been scheduled, it shall be determined that a quorum is not present. When there is no quorum for a regular meeting, the President, Vice President, or any Board member shall adjourn such meeting, or, if no Board member is present, the District secretary shall adjourn the meeting.

2.5 A roll call vote shall be taken upon the passage of all ordinances, resolutions, and other matters established by Board policy or state law that require solicitation of bids, and upon all matters involving more than a five thousand dollars (\$5,000.00) expenditure by the District. The roll call vote shall be entered in the minutes of the Board showing those Board

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members voting aye, those voting no and those not voting or absent. In calling the roll, the chairman of the meeting's name shall be called last. Upon demand by any Board member, or at the discretion of the President, the vote on any other motion or matter shall be by roll call. Unless a Board member states that he or she is not voting because of a conflict of interest and steps down from the dais prior to the discussion of the item, his or her silence, or vote of abstention shall be recorded as an affirmative vote. Tie votes shall be lost motions.

2.6 A motion to reconsider any action previously taken by the Board must be made by a Board member who voted on the prevailing side or who had no opportunity to vote on the original motion.

2.7 Any person attending a meeting of the Board may record the proceedings with an audio or video tape recorder or a still or motion picture camera, unless the recording cannot continue without unreasonable noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.

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2.8 All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speakers podium once the meeting begins. The President retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room. Artificial illumination and/or flash lighting can be used only during the "Public Comment" period portion of the agenda and during special presentations such as awards at the discretion of the President.

2.9 A block of time shall be set aside to receive general public comment. Comments on agenda items should be held until the appropriate item is called. Unless otherwise directed by the President, public comment shall be presented from the podium. The person giving public comment shall state his or her name and general place of residence prior to giving his or her comment. Public comment shall be directed to the Board as a whole and not to any member individually or to the public. Public comment shall be limited to three minutes unless extended or shortened by the President in his or her discretion. In order to avoid repetitious presentations and delay in the business of the Board, whenever any group of persons wishes to address the Board on the same subject matter, the President may request a spokesperson be chosen by the group to present their position. After public comment has been closed, no member of the public shall address the Board from the audience on the matter under consideration without first securing permission to do so from the President or a majority of the Board members present.

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3. AGENDAS.

3.1 The General Manager, in cooperation with the President, shall prepare an

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agenda for each regular and special meeting of the Board. Any Director may call the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30 p.m. one week prior to the meeting date.

4. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES.

4.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheadings.

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4.2 The District Secretary shall be required to make a record only of such business as was actually passed upon by a vote of the Board and, except as provided in Section 4.3 below, shall not be required to record any remarks of Board Members or any other person.

4.3 Any Director may request for inclusion into the minutes, brief comments pertinent to an agenda item, but only at the meeting in which the item is discussed.

4.4 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.

4.5 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

4.6 Any tape or film record of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. District tape and film records may be erased ninety (90) days after the taping or the recording.

4.7 Nothing herein shall be deemed to create a requirement that minutes be taken or tape or film recordings be made of any closed sessions of the Board.

5. MEMBERS OF THE BOARD OF DIRECTORS.

5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board. Information may be requested from staff or exchanges between Directors before meetings.

5.2 Information that is exchanged before meetings shall be distributed through the General Manager, and all Directors will receive all information being distributed.

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5.3 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.

5.4 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and options, but without being disagreeable. Once the Board takes action, Directors should commit to supporting the action and should not obstruct implementation of the action.

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6. AUTHORITY OF DIRECTORS.

6.1 The Board is the unit of authority within the District. Apart from his or her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

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6.2 Directors do not represent any fractional segment of the community, but are, rather, a part of the body which represents and acts for the community as a whole.

6.3 The primary responsibility of the Board is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are delegated to professional staff members of the District.

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7. DIRECTOR GUIDELINES.

7.1 Board Members, by making a request to the General Manager or Administrative Assistant, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, and justification for Staff recommendations. If the General Manager or the Administrative Assistant cannot timely provide the requested information by reason of information deficiency, or without major interruption to work schedules, work loads, and priorities, then the General Manager or Administrative Assistant shall inform the individual Board Member why the information is not or cannot be made available.

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7.2 In handling complaints from residents, property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the District's response, if any.

7.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and

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programming, should refer said concerns directly to the General Manager.

7.4 When approached by District personnel concerning specific District policy, Directors should direct inquiries to the General Manager or Administrative Assistant. The chain of command should be followed.

7.5 Directors and General Manager should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.

7.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager, or in his or her absence, to the Administrative Assistant.

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7.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.

7.8 Resolution 1998-19 is incorporated into these Bylaws and is attached hereto as reference.

8. DIRECTOR COMPENSATION.

8.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board attended by him or her and for each day's service rendered as a Director by request of the Board.

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8.2 Each Director is authorized to receive fifty dollars (\$50.00) as a compensation for each meeting other than regular, adjourned or special meetings or other function attended by him or her and each half day's service rendered as a Director at the request of the Board.

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8.3 In no event shall Director compensation exceed one hundred dollars (\$100) per day.

8.4 Director compensation shall not exceed six (6) full days in any one (1) calendar month.

8.5 Each Board Member is entitled to reimbursement for their expenses incurred in the performance of the duties required or authorized by the Board.

(a) It is the policy of the District to exercise prudence with respect to hotel or motel accommodations. It is also the policy of the District for Board members and staff to stay at the main hotel or motel location of a conference, seminar, or class to gain maximum

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participation and advantage of interaction with others whenever possible. Actual hotel or motel costs shall be reimbursed. Personal phone calls are not reimbursed.

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(b) Any Director traveling on District business shall receive, in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement and the Director shall neither be required to account for use of the per diem, return the unused portions, nor claim additional expenses for these items. The per diem shall be the same as established by the County Board of Supervisors for the purposes of reimbursing those traveling on county business.

(c) Mileage reimbursement for use of privately owned vehicles used for District business shall be as established by the Internal Revenue Service.

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9. COMMITTEES.

9.1 Ad Hoc Committees.

The President shall appoint such ad hoc committees as may be deemed necessary or advisable by himself or herself and/or the Board. The duties of the ad hoc committees shall be outlined at the time of appointment, and the committee shall be considered dissolved when its final report has been made.

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9.2 Standing Committees.

(a) The Board may create standing committees at its discretion. Standing committees shall be advisory committees to the Board and shall not commit the District to any policy, act or expenditure. Each standing committee may consider those District related issues assigned to it by the Board of Directors, on a continuing basis. Committee members shall be appointed as provided herein.

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(b) All standing committee meetings shall be conducted as public meetings in accordance with the Brown Act and Sections 2, 3 and 4 of these Rules. Summary notes for each meeting of each committee shall be forwarded to the Board as a public record.

10. CORRESPONDENCE DISTRIBUTION POLICY.

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board on Friday of each week and/or with agenda packet.

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(a) All letters approved by Board and/or signed by the President on behalf of the District; and

(b) All letters and other documents received by the District that are of District-wide concern as reasonably determined by District staff.

11. CONFLICTS AND RELATED POLICY.

State laws exist which attempt to eliminate any action by a Board Member or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the Fair Political Practices Commission (the "FPPC") at (916) 322-5660, prior to the day of the meeting, if they have a question about a particular agenda item.

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11.1 Conflicts of Interest. Each Director is encouraged to review the District's Conflicts of Interest Code on an annual basis. The general rule is that an official may not participate in the making a governmental decision if it is: (1) reasonably foreseeable that the decision will have a (2) material financial effect on the (3) official or a member of his or her immediate family or on an economic interest of the official, and (4) the effect is distinguishable from the effect on the public generally. If real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is deemed to be directly involved in the decision. Additionally, FPPC rules generally require a disqualified Board member to leave the room during the discussion of the matter.

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11.2 Interest in Contracts, Government Codes Section 1090.

The prohibitions of Government Code Section 1090 provide that the District may not contract with any business in which a Board member has a financial interest.

11.3 Incompatible Office.

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment of either public office, the discharge of the duties of the two offices by one person is incompatible with the affected office and the official must step down.

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12. EVALUATION OF CONSULTANTS.

The District Consultants, including the District Legal Counsel and District Consulting Engineer shall be evaluated annually during the months of May and June of each year.

13. CONTINUING EDUCATION.

Members of the Board are encouraged to attend educational conferences and professional meetings to improve District operation. Subject to budgetary constraints, there is no limit on the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

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14. BOARD RULES OF ORDER REVIEW POLICY.

These Rules of Order shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

15. RESTRICTIONS ON RULES.

15.1 These Rules shall govern the Board in all cases to which they are applicable, and not otherwise inconsistent with State and Federal laws.

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15.2 In all matters not otherwise governed by these Rules, Roberts Rules of Order shall govern.