



# 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.

May 13, 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.
  - a. Flag Salute
  - b. Introduction of Esther Guardado, Accounting Clerk I
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. April 22, 2009 (Regular Meeting)
  - b. April 27, 2009 (Special Meeting)
6. Reports \*
  - a. Brian Hascall, Commander, Sheriff's South Station
  - b. Fire Department for the Month of April, 2009

7. Fire Items
  - a. 2009 Fireworks Program  
Review of current applications and consider filling vacancies
  - b. Joint Dispatching Services  
Authorize Board President to sign Agreement for study of joint fire dispatch services
  - c. Status of AFG Application \*
  
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. 2008 Annual Monitoring Report, Northern Cities Management Area  
Approve additional costs for report, additional monitoring, and surveying
  
9. Administrative Items
  - a. Presentation by Ron Levy, CPA, Moss, Levy, Hartzheim, of Annual Audit for FYE June 30, 2007
  - b.. Quarterly Investment Report  
Presentation of the Quarterly Investment Report for the Period Ended March 31, 2009
  - c. Old Business – No Status Change/No Report
    - (1) Drainage Issues
    - (2) Water and Sewer Master Plans
    - (3) Water and Sewer Rate Studies
    - (4) Review of Codification Sections
    - (5) Audit for the FYE June 30, 2008

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) Special Meetings 04 27 2009 and 05 05 2009
- (2) SSLOCSD 05 06 2009
- (3) WRAC 05 06 2009
- (4) Fire Committee 05 12 2009
- (5) Other

b. **VICE PRESIDENT JIM HILL**

- (1) Special Meetings 04 27 2009 and 05 05 2009
- (2) SSLOCSD 05 06 2009
- (3) Other

c. **DIRECTOR VERN DAHL**

- (1) Special Meetings 04 27 2009 and 05 05 2009
- (2) Other

d. **DIRECTOR PAMELA DEAN**

- (1) Fire Oversight 04 24 2009
- (2) Special Meetings 04 27 2009 and 05 05 2009
- (3) Fire Committee 05 12 2009
- (4) Other

e. **DIRECTOR MARY LUCEY**

- (1) Special Meetings 04 27 2009 and 05 05 2009
- (2) Other

11. **ADJOURN TO CLOSED SESSION**

- a. **CONFERENCE WITH LEGAL COUNSEL – CONTRACTOR EVALUATION \***  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 54957(b)(1) to evaluate performance of District Legal Counsel.

- b. **PUBLIC EMPLOYMENT \***  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 54957(B)(1) to consider the appointment or employment of a public employee. The position under consideration is the General Manager.

- c. PUBLIC EMPLOYMENT \*  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 64957.6 to meet and confer with the District’s designated representative to consider compensation and benefits to its represented employees. The District’s designated representative is Interim General Manager, Kevin Walsh. Under consideration is the Fire Department's MOU.

**RETURN TO OPEN SESSION**

- 12. Interim General Manager Items/Discussion \*
  - a. 2008-09 District Goals
  - b. Fire Consolidation
  - c. NIMS Training
  - d. Grant Writer – Randall Funding and Development
  - e. Other
- 13. Board Member Discussion \*
- 14. Consideration of Warrants
- 15. Public Comment \*
- 16. Written Communications  
(Correspondence for the Board Received After Preparation of this Agenda is Presented by the General Manager)

Adjournment

\* Oral Presentation/Discussion

**ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION**

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

**P.O. Box 599/Oceano, CA 93475  
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[www.oceanocsd.org](http://www.oceanocsd.org) [ocsd@oceanocsd.org](mailto:ocsd@oceanocsd.org)**

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

**Wednesday**

**April 22, 2009**

**Oceano**

The Meeting was called to order by President Mann at 6:30 PM

1. Roll Call

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

Absent: None

Staff Present: Kevin D. Walsh, Secretary to the Board/Interim General Manager;  
Gina A. Davis, Deputy Secretary to the Board/Administrative Assistant;  
Philip T. Davis, Utility Operations Supervisor; John Bova, Fire Captain;  
Alex Simas, District Legal Counsel

Staff Absent: None

2. Flag Salute

President Mann led the flag salute.

3. Public Comment

None

4. Board Member Items/Discussion

Director Dean stated this is Clean-Up Week is now for Oceano. Residents are able to dispose of twelve extra bags of garbage as long as they are on the curb by 7 AM.

VP Hill stated his concern regarding the "Old Business" not being on the agenda, such as the Codification costs, Declaration of Economic Emergency, and update on the 2007-08 Audit.

Director Lucey agreed with VP Hill's concerns and requested that Codification costs be added to the agenda. IGM Walsh stated that this matter would be covered in closed session. Director Lucey stated her feeling that it should be covered in open session as it is the public's right to know how much money is being spent on the project. IGM Walsh suggested Director Lucey could include the Codification costs in her Finance Committee report.

President Mann stated the 2006-07 Audit is on the agenda and expects there to be an update on the 2007-08 Audit.

5. Review and Approval of Minutes

a. April 08, 2009 (Regular)

Director Dean stated on page 2, paragraph 2, and sentence 2, the word van needs to be added on the end of the sentence. In the fifth paragraph on the same page the "too" should be to. She added that on page 6, item number 13 the wording about the mistrial was unclear and should be re-stated.

**After a request for public comment, none being given, upon motion by VP Hill, and second by Director Dean, the Minutes of April 8, 2009, were unanimously approved, with the above corrections, 4-0, with President Mann abstaining.**

OCEANO COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES

Wednesday

April 22, 2009

Oceano

6. Reports

a. Administrative Assistant

AA Davis reported on the administrative operations for March, 2009.

In response to Director Dean's question about the amounts for the DRI and CDBG funding, AA Davis explained that until all of the required invoices needed have been received, we will not know.

Director Lucey asked if any will serve letter requests had been received by the District for new development, AA Davis stated there were none for new development only for the three remodels that had been previously mentioned.

b. Utility Operations Supervisor

UOS Davis reported on the water and sewer operations for March, 2009.

President Mann asked if the District was pumping more groundwater then normally pumped. UOS Davis stated that we are pumping more now. Director Lucey asked about the grade of Oceano's groundwater. UOS Davis stated in his opinion the water is at grade A, but the groundwater is harder than the other two water sources.

7. Fire Items

None

8. Utility Items

a. Cleaning and Inspection of District Sewer and Water Lines

President Mann presented the item.

**Therefore, after a request for public comment, (none being given), upon motion by Director Dean, second by VP Hill, and on the following roll call, to wit:**

**AYES: Director Dean, VP Hill, Director Dahl, Director Lucey  
President Mann**

**NOES: None**

**ABSENT: None**

**The Board unanimously approved the continuance of the Declaration of Emergency, 5-0.**

b. Grant Writer Selection

IGM Walsh presented the item and stated the District is currently working on applying for State Revolving Loan Funds

He stated that of the four requests for proposals staff sent out, four were received. Three of the four companies were in attendance at the meeting, IGM Walsh stated, and were ready to make a brief (five minute) presentation about their company. IGM Walsh suggested the three companies make their presentations in alphabetical order. President Mann agreed.

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

**Wednesday**

**April 22, 2009**

**Oceano**

Meredith Clement of Kennedy-Jenks Engineers introduced her company, their approach to the grant-writing process, and answered questions from the Board.

Dan Randall of Randall Funding and Development introduced his company, their approach to the grant-writing process and answered questions from the Board.

Doug Grosshart of The Wallace Group introduced his company, their approach to the grant-writing process.

Director Lucey stated that time was of the essence and the Board needed to make a decision soon. IGM Walsh reminded everyone that these grants are for shovel-ready projects of which the District has few due to their jurisdiction.

**After a lengthy discussion, staff was directed to schedule a special meeting to discuss the goals of the District and to outline which direction the Board wants to go with hiring a grant-writer.**

**President Mann announced a recess at 7:30 PM**

**President Mann reconvened the meeting at 7:38 PM**

9. Administrative Items

a. Presentation by Ron Levy, Moss, Levy & Hartzheim of District Audit for the Fiscal Year Ended June 30, 2007

IGM Walsh stated this item would have to be tabled due to the absence of Mr. Levy of Moss, Levy & Hartzheim.

Director Lucey stated her feeling that the Direct should send Mr. Levy a letter expressing the Board's dissatisfaction with the job they were contracted to do. Director Dean agreed that a letter was a good idea and added that a timeline of the next two audits should be included in the letter as well.

Jeanette Padilla, Oceano resident, suggested the Board go to the auditor's office instead of sending a letter.

**The item was table until the next Board meeting, and staff was directed to draft a letter to Moss, Levy & Hartzheim for President Mann's signature on behalf of the Board.**

10. Reports of District Representatives

a. PRESIDENT BARBARA MANN

President Mann reported on the LAFCO meeting on March 19, 2009, and stated the annual budget for 2009-10 was approved with only a 1% increase in fixed expenses. There were no raises given to any of the staff due to the financial status of the local economy.

President Mann stated SLOCOG decided to allow a representative from LAFCO as a member, which has not been done before.



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

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**April 22, 2009**

**Oceano**

**b. VICE PRESIDENT JIM HILL**

VP Hill reported on the SSLOCSD meeting held on April 15, 2009, and stated they had received the final audit for 2008-09. He stated this audit found the District in good financial standings and will be made available to the public at the District office by April 24, 2009.

VP Hill reported on the Finance Committee meeting held April 15, 2009, and explained that during their review of the budget for 2009-10 the committee had discovered the District is approximately \$220,000 in the red. He stated the cost of the Codification was concerning since the District once had forty hours in the bank with DLC, and currently the bank hours is negative by 170 hours. VP Hill stated the Board should have been informed of this before the hours reached the point they are at now.

Director Dean stated that issue also concerned her; she explained she had researched the matter back to June, 2007, and found last year the District had forty banked hours. By April, 2009, the banked hours were exhausted and that 140.8 hours were used on the Codification.

DLC Simas stated the District has not been billed for the hours spent on the Codification, and he is working with the District as to which hours they are to be billed. In response to a question from President Mann Director Dean stated the District is approximately 277 hours over the allotted contracted hours with DLC.

Jeanette Padilla, Oceano resident, stated her concern regarding the annual budgets and the spending of money by the District.

**c. DIRECTOR VERN DAHL**

Director Dahl stated he had no reports for Zones 1/1A and ALUC as there were no meetings in the month of April, 2009.

Director Dahl reported on the OAC meeting held on April 20, 2009, and stated the County will report on the findings on the traffic study performed on Pier Avenue and Strand Way. He encouraged all residents affected by the traffic problem to attend the May 18, 2009 6:30pm, at meeting to be held at the OCSD board room.

**d. DIRECTOR PAMELA DEAN**

Director Dean reported on the Fire Committee meeting held on April 21, 2009 and stated the OCCI will be having their grand re-opening on May 9, 2009 from 10 am to 2 pm. She added that the old fire engine will be there along with Sparky the fire dog.

Director Dean stated that Captain Bova had reported on the status of the fire engine grant and that he will be presenting it to the Board at the next Board meeting. She stated District staff and some Board members will be completing their NIMS training on April 24, 2009 that is required to receive the grant for the Fire Department.

Director Dean stated there will be Wildland Urban Interface training soon for all Five-Cities Fire Departments. She stated they will be training in various areas of the Five-Cities, although no training on actual fires.

**OCEANO COMMUNITY SERVICES DISTRICT  
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Director Dean reported on the Finance Committee meeting held on April 15, 2009, and stated the Zone 3 budget reflects an increase in fees by 14% an increase of approximately \$44,680 from last year. She stated the District will also begin paying the State Revolving Fund for the Lopez Water Treatment Plant. VP Hill stated the District has no input when it comes to the increases for Zone 3, but the District is selling water to offset some of that increase.

e. DIRECTOR MARY LUCEY

Director Lucey reported on the March 30, 2009 Personnel Committee meeting and stated staff is working on distributing the sub-contracts and personnel forms to the committee members for their review.

11. Interim General Manager Items/Discussion

c. Water and Sewer Master Plans and Water and Sewer Rate Studies

Doug Grosshart of the Wallace Group stated a large portion of the rate study is an annual budget which they are currently waiting to receive. Mr. Grosshart stated other items The Wallace Group is waiting to receive is some water quality data from the District as well as updated data on the Lopez water supply from the County of San Luis Obispo.

Director Lucey asked if the current economic status of the unemployment percentage is taken under consideration when performing the rate study. Mr. Grosshart stated the rate study will look at the District infrastructure, health & safety, and the residential needs.

a. General Manager Recruitment

IGM Walsh stated there will be an interview of a new candidate on April 24, 2009. He stated this item would be discussed further in closed session.

b. 2009-2010 Board Goals

IGM Walsh stated staff needed some direction from the Board as to how they would like to be updated and suggested another Board workshop to define exactly what each goal is intended for as well as which goals are for staff to work on and which are for the Board.

**This item was tabled until the next Board meeting where IGM Walsh will provide a more in-depth look at the status of each goal for the Board.**

d. Fire Consolidation

IGM Walsh announced that the Fire Consolidation Committee will be meeting on April 24, 2009.

e. Muni-Temps

IGM Walsh presented this item and asked the Board to re-authorize the remaining money that was not used from the contract which is approximately \$3,500 as well as an additional \$2,425 as this will be help with the two remaining audits as well as the 2009-10 budget.

OCEANO COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES

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After a request for public comment, none being given, upon the motion by VP Hill, second by Director Dahl, and on the following roll call, to wit:

**AYES:** VP Hill, Director Dahl, Director Dean. Director Lucey, President Mann

**NOES:** None

**ABSENT:** None

The Board unanimously approved to re-authorize the remaining amount of \$3,575 and authorize the transfer of \$2,425 from the Salaries account to the Muni-Temps contract.

- f. DRI Funded Sewer Replacement/Rehabilitation Project  
IGM Walsh stated that AA Davis had updated the Board in her administrative report as to the money that has been received. He stated he does not have a time frame as to when the remaining money will be received by the District.

Adjourned to Closed Session at 9:23 PM

President Mann announced recess at 9:25 PM

The meeting resumed in closed session at 9:30 PM

President Mann reconvened the meeting at 11:00 PM

12. CLOSED SESSIONS

- a. CONFERENCE WITH LEGAL COUNSEL – CONTRACTOR EVALUATION \*  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 54957(b)(1) to evaluate performance of District Legal Counsel.

**This item is to be continued at a later date.**

- b. PUBLIC EMPLOYMENT  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 54957(B)(1) to consider the appointment or employment of a public employee. The position under consideration is the General Manager.

**The Board received a brief report, no action was taken.**

- c. PUBLIC EMPLOYMENT  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 64957.6 to meet and confer with the District's designated representative to consider compensation and benefits to its represented employees. The District's designated representative is Interim General Manager, Kevin Walsh. Under consideration is the Fire Department's MOU.

**The Board gave direction to IGM Walsh.**

OCEANO COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES

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d. 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 Board gave direction to IGM Walsh.**

13. Board Member Discussion

None

14. Consideration of Warrants

Thereafter, after a request for public comment (none being given), upon the motion by Director Lucey, second by VP Hill, the Board approved the warrants by unanimous voice vote , 5-0, with the exception of warrant number 49104 to Moss, Levy & Hartzheim in the amount of \$1,125.00.

15. Public Comment

None

16. Written Communications

None

President Mann adjourned the meeting at 11:05 PM

Kevin D. Walsh, Secretary to the Board

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

**Monday**

**April 27, 2009**

**Oceano**

The Meeting was called to order by President Mann at 6:30 PM

2. Flag Salute

President Mann led the flag salute.

1. Roll Call

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

Absent: None

Staff Present: Kevin D. Walsh, Secretary to the Board/Interim General Manager;  
Gina A. Davis, Deputy Secretary to the Board/Administrative Assistant;  
John Bova, Fire Captain; Mike Hubert, Fire Chief; Alex Simas, District  
Legal Counsel

Staff Absent: Philip T. Davis, Utility Operations Supervisor

3. Public Comment

None

4. Board Member Items/Discussion

None

5. Review and Approval of Minutes

a. None

6. Reports

a. None

7. Fire Items

a. Assistance to Firefighters Grant (AFG) Application

Captain Bova presented this item. Director Lucey asked if replacing the fire engine was anywhere in the annual budget. Chief Hubert stated there was money in the budget that could be used for this matter. Director Lucey asked if the District could sell the 1987 fire engine instead of putting it in reserves as planned. Chief Hubert stated they would not be able to sell it to another fire department as the fire engine has been deemed unsafe due to the cab design. He further stated the only way to sell it would be to a farm or something along those lines.

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

**Monday**

**April 27, 2009**

**Oceano**

President Mann asked when the application deadline for the grant. Captain Bova stated it must be electronically submitted by 5 PM on May 15, 2009.

Director Dean stated the Fire Committee is in support of the District applying for this grant and the District has approximately \$74,000 in reserves for fire apparatus.

**After a request for public comment, none being offered, upon the motion of Director Dean, second by VP Hill, and the following roll call vote, to wit:**

**AYES:            Director Dean, VP Hill, Director Dahl, Director Lucey,  
                      President Mann**

**NOES:            None**

**ABSENT:        None**

**The Board unanimously authorized the appropriation of matching funds needed for the AFG Type 1 fire engine grant.**

**8.    Utility Items**

**b.    Grant Writer Selection**

IGM Walsh presented this item, and stated the pros and cons of each of the four companies being considered. He stated that after all things considered, staff's recommendation to the Board is Randall Funding and Development.

Director Lucey stated her support was for The Wallace Group as they are the most familiar with the District, but her concern was whether the District is ready for this process as the audits that the grant writer would require are not complete.

Director Dahl stated that he was impressed by Randall Funding as they seem proactive, and the District would be best served by them. VP Hill stated that he shared IGM Walsh opinion as far as what the pros and cons were of each company. He stated that Randall Funding would be the best to serve the District in getting various grants.

Director Dahl asked if the District should wait to hire the grant writer; or hire the writer, and let them get familiar with the District at the same time the District is getting the audits completed.

IGM Walsh stated he believed the District should act now as a lot of funds are available, and if the District waits then it could lose a great deal of money.

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

**Monday**

**April 27, 2009**

**Oceano**

Director Dean stated she believed if the District wants to get aggressive on obtaining grants then Randall Funding would be the way to go. She stated she felt the District should go forward and hire a grant writer.

**Therefore, after a request for public comment, (none being given), upon motion by Director Dean, second by Director Lucey, and on the following roll call, to wit:**

**AYES: Director Dean, Director Lucey, VP Hill, Director Dahl  
President Mann**

**NOES: None**

**ABSENT: None**

**The Board unanimously approved the proposal from Randall Funding and Development.**

- a. Cleaning and Inspection of District Sewer and Water Lines  
IGM Walsh presented this item.

**Therefore, after a request for public comment, (none being given), upon motion by Director Dahl, second by Director Dean, and on the following roll call, to wit:**

**AYES: Director Dahl, Director Dean, VP Hill, Director Lucey,  
President Mann**

**NOES: None**

**ABSENT: None**

**The Board unanimously approved the continuance of the Declaration of Emergency, with a vote of 5-0.**

**9. Administrative Items**

- a. Presentation by Ron Levy, Moss, Levy, Hartzheim of District Audit for the Fiscal Year Ended June 30, 2007

President Mann introduced this item. IGM Walsh stated that Ryan Cornell of Moss, Levy & Hartzheim was not able to attend as they are still waiting on addition information.

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

**Monday**

**April 27, 2009**

**Oceano**

Director Lucey asked if the Board could review their contract, and possibly start sending out requests for proposals for future audits. IGM Walsh stated the District was under a three-year contract with the FYE 063007 audit being the first of the three.

**This item was tabled until the next Board meeting scheduled May 13, 2009, due to the absence of Mr. Levy of Moss, Levy & Hatrzhim.**

b. Interim General Manager's Contract

President Mann presented this item. DLC Simas stated the contract for the IGM will expire April 30, 2009. DLC Simas recommended the Board extend IGM Walsh's contract to a month-to-month basis until a General Manager is hired.

**Therefore, after a request for public comment, (none being given), upon motion by VP Hill, second by Director Lucey, and on the following roll call, to wit:**

**AYES: VP Hill, Director Lucey, Director Dahl, Director Lucey,  
President Mann, Director Dean**

**NOES: None**

**ABSENT: None**

**The Board unanimously approved the extension of IGM Walsh's contract under existing terms with a month-to-month basis as needed.**

10. Reports of District Representatives

None

11. Interim General Manager Items/Discussion

a. General Manager Recruitment

IGM Walsh stated at this time there is no reportable action as this item will be discussed in closed session.

b. Fire Consolidation

IGM Walsh stated the Committee is currently working on budget issues. The percentage breakdown for OCSD's shared cost has been determined. They are currently trying to work out the overtime issue. A budget will hopefully be ready for presentation at the June 12, 2009, Fire Consolidation meeting. IGM Walsh stated the goal to have this consolidation complete by July 1, 2010.



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

**Monday**

**April 27, 2009**

**Oceano**

**12. ADJOURN TO CLOSED SESSION at 7:30 PM**

**President Mann announced a recess at 7:30 PM**

**The meeting resumed in closed session at 7:38 PM**

a. CONFERENCE WITH LEGAL COUNSEL – CONTRACTOR EVALUATION  
**This item was deferred to a later meeting.**

b. PUBLIC EMPLOYMENT  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 54957(B)(1) to consider the appointment or employment of a public employee. The position under consideration is the General Manager.

**The Board authorized District staff to begin negotiations with a selected candidate for the position of General Manager.**

c. PUBLIC EMPLOYMENT  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 64957.6 to meet and confer with the District's designated representative to consider compensation and benefits to its represented employees. The District's designated representative is Interim General Manager, Kevin Walsh. Under consideration is the Fire Department's MOU.

**The Board reviewed the MOU; no action was taken.**

d. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – WATER RIGHTS AGREEMENT

**The Board instructed the IGM to place on the next agenda in an open session.**

**RETURN TO OPEN SESSION at 9:49 PM**

13. Board Member Discussion  
None

14. Consideration of Warrants (1 Item)  
This item was tabled until the next Board meeting of May 13, 2009.

15. Public Comment  
None

**OCEANO COMMUNITY SERVICES DISTRICT  
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**Monday**

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**Oceano**

16. Written Communications  
None

The meeting was adjourned by President Mann at 9:57 PM

Kevin D. Walsh, Secretary to the Board



# Oceano Fire Department



## REPORT for April 2009

During the month of April, the department responded to a total of 69 calls. 36 were in Oceano, 15 were in Grover Beach, 8 were in Arroyo Grande, 6 were with Cal Fire and 4 on the beach. Of the 69 calls in Oceano, 23 were EMS related, 4 fire and 9 miscellaneous calls. This put the total as of this report to 287. This time last year are call total was 249. The department averaged 2.3 calls per day.

### Training-

- Joint Training with Arroyo Grande and Grover Beach FD
- Triage/Splinting/Patient Assessments
- Low angle rescue
- Residential Fire Ground Operations
- Swine Flu

The departments had the opportunity to have a residential structure in Arroyo Grande for training. The training allowed the departments to use real fire situations for rescuing victims and extinguishing fires. We also had the opportunity to have Officer Kevin McBride with the AGPD give a presentation on arson investigation and how to preserve the area of origin.

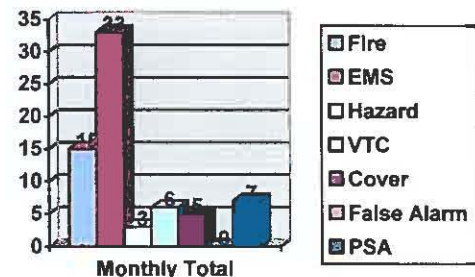
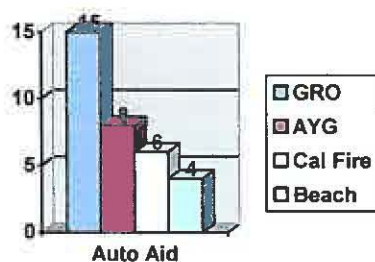
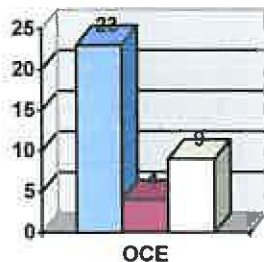
The fire department gave a training class to District employees regarding the National Incident Management System (NIMS), the training covered was IS100, IS200 and IS700.

### Equipment-

- We replaced the batteries in the brush unit (B61), we also had the windshield replaced and the front tires rotated on our first out unit (E61)
- We had the California Highway Patrol here to weight all the apparatus and vehicle inspections.

### Operations-

- The fire department completed the installation of the No Stopping Signs within the District.
- The department was able to have two self contained breathing apparatus(SCBA) and three air cylinders repaired by a qualified repair technician from Arroyo Grande FD.





# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

May 13, 2009

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, Interim General Manager

**SUBJECT: 2009 FIREWORKS PROGRAM PERMITTING PROCESS AND FEES**

1. The Board of Directors established their authority, through the adoption of Ordinance 1991-02, to regulate the fees and conditions for the granting of permits for the sale of safe and sane fireworks within the boundaries of the District. Thereafter, through the adoption of Resolution 1997-12, the Board of Directors limited the number of applicants to enhance the profit potential of each organization and therefore increase the return to the Community.

2. At the March 25, 2009, regular Meeting, your Board recognized five organizations that participated in the 2008 fireworks program. Applications were sent to these organizations asking if they would like to participate again this year, to wit: Squad 745 (CHP), Five Cities Aerie No. 4153 F.O.E., Oceano Firefighters Association, Church of God of Prophecy, and Oceano Kiwanis Club. This year, the Oceano Firefighters Association and the Oceano Kiwanis Club opted not to participate.

3. The applications from the Squad 745 (CHP), Five Cities Aerie No. 4153 F.O.E., and the Church of God of Prophecy are attached. All have indicated how the profits from the 2008 fireworks sales were used for the enhancement of the Community, and what they would do with 2009 profits.

4. It has been past practice to limit the number of participants to between four and six. The Board of Directors may elect to set into motion the defined procedure to replace the Firefighters Association and Oceano Kiwanis Club with other participants, or you may decide to limit the number of booths to the remaining three groups. No advertising has been done to notify potential participants that they may be able to obtain applications for consideration for the 2009 program.

Agenda Item 05 13 2009 7.b.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and voice vote, determine if a lottery should be held to fill one or both of the vacancies. If a lottery is to be held, direct staff to announce the vacancies in the local newspaper and other appropriate media, and provide any organization so requesting an application form in which they may indicate:

- a. Their interest in participating in the safe and sane fireworks for 2009,
- b. How they would use any revenues realized in 2009 for the betterment of the Oceano.

Applications must be received by the District no later than May 22, 2009.



# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

## APPLICATION FOR SALE OF FIREWORKS WITHIN THE BOUNDARIES OF OCEANO COMMUNITY SERVICES DISTRICT



This application must be completed and returned to the District office located at 1655 Front Street, Oceano, CA, 93445, by April 20, 2009. The application must be accompanied with the property owner's written permission for your proposed booth location and the \$500.00 refundable cleaning deposit. The \$385.00 administration fee is due at the time of filing the above mentioned documents.

Name of Applicant: Greg Noe  
Representing/Organization: Church of God of Prophecy  
Mailing Address of Organization/Applicant: P.O. Box 306  
Oceano, CA 93475-0306

Telephone: Daytime (805) 710-3036 After 5:00 p.m. 489-4107

Proposed Booth Location: 1860 Highway 1

Property Owner's Name: John Taylor

The Board of Directors has determined that participation is conditioned upon each organization indicating where the profits from their sales will be directed with at least 50% of the profits to be spent within Oceano/Halcyon. (Use back page if necessary). This statement will be reviewed by the Board of Directors before a permit is issued.

Please explain how the 2008 profits were used:

Food give-away, Youth Camp Fund, Bus expense (for transporting to recovery ministry, food ministry, and local worship meetings), ladies retreat.

Please explain how you plan to use the 2009 profits for the benefit of Oceano/Halcyon:

Food for the needy, recovery meeting expense, Youth Camp expense, Family ministry expense.

Greg Noe  
Signature of Applicant

4-20-09  
Date

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# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

## APPLICATION FOR SALE OF FIREWORKS WITHIN THE BOUNDARIES OF OCEANO COMMUNITY SERVICES DISTRICT

This application must be completed and returned to the District Office located at 1655 Front Street, Oceano, CA, 93445, by April 20, 2009. The application must be accompanied with the property owner's written permission for your proposed booth location and the \$500.00 refundable cleaning deposit. The \$385.00 administration fee is due at the time of filing the above mentioned documents.

Name of Applicant: SQUAD CLUB - 745  
Representing/Organization: CHP - SAN LUIS OBISPO AREA  
Mailing Address of Organization/Applicant: 675 CALIFORNIA BLVD  
SLO, CA 93401

Telephone: Daytime 593-3300 After 5:00 p.m. 471-0738

Proposed Booth Location: 2876 CIENAGA, OCEANO

Property Owner's Name: ROBERT HAYASHI

The Board of Directors has determined that participation is conditioned upon each organization indicating where the profits from their sales will be directed with at least 50% of the profits to be spent within Oceano/Halcyon. (Use back page if necessary). This statement will be reviewed by the Board of Directors before a permit is issued.

Please explain how the 2008 profits were used:

MONEY DONATIONS TO OCEANO COMMUNITY REC. CTR  
PURCHASE OF BARBECUE PRODUCTS (MEAT) FROM LA TAPIA MARKET

Please explain how you plan to use the 2009 profits for the benefit of Oceano/Halcyon:

DO CASH DONATIONS TO OCEANO COMMUNITY SVCS  
PURCHASE BARBECUE MEAT FROM LA TAPIA MARKET FOR  
COR AREA BARBECUES

[Signature]  
Signature of Applicant

4/10/09  
Date

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# Oceano Community Services District

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

(805) 461-6730

ALTA (805) 461-6836

## APPLICATION FOR SALE OF FIREWORKS WITHIN THE BOUNDARIES OF OCEANO COMMUNITY SERVICES DISTRICT



This application must be completed and returned to the District Office located at 1655 Front Street, Oceano, CA, 93445, by April 20, 2009. The application must be accompanied with the property owner's written permission for your proposed booth location and the \$500.00 refundable cleaning deposit. The \$385.00 administration fee is due at the time of filing the above mentioned documents.

Name of Applicant: Sidney Davis

Representing/Organization: Five Cities Eagles - Aerie #4153

Mailing Address of Organization/Applicant: Sidney Davis  
2151 Cienega  
Oceano, CA 93445

Telephone: Daytime 481-3141 After 5:00 p.m. 481-3141

Proposed Booth Location: 2061 Cienega St., Oceano, CA 93445

Property Owner's Name: Tony Sam

The Board of Directors has determined that participation is conditioned upon each organization indicating where the profits from their sales will be directed with at least 50% of the profits to be spent within Oceano/Halcyon. (Use back page if necessary). This statement will be reviewed by the Board of Directors before a permit is issued.

Please explain how the 2008 profits were used:

- \$1500.00 - Boy & Girls Club
- \$1,300.00 - 4 Autistic Children to Summer Camp.
- \$2,000.00 Bought Trailer to haul Fireworks. Saving \$ to \$300.00 EA. Yr.

Please explain how you plan to use the 2009 profits for the benefit of Oceano/Halcyon:

We always help the Boys & Girls Club & the Senior Center of Oceano. Any other local needy causes that come to our attention. Suggestions are always welcome.

Sidney Davis  
Signature of Applicant  
Sidney Davis - President

4/13/09  
Date

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# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

May 13, 2009

TO: Board of Directors, OCSD  
FROM: Kevin Walsh, General Manager  
**SUBJECT: Fire Dispatch Study**

## Background

The Board has previously approved participating in the Fire Dispatch Study. At the time of approval, it was hoped that other agencies beside ourselves, Arroyo Grande, and Grover Beach would join in the study so that there could be a greater potential for reduced dispatch costs due to an economy of scale.

## Discussion

Originally, Arroyo Grande was going to manage the contract, including collecting payment from OCSD and Grover Beach. However, when the other cities joined, Arroyo Grande has expressed an interest in reducing their workload by having the consultant bill each agency separately. The consultant has agreed to this.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll-call vote, authorize the Board President to execute the contract.

Agenda Item 05 13 2009 7.b.

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# Oceano Community Services District

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

(805) 481-6780

FAX (805) 481-6836

May 13, 2009

TO: Board of Directors, OCSD  
FROM: Kevin Walsh, General Manager  
SUBJECT: **Fire Dispatch Study**

## Background

The Board has previously approved participating in the Fire Dispatch Study. At the time of approval, it was hoped that other agencies beside ourselves, Arroyo Grande, and Grover Beach would join in the study so that there could be a greater potential for reduced dispatch costs due to an economy of scale.

## Discussion

Originally, Arroyo Grande was going to manage the contract, including collecting payment from OCSD and Grover Beach. However, when the other cities joined, Arroyo Grande has expressed an interest in reducing their workload by having the consultant bill each agency separately. The consultant has agreed to this.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll-call vote, authorize the Board President to execute the contract.

Agenda Item 05 13 2009 7.b.

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## **AGREEMENT FOR CONSULTANT SERVICES**

THIS AGREEMENT is made and effective as of May 1, 2009 between **DHILLON MANAGEMENT SERVICES** ("Consultant"), and participating agencies that include any or all of the following: **CITY OF ARROYO GRANDE, CITY OF GROVER BEACH, OCEANO COMMUNITY SERVICES DISTRICT, CITY OF MORRO BAY, CITY OF SAN LUIS OBISPO, CITY OF PASO ROBLES, AND CITY OF ATASCADERO** ("Agencies"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

### **1. TERM**

This Agreement shall commence on May 1, 2009 and shall remain and continue in effect until December 31, 2009, unless sooner terminated pursuant to the provisions of this Agreement.

### **2. SERVICES**

Consultant shall perform the tasks described and comply with all terms and provisions set forth in Exhibit "A", attached hereto and incorporated herein by this reference.

### **3. PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of his/her ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

### **4. AGREEMENT ADMINISTRATION**

(a) The City of Arroyo Grande shall serve as the lead agency for this Agreement and City's City Manager shall represent Agencies pertaining to the administration of this Agreement. Matt Dhillon shall represent Consultant in all matters pertaining to the administration of this Agreement.

(b) As the Agreement relates to the Base Study, the Arroyo Grande City Manager shall periodically consult with the City Manager of Grover Beach and the District Manager for the Oceano Community Services District, additionally the Arroyo Grande City Manager shall make periodic reports to the Arroyo Grande, Grover Beach and Oceano Community Services District Oversight committee on the progress of the Base Study.

5. **PAYMENT**

The Agencies agree to pay the Consultant in accordance with the payment rates and terms set forth in Exhibit "B", attached hereto and incorporated herein by this reference.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The Agencies may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the Agencies suspend or terminate a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the Agencies shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the Agencies. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the Agencies pursuant to Section 5.

7. **TERMINATION ON OCCURRENCE OF STATED EVENTS**

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business; or
- (c) Assignment of this Agreement by Consultant without the consent of Agencies.
- (d) End of the Agreement term specified in Section 1.

8. **DEFAULT OF CONSULTANT**

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, Agencies shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the City Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The

Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the Agencies shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. **LAWS TO BE OBSERVED.** Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the Agencies' Contract Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement.

(e) The Agencies, and their officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. **OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by Agencies that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of Agencies or their designees at reasonable times to such books and records; shall give Agencies the right to examine and audit said books and records; shall permit Agencies to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the Agencies and may be used, reused, or otherwise disposed of by the Agencies without the permission of the Consultant. With respect to computer files, Consultant shall make available to the Agencies, at the Consultant's office and upon reasonable written request by the Agencies, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

(c) Copies of the completed study shall be provided each participant in electronic format (Microsoft Word and/or Excel).

## 11. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless each Agency and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subContractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless each agency, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorneys fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subContractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subContractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of Agencies to monitor compliance with these requirements imposes no additional obligations on Agencies and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend Agencies as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

12. **INSURANCE**

Consultant shall secure prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit "C" attached hereto and incorporated herein as though set forth in full.

13. **INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the Agencies a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither Agencies nor any of their officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of any of the Agencies. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against Agencies, or bind Agencies in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, Agencies shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for Agencies. Agencies shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. **UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of any of the Agencies in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Agencies will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the Agencies to any and all remedies at law or in equity.

15. **NO BENEFIT TO ARISE TO LOCAL EMPLOYEES**

No member, officer, or employee of Agencies, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.





18. **ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the Agencies.

19. **GOVERNING LAW**

The Agencies and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the jurisdictions of the Agencies.

20. **ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. **TIME**

Agencies and Consultant agree that time is of the essence in this Agreement.

22. **CONTENTS OF REQUEST FOR PROPOSAL AND PROPOSAL**

Consultant is bound by the contents of the Agencies' Request for Proposal, Exhibit "D", attached hereto and incorporated herein by this reference, and the contents of the proposal submitted by the Consultant, Exhibit "E", attached hereto and incorporated herein by this reference. In the event of conflict, the requirements of Agencies' Request for Proposals and this Agreement shall take precedence over those contained in the Consultant's proposals.

23. **CONSTRUCTION**

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

24. **AMENDMENTS**

Amendments to this Agreement shall be in writing and shall be made only with the mutual written consent of all of the parties to this Agreement.

25. **AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

26. **EXECUTION OF AGREEMENT BY PARTICIPATING AGENCIES**

Participating Agencies shall consist of those that execute this Agreement. If Agreement is not executed by any of the Agencies identified, all terms and conditions of the Agreement remain in full force and effect to Consultant and all Agencies party to the Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

**CITY OF ARROYO GRANDE**

**CONSULTANT**

By: \_\_\_\_\_

By: \_\_\_\_\_

Attest:

Its:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

**CITY OF GROVER BEACH**

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

**OCEANO COMMUNITY SERVICES DISTRICT**

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

**CITY OF MORRO BAY**

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

**CITY OF SAN LUIS OBISPO**

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

**CITY OF PASO ROBLES**

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

**CITY OF ATASCADERO**

By: \_\_\_\_\_

Attest:

\_\_\_\_\_

Approved As To Form:

\_\_\_\_\_

## EXHIBIT A

### SCOPE OF WORK

Consultant shall prepare a base study that includes the City of Arroyo Grande, City of Grover Beach and Oceano Community Services District and shall prepare additional analysis and alternatives for inclusion of each of the other participating Agencies. The base study shall at a minimum contain a series of independent recommendations that will enable the three entities to consolidate fire and/or police dispatch independent of further participation of any of the other parties. Services to all participating Agencies shall include the following:

1. Conduct interviews with the following representatives from each agency:
  - City Council Members
  - Agency managers
  - Fire and Police chiefs
  - Other key management staff in each department
  - Communications managers and supervisors

The following issues, at a minimum, will be covered from the perspective of each interviewee:

- The history of interest in consolidation in each jurisdiction, prior to studies completed and their results.
  - Factors bringing interest in the current study to the forefront, including short-term economic factors.
  - The service level goals of each agency relating to communications and related services.
  - Perceived gaps in desired levels of service capabilities which could be addressed.
  - The relative importance of cost savings versus service levels as goals of the study.
  - Whether "local control" issues will be important to each agency and how these concerns should be addressed.
2. Develop a profile of current communications operations in each jurisdiction by documenting the following:
    - a. Organization and staffing
      - Current communications staffing and shift assignment practices in each agency.
      - Salary and all fringe benefit costs for each communications position in each agency.
      - Compare total current staff shift assignments and personnel costs with those of the last three to five fiscal years in each agency.
      - Staff turnover and availability during this period for each agency.

- The extent to which staff assigned to communications are also responsible for other services (e.g. public reception and records management; jail monitoring; etc.).
  - Staff administrative and support roles and responsibilities.
- b. Communications Workloads
- Dispatcher workloads by counts for each dispatch function, where possible including: calls for services, telephone calls, radio transmissions, teletypes, warrants processed, and other factors to be collected by time of day, date of week, etc.
  - Growth in workload over the past three years for each agency and dispatch activity where possible.
  - Records/reports processed, warrants, walk-ins, fingerprints, photographs, as appropriate.
- c. Communications Systems
- Systems in use in each agency.
  - Communications and computer hardware utilized in each agency.
  - Software packages utilized operationally for communications.
  - Radio system, frequencies, hardware, etc.
  - 911 emergency telephone system; other telephone systems/ characteristics
  - Dispatching consoles – description, age, capabilities, value, etc. in each agency, where appropriate.
  - Manual systems utilized for police, and other supported functions in each agency.
  - How management information is handled in each agency.
  - Space utilized for communications in each agency.
  - Overall operating and capital costs.
3. Profile recently consolidated public safety communications organizations to utilize as case histories, including:
- History of consolidation efforts.
  - Respective roles of Police and Fire Departments, City Councils and City Managers in generating and maintaining consolidation interest.
  - Service level issues and how they were resolved.
  - How consolidation was implemented.
  - What costs and savings associated with consolidation were realized.
4. Develop assumptions to be used in the construction of organizational alternatives. Consultant will prepare a list of potential assumptions to be presented at a dedicated meeting of a Project Steering Committee. Information will be used to structure organizational and staffing alternatives, including the following issue areas:



- Service level definition.
  - Approaches to organizing and staffing consolidated communications.
  - Ways to govern a consolidated agency (e.g., joint powers authority, contract) and how these will have to work to ensure control and each agency's interests.
  - How the consolidation could be implemented given the existing Dispatch Centers, including an evaluation of co-location versus dispatch and communications provided by the existing County management and support structure.
  - Ways to allocate costs and the implications, advantages and disadvantages to each agency (e.g., population, calls for service, etc.).
  - Hardware and software existing in the region and needed as well as the usability of existing systems for the consolidated agency.
  - Information needed to operate and to analyze operations.
  - Cost savings objectives versus service improvement objectives.
  - Personnel reduction approaches.
  - How to provide for system redundancy.
5. Structure and evaluate consolidation alternatives, which will address the following:
- a. Line communications staffing - Utilizing workload information collected and analyzed early in the project, Consultant will develop overall and per shift staffing models to handle regional law enforcement and fire dispatching workloads to include:
    - Projections of next year call for service workload for each agency.
    - Evaluation of total dispatch workload and staff required using dispatcher workload time standards developed by Consultant for radio, telephone, teletype and other work activities, taking into account availability factors (e.g., time off, meals/breaks, etc.) and desired utilization levels (e.g., so that dispatchers are not handling radios, telephones, etc., 60 minutes per hour).
    - Evaluate workload variations on an hourly and daily basis to develop appropriate shift scheduling alternatives.
    - Assess the impacts of other workloads.
  - b. Management, supervisory and support staff – Given the size of the organization, Consultant will evaluate alternative supervisory forms (e.g., working leads, dedicated supervisors) and management staff required, as well as staff or contracts needed for clerical support, hardware/software support (e.g., back-ups, system upgrades, minor system problems, geofile updates, etc.), training, etc.
  - c. Operating cost estimates – Based on an assessment of current personnel and other costs in each agency, Consultant will structure a pro-forma budget for a consolidated agency to include:
    - Salary and fringe benefit costs.
    - Estimated maintenance and operating costs.

- Estimated start—up costs.
  - Estimated long-range capital costs.
- d. Cost allocation alternatives – Consultant will evaluate a variety of methodologies, including those based on population; calls; or a combination of approaches. The impacts on each agency of each approach will be shown.
- e. Facility and equipment issues – Consultant will develop a space plan for consolidated public safety communication based on consoled needs, computer space requirements, administrative space needed and space for break room, rest rooms, etc. Requirements will be compared to the current or planned facilities to determine if they can accommodate the consolidated dispatch, which will include potential for shared support facilities such as break rooms, locker and rest rooms, etc. Capital costs associated with remodeling and/or adjusting the existing center will be estimated. If existing facilities are inadequate, Consultant will identify and evaluate other alternatives and estimated costs. Actual equipment needs will be based on assessments of radio, computer, other equipment available, age/condition, suitability for future consolidated use, and new equipment needed. System and software needs will also be evaluated (e.g., 911, CAD, frequencies, etc.).
- f. Transitional issues – Consultant shall prepare analysis of specific transition issues and needs that may impact cost savings potential, governance, etc. to include:
- Approaches to staff reductions if necessary.
  - External support approaches including personnel, finance, maintenance and other issues which could be provided by the lead agency under contract.
  - How to govern a consolidated dispatch (e.g., JPA, contract) and the mechanics and advantages/disadvantages of each.
  - How to handle start-up and capital costs.
  - How to handle labor relations issues.
  - Mechanisms to ensure user input and participation in operational and service/service level problem resolution.
  - The need for phasing, if necessary, and impacts on costs.

Consultant will prepare specific implementation plan to include identification of the following:

- a. All key steps which need to be taken to implement consolidation.
- b. Estimated costs associated with each step.
- c. A time phased plan for accomplishing each key task related to implementation.

- d. Identification of specific barriers to each of the implementation steps developed as part of the overall implementation plan for each model.

Consultant will document results in a major progress report, which will be reviewed in draft form with the Project Steering Committee and with all affected parties within each participating agency. Refinements will then be made as appropriate.

6. Document all study findings in a final report, making recommendations and developing a plan of implementation, which will summarize all the analytical steps described in the task plan above, including:
  - The results of the workload and service level analysis.
  - The results of the staffing analysis.
  - A listing of all assumptions utilized in the consolidation feasibility analysis.
  - Specific recommendations made by the project team.
  - Statements of the advantages and disadvantages of each organizational model together with any service level of costs/cost benefits to be obtained.
  - Specific implementation plans, including costs, responsibilities, and timetables. Discussion and recommendations related to cost allocation approaches.
  - Recommended approaches to developing a form of governance.
  - Short-term and long-term equipment and facility recommendations and costs.

The final report will be reviewed with the various management staff as deemed appropriate. Once completed, one general presentation for representatives of all agencies will be scheduled and conducted by Consultant. Consultant will make other individual presentations to governing boards and/or other groups as requested.

EXHIBIT B

PAYMENT SCHEDULE

Consultant shall prepare the base study for the City of Arroyo Grande, City of Grover Beach and Oceano Community Services District for a total fixed cost of thirty-three thousand dollars (\$33,000.00) to be paid as follows:

City of Arroyo Grande	\$16,500.00
City of Grover Beach	\$12,870.00
Oceano Community Services District	\$3,630.00

Consultant shall include other participating agencies in the study for an additional total fixed cost as follows:

City of Morro Bay	\$6,000.00
City of San Luis Obispo	\$12,000.00
City of Paso Robles	\$10,000.00
City of Atascadero	\$8,000.00

There will be an additional lump some fee of \$750.00 per presentation for each agency requesting an individual presentation to their governing board, organization or other group. The cost for any other work requested and authorized that is outside the scope of the agreement shall be billed at \$150.00 per hour.

Consultant shall submit four equal invoices to each participating agency. The first will be submitted five days after the notice to proceed and the last after the final report has been submitted and accepted.

Notwithstanding any other provision of this Agreement, each agency a party hereto shall only be liable for its allocated portion of the costs stated in this Exhibit "B." Nothing contained in this Agreement shall create joint and several liability for the Agencies for any payments required hereunder.

Should any agency fail to pay its allocated portion of the costs stated herein, Consultant shall continue providing services on behalf of only those Agencies in compliance with this Payment Schedule. Such compliant Agencies will have no obligation to pay to Consultant any amounts then due and owing or that become due and owing from any non-compliant agency.

EXHIBIT C

## INSURANCE REQUIREMENTS

*Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to Agencies in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to Agencies.*

*Consultant shall provide the following types and amounts of insurance:*

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the exact equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the exact equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Excess or Umbrella Liability Insurance (Over Primary) if used to meet limit requirements, shall provide coverage at least as broad as specified for the underlying coverages. Any such coverage provided under an umbrella liability policy shall include a drop down provision providing primary coverage above a maximum \$25,000 self-insured retention for liability not covered by primary but covered by the umbrella. Coverage shall be provided on a "pay on behalf" basis, with defense costs payable in addition to policy limits. Policy shall contain a provision obligating insurer at the time insured's liability is determined, not requiring actual payment by the insured first. There shall be no cross liability exclusion precluding coverage for claims or suits by one insured against another. Coverage shall be applicable to Each participating Agency for injury to employees of Consultant, subContractors or others involved in the Work. The

scope of coverage provided is subject to approval of Each participating Agency following receipt of proof of insurance as required herein. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

*Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.*

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and Each participating Agency agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds each participating Agency, their officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992. Consultant also agrees to require all Consultants, and subContractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against Each participating Agency regardless of the applicability of any insurance proceeds, and to require all Consultants and subContractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the each participating Agency or their operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to each participating Agency and approved of in writing.

5. No liability policy shall contain any provision or definition that will serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by each participating Agency, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect any of the participating Agency's protection without Agency's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to each participating Agency at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, Each participating Agency has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by any of the participating Agencies shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at participating Agency's option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to Agencies of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subContractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self insurance available to Agencies.

10. Consultant agrees to ensure that subContractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subContractors and others engaged in the project will be submitted to Agencies for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subContractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to Agencies. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the Agencies. At the time the Agencies shall review

options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. Agencies reserve the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the Agencies will negotiate additional compensation proportional to the increase benefit to Agencies.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of Agencies to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on Agencies nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as participating Agencies, or their employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until Agencies execute a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to Agencies within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to participating Agencies, their employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.



19. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge Agencies or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to Agencies. It is not the intent of Agencies to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against Agencies for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to Agencies of any claim or loss against Consultant arising out of the work performed under this agreement. Agencies assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve Agencies.

EXHIBIT D

REQUEST FOR PROPOSAL

EXHIBIT E

CONSULTANT'S PROPOSAL



**Proposal to Conduct a  
Joint Dispatch Study**

**CITY OF ARROYO GRANDE, CALIFORNIA  
CITY OF GROVER BEACH, CALIFORNIA  
OCEANO COMMUNITY SERVICES DISTRICT**

February 20, 2009





Dhillon Management Services

February 20, 2009

Mr. Steve Adams, City Manager  
City of Arroyo Grande  
P.O. Box 550  
214 E. Branch Street  
Arroyo Grande, CA 93421

Mr. Steve Adams:

**DHILLON MANAGEMENT SERVICES is pleased to present our Proposal to conduct a Joint Dispatch Study for the cities of Arroyo Grande and Grover Beach and the Oceano Community Services District.**

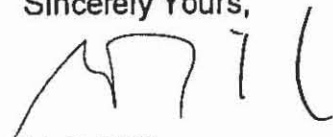
This Proposal presents DHILLON MANAGEMENT SERVICES as an international government management consulting firm, our experience conducting various government operations' management studies — including service contract reviews, operations analyses and reviews, management audits, staffing reviews, privatization analysis, facility needs assessments and **feasibility studies.**

DHILLON MANAGEMENT SERVICES believes the City seeks a comprehensive, objective and defensible review of public safety communications operations, staffing, workloads, organization and performance as well as alternative operating options and **we are committed to providing the desired evaluation in a timely manner.** Mr. Matt Dhillon is the President of DHILLON MANAGEMENT SERVICES and is fully authorized to bind the company to a contract.

Following this page is a letter of recommendation provided by Terry Fibich, former Fire Chief and Building Official for the City of Arroyo Grande.

Please call me at (714) 525 - 2088 if you have any questions about our proposal or qualifications. Further contact information is provided on this letter.

Sincerely Yours,



Matt Dhillon

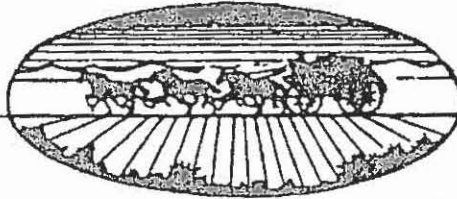
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617 Casa Blanca Drive, Fullerton, CA 92832  
Telephone 714 . 525 . 2088 FAX . 714 . 525 . 2068 Cell 714 . 925 . 3088  
e-mail: [mattdhillon@gmail.com](mailto:mattdhillon@gmail.com) or [matt@dhillonms.com](mailto:matt@dhillonms.com)

Copy of document found at [www.NoNewWipTax.com](http://www.NoNewWipTax.com)

City of  
Arroyo Grande

BUILDING AND FIRE



P.O. Box 550  
140 Traffic Way  
Arroyo Grande, CA 93421  
Phone: (805) 473-5490  
FAX: (805) 489-0348

Fire

200 East Branch Street  
Phone: (805) 473-5450  
FAX: (805) 473-5458

Building  
& Safety

E-Mail: [agcity@arroyogrande.org](mailto:agcity@arroyogrande.org)

21 June 2006

**RE: RECOMMENDATION OF MATT DHILLON**

To Whom it May Concern:

The purpose of this letter is to convey my appreciation of Mr. Matt Dhillon and his abilities as a local government consultant.

Mr. Dhillon was engaged by the City of Arroyo Grande to conduct an evaluation of Emergency Fire and Emergency Medical Services as part of a ten-year Master Plan, which was completed in April, 2002. Our City, including the City Manager, City Council members and I, found Mr. Dhillon to be extremely thorough in his analysis and findings. He was able to convert complex analysis and findings into useful and easy-to-implement solutions. For example, Mr. Dhillon recommended, and the City implemented, a plan to incrementally hire paid personnel to staff our Fire Department, which for over 100 years had a strong tradition of voluntary service to the community. Mr. Dhillon looked forward toward the further development of our City and was able to project the physical facility needs of the Department. This then allowed the development of a successful construction bond initiative that funded physical facility improvements at the Fire Station that are expected to meet the needs of the City over the next decade.

Matt's professional demeanor and credible presence allowed him to make a presentation successfully to our City Council, on matters that had previously been met with disbelief and skepticism by this governing body. We truly owe our position today to the work that was done by Mr. Dhillon!

Again, the City's relationship with Mr. Dhillon was very positive and I would highly recommend him for other engagements. I am available for any further conversation regarding Mr. Dhillon, or the project that he completed for our City. My e-mail address is [tfibich@arroyogrande.org](mailto:tfibich@arroyogrande.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Fibich". The signature is written in a cursive style with a large initial "T".

Terry Fibich  
Director of Building and Fire/Fire Chief



## 1. FIRM & CONSULTANT OVERVIEW

DHILLON MANAGEMENT SERVICES is a an international consulting firm with offices in the State of California and the Province of Ontario, as shown below.

617 Casa Blanca Drive  
Fullerton, CA 92832

692 Headley Drive  
London, Ontario  
Canada N6H 3V6

Recent and current clients (2005 to present) include the following:

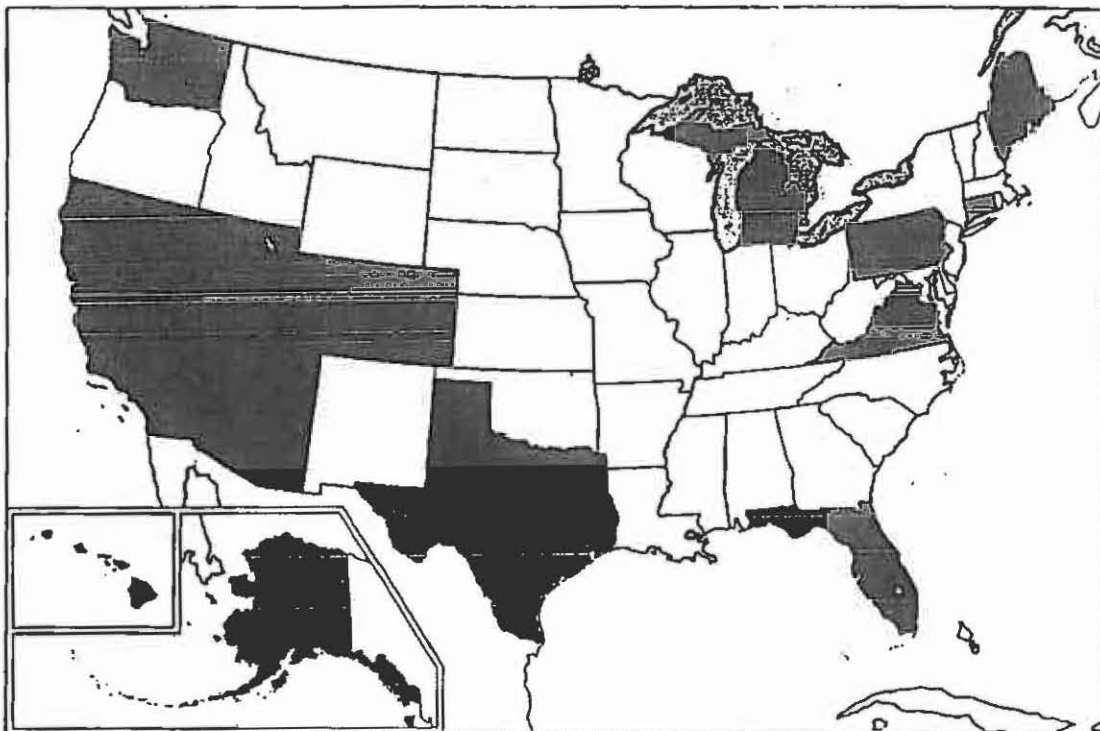
- State of Alaska, Department of Military & Veteran Affairs (2005)
- State of Alaska, Department of Military & Veteran Affairs (2006)
- Government of Alberta, Canada and RCMP (2008 - Present)
- Antrim Township, Pennsylvania (2008)
- City of Beverly Hills, California (2007)
- City of Brampton, Ontario (2005)
- City of Coquitlam, British Columbia (2006)
- Regional Municipality of Durham, Ontario (2007)
- Greater Toronto Area (GTA) Regions, Alberta, Canada (2009 - Present)
- Kauai County, Hawaii (2008)
- City of Lethbridge, Alberta (2006)
- Los Angeles County, California (2005)
- Maricopa County, Arizona (2008)
- Matanuska-Susitna Borough, Alaska (2008)
- City of Modesto, California (2006)
- City of Naperville, Illinois (2005 & 2006)
- Orange County, California (2006)
- Orange County, California (2007)
- City of Phoenix, Arizona (2006)
- Pinellas County, Florida (2005)
- City of Portland, Maine (2006)
- Prince George County, Virginia (2007)
- City of San Bernardino, California (2005)
- City of Southfield, Michigan (2006)
- City of Vaughn, Ontario (2006 & 2007)
- City of Wasilla, Alaska (2006)
- City of Waterbury, Connecticut (2006)
- City of Weslaco, Texas (2007)
- City of Wilton Manors, Florida (2005)
- Municipality of Wood Buffalo, Alberta, Canada (2007)





**DHILLON MANAGEMENT SERVICES** is an **international consulting firm**, with more than **40 local governments clients** in **5 Canadian provinces** as well as more than **140 local government clients** in the **United States** in **15 states** (as shown below).

### **DHILLON MANAGEMENT SERVICES UNITED STATES' EXPERIENCE**





## 2. PROJECT TEAM MEMBERS

DHILLON MANAGEMENT SERVICES presents a **two-member team** to conduct the Joint Dispatch Study, as detailed below.

**Matt Dhillon** has eighteen years' experience to local government and DHILLON MANAGEMENT SERVICES has served our government clients since July, 2000. Mr. Dhillon was previously a Manager with DMG – Maximus (1993 – 2000) and a Senior Analyst with Management Services Institute (MSI, 1991 – 1993). **Mr. Dhillon has worked with more than one-hundred and forty local government clients in the United States and Canada conducting over one-hundred and study studies, including management audits, operations reviews, feasibility studies, service contract reviews, organizational analyses, performance reviews, staffing studies, privatization studies, best practices analysis, and the like.** Mr. Dhillon has lead and managed major analytical projects in virtually every area of local government operations — including **emergency communications, law enforcement, fire service (suppression, prevention, EMS), purchasing and warehousing (including stand-alone entities and associated with other operating departments) code enforcement, planning and building plan check and inspection, recreation and leisure services, public works maintenance (streets, sewer/storm drain, sidewalk/curb and equipment/fleet), facilities and physical plant maintenance engineering, integrated waste management, parks and landscape maintenance, animal control and services, waste water collection and treatment, and finance and administration.**

Mr. Dhillon has a Bachelor's Degree from California State University at Chico and an MPA from California State University, San Bernardino.

**Jon Hambides** specializes in **emergency services analysis, emergency services communications; recruitment and selection; staffing analysis; feasibility studies; strategic analysis, planning, and facilitation; project management; and organizational design.** He has in-depth knowledge of the operation and administration of emergency services throughout North America as well as a strong knowledge of best practices and benchmarking in the emergency services industry. Jon's 30-year career includes experience in key senior management positions in emergency services prior to consulting.

His public sector experience was attained in the Province of Ontario, a jurisdiction of 12 million people. **His scope of responsibility included positions as the Assistant Regional Manager for a sector of the province's Emergency Medical Services. He was responsible, in that role, for the coordination, operation, and financial control of 36 emergency medical**

services, almost 50 ambulance stations, and over 100 ambulances, distributed over 3,600 square miles. He was later appointed to the position of **Manager, Analysis and Planning for the province's Emergency Health Services with responsibilities that included province-wide project management; financial coordination of state operated EMS; operational coordination of 21 Emergency Medical Services Communication Centers; and coordination of human resource development.** A later promotion to the position of **Manager of Resource Development** added other province-wide responsibilities including: strategic leadership for the operation and amalgamation of 21 EMS Communications Centers in the largest state run EMS system in the world; **leadership of the province's EMS emergency response preparedness program;** leadership of education and training programs for 5,000 paramedics and communications staff; system wide occupational safety and health; system wide evaluation, testing, and purchase of advanced life support and basic life support patient care equipment used in 1200 EMS vehicles; the widely referenced Ontario Pre-hospital Advanced Life Support Study; and paramedic certification programs and exams.

Jon Hambides is a certified facilitator and a member of the Project Management Institute. He has completed executive development programs at the University of Toronto in the Project Management Process; Methods of Measurement in Project Management; Media Relations; and Minority Opportunities. And at York University in Continuous Quality Improvement; Total Quality Initiatives; and, Quality / Value Management.

The two proposed project team members have conducted various evaluations, projects, studies, etc., of **twenty-nine emergency communications centers, five of which were consolidation analyses** (see next page). The following briefly describe the five consolidation studies:

- Feasibility analysis for consolidated dispatch services for **three cities** — Brisbane, Pacific and Daly City — all three medium-sized cities in north San Mateo County (CA). Population served by these three agencies totals 160,000.
- Feasibility analysis for consolidated dispatch services for **four cities** — Redwood City, Menlo Park, Belmont, and San Carlos — all three medium-sized cities in south San Mateo County (CA). Population served by these four agencies exceeds 175,000.
- Feasibility analysis for consolidated dispatch services for **two cities** — El Cajon and Lemon Grove — cities in east San Diego County (CA). Population served by these two agencies totals 130,000.



- Feasibility analysis for consolidation dispatch services for **two agencies** — Whitman County, Washington (which includes the City of Pullman, Washington and Washington State University) and Moscow, Idaho. Population served by these two agencies totaled 70,000.
- Feasibility analysis for consolidation of multiple small to medium emergency medical service communication centers within the Province of New Brunswick. Population served by totaled 900,000.

<b>EMERGENCY COMMUNICATIONS/DISPATCH OPERATIONS</b>	
<u>Client Name</u>	<u>Nature of Work Performed</u>
City of Campbell, CA	Staffing and Operations Analysis — Police Dispatch
City of El Cajon, CA	<b>Feasibility Study to Consolidate Fire Emergency Communications Centers — Including Lemon Grove</b>
City of Huntington Beach, CA	Management Audit of Police Dispatch Operations
City of Irvine, CA	Operational Audit of Police Emergency Communications
Metropolitan Police Dept. of Las Vegas, NV	Operational Review of Police Dispatch
City of Los Altos, CA	Management Audit of Police Department
City of Los Angeles, CA	Staffing & Shift Analysis of Fire Department Dispatch
<b>City of Menlo Park, CA</b>	<b>Feasibility Study to Consolidate Police Dispatch Centers — including Belmont, Redwood City and San Carlos</b>
County of Monterey, CA	Equity Analysis of Multi-Agency Communications Center
City of Moscow, ID	Development of Plan to Upgrade the City's 9-1-1 Center
City of Naperville, IL	3-1-1 Call Center Implementation Strategy
<b>Province of New Brunswick</b>	<b>Long-Range Communications Strategy</b>
	<b>Planning the Consolidation of Multiple PSAPs Into One Center</b>
City of North Las Vegas, NV	Management Audit of Police Department
City of Novato, CA	Organizational and Staffing Analysis of Police Department
City of Odessa, TX	Evaluation of Interaction Between Dispatch & Users
City of Orange, CA	Management Audit of Police Department — Including Emergency Communications Center
<b>City of Pacifica, CA</b>	<b>Feasibility Study to Consolidate Police Emergency Communications Centers — including Brisbane &amp; Daly City</b>
City of Redwood City, CA	Staffing Analysis of Police Department
City of Reno, NV	Operational & Organizational Review of Police Department
City of Salt Lake City, UT	Management Audit of Police Department
City of San Francisco, CA	Staffing Study & Workload Analysis
City of San Jose, CA	Staffing and Deployment Analysis of Fire Department
City of San Mateo, CA	Staffing Analysis of Emergency Communications Center
City of San Rafael, CA	Management Audit of Fire Department — Including Dispatch
San Ramon Fire Protection District, CA	Management Audit of Fire Department — Including Dispatch
City of Southfield, MI	Operations and Staffing Audit of Police Department
City of Tumwater, WA	Management and Organizational Audit of Police Department
City of Wasilla, AK	Management Audit of Police Department — including Dispatch
<b>Whitman County, WA</b>	<b>Feasibility Study to Consolidate Police, Fire &amp; EMS Dispatch Services — including the cities of Moscow, Idaho</b>

**FIRE OPERATIONS**

<u>Client Name</u>	<u>Nature of Work Performed</u>
Algona District Services Board, ON	Analysis of Emergency Medical Services
City of Arroyo Grande, CA	Fire Department Master Plan
City of Brampton, ON	Feasibility Study Co-housing EMS at Fire Halls
City of Chula Vista, CA	Financial Analysis of EMS System
City of Coquitlam, BC	Staffing and Overtime Analysis of Fire Department
City of Cornwall, ON	Community Fire Protection Plan
Fairview Fire Protection Town	Emergency Medical Services Performance Improvement
Frontenac County, ON	Assessment — including Counties of Stormont, Dundas and Glengary
Garden Grove, CA	Feasibility Analysis to Annex Fire Services
Haidlimand County, ON	Strategic Plan for the Provision of Paramedic Services
County of Hastings, ON	Feasibility Analysis to Regionalize Fire Services
City of Hawthorne, CA	Emergency Services Rationalization Study
Heartland Agencies, San Diego, CA	Land Ambulance Consultative Services — including Counties of Leeds Grenville, Lennox & Addington, Prince Edward
County of Huron, ON	Renfrew and Frontenac Management Board
Kenora District Services Board, ON	Evaluation of Proposed Contract for Fire Services
City of Los Angeles, CA	Feasibility Analysis to Regionalize Fire Services
County of Los Angeles, CA	Analysis of Emergency Medical Services Resources Analysis for 5-year EMS Services
City of Mississauga	Feasibility Plan for Implementing EMS System
Matanuska-Susitna Borough, AK	Review of Land EMS Operations
County of Monterey, CA	Operations and Staffing Audit - Fire Department
Province of New Brunswick	Costs of Fire Services to Harbor
City of Norfolk, ON	Review of Secession Alternatives — Including Fire Department Management Audit of Health and Hazardous Materials Division of the County Fire Department
City of Pasadena, CA	Fire Service Initial Response — including City of Brampton
Pinellas County, FL	Management Audit of Dept. of Emergency Services
City of Poway, CA	Equity Analysis of Emergency Communications Operations — Including Fire Dispatch
County of Placer, CA	Facilitation of the RFP Process for Supply of Vehicles
Santa Clara County LAFCO	Evaluation of the Effect of Service Level Enhancements on Response Times in the Community
City of San Jose, CA	Management Audit of Fire Department
San Ramon Fire Protection Town	Assessment of Emergency Response System
City of San Rafael, CA	Fire Department Master Plan
City of Santa Rosa, CA	Multi-agency Fire Services Plan and Analysis
Saratoga Fire Town	County-wide Fire Services Review
City of Sparks, Nevada	Fire Department Master Plan
City of Toronto, ON	Organization and Operations Analysis
City of Vaughn, ON	Staffing Analysis of Fire Communications
Municipality of Wood Buffalo, Alberta	Fire Department Master Plan
	Analysis of Fire and Emergency Medical Services
	City-wide Community Resource Analysis — Including Fire Facilities Study for Fire and Ambulance Services
	Fire Department Master Plan & City-wide Risk Assessment
	Analysis of Regional Emergency Services



## LAW ENFORCEMENT

<u>Client Name</u>	<u>Nature of Work Performed</u>
City of Albany, CA	Staffing and Scheduling Analysis of Police Department
City of Campbell, CA	Staffing Analysis of Emergency Communications
City of Citrus Heights, CA	Analysis of Police and Dispatch Staffing
City of Hesperia, CA	Feasibility Analysis to Regionalize Law Enforcement Services for Three Cities
City of Huntington Beach, CA	Management Audit of Police Department
City of Irvine, CA	Management Audit of Police Department
Las Vegas Metropolitan Police Department, NV	Operations and Organizational Audit 2 <sup>nd</sup> Audit Conducted Five Years Later
County of Monterey, CA	Equity Analysis of Emergency Communications Operations
City of Orange, CA	City-wide Management Audit — including Police
Province of New Brunswick	Planning the Consolidation of Multiple PSAPs into One Center
City of Redwood City, CA	Staffing Analysis of Police Department
City of Reno, NV	Management Audit of Police Department
County of Sacramento, CA	Management Audit of Sheriff's Department Jail Medical Operations
City of Salt Lake City, UT	Police Department Management Audit
San Bernardino County Agencies	Feasibility Analysis to Regionalize Law Enforcement Services for Nine Cities
Santa Clara County, CA	Management Audit of Department of Corrections
City of San Mateo, CA	Audit of Emergency Communications' Operations
San Mateo County Agencies (North)	Analysis to Consolidate Dispatch Services — Four Cities
San Mateo County Agencies (South)	Analysis to Consolidate Dispatch Services — Four Cities
City of Sparks, Nevada	City-wide Community Resource Analysis — including Police
City of Southfield, MI	Operational Audit of Police Department
City of Tumwater, WA	Facility Needs Analysis for Police Department
City of Wasilla, AK	Staffing and Deployment Analysis of Police Department
City of Wilton Manors, FL	Management and Operations Audit
Whitman County, WA	Feasibility Study to Consolidate Police, Fire & EMS Dispatch Services — including the cities of Moscow, Idaho

### 3. REFERENCES

The following projects and contacts represent a few of the many assignments that Mr. Dhillon & Mr. Hambides have conducted.

<b>Project Title:</b>	Consulting Services to Define Business Requirements and Options for Alberta Government First Responder and RCMP Dispatch Centers
<b>Client:</b>	The Government of Alberta & Royal Canadian Mounted Police
<b>Project Costs:</b>	\$110,000 for Phase 1; 3 months
<b>Project Dates:</b>	September 10, 2008 to December 9, 2008
<b>Contact:</b>	Doug Luzny, Project Manager, Ph: 780/427-4078; fax: 780/427-1449; S/Sgt. Russ Gillespie Logistics NCO; Ph: 780/412-5582; fax: 780/412-5403.

Matt Dhillon and Jon Hambides are leading a team of analysts to assist the Province of Alberta, primarily the Departments of Service Alberta, Solicitor General, Sustainable Resources Development and Municipal Affairs, and the RCMP to collect information regarding the current and future business requirements of the Government First Responder and RCMP dispatch centers. The consulting team is responsible for providing leadership in government, law enforcement and emergency service dispatch technologies, first responder support facilities, human resources and service expectations, and in implementing emergency service communication centers. The overall deliverable is a complete and accurate report and presentation showing detailed alternatives for meeting future business requirements.

<b>Project Title:</b>	Feasibility and Needs Analysis of Helicopter Operations serving Police and Fire Departments
<b>Client:</b>	Kauai County, Hawaii
<b>Project Costs:</b>	\$15,000
<b>Project Dates:</b>	September 23, 2008 to October 30, 2008
<b>Contact:</b>	Wallace Rezenies, Finance Director (808) 241 - 4200

In the County's desire to ensure it delivers safe, superior and legal helicopter rescue services to the County, it commissioned a study to conduct a needs assessment to determine the feasibility of Kauai County owning and maintaining a helicopter operations program for use by the Fire and Police departments. Of primary concern were maintaining compliance with FAA regulations, adequacy of equipment used and safety of firefighting (rescue) personnel.



Dillon Management Services

<b>Project Title:</b>	Police Department Management and Operations Study
<b>Client:</b>	City of Southfield, Michigan
<b>Project Costs</b>	\$49,000
<b>Project Dates:</b>	July, 2007 to November, 2007
<b>Contact or Reference:</b>	Dale Iman, former City Administrator, current City Administrator for the City of Fayetteville, North Carolina (910) 433 - 1990

<b>Project Title:</b>	Police Staffing and Deployment Study
<b>Client:</b>	City of Wasilla, Alaska
<b>Project Costs:</b>	\$24,750
<b>Project Dates:</b>	April, 2006 to August, 2006
<b>Contact:</b>	Angella Long, Police Chief (907) 352 - 5421

<b>Project Title:</b>	Organizational, Effectiveness and Efficiency Study of the Police Department
<b>Client:</b>	City of Wilton Manors, Florida
<b>Project Costs:</b>	\$30,000
<b>Project Dates:</b>	February, 2005 to May, 2005
<b>Contact:</b>	Brenda Clanton, HR Director, (954) 390 - 2125

Comprehensive management and performance audits covering all phases of departmental operations. Included evaluation of patrol staffing, investigations, dispatch, and support services; review of progress associated with implementation of a community oriented policing program; and evaluation of management and administrative organization. In addition, determined actual service level indicators and performance measures for patrol, traffic and communications divisions.

<b>Project Title:</b>	A Staffing Needs Analysis; Determination of Best Practices for the Recruitment, Selection, Training, and Retention of Staff
<b>Client:</b>	San Francisco Department of Emergency Management subcontracted to MGT of America
<b>Project Costs</b>	\$297,000
<b>Project Dates:</b>	January 2007 to June 2008
<b>Contact:</b>	Pam Katz, Assistant Director, Department of Emergency Services (retired); kwkatz@sbcglobal.net; 650-344-4936

MGT of America sub-contracted us to provide advice, expert technical and operational knowledge, and other specialized services for this project. We





provided objective and scientifically based methods to assess SFECD's staffing level requirements by time of day and job profile; assessed the complement of supervisory, support, information technology, and other staff members who support the operation and administration of the police, fire/EMS Communications Department; examined methods used by the SFECD to recruit, select, and train Public Safety Communications Technicians, Dispatchers, and other staff including the impact of the Peace Officer Standard Training program and the Commission on Accreditation for Law Enforcement Agencies.

<b>Project Title:</b>	Township-wide Organizational, Operational & Staffing Analysis
<b>Client:</b>	Antrim Township, Pennsylvania
<b>Project Costs</b>	\$29,750
<b>Project Dates:</b>	May 12, 2008 to August 2, 2008
<b>Contact:</b>	Fred Young, Vice chair, Board of Supervisors (717) 597-2650

In the wake of evaluating whether the Township should move forward with the construction of a brand new state-of-the-art Municipal Building, the Board of Supervisors initiated a Township-wide organizational, operational, staffing and space needs assessment. All Township activities were evaluated in terms of processes and systems employed, outputs, workloads, and the like. This included evaluating the quality of services provided, the cost effectiveness of existing operational and organizational approaches, the benefits of the current distribution of work assignments among staff members, the effective utilization of staff, and the value provided by various management, administrative and support staff, in order to determine if any alternate approaches were available to improve service levels, increase staff utilization or reduce costs.

<b>Project Title:</b>	Management Audit Review — Department of Emergency Services and Solid Waste Division
<b>Client:</b>	Matanuska – Susitna Borough, Alaska
<b>Project Costs</b>	\$49,800
<b>Project Dates:</b>	January 22, 2008 to May 2, 2008
<b>Contact:</b>	Marian Romano, Assistant Borough Manager, retired July, 18, 2008 — (907) 373-0577 home (907) 355-3367 cell

The overall purpose of the study was to evaluate the Department of Emergency Services and Solid Waste Division's operations, organization, performance, management, service delivery, and the like. This included evaluating the quality of services provided, the cost effectiveness of existing operational and organizational approaches, the benefits of the current distribution of work assignments among staff members, the effective utilization of staff, and the value provided by various management, administrative and support staff, in order to



determine if any alternate approaches were available to improve service levels, increase staff utilization or reduce costs.

<b>Project Title:</b>	Consolidation of EMS Communications Centers
<b>Client:</b>	Province of New Brunswick
<b>Project Costs</b>	\$110,000
<b>Contact:</b>	Jill Rogers (former) Project Manager, Province of New Brunswick 506-458-3108

The Province of New Brunswick was served by multiple small to medium emergency medical service communication centers and faced the issue of ensuring adequate staffing, training, and quality assurance throughout the province. A decision was made to consolidate all pre-hospital medical service communications in two locations. We planned and managed all facets of the process, and coordinated a multi-disciplinary team of telephone and radio engineers, and information systems technicians.

<b>Project Title:</b>	Most Efficient Organization Study (2006), Facilities Maintenance Improvement Study (2005)
<b>Client:</b>	State of Alaska, Department of Military & Veterans Affairs
<b>Location:</b>	Anchorage, Alaska
<b>Project Costs:</b>	\$60,000, \$24,800
<b>Project Dates:</b>	September, 2005 to February, 2006 & December 2004 through April, 2005
<b>Contact or Reference:</b>	John W. Cramer, Director of Administrative Services, Acting Deputy Commissioner (907) 428 - 6881

The second study (2006) was a comprehensive analysis of the day-to-day maintenance (preventive and corrective) of 270 Alaska Army National Guard facilities throughout the State of Alaska — most in the western coastal part of the State. Of particular concern in this engagement were the use, effectiveness and efficiency of facilities maintenance, **purchasing and warehouse workers** stationed in Anchorage; however, serving the entire state. In addition to normal day-to-day activities typically assigned to procurement positions, these staff are required to acquire equipment, parts and supplies to facilities hundreds and thousands of miles away. **The first engagement (2005)** included a comprehensive review of facilities maintenance activities at two Air National Guard sites, we conducted an activity-by-activity assessment of all **facilities and grounds maintenance** services provided by both in-house staff and those under contract, with recommendations for each area as to any alternative approaches. In addition, we established maintenance and usability standards for all facilities and maintenance assignments in order to prioritize, plan and implement specific



tasks and frequencies for numerous functions and specific sites. Each Air National Guard facility staffed an in-house procurement unit that handled all purchases, including fuel deliveries, major maintenance contracts and equipment/supplies.

<b>Project Title:</b>	Development/Site Plan Analysis
<b>Client:</b>	Prince George County, Virginia
<b>Project Costs</b>	\$30,000
<b>Project Dates:</b>	September 15, 2007 to December 18, 2007
<b>Contact:</b>	Julie Walton, Building Official (804) 733 – 2636 (804) 722 – 8640

The principal objectives of the Development/Site Plan Review Process Analysis are as follows:

- Evaluate the existing site plan review and Planning Department activities in terms of processes and systems employed, relevant requirements and regulations, and internal and external factors influencing the process.
- Conduct an activity-by-activity assessment of the various services provided during the site plan process and by Planning Department personnel. This includes an evaluation of staff utilization by position and function to determine if productivity is consistent with industry standards.
- Analyze the management process employed relating to the above.

<b>Project Title:</b>	Long Range Communications Plan for Law Enforcement, Fire/EMS, and Other City Departments
<b>Client:</b>	City of Naperville, Illinois
<b>Project Costs</b>	\$105,000
<b>Project Dates:</b>	May 2003 – March 2004
<b>Contact:</b>	Daniel J. Voiland, Project Manager, 630-420-6089

The consulting team determined the effectiveness of how calls for service and inquiries are processed, made recommendations to improve efficiency and effectiveness, determined cost estimates and a timeline for implementation of recommendations, and determined staffing needs and an organizational structure for the 911 center and city dispatch operation for a 5 – 7 year period. Human resource analysis included a review of operational staff requirements based on local demographics, historical, and prospective community growth, and the impact of visitors to the city. A formula for determining staffing based on



Dillon Management Services

workload, and technical requirements based on call volume and traffic studies was used to assess the requirement for communicator complement.

<b>Project Title:</b>	Development Review Efficiency Analysis
<b>Client:</b>	City of Portland, Maine
<b>Project Costs:</b>	\$23,500
<b>Project Dates:</b>	February, 2006 to July, 2006
<b>Contact:</b>	Karen Geraghty, City Councilor, (207) 761 - 8376

This study included identifying, defining and implementing numerous measures, including plan check turn-around time performance, building inspection response/turn-around performance, number of inspections performed daily, weekly, and annually, **code enforcement response performance**, and the like.

## 4. APPROACH TO PROJECT

Any evaluation of service levels and resource requirements for a policing agency needs to take into account the specific characteristics and environment of the community being served. While comparative dispatcher/officer or dispatcher/population ratios are interesting from the broad perspective, they are insufficient to support defensible judgments about the adequacy of police resources available to or required by a specific community. As a result, we have structured an approach which, first, examines in detail the unique workloads and service level characteristics of each agency; and secondly, an approach which is interactive and involves the participation of all key stakeholders. Interest in a feasibility study has likely been sparked for a number of reasons, including:

- The cost of service — does it make sense to duplicate management and administrative overheads in providing law enforcement communications services?
- The potential for economies of scale through consolidation. Would merger of the two call centers (plus services provided by San Luis Obispo County Sheriff) enable the agencies to provide quality police and fire communications services with fewer total dedicated communications staff?
- The potential to improve services through joint action including reinvesting savings in improved staff training and communications equipment.

This study offers the agencies and their police and fire departments a chance to explore whether communications consolidation can provide the same or better service than is now achieved; and whether it can achieve this for the same or lower costs. To resolve these issues, the project team would need to utilize approaches which are not only analytical, but also help to establish a positive climate for consideration. While these steps are described in greater detail in the task plan, which follows, briefly they include:

- Attempting to obtain consensus definitions, where possible, on the objectives, priorities, service levels and programmatic assumptions underlying the consolidation analysis. This would be achieved by understanding current service level objectives, identification of areas and functions in which current performance does not meet objectives, and defining minimal effective service levels in the region.
- Maximizing the input of all parties involved in the consolidation feasibility study. This will include extensive interviews within each of the participating departments, as well as questionnaires directed both toward



communications staff and the people served by these staff (i.e., law enforcement staff from the departments).

- Ensuring that all tentative findings, conclusions and recommendations are thoroughly reviewed, critiqued and challenged by each agency and by a Project Steering Committee comprised of representatives from each jurisdiction.

The paragraphs which follow describe our approach in detail.

### **Task 1 — Develop an Initial Understanding of Key Study Issues.**

In this initial work task, the consulting team would become familiar with key study issues from the perspective of each participating agency. To accomplish this, interviews would be conducted with the following representatives of each agency:

- Policy makers (City County members)
- Agency managers.
- Fire and police chiefs.
- Other key management staff in each department.
- Communications managers and supervisors.

The purpose of these interviews will be to identify key issues which need to be considered from the start of the project in order for the study to be successfully completed and its conclusions perceived to be credible. We would cover, at a minimum, the following issues from the perspective of each interviewee:

- The history of interest in consolidation in each jurisdiction, prior studies completed and their results.
- Factors bringing interest in the current study to the forefront, including short-term economic factors.
- The service level goals of each agency relating to communications and related services.
- Perceived gaps in desired service levels of service capabilities which could be addressed.
- The relative importance of cost savings versus service levels as goals of this study.

- Whether "local control" issues would be important to each agency and how these concerns should be addressed.

The result of this task would be a comprehensive understanding of the key issues which led to this project.

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**Task 2 — Develop a Profile of Current Communications Operations in Each Jurisdiction.**

The purpose of this task is to provide the consulting team with a thorough understanding of all organizational, staffing and operational details for each agency's communications function. This detailed understanding is critical for two reasons: to be able to document workloads and service levels in each agency; and to be able to provide a foundation for the analysis needed to structure organizational alternatives. To achieve the level of understanding needed, the project team would need to document the following:

**(1) Organization and Staffing**

- Document current communications staffing and shift assignment practices in each agency.
- Document salary and all fringe benefit costs for each communications position in each agency.
- Compare total current staff shift assignments and personnel costs with those of the last three to five fiscal years in each agency.
- Document staff turnover and availability during this period for each agency.
- The extent to which staff assigned to communications are also responsible for other services (e.g., public reception and records management; jail monitoring; etc.).
- Document staff administrative and support roles and responsibilities.

**(2) Communications Workloads**

- Document dispatcher workloads in terms of counts for each dispatch function, where possible including: calls for services, telephone calls, radio transmissions, teletypes, warrants processed, and the like. This information needs to be collected at a high level of detail: time of day, day of week, etc.



- Document growth in this workload over the past three years for each agency and dispatch activity, where possible.
- Records/reports processed, warrants, walk-ins, fingerprints, photographs, as appropriate.

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### **(3) Communications Systems**

- Systems in use in each agency.
- Communications and computer hardware utilized in each agency.
- Software packages utilized operationally for communications.
- Radio system, frequencies, hardware, etc.
- 911 emergency telephone system; other telephone systems/ characteristics.
- Dispatching consoles – description, age, capabilities, value, etc. in each agency, where appropriate.
- Manual systems utilized for police, and other supported functions in each agency.
- How management information is handled in each agency.
- Space utilized for communications in each agency.
- Overall operating and capital costs.

The result of this work task would be a detailed, descriptive profile of each agency's approaches communications as well as summary cross-agency comparative indicators. This profile would be distributed and reviewed with each agency to ensure accuracy.

### **Task 3 — Profile Recently Consolidated Public Safety Communications Organizations.**

Within the past ten years, several communications consolidations have occurred throughout the United States and Canada. These consolidations would serve as useful "case histories" against which to compare and contrast the consolidation feasibility in Arroyo Grande, Grover Beach and the Oceano CSD. Successful



consolidations would also serve as a good "tour guide" in terms of what processes to duplicate, what to avoid and where consolidation has not worked as well as anticipated. We would want to understand the following:

- The history of consolidation efforts, including:
  - Initial interest.
  - Consolidation process.
  - What has occurred since consolidation?
- What were the respective roles of the Police and Fire Departments, City Councils, and City Managers in generating and maintaining consolidation interest?
- What service level issues were faced in their consolidation effort, and how were these resolved?
- How was consolidation implemented?
  - If positions were eventually eliminated, how was the transition handled?
  - What actual implementation steps were taken?
  - What roles in implementation did various parties play?
  - How were different salary and benefit plans merged?
  - What approach was taken in allocating costs?
- What costs and savings associated with consolidation were realized?
  - What were the operating cost savings?
  - What were the capital cost savings?
  - What were the costs of implementation – including the "payback" period?
  - Whether all cost savings were real savings or translated into higher service levels and/or additional programs.



The result of this task will be narrative "case histories" of consolidations of all historical factors, events and issues resolved. We would also provide a summary analysis of the costs versus service level/other benefits obtained in the consolidations.

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#### **Task 4 — Develop Assumptions to Be Used in the Construction of Organizational Alternatives.**

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Structuring a consolidated organization should not be done in a vacuum. An organizational structure reflects a number of things, including:

- An organizational philosophy including which agency would take the lead for communications operations, or would a JPA organization be more effective or responsive.
- An approach to management.
- The importance to career development in an organization.
- The need for support and staff time devoted to information processing, training, etc.
- The need for phasing implementation.

Resolution of the organizational, operational and staffing implications of these issues should not be left solely to the consultant. While, as consultants, we bring a background and set of experiences to an assignment such as this, we often have our own philosophies regarding these issues. As a result, the consultant needs to be a resource to local decision-makers to help shape organizational alternatives.

We proposed to use our work up to this point in the study, plus a dedicated meeting of the Project Steering Committee to help shape assumptions guiding the structuring of organization alternatives. We would prepare a list of potential assumptions which would be presented to the group. While it may not be possible to select solutions to all of these issues, it should be possible to use the information obtained in this meeting, combined with that in our own experience, to structure organizational and staffing alternatives. We would expect issue areas to include the following:

- Service level definition.
- Approaches to organizing and staffing consolidated communications.



- Ways to govern a consolidated agency (e.g., joint powers authority, contract) and how these would have to work to ensure control and each agency's interests.
- How the consolidation could be implemented given the existing Dispatch Center. For example, is co-location the best approach or should consideration be given to "folding" law enforcement dispatch and communications into the existing County management and support structure?
- Ways to allocate costs and the implications, advantages and disadvantages to each (e.g., population, calls for service, etc.).
- Hardware and software existing in the region and needed as well as the usability of existing systems for the consolidated agency.
- Information needed to operate and to analyze operations.
- Cost savings objectives versus service improvement objectives.
- Personnel reduction approaches (e.g., attrition).
- How to provide for system redundancy.

These issues will constitute an important step in developing a philosophy and set of approaches to structuring a consolidated public safety communications alternative. Once these preliminary issues have been reviewed, the consultants will be in a better position to actually structure and evaluate consolidation alternatives.

#### **Task 5 — Structure and Evaluate Consolidation Alternatives.**

Once the first five analytical tasks have been completed, the study team will be in a position to structure actual organizational alternatives and evaluate the feasibility of consolidating public safety communications. To accomplish this, we would address the following:

- **Line communications staffing:** Utilizing workload information collected and analyzed early in the project, we would develop overall and per shift staffing models to handle regional law enforcement and fire dispatching workloads. Briefly, this process entails the following:
  - Projecting next year call for service workload for each law agency.



- Using dispatcher workload time standards developed by this firm for radio, telephone, teletype and other work activities, evaluate total dispatch workload and staff required, taking into account availability factors (e.g., time off, meals/breaks, etc.) and desired utilization levels (e.g., so that dispatchers are not handling radios/telephones/etc., 60 minutes per hour).
- 
- Evaluate workload variations on an hourly and daily basis to develop appropriate shift scheduling alternatives.
  - Assess the impacts of other workloads.
  - **Management, supervisory and support staff:** Given the size of the organization, we would evaluate alternative supervisory forms (e.g., working leads, dedicated supervisors) and management staff required, as well as staff or contracts needed for clerical support, hardware/software support (e.g., back-ups, system upgrades, minor system problems, geofile updates, etc.), training, etc.
  - **Operating cost estimates:** Based on an assessment of current personnel and other costs in each agency, we would structure a pro-forma budget for a consolidated agency to include:
    - Salary and fringe benefit costs.
    - Estimated maintenance and operating costs.
    - Estimated start-up costs.
    - Estimated long-range capital costs.
  - **Cost allocation alternatives:** A variety of methodologies would be evaluated including those based on population; calls; or a combination of approaches. The impacts on each agency of each approach would be shown.
  - **Facility and equipment issues:** The project team would develop a space plan for consolidated public safety communication. This space plan would be "built up" based on console needs, computer space requirements, administrative space needed and space for break room, rest rooms, etc.

Once defined, these requirements would be compared to the current County or other facility to determine if that facility could accommodate the consolidated law enforcement dispatch. This would include evaluating the

potential for shared support facilities such as break rooms, locker and rest rooms, and the like. Capital costs associated with remodeling and/or adjusting the existing center would also be estimated.

If the existing facility proves inappropriate, other alternatives would be identified and evaluated. This would include, if necessary, site alternatives and estimated costs associated with each.

Actual equipment needs will be based on our earlier assessments of radio, computer, other equipment available, age/condition, suitability for future consolidated use, new equipment needed. System and software needs would also be evaluated (e.g., 911, CAD, frequencies, etc.).

- **Transitional issues:** Once consolidation alternatives have been developed, analysis needs to focus on specific transition issues which could impact their cost savings potential, governance, etc. These issues would include:
  - If necessary, approaches to staff reductions.
  - External support approaches including personnel, finance, maintenance and other issues which could be provided by lead agency or under contract.
  - How to govern a consolidated dispatch (e.g., JPA, contract) and the mechanics and advantages/disadvantages of each.
  - How to handle start-up and capital costs.
  - How to handle labor relations issues.
  - Mechanisms to ensure user input and participation in operational and service/service level problem resolution.
  - The need for phasing, if necessary, and impacts on costs.

Once consolidation models have been developed and evaluated in the terms noted above, we will prepare a specific implementation plan. This plan would include identification of the following:

- All key steps which need to be taken to implement consolidation.
- Estimated costs associated with each step.



- A time phased plan for accomplishing each key task related to implementation.
- Identification of specific barriers to each of the implementation steps developed as part of the overall implementation plan for each model.

The result of this work task will be documented in a form of a major progress report. We would review this, in draft form, with the Project Steering Committee. We would also anticipate reviewing this draft document with all affected parties within each participating agency. Once these reviews have been completed, we will make refinements, as appropriate.

#### **Task 6 — Document All Study Findings in a Final Report, Making Recommendations and Developing a Plan of Implementation.**

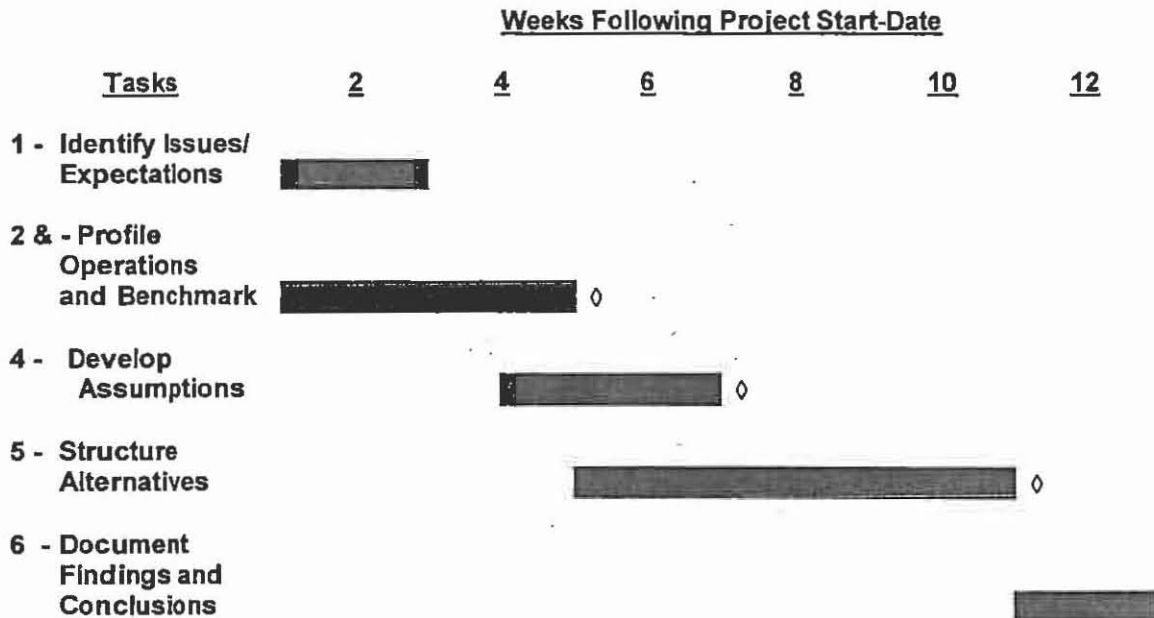
Once the presentation and review of draft findings have been completed, we will conduct additional analysis and review our findings, as appropriate. Once these revisions have been completed, all the proceeding work tasks will be documented in the form of a formal project report which will be presented to the agencies. This final report will summarize all the analytical steps described in the task plan above, including:

- The results of our workload and service level analysis.
- The results of the staffing analysis.
- A listing of all assumptions utilized in the consolidation feasibility analysis.
- Specific recommendations made by the project team.
- Statements of the advantages and disadvantages of each organizational model together with any service level of costs/cost benefits to be obtained.
- Specific implementation plans including costs, responsibilities, and timetables. Discussion and recommendations related to cost allocation approaches.
- Recommended approaches to developing a form of governance.
- Short-term and long-term equipment and facility recommendations and costs.

This final report will be reviewed with the various management staff as deemed appropriate. Once completed, we will be prepared to present it as requested.

## 5. PRODUCT DELIVERY/SCHEDULE

The exhibit below graphically displays a proposed schedule to conduct the Joint Dispatch Study as described above. The chart shows the sequencing of each work task, the time it would take to complete each task and the suggested timing of project review committee meetings.



Note that the ◊ symbol denotes both a Progress Report and a subsequent or corresponding review meeting with City staff or assigned project steering committee. As shown, we anticipate a minimum of three progress reports/review meetings over the course of the study.

As can be seen from the chart, we are prepared to complete the project as described in this proposal within twelve weeks of the project start date. This is a realistic time frame which will allow the levels of input and analysis described above as well as provide ample opportunity for departments' and Cities' input into the process and results.



## 6. PROJECT COSTS

The table below shows our estimate of the professional staff time required to complete the work steps described in this proposal.

Task	Work Step	Hours
1	Develop an Initial Understanding of Key Study Issues	24
2	Develop a Profile of Current Communications Operations	56
4	Profile Recently Consolidated Communications Organizations.	20
5	Develop Assumptions to Be Used in the Construction of Organizational Alternatives	18
6	Structure and Evaluate Consolidation Alternatives	48
7	Document All Study Findings in a Final Report, Making Recommendations and Developing a Plan of Implementation	24
	<b>PROJECT TOTAL</b>	<b>190</b>

The next table shows the costs associated with the identified level of effort.

Cost Component	Cost
Professional Staff Time — 190 Hours at a rate of \$ 150 per hour	\$ 28,500
Subsistence, Air and Ground Transportation	4,500
<b>PROJECT TOTAL</b>	<b>\$33,000</b>

DHILLON MANAGEMENT SERVICES is prepared to conduct the project as described in this proposal for a fixed price of **\$ 33,000** for professional time and all reimbursable expenses. DHILLON MANAGEMENT SERVICES will submit four equal invoices — the first will be submitted five days after the notice to proceed and the last after the Final Report has been submitted and accepted.





# Oceano Community Services District

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

(805) 481-6790

FAX (805) 481-6836

May 13, 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.

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# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

May 13, 2009

TO: Board of Directors, OCSD  
FROM: Kevin Walsh, General Manager  
SUBJECT: **Groundwater Report**

## Background

In 1997, the Santa Maria Valley Water Conservation District (SMVWCD) filed a lawsuit to adjudicate water rights in the Santa Maria Valley Groundwater Basin (*Santa Maria Valley Water Conservation District vs. City of Santa Maria, et al*), commonly known as the "Santa Maria Groundwater Adjudication." The court divided the trial of the case into phases.

In January 2001, the Court issued the Phase 1 Order, which established the Outermost Boundaries of the Basin. In December 2001, the Court issued the Phase 2 Order, which established the area constituting the Basin for purposes of the adjudication. In May 2004, the Court issued a Partial Statement of Decision on Phase 3 issue regarding the hydrologic conditions in the Basin. As part of its Phase 3 Partial Statement of Decision, the court reserved jurisdiction over remaining water rights issues and management of the Basin.

Subsequent to the Phase 3 trial, the majority of the parties to the lawsuit, including the original plaintiff, the Santa Maria Valley Water Conservation District, negotiated a Settlement Agreement ("Stipulation") that set forth terms and conditions for a physical solution concerning the overall management of Basin water resources, including rights to use groundwater, State Water Project water and associated return flows, the developed groundwater yield resulting from the operation of Twitchell and Lopez reservoirs (located in San Luis Obispo County), use of Basin storage space, and the ongoing monitoring and management of these resources, consistent with common law water rights priorities and Article X, Section 2 of the California Constitution. The majority of the parties actively participating in the litigation have signed the stipulation.

The Stipulation also subdivides the Basin into three Management Areas: the Northern Cities Management Area (which includes the cities of Arroyo Grande, Oceano, Grover Beach and Pismo), the Nipomo Mesa Management Area, and the Santa Maria Valley Management Area. The delineation of these areas was based on historical development and use of Basin water resources.

Agenda Item 05 13 2009 8.b.

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Although the court has approved the Stipulation as between those who have signed it, not all parties to the adjudication have agreed to it. This has caused the parties to proceed to Phase 4 and Phase 5 of the trial, and is mostly concerned with the Santa Maria Valley Management Area.

Phase 4 proceeded to trial in early 2006 as between the public water suppliers, and a small number of landowners who opposed the Stipulation. Phase 5 occurred in July of 2006. The Phase 5 tentative decision states that the physical solution contained in the Stipulation will be incorporated into the Court's final judgment and will be binding on all parties to the litigation. Further, the Phase 5 tentative decision provides that the Court will retain jurisdiction to enforce the judgment and to implement the physical solution as necessary.

### Discussion

As specified in the Judgment, the Northern Cities conducts groundwater monitoring in the Northern Cities Management Area (NCMA). A report on these monitoring activities is required to be submitted to the court annually. The first of these reports was delivered to the court on April 29, 2009 and has been distributed to the Board.

Additional work was required to prepare this year's report. Those costs were \$6,000 and are to be divided between the Northern Cities according to their share of the groundwater.

As a result of the findings in the report, it was determined that additional water quality testing should be done immediately to determine if there is any seawater intrusion into the basin, so that immediate remedial steps might be taken if such is the case. The additional water quality monitoring will cost about \$13,000. Again, these costs are to be divided between the Northern Cities according to their share of the groundwater.

Further, it has become critical at this time to determine the exact topographic elevations of the wells that are used in the monitoring effort. Grover Beach has already conducted this work on their wells. The Wallace group has submitted a proposal to survey the OCSD, Arroyo Grande, Pismo Beach and County wells for a cost of \$18,000. If these other agencies participate, the OCSD share will be 22% of the costs, or a total of \$3,960. This amount will increase if the other agencies do not participate.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll-call vote, 1) Approve expenditures of OCSD share of additional work on Annual Monitoring Report and additional water quality monitoring; 2) Approve the expenditure for topographic survey of District wells.

Agenda Item 05 13 2009 8.b.

**OCEANO COMMUNITY SERVICES DISTRICT**  
FINANCIAL STATEMENTS  
June 30, 2007

**OCEANO COMMUNITY SERVICES DISTRICT**

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June 30, 2007

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# OCEANO COMMUNITY SERVICES DISTRICT

ORGANIZATION

JUNE 30, 2007

The Oceano Community Services District (the District) is a multi-service special district located on the beautiful central coast of California. The District serves the 7,600 residents and business people of Oceano and Halcyon with fire protection, sewer and water services, and street lighting.

## BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Jim Hill	President	2008
Bill Bookout	Vice President	2008
Vern Dahl	Director	2008
Barbara J Mann	Director	2010
Pamela Dean	Director	2010

## DISTRICT ADMINISTRATION

Arnie Dowdy, General Manager

Gina A. Davis, Administrative Assistant

**FINANCIAL SECTION**



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CIRIAG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA

802 EAST MAIN  
SANTA MARIA, CA 93454  
TEL 805 925 2579  
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www.mlhcpas.com

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Oceano Community Services District  
Oceano, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Oceano Community Services District (District), as of and for the fiscal year ended June 30, 2007, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Oceano Community Services District as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable thereof, for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

The budgetary information on page 27 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Oceano Community Services District has not presented management's discussion and analysis that the Governmental Accounting Standards Board have determined is necessary to supplement, although not required to be part of, the basic financial statements.

MOSS, LEVY AND HARTZHEIM LLP

*Moss, Levy & Hartzheim LLP*

April 27, 2009



**OCEANO COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 865,452	\$ 1,020,708	\$ 1,886,160
Accounts receivable, net	14,334	307,888	322,222
Interest receivable	2,230	2,743	4,973
Prepaid expenditures	16,940	6,189	23,129
Deposits	4,287		4,287
Deposit with CCWA		181,244	181,244
Inventory		28,983	28,983
Capital assets:			
Non depreciable			
Land	385,391	231,000	616,391
Construction in progress		492,956	492,956
Depreciable:			
Buildings and improvements	640,648	6,192,736	6,833,384
Equipment, vehicles, and machinery	1,493,473	441,634	1,935,107
Accumulated depreciation	<u>(1,435,913)</u>	<u>(3,046,050)</u>	<u>(4,481,963)</u>
 Total assets	 <u>1,986,842</u>	 <u>5,860,031</u>	 <u>7,846,873</u>
<b>LIABILITIES</b>			
Accounts payable	38,721	59,811	98,532
Accrued wages	8,965	7,785	16,750
Accrued interest payable		3,548	3,548
Customer deposits	3,887	94,421	98,308
Compensated absences	35,957	43,293	79,250
Noncurrent liabilities:			
Due within one year		83,688	83,688
Due in more than one year		<u>424,533</u>	<u>424,533</u>
 Total liabilities	 <u>87,530</u>	 <u>717,079</u>	 <u>804,609</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,083,599	3,804,055	4,887,654
Unrestricted	<u>815,713</u>	<u>1,338,897</u>	<u>2,154,610</u>
 Total net assets	 <u>\$ 1,899,312</u>	 <u>\$ 5,142,952</u>	 <u>\$ 7,042,264</u>

The notes to basic financial statements are an integral part of this statement.

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**OCEANO COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2007

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Contributions and Grants</u>
Governmental activities:			
Administrative	\$ 586,898	\$ 402,001	\$ 166,045
Fire protection	622,181		
Street lighting	33,189		
Depreciation (unallocated)	102,830		
Total governmental activities	<u>1,345,098</u>	<u>402,001</u>	<u>166,045</u>
Business-type activities:			
Water	1,638,737	1,425,433	296,968
Sewer	689,892	492,392	
Garbage	64,084	69,042	
Total business-type activities	<u>2,392,713</u>	<u>1,986,867</u>	<u>296,968</u>
Total	<u>\$ 3,737,811</u>	<u>\$ 2,388,868</u>	<u>\$ 463,013</u>

General Revenues

Taxes and assessments  
Contributions  
Investment income  
Other general revenues

Transfers

Total general revenues and transfers

Change in net assets

Net assets, beginning of fiscal year

Prior period adjustment

Net assets, beginning of fiscal year, restated

Net assets, end of fiscal year

The notes to basic financial statements are an integral part of this statement.

Capital Contributions and Grants	Net (Expenses) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
\$ -	\$ (18,852)	\$ -	\$ (18,852)
	(622,181)		(622,181)
	(33,189)		(33,189)
	(102,830)		(102,830)
	(777,052)		(777,052)
		83,664	83,664
		(197,500)	(197,500)
		4,958	4,958
		(108,878)	(108,878)
\$ -	(777,052)	(108,878)	(885,930)
	773,170	46	773,216
	39,401		39,401
	38,245	147,082	185,327
	11,308		11,308
	16,859	(16,859)	
	878,983	130,269	1,009,252
	101,931	21,391	123,322
	1,797,381	5,082,591	6,879,972
		38,970	38,970
	1,797,381	5,121,561	6,918,942
\$	1,899,312	\$ 5,142,952	\$ 7,042,264

OCEANO COMMUNITY SERVICES DISTRICT  
 GOVERNMENTAL FUND  
 BALANCE SHEET  
 JUNE 30, 2007

	<u>General Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 865,452
Accounts receivable	14,334
Interest receivable	2,230
Prepaid expenditures	16,940
Deposits	<u>4,287</u>
Total assets	<u>\$ 903,243</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities:	
Accounts payable	\$ 38,721
Accrued wages	8,965
Customer deposits	3,887
Compensated absences	<u>35,957</u>
Total liabilities	<u>87,530</u>
Fund Balance:	
Reserved fund balance	
Reserve for prepaid items	16,940
Unreserved fund balance:	
Undesignated	<u>798,773</u>
Total fund balance	<u>815,713</u>
Total liabilities and fund balance	<u>\$ 903,243</u>

The notes to basic financial statements are an integral part of this statement.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2007**

Total fund balance - governmental fund \$ 815,713

In the governmental fund, only current assets are reported. In the statement of net assets, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$	2,519,512	
Accumulated depreciation		<u>(1,435,913)</u>	
Net			<u>1,083,599</u>

Total net assets - governmental activities \$ 1,899,312

The notes to basic financial statements are an integral part of this statement.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**GOVERNMENTAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes and assessments	\$ 773,170
Grant revenue	166,045
Contributions	39,401
Interest income	28,045
Rental income	10,200
Administration cost allocation	402,001
Other	11,308
	<hr/>
Total revenues	1,430,170
	<hr/>
<b>Expenditures:</b>	
Salaries and wages	525,787
Payroll taxes and employee benefits	178,032
Liability insurance	28,940
Repairs and maintenance	36,081
Vehicle operation and maintenance	13,399
Administrative services	24,303
Data processing	12,638
Dues and fees	6,538
Education	4,976
Legal fees	51,446
Miscellaneous	908
Office expense	24,152
Street lighting	33,189
Professional fees	90,506
Supplies	13,401
Travel	8,427
Utilities	23,500
Grant revenue pass-through	166,045
Capital outlay	6,414
	<hr/>
Total expenditures	1,248,682
	<hr/>
Excess of revenues over (under) expenditures	181,488
	<hr/>
<b>Other Financing Sources (Uses):</b>	
Transfers in	16,859
	<hr/>
Total other financing sources (uses)	16,859
	<hr/>
Net change in fund balance	198,347
	<hr/>
Fund balance - July 1, 2006	617,366
	<hr/>
Fund balance - June 30, 2007	\$ 815,713
	<hr/> <hr/>

The notes to basic financial statements are an integral part of this statement.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF**  
**REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE**  
**GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

Total net change in fund balance - governmental funds	\$ 198,347
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay of \$6,414 is less than depreciation expense \$(102,830) in the period.	<u>(96,416)</u>
Changes in net assets - governmental activities	<u>\$ 101,931</u>

The notes to basic financial statements are an integral part of this statement



OCEANO COMMUNITY SERVICES DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2007

	Water Fund	Sewer Fund	Garbage Fund	Totals
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 459,353	\$ 464,731	\$ 96,624	\$ 1,020,708
Accounts receivable	236,267	68,358	3,263	307,888
Accrued interest receivable	1,044	1,450	249	2,743
Prepaid expenditures	3,927	2,262		6,189
Inventory at costs	27,700	1,283		28,983
Total current assets	<u>728,291</u>	<u>538,084</u>	<u>100,136</u>	<u>1,366,511</u>
Noncurrent assets:				
Restricted assets:				
Deposits with CCWA	181,244			181,244
Total restricted assets	<u>181,244</u>			<u>181,244</u>
Capital assets:				
Non Depreciable:				
Land	73,500	157,500		231,000
Construction in progress		492,956		492,956
Depreciable:				
Buildings and improvements	4,410,735	1,782,001		6,192,736
Equipment, vehicles, and machinery	293,276	136,436	11,922	441,634
Less accumulated depreciation	(2,269,054)	(768,054)	(8,942)	(3,046,050)
Total net capital assets	<u>2,508,457</u>	<u>1,800,839</u>	<u>2,980</u>	<u>4,312,276</u>
Total assets	<u>3,417,992</u>	<u>2,338,923</u>	<u>103,116</u>	<u>5,860,031</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	8,811	51,000		59,811
Accrued payroll	4,652	2,553	580	7,785
Accrued interest payable	3,048	500		3,548
Customer deposits	65,971	28,450		94,421
Compensated absences	43,293			43,293
Current portion of long-term liabilities	53,688	30,000		83,688
Total current liabilities	<u>179,463</u>	<u>112,503</u>	<u>580</u>	<u>292,546</u>
Noncurrent liabilities:				
Revenue bonds payable	160,000			160,000
Loans payable	264,533			264,533
Total noncurrent liabilities	<u>424,533</u>			<u>424,533</u>
Total liabilities	<u>603,996</u>	<u>112,503</u>	<u>580</u>	<u>717,079</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	2,030,236	1,770,839	2,980	3,804,055
Unrestricted	783,760	455,581	99,556	1,338,897
Total net assets	<u>\$ 2,813,996</u>	<u>\$ 2,226,420</u>	<u>\$ 102,536</u>	<u>\$ 5,142,952</u>

The notes to basic financial statements are an integral part of this statement.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2007**

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Garbage Fund</b>	<b>Totals</b>
<b>Operating Revenues:</b>				
Charges for services	\$ 1,605,215	\$ 484,792	\$ -	\$ 2,090,007
Other fees	117,186	7,600	69,042	193,828
Total operating revenues	<u>1,722,401</u>	<u>492,392</u>	<u>69,042</u>	<u>2,283,835</u>
<b>Operating Expenses:</b>				
Salaries and wages	137,084	21,040	25,458	183,582
Payroll taxes and employee benefits	53,307	8,621	7,664	69,592
Insurance	5,259	3,638		8,897
Office expense	7,762	3,068		10,830
Legal and professional fees	48,367	43,925	95	92,387
Dues and fees	2,197			2,197
Education	1,806			1,806
Vehicle operation and maintenance	11,836	4,612	571	17,019
Repairs and maintenance	9,380	88,105	12	97,497
Water meters	8,844			8,844
Treatment and disposal	13,038			13,038
Special department expenses	265,546			265,546
Miscellaneous	46			46
Sanitation district fees		278,668		278,668
Supplies	34,320	4,284		38,604
Utilities	20,597	1,312	153	22,062
State water project expense	688,165			688,165
General and administrative overhead	179,159	193,904	28,938	402,001
Depreciation	122,037	37,348	1,193	160,578
Total operating expenses	<u>1,608,750</u>	<u>688,525</u>	<u>64,084</u>	<u>2,361,359</u>
Operating income (loss)	<u>113,651</u>	<u>(196,133)</u>	<u>4,958</u>	<u>(77,524)</u>
<b>Non-Operating Revenues (Expenses):</b>				
Interest income	27,144	13,420	2,073	42,637
Rent income	31,333	73,112		104,445
Property tax		46		46
Interest expense	(29,987)	(1,367)		(31,354)
Total non-operating revenues (expenses)	<u>28,490</u>	<u>85,211</u>	<u>2,073</u>	<u>115,774</u>
Income (loss) before transfers	<u>142,141</u>	<u>(110,922)</u>	<u>7,031</u>	<u>38,250</u>
<b>Transfers:</b>				
Transfers out	(16,859)			(16,859)
Total transfers	<u>(16,859)</u>			<u>(16,859)</u>
Change in net assets	<u>125,282</u>	<u>(110,922)</u>	<u>7,031</u>	<u>21,391</u>
Net assets, July 1, 2006	2,688,714	2,298,372	95,505	5,082,591
Prior period adjustment		38,970		38,970
Net assets, July 1, 2006, restated	<u>2,688,714</u>	<u>2,337,342</u>	<u>95,505</u>	<u>5,121,561</u>
Net assets, June 30, 2007	<u>\$ 2,813,996</u>	<u>\$ 2,226,420</u>	<u>\$ 102,536</u>	<u>\$ 5,142,952</u>

The notes to basic financial statements are an integral part of this statement.

OCEANO COMMUNITY SERVICES DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Water Fund	Sewer Fund	Garbage Fund	Totals
<b>Cash Flows From Operating Activities:</b>				
Receipts from customers	\$ 1,709,952	\$ 480,107	\$ 69,540	\$ 2,259,599
Payments to suppliers and wages	(1,574,217)	(642,299)	(63,087)	(2,279,603)
Net cash provided (used) by operating activities	<u>135,735</u>	<u>(162,192)</u>	<u>6,453</u>	<u>(20,004)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Acquisition and construction of property, plant, and equipment	(30,467)	(28,677)		(59,144)
Principal payments on long-term debt	(51,041)	(32,000)		(83,041)
Interest paid on long-term debt	(30,287)	(1,880)		(32,167)
Net cash provided (used) by capital and related financing activities	<u>(111,795)</u>	<u>(62,557)</u>		<u>(174,352)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers to other funds	(16,859)			(16,859)
Property tax		46		46
Net cash provided (used) by noncapital financing activities	<u>(16,859)</u>	<u>46</u>		<u>(16,813)</u>
<b>Cash Flows From Investing Activities:</b>				
Interest income	27,312	13,644	2,113	43,069
Rent Income	31,333	73,112		104,445
Net cash provided by investing activities	<u>58,645</u>	<u>86,756</u>	<u>2,113</u>	<u>147,514</u>
Net increase (decrease) in cash and cash equivalents	65,726	(137,947)	8,566	(63,655)
Cash and cash equivalents, July 1, 2006	<u>393,627</u>	<u>602,678</u>	<u>88,058</u>	<u>1,084,363</u>
Cash and cash equivalents, June 30, 2007	<u>\$ 459,353</u>	<u>\$ 464,731</u>	<u>\$ 96,624</u>	<u>\$ 1,020,708</u>

The notes to basic financial statements are an integral part of this statement

OCEANO COMMUNITY SERVICES DISTRICT  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Garbage Fund</u>	<u>Totals</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 113,651	\$ (196,133)	\$ 4,958	\$ (77,524)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	122,037	37,348	1,193	160,578
Change in assets and liabilities:				
Accounts receivable	(10,151)	(10,285)	498	(19,938)
Prepaid expenditures	(1,473)	96		(1,377)
Deposits	(79,516)			(79,516)
Inventories	(4,809)	603		(4,206)
Accounts payable	(2,108)	9,162	(63)	6,991
Accrued payroll	(542)	(983)	(133)	(1,658)
Customer deposits	(2,298)	(2,000)		(4,298)
Compensated absences	944			944
Net cash provided (used) by operating activities	<u>\$ 135,735</u>	<u>\$ (162,192)</u>	<u>\$ 6,453</u>	<u>\$ (20,004)</u>

The notes to basic financial statements are an integral part of this statement.

**OCEANO COMMUNITY SERVICES DISTRICT**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

The Oceano Community Services District (District) is a multipurpose special district established on January 1, 1981. The District is a political subdivision of the State of California and operates under a Board of Directors. The District provides fire protection, street lighting, water, wastewater, and garbage franchise services.

The District complies with the United States Generally Accepted Accounting Principals (USGAAP) and all relevant Government Accounting Standards Board (GASB) pronouncements. These technical pronouncements establish criteria for determining the District's activities and functions that are included in the financial statements of a governmental unit. The proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board opinions issued unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Management has elected not to include a management discussion and analysis, which is not a required part of the basic financial statements but is supplementary information normally required by United States GAAP.

There are no component units included in this report, which meet the criteria of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39.

B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

**Government-wide Financial Statements**

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental activities and business-type activities of the primary government. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the District.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transaction are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

**Fund Financial Statements**

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation (Continued)

Fund financial statements for the primary government are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes.

Proprietary funds distinguish *operating* revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Water and Sewer Funds are charges to customers. Operating expenses for the Water and Sewer Funds include non-capital expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are combined in a fund, expenditures/expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

**Governmental Funds**

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Revenue recognition is subject to the measurable and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange transactions* are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental funds operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

**OCEANO COMMUNITY SERVICES DISTRICT**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation (Continued)**

Amounts expended to acquire capital assets are recorded as *expenditures* in the fiscal year that resources were expended, rather than as capital assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

The District reports the General Fund as the only major governmental fund.

**Enterprise Funds**

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The District reported its enterprise funds as major funds in the accompanying basic financial statements.

**C. Investments**

Investments are stated at fair value.

**D. Capital Assets**

Capital assets (including infrastructure) are recorded at cost where historical records are available and at estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and infrastructure capitalization threshold of \$100,000 and estimated useful life in excess of two years.

Capital assets include public domain (infrastructure) capital assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the applicable governmental or business-type activities column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net assets. The estimated useful lives are as follows:

Water system	5 to 75 years
Sanitation system	10 to 50 years
Drainage	5 to 50 years
Fire department	5 to 40 years
Administration	5 to 40 years

**E. Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**F. Inventory**

Inventory is valued at the lower of cost (first-in, first-out basis) or market.

**G. Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities fund type statement of net assets. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

H. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Sick and vacation pay is accrued in the government-wide, governmental fund, and proprietary fund statements.

I. Fund Balances

- Reserved Fund Balance indicates that portion of fund balance which has been legally segregated for specific purposes;
- Designated Fund Balance indicates that portion of fund balance for which the Board of Directors has made tentative plans for financial resource utilization in a future period; and
- Undesignated Fund Balance indicates that portion of fund balance which is available for budgeting in future periods.

J. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenses/expenditures in the reimbursing fund and as reductions of expenses/expenditures in the fund that is reimbursed.

All other interfund transactions except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

L. Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents.

**NOTE 2 - CASH AND INVESTMENTS**

On June 30, 2007, the District had the following cash and investments on hand:

Cash on hand and in banks	\$ 350,054
Investments	<u>1,536,106</u>
Total cash and investments	<u>\$ 1,886,160</u>

Cash and investments listed above are presented on the accompanying basic financial statements as follows:

Cash and investments, statement of net assets	<u>\$ 1,886,160</u>
	<u>\$ 1,886,160</u>



**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	10%	5%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	None
County Investment Pool	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table, that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
San Luis Obispo County Investment Pool	\$ 866,833	\$ 866,833	\$ -	\$ -	\$ -
Local Agency Investment Fund	382,168	382,168			
Time Deposits	<u>287,105</u>			<u>287,105</u>	
<b>Total</b>	<u>\$ 1,536,106</u>	<u>\$ 1,249,001</u>	<u>\$ -</u>	<u>\$ 287,105</u>	<u>\$ -</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
San Luis Obispo County Investment Pool	\$ 866,833	N/A	\$ -	\$ -	\$ -	\$ 866,833
Local Agency Investment Fund	382,168					382,168
Time Deposits	<u>287,105</u>					<u>287,105</u>
<b>Total</b>	<u>\$ 1,536,106</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,536,106</u>

**OCEANO COMMUNITY SERVICES DISTRICT**  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2007

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The District may waive collateral requirements for deposits which are fully insured up to \$100,000 by the Federal Deposit Insurance Corporation.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 3 - PROPERTY TAXES**

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

**Tax Collections** - are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

**Tax Levy Apportionments** - Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the County Auditor-Controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

**Property Tax Administration Fees** - The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

**Tax Levies** - are limited to 1% of full market value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 3 - PROPERTY TAXES (Continued)**

**Tax Levy Dates** - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

**Property Valuations** - are established by the Assessor of the County of San Luis Obispo for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

**NOTE 4 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Excess of expenditures over appropriations in any individual fund is as follows:

<u>Fund</u>	<u>Excess Expenditures</u>
General Fund	
Payroll taxes and employee benefits	\$ 9,252
Repairs and maintenance	\$ 1,147
Administrative services	\$ 6,803
Data processing	\$ 138
Dues and fees	\$ 888
Office expense	\$ 1,502
Professional fees	\$ 49,756
Supplies	\$ 10,201
Utilities	\$ 675
Grant revenue pass-through	\$ 145,536

**NOTE 5 – CAPITAL ASSETS**

Capital assets activity for the fiscal year ended June 30, 2007, was as follows:

	Balance <u>July 1, 2006</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2007</u>
<i>Governmental activities:</i>				
Nondepreciable capital assets				
Land	\$ 385,391	\$ -	\$ -	\$ 385,391
Total nondepreciable capital assets	<u>\$ 385,391</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,391</u>
Depreciable capital assets:				
Buildings and improvements	\$ 640,648	\$ -	\$ -	\$ 640,648
Vehicles and equipment	1,487,059	6,414	-	1,493,473
Total depreciable capital assets	2,127,707	6,414	-	2,134,121
Less accumulated depreciation	<u>1,333,083</u>	<u>102,830</u>	-	<u>1,435,913</u>
Net depreciable capital assets	<u>\$ 794,624</u>	<u>\$ (96,416)</u>	<u>\$ -</u>	<u>\$ 698,208</u>
Net capital assets	<u>\$ 1,180,015</u>	<u>\$ (96,416)</u>	<u>\$ -</u>	<u>\$ 1,083,599</u>

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 5 – CAPITAL ASSETS (continued)**

	Balance July 1, 2006	Increases	Decreases	Balance June 30, 2007
<i>Business-type activities:</i>				
Nondepreciable capital assets				
Land	\$ 231,000	\$ -	\$ -	\$ 231,000
Construction in progress	492,956	_____	_____	492,956
Total nondepreciable capital assets	<u>\$ 723,956</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723,956</u>
Depreciable capital assets:				
Buildings and improvements	\$ 6,169,182	\$ 23,554	\$ -	\$ 6,192,736
Vehicles, equipment and machinery	406,044	35,590	_____	441,634
Total depreciable capital assets	6,575,226	59,144	_____	6,634,370
Less accumulated depreciation	2,885,472	160,578	_____	3,046,050
Net depreciable capital assets	<u>\$ 3,689,754</u>	<u>\$ (101,434)</u>	<u>\$ -</u>	<u>\$ 3,588,320</u>
Net capital assets	<u>\$ 4,413,710</u>	<u>\$ (101,434)</u>	<u>\$ -</u>	<u>\$ 4,312,276</u>

**NOTE 6 – LONG-TERM DEBT**

A. General Obligation Bonded Debt

The outstanding general obligation bonded debt of the Oceano Community Services District at June 30, 2007, is:

Date Of Issue	Interest Rate	Maturity Date	Amount of Original Issue	Outstanding July 1, 2006	Redeemed Current Year	Outstanding June 30, 2007
1966	5.00%	2008	\$ 400,000	\$ 50,000	\$ 25,000	\$ 25,000

The annual requirements to amortize general obligation bonds payable, outstanding as of June 30, 2007, are as follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2008	\$ 25,000	\$ 500	\$ 25,500
Totals	<u>\$ 25,000</u>	<u>\$ 500</u>	<u>\$ 25,500</u>

B. Revenue Bonded Debt

The outstanding revenue bonded debt of the Oceano Community Services District at June 30, 2007, is:

Date Of Issue	Interest Rate	Maturity Date	Amount of Original Issue	Outstanding July 1, 2006	Issued Current Fiscal Year	Redeemed Current Fiscal Year	Outstanding June 30, 2007
1967	4.00%	2008	\$ 150,000	\$ 10,000	\$ -	\$ 5,000	\$ 5,000
1967	4.00%	2007	50,000	2,000	_____	2,000	_____
1979	5.00%	2020	318,300	180,000	_____	10,000	170,000
			<u>\$ 518,300</u>	<u>\$ 192,000</u>	<u>\$ -</u>	<u>\$ 17,000</u>	<u>\$ 175,000</u>

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**B. Revenue Bonded Debt (Continued)**

The annual requirements to amortize revenue bonds payable outstanding as of June 30, 2007, are as follows:

<u>Fiscal Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 15,000	\$ 8,350	\$ 23,350
2009	10,000	7,750	17,750
2010	10,000	7,250	17,250
2011	10,000	6,750	16,750
2012	10,000	6,250	16,250
2013-2017	75,000	20,625	95,625
2018-2020	<u>45,000</u>	<u>3,375</u>	<u>48,375</u>
Totals	<u>\$ 175,000</u>	<u>\$ 60,350</u>	<u>\$ 235,350</u>

**C. CSCDA Water Loan Payable**

The District had been advanced \$703,205 on a loan under the Safe Water Drinking Bond Law of 1976 from the State of California. The loan has an interest rate of 6.35% and requires principal and interest payments of \$31,289 on June 1 and December 1 of every year through June 2013.

The following is a schedule of payments to be made under the loan:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 43,688	\$ 18,889	\$ 62,577
2009	46,507	16,071	62,578
2010	49,507	13,071	62,578
2011	52,700	9,877	62,577
2012	56,100	6,478	62,578
2013	<u>59,719</u>	<u>2,859</u>	<u>62,578</u>
Totals	<u>\$ 308,221</u>	<u>\$ 67,245</u>	<u>\$ 375,466</u>

**D. Changes in long-term liabilities**

The following is a summary of long-term liabilities activity for the fiscal year ended June 30, 2007:

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Due Within One Year</u>
<i>Business-type activities:</i>					
GO bonds payable	\$ 50,000	\$ -	\$ 25,000	\$ 25,000	\$ 25,000
Revenue bonds payable	192,000		17,000	175,000	15,000
Loan payable	<u>349,262</u>		<u>41,041</u>	<u>308,221</u>	<u>43,688</u>
Business-type activity long-term liabilities	<u>\$ 591,262</u>	<u>\$ -</u>	<u>\$ 83,041</u>	<u>\$ 508,221</u>	<u>\$ 83,688</u>

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 7 - DISTRICT EMPLOYEES' RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN (FULL TIME EMPLOYEES)**

**California Public Employees' Retirement System (CalPERS)**

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Active plan members are required to contribute 7.0% of their salary. The District makes the required contributions for all employees hired prior to October 1997. Employees hired after October 1997 are responsible for their 7% employee portion of contribution. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year 2006-2007, was 7.312% for miscellaneous employees and 12.219% for safety employees of annual payroll. The contribution requirements of Plan members are established by State statutes. The District's contributions to CalPERS for the fiscal years ending June 30, 2007, 2006, and 2005, were \$45,698, \$23,025, and \$19,007, respectively, and equal 100% of the required contributions for each fiscal year.

**Pension Plan**

The District offers a separate County retirement plan for one employee originally employed by the County of San Luis Obispo. Presently, the District contributes 9.28% of the employee's salary to the approved plan along with the employee's portion of 4.79%. The annual County pension cost for the fiscal year ended June 30, 2007, was \$6,853. Actuarial information concerning this pension plan is now combined with several local districts and individual District's information is no longer made available to the District.

**NOTE 8 – JOINT VENTURE**

In 1991, the District approved participation in the State Water Project (SWP). As a result, the District joined in the formation of the Central Coast Water Authority (CCWA) in August 1991. The purpose of the CCWA is to provide for financing, construction, operation, and maintenance of certain (non-state owned) facilities required to deliver water from SWP to certain water purveyors and users in San Luis Obispo and Santa Barbara Counties.

Each participant, including the District, has entered into a water supply agreement in order to provide for development, financing, construction, operation, and maintenance of the CCWA project. The purpose of the water supply agreement is to assist in carrying out the purposes of CCWA with respect to the CCWA project by: (1) requiring CCWA to sell, and the Project participants to buy, a specified amount of water from CCWA; and (2) assigning the Project participant's entitlement rights from the SWP to CCWA. Although the District does have ongoing financial obligation to the water supply agreement with CCWA, it has been determined that the District does not own an equity interest in the project.

Each project participant is required to pay to CCWA an amount equal to its share of the total cost of "fixed project costs" and certain other costs in proportion established in the water supply agreement. This includes the project participant's share of payments to the State Department of Water Resources (DWR) under the State Water Supply Contract (including capital, operation, maintenance, power, and replacement costs of the DWR facilities), debt service on CCWA bonds, and all CCWA operating and administrative costs.

Each project participant is required to make payments under its water supply agreement solely from the revenues of its water system. Each participant has agreed in its water supply agreement to fix, prescribe and collect rates and charges for its water system which will be at least sufficient to yield each fiscal year's net revenues equal to 125% of the sum of (1) the payment required pursuant to the water supply agreement, and (2) debt service on any existing participant obligation for which revenues are also pledged.

CCWA is composed of eight members, all of which are public agencies. CCWA was organized and exists under a joint exercise of power agreement amount the various participating public agencies. The Board of Directors is made up of one representative from each participating entity. Voters on the Board are apportioned between the entities based upon each entity's pro rata share of the water provided by the project. The District's share of the project, based upon number of acre feet of water, is 0.766%. Operating and capital expenses are allocated to the member based upon various formulas recognizing the benefits of the various project components to each member.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 8 – JOINT VENTURE (Continued)**

On October 1, 1992, CCWA sold \$177,120,000 in revenue bonds at a true interest cost of 6.64% to enable CCWA to finance a portion of the costs of constructing a water treatment plant to treat State water for use by various participating water purveyors and users within Santa Barbara and San Luis Obispo Counties, a transmission system to deliver such water to the participating water purveyors and users, and certain local improvements to the water systems of some of the participating purveyors.

In November 1996, CCWA sold \$198,015,000 of revenue bonds at a true interest cost of 5.55% to defease CCWA's \$177,120,000 1992 revenue bonds and to pay certain costs of issuing the bonds. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. The Series B bonds are subject to mandatory redemption from amounts transferred from the Construction Fund and the Reserve Fund upon completion of the construction of the CCWA facilities.

The District's current fiscal year State water project expense totaled \$688,165.

**NOTE 9 - INTERFUND TRANSACTIONS**

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2006-2007 fiscal year, are as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 16,859	\$ -
Water Fund		<u>16,859</u>
Totals	<u>\$ 16,859</u>	<u>\$ 16,859</u>

**NOTE 10 – NET ASSETS**

The government-wide activity and proprietary funds utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted, and unrestricted.

*Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

*Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors, and laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets* – This category represents net assets of the District, not restricted for any project or other purpose.

**NOTE 11 - CONTINGENCIES**

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

**OCEANO COMMUNITY SERVICES DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

Adjustment to prior year accounts payable of \$38,970 in the sewer fund and the government-wide financial statements represents the difference between the amount of accounts payable accrued at June 30, 2006, and the actual amount subsequently paid in the fiscal year 2006-2007.



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**REQUIRED SUPPLEMENTARY INFORMATION SECTION**

**OCEANO COMMUNITY SERVICES DISTRICT**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes and assessments	\$ 630,214	\$ 630,215	\$ 773,170	\$ 142,955
Grant revenue		20,509	166,045	145,536
Contributions	73,070	70,670	39,401	(31,269)
Interest income	8,880	8,730	28,045	19,315
Rental income	20,360	20,280	10,200	(10,080)
Administration cost allocation	395,785	395,785	402,001	6,216
Other	5,990	57,344	11,308	(46,036)
<b>Total revenues</b>	<b>1,134,299</b>	<b>1,203,533</b>	<b>1,430,170</b>	<b>226,637</b>
<b>Expenditures:</b>				
Salaries and wages	583,910	583,910	525,787	58,123
Payroll taxes and employee benefits	168,780	168,780	178,032	(9,252)
Liability insurance	29,500	29,500	28,940	560
Repairs and maintenance	34,934	34,934	36,081	(1,147)
Vehicle operation and maintenance	14,285	14,285	13,399	886
Administrative services	17,500	17,500	24,303	(6,803)
Data processing	12,500	12,500	12,638	(138)
Dues and fees	5,650	5,650	6,538	(888)
Education	9,000	9,000	4,976	4,024
Legal fees	68,050	68,050	51,446	16,604
Miscellaneous	6,325	6,325	908	5,417
Office expense	22,650	22,650	24,152	(1,502)
Street lighting	34,000	34,000	33,189	811
Professional fees	40,750	40,750	90,506	(49,756)
Supplies	3,200	3,200	13,401	(10,201)
Travel	13,500	13,500	8,427	5,073
Utilities	22,825	22,825	23,500	(675)
Grant revenue pass-through	20,509	20,509	166,045	(145,536)
Capital outlay	82,406	82,406	6,414	75,992
<b>Total expenditures</b>	<b>1,190,274</b>	<b>1,190,274</b>	<b>1,248,682</b>	<b>(58,408)</b>
Excess of revenues over (under) expenditures	(55,975)	13,259	181,488	168,229
<b>Other Financing Sources (Uses):</b>				
Transfer in	25,000	25,000	16,859	(8,141)
<b>Total other financing sources (uses)</b>	<b>25,000</b>	<b>25,000</b>	<b>16,859</b>	<b>(8,141)</b>
Net change in fund balance	(30,975)	38,259	198,347	160,088
Fund balance, July 1, 2006	617,366	617,366	617,366	
Fund balance, June 30, 2007	\$ 586,391	\$ 655,625	\$ 815,713	\$ 160,088



# OCEANO COMMUNITY SERVICES DISTRICT

1655 Front Street, P.O. Box 599, Oceano, CA 93475  
 805/481-6730 fax 805/481-6836

April 17, 2009

TO: Kevin Walsh, Interim General Manager

FROM: Cindy J. Winter, Secretary/Bookkeeper

**SUBJECT: QUARTERLY INVESTMENT REPORT/DISTRICT INVESTMENT POLICY  
 QUARTER ENDED MARCH, 2009**

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
<b>Pooled Investments:</b>				
	SLO County Fund 41005-00000	Demand	* \$ 363,702.45	\$ 2,486.17 1.57%
	LAIF	Demand	* \$ 411,665.64	\$ 1,925.71 1.91%
<b>FDIC Investments:</b>				
Facilities Fees	Rabobank	CD	\$ 290,686.00	\$ 0.00%
Checking Account Operating	Rabobank	Demand	\$ <u>55,199.93</u>	0.00 <u>0.00%</u>
Quarterly Interest				\$ <u>4,411.88</u>
<b>TOTAL BALANCE FUNDS ON DEPOSIT AT 03-31-2009</b>			<b><u>\$ 1,121,254.02</u></b>	

\* (Includes interest for the quarter ended March 31, 2009)  
 (Balance at 03-31-08 Quarter End - \$ 1,631,859.76)  
 (Balance at 03-31-07 Quarter End - \$ 1,568,981.00)

Agenda Item 05 13 2009 9.b.

**DRAFT**

## District Goals for Fiscal Year 2009-10

May 2009 Update

<u>GOAL</u>	<u>STATUS</u>	<u>MILESTONES AND COMPLETION</u>
Water and Sewer Rate Study	Contract entered into No work started	Waiting on completion of Water and Sewer Master Plans
Continue with clear and Transparent Government	Televising of Meetings "Spirit" of Brown Act compliance	On-going
Prepare for recession issues Effecting citizens		
Fair and equitable Treatment for all members of Community		
Develop a program of Community Pride		
Street light policy and standards		

**DRAFT**

**DRAFT**

Economic Development

Review and consider hardship policy

No work started

No dates set

Audit: 2006-07

Final Audit presented on May 13

Completed

Audit 2007-08

~~Work not yet started~~

Develop long-term financial plans

Waiting on completion of Water and Sewer Master Plans

Prepare and present timely and meaningful Financial Statements

Waiting on completion of 2007-08 audit

Water and Sewer Financial plans Rate Studies

Waiting on further work of Water and Sewer Master Plans

Fiscal Responsibility

Recession Issues Affecting citizens

Fire Consolidation

Fire Oversight Committee:

- Tentative agreement on cost sharing formula
- To receive "draft" budget at June meeting
- Monitoring dispatch study

Anticipate July 1, 2010 implementation

**DRAFT**

**DRAFT**

Concise Rates and  
Fee Schedule

Codification

Second Draft submitted by Attorney  
Sections assigned to Committee  
Work to resume in Late May/June

Water marketing  
and utilization

Review existing personnel  
Evaluation policies

Personnel Committee request from staff for  
all personnel forms, policies, rules, etc.

Program for monitoring  
Goal progress

Under review by Board of Directors

Owner/renter  
billing issues

Expand areas  
of information

**DRAFT**



# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

## WARRANT SUMMARY

\$2,964.64	REGULAR PAYROLL THRU 042509	PR0501	2008/09
20,341.00	DIRECT DEPOSIT P/R THRU 042509	PR0501	2008/09
40,330.01	PREPAID WARRANTS THRU 050409	EX0963	2008/09
154,213.15	REGULAR WARRANTS THRU 051309	EX0964	2008/09
\$217,848.80	<b>TOTAL WARRANTS SUBMITTED</b>		
	<b>FOR APPROVAL 051309</b>		



CK.#	LAST NAME	F M	REGULAR	O.T.	OTHER	AUTO/BUS	GROSS	NET PAY
49107	WOLSH	K D	2082.32	.00	332.50	150.00	2564.82	2070.39
49108	DAVIS	GG A	2411.74	.00	241.18	.00	2652.94	.00
49109	WINTER	UU L	1888.03	.00	.00	.00	1888.03	.00
49110	SANCHEZ	UU L	1382.00	25.91	.00	.00	1407.91	.00
49111	GUARDADO	UU L	1148.92	22.38	.00	.00	1171.30	.00
49112	DAVIS	P T	2566.64	.00	.00	.00	2566.64	.00
49113	TORRES	EE A	1971.04	147.83	.00	.00	2118.87	.00
49114	SILVEIRA	DD P	1674.96	251.25	.00	.00	1926.21	.00
49115	LANGSTAFF	DD B	1597.36	239.61	.00	.00	1836.97	.00
49116	GARCIA	GG L	.00	.00	63.55	.00	63.55	.00
49117	KALATA	UU L	1128.00	.00	.00	.00	1128.00	.00
49118	WATHEN	UU L	242.00	.00	.00	.00	242.00	.00
49119	STEELE	DD L	396.00	.00	.00	.00	396.00	349.37
49120	SCHMIDT	EE E	38.50	.00	.00	.00	38.50	.00
49121	CORSIGLIA	UU L	38.50	.00	.00	.00	38.50	.00
49122	LANE	UU R	132.00	.00	.00	.00	132.00	.00
49123	MIHLHAUSER	EE W	288.00	.00	.00	.00	288.00	261.61
49124	BENNET	II M	288.00	.00	.00	.00	288.00	.00
49125	DAVIS	UU B	528.00	.00	.00	.00	528.00	.00
49126	GREEN	UU T	264.00	.00	.00	.00	264.00	240.90
49127	MCKIM	UU P	30.00	.00	.00	.00	30.00	22.37
49128	LEATHERS	UU W	2517.54	1065.94	.00	.00	3583.48	.00
49129	BOVA	UU E	2448.77	.00	.00	.00	2448.77	.00
49130	RODLIN	UU M	720.00	.00	.00	.00	720.00	.00
49131	ANGELLO	UU B	2178.49	.00	.00	.00	2178.49	.00
			27960.83	1752.92	637.23	150.00	30500.98	2964.64 *

25 RECORDS PROCESSED

REGULAR PAYROLL FOR THE PAY PERIOD ENDING 04 25 2009 (PR0501)

P/R DATE 4/25/09  
CHK DATE 5/01/09

OCEANO COMMUNITY SERVICES DISTRICT  
DIRECT DEPOSIT LIST

RUN: E  
16

EMP#	NAME	DEDUCTION	DATE	CHECK#	
1-2100	DAVIS, GINA A	1,956.48	5/01/09	49108	
1-2120	WINTER, CINDY J	1,068.99	5/01/09	49109	
1-2206	REA, GINA J	.00	5/01/09		N
1-2207	SUMPTER, HEATHER M	.00	5/01/09		N
2-3100	DAVIS, PHILIP T	1,878.82	5/01/09	49112	
2-3150	TORRES, MAXIMIANO A	1,929.65	5/01/09	49113	
2-3182	SILVEIRA, DANIEL P	1,295.89	5/01/09	49114	
2-3194	LANGSTAFF, STEVEN A	1,428.94	5/01/09	49115	
5-4881	LEATHERS, BRIAN W	.00	5/01/09		N
5-4891	BOVA, JOHN M	.00	5/01/09		N
5-4908	RODLIN, JIM M	.00	5/01/09		N
5-4931	ANGELLO, CRAIG A	.00	5/01/09		N
5-4954	GARCIA, GULMARO	52.99	5/01/09	49116	
5-4956	KALATA, PAUL J	858.48	5/01/09	49117	
5-4968	MCTIGUE, BRET H	.00	5/01/09		N
5-4972	CIECEK, DANIEL C	.00	5/01/09		N
5-4973	FUKUHARA, BRIAN R	.00	5/01/09		N
5-4977	WATHEN, SHAUN C	215.83	5/01/09	49118	
5-4979	SCHMIDT, MICHAEL E	30.13	5/01/09	49120	
5-4981	CORSIGLIA, SCOTT L	5.13	5/01/09	49121	
5-4982	LANE, JEFFREY R	115.46	5/01/09	49122	
25-4881	LEATHERS, BRIAN W	2,649.94	5/01/09	49128	
25-4891	BOVA, JOHN M	1,816.36	5/01/09	49129	
25-4908	RODLIN, JIM M	626.53	5/01/09	49130	
25-4931	ANGELLO, CRAIG A	1,622.22	5/01/09	49131	
25-4972	CIECEK, DANIEL C	.00	5/01/09		N
25-4973	FUKUHARA, BRIAN R	.00	5/01/09		N
5-4988	BENNET, IAN M	261.61	5/01/09	49124	
1-2208	SANCHEZ, CASSEY D	1,033.55	5/01/09	49110	
5-4994	DAVIS, JASON B	445.25	5/01/09	49125	
1-2209	GUARDADO, ESTHER L	1,050.75	5/01/09	49111	
5-4996	BRAMLETTE, JUSTIN M	.00	5/01/09		N

32 -EMPS CODED FOR DIRDEP 20,341.00 TOTAL DIRECT DEPOSIT  
20 -EMPS WITH DEDUCTION

PAYEE	VEND.NO.	CHECK DATE	CHECK #	CHECK AMT	PREPAID
WALLACE GROUP	35541	50409	49143	27010.49	0
PACIFIC GAS & ELECTRIC	24453	0409	49136	6663.10	0
NATIONWIDE RETIREMENT	26225	0409	49139	23225.00	0
SAN LUIS OBISPO, COUNTY OF	28908	0409	49140	14222.21	0
PRINCIPAL MUTUAL LIFE INS CO	26100	0409	49138	993.52	0
A T & T	255	0409	49132	564.19	0
J.B. DEWAR, INC.	11150	0409	49134	535.67	0
MINER'S ACE HARDWARE, INC.	21087	0409	49135	255.20	0
CARQUEST	31875	0409	49141	211.64	0
FIA CARD SERVICES	25796	0409	49137	146.44	0
THE GAS COMPANY	31878	0409	49142	129.95	0
COLONIAL LIFE AND ACCIDENT	8351	50409	49133	72.50	0
				40330.01	*

12 RECORDS PROCESSED

PAYEE	DETAIL OF DEMANDS	VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
	040209 8054816730		805481673062	01-4100-111	ADMINISTRA		257.68		10
	040209 8054810085		805481008558	02-4400-111	WATER		44.38		20
	040209 8054892124		805489212449	02-4400-111	WATER		162.65		30
	040209 8054817760		805481776058	03-4500-111	SEWER		99.48		40
A T & T		00255				049132	564.19		
05/10-06/10/09	EMPLOYEE COLONIAL LIFE AND ACCIDENT	08351	E9930363	01-2166-005	PAYROLL	049133	72.50		50
	04/15 FUEL 6100		996785	01-4200-172	FIRE		20.16	20980172	90
	04/15 FUEL 6193 CANS		996785	01-4200-172	FIRE		9.07	20380172	100
	04/15 FUEL 30015		996785	02-4400-172	WATER		63.86	41580172	110
	04/15 FUEL 30016		996785	02-4400-172	WATER		71.66	41680172	120
	04/15 FUEL 30017		996785	03-4500-172	SEWER		60.51	51780172	130
	04/30 FUEL 30009		998118	03-4500-172	SEWER		68.34	50980172	140
	04/30 FUEL 30016		998118	02-4400-172	WATER		128.57	41680172	150
	04/30 FUEL 30017		998118	02-4400-172	WATER		113.90	51780172	160
J.B. DEWAR, INC.		11150				049134	535.67		
4173: R&M FS/OC			996314	01-4100-173	ADMINISTRA		17.31	417380173	170
4173: R&M FS/OC			996559	01-4100-173	ADMINISTRA		31.44	417380173	180
4173: R&M FS/OC			997750	01-4100-173	ADMINISTRA		11.97	417380173	190
4173: R&M FS/OC (CR)			998358	01-4100-173	ADMINISTRA		8.68 CR	417380173	200
OPER SUPP			997058	01-4200-175	FIRE		2.72		210
OPER SUPP			997166	01-4200-175	FIRE		22.67		220
OPER SUPP			997574	01-4200-175	FIRE		29.31		230
OPER SUPP			998316	01-4200-175	FIRE		18.22		240
OPER SUPP			998451	01-4200-175	FIRE		15.44		250
OPER SUPP			995988	02-4400-175	WATER		33.39		260
OPER SUPP			997591	02-4400-175	WATER		4.94		270
0443: R&M ROLLS/CAT			997861	02-4400-175	WATER		15.48	44380163	280
LESS: DISCOUNT			111990	02-4400-175	WATER		1.11 CR		290
MINER'S ACE HARDWARE, INC.		21087				049135	255.20		
04/21 ST LIGHTS			6158009002	01-4195-295	LIGHTING D		567.54		770
04/21 ST LIGHTS			6158009004	01-4195-295	LIGHTING D		493.15		780
04/21 ST LIGHTS			6158009008	01-4195-295	LIGHTING D		236.31		790
04/21 ST LIGHTS			6158009014	01-4195-295	LIGHTING D		722.88		800
04/21 ST LIGHTS			6158009016	01-4195-295	LIGHTING D		8.50		810
04/21 ST LIGHTS			6158009022	01-4195-295	LIGHTING D		82.45		820
04/21 ST LIGHTS			6158009026	01-4195-295	LIGHTING D		342.67		830
04/21 ST LIGHTS			6158009028	01-4195-295	LIGHTING D		89.79		840
04/21 ST LIGHTS			6158009028	01-4195-295	LIGHTING D		85.76		850
04/21 ST LIGHTS			6158009028	01-4195-295	LIGHTING D		13.09		860
04/21 ST LIGHTS			6158009351	01-4195-295	LIGHTING D		742.67		870
04/14 1655 FRONT			6158009015	01-4100-290	ADMINISTRA				

5/04/09  
0965

OCEANO COMMUNITY SERVICES DISTRICT  
REGISTER OF DEMANDS

RUN: 5/08/09  
13:37:57

PAGE 2  
APWR02-U1

PAYEE	DETAIL OF DEMANDS	VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
04/14	1685 FRONT		61580099020	02-4400-290	WATER		1,956.35		880
04/14	LIFT STAT		61580099030	03-4500-290	SEWER		40.75		890
04/14	1687 FRONT		61580099401	01-4200-290	FIRE		63.51		900
04/14	MODULAR		61580099846	01-4200-290	FIRE		46.00		910
04/15	1935 WILMAR		61580099939	02-4400-290	WATER		1,171.68		920
PACIFIC GAS & ELECTRIC		24453				049136	6,663.10		
OFF/COMP			032009	01-4100-200	ADMINISTRA		32.85		300
OFF/OPER SUPP			014200175	01-4200-175	FIRE		113.59		310
FIA CARD SERVICES		25796				049137	146.44		
04/09	DENTAL PREM		F42890-1	01-2166-002	PAYROLL		849.69		320
04/09	LIFE INS		F42890-1	01-2166-003	PAYROLL		143.83		330
PRINCIPAL MUTUAL LIFE INS CO		26100				049138	993.52		
CONTRIB: PR0401			052200032809	01-2183-000	PAYROLL		625.00		340
CONTRIB: PR0501			052200042509	01-2183-000	PAYROLL		850.00		350
CONTRIB: PR0402			052200041109	01-2183-000	PAYROLL		850.00		360
NATIONWIDE RETIREMENT		26225				049139	2,325.00		
CONTRIB: PR0402	EMPLER	18.32%	8570	01-2182-000	PAYROLL		470.21		370
CONTRIB: PR0402	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		304.66		380
CONTRIB: PR0401	EMPLER	18.32%	8570	01-2182-000	PAYROLL		470.21		390
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		304.66		400
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		703.99		410
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		420
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		430
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		440
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		450
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		460
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		470
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		480
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		490
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		500
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		510
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		520
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		530
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		540
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		550
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		560
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		570
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		580
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		774.87		590
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		774.87		600
CONTRIB: PR0401	EMPLER	11.87%	8570	01-2182-000	PAYROLL		264.00CR		610
CONTRIB: PR0401	EMPLEE	11.87%	8570	01-2182-000	PAYROLL		396.01CR		620

DETAIL OF DEMANDS		INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
PAYEE	VEND. NO.							
PYMT 073108 CK 48187		8570	01-2182-000	PAYROLL		1,367.50	CR	620
PYMT 073108 CK 48286		8570	01-2182-000	PAYROLL		1,584.95	CR	630
PYMT 073108 CK 48324		8570	01-2182-000	PAYROLL		1,464.52	CR	640
PYMT 073108 CK 48415		8570	01-2182-000	PAYROLL		1,464.52	CR	650
PYMT 073108 CK 48516		8570	01-2182-000	PAYROLL		1,464.52	CR	660
PYMT 073108 CK 48574		8570	01-2182-000	PAYROLL		732.26	CR	670
PYMT 073108 CK 48656		8570	01-2182-000	PAYROLL		1,464.52	CR	680
PYMT 073108 CK 48714		8570	01-2182-000	PAYROLL		732.26	CR	690
PYMT 020508 CK 48756		8570	01-2182-000	PAYROLL		774.87	CR	700
PYMT 022508 CK 48865		8570	01-2182-000	PAYROLL		1,519.41	CR	710
PYMT 032508 CK 48991		8570	01-2182-000	PAYROLL		1,549.74	CR	720
SAN LUIS OBISPO, COUNTY OF	28908				049140	1,422.31		
0210: R&M 6171		321057	01-4200-171	FIRE		260.98		730
0210: R&M 6171		321090	01-4200-171	FIRE		21.75	CR	740
0433: R&M ROLLS/CAT (CR)		389963	02-4400-163	WATER		27.59	CR	750
CARQUEST	31875				049141	211.64		
04/15 1655 FRONT		14371606006	01-4100-290	ADMINISTRA		40.33		60
04/15 1689 FRONT		15211606007	01-4200-290	FIRE		36.72		70
04/15 1935 WILMAR		071761523008	02-4400-290	WATER		52.90		80
THE GAS COMPANY	31878				049142	129.95		
031809 CDBG CONST MGNT		27512	03-4500-355	SEWER		27,010.49		760
WALLACE GROUP	35541				049143	27,010.49		
CHECKS WRITTEN						40,330.01		
* PREPAID ITEMS						.00	*	
TOTAL DEMANDS PAID						40,330.01		

FAYEE	VEND.NO.	CHECK DATE	CHECK #	CHECK AMT	PREPAID
R. BAKER, INC.	26355	51309	49166	86234.20	0
SSLOCSD	32274	51309	49170	48591.41	0
KIRK & SIMAS	18780	51309	49157	4003.20	0
DORAZIO TRUCKING	91005	51309	49176	2114.26	0
GROVER BEACH, CITY OF	15246	51309	49154	1518.00	0
DATA PROSE, INC	10475	51309	49148	1487.08	0
SWCA	32890	51309	49172	1435.99	0
DEAN, PAMELA	11120	51309	49150	600.00	0
KALATA, PAUL J.	91213	51309	49178	564.75	0
RICHARD JONES DBA	36349	51309	49175	552.00	0
GREGORY, DANNY	14860	51309	49153	501.01	0
MANN, BARBARA	20130	51309	49160	500.00	0
DAHL, VERN	10300	51309	49147	450.00	0
JIM HILL	16200	51309	49156	450.00	0
PITNEY BOWES GLOBAL FINANCIAL	25741	51309	49164	437.62	0
NOSSAMAN, GUTHNER, KNOX ETAL	23375	51309	49162	433.31	0
SHORELINE LANDSCAPE AND	31400	51309	49169	414.23	0
ULTREX BUSINESS PRODUCTS	34400	51309	49174	401.92	0
LUCEY, MARY K.	20089	51309	49159	400.00	0
BURDINE PRINTING	4548	51309	49145	390.84	0
DAVIS, PHILIP T.	10791	51309	49149	335.90	0
STAPLES BUSINESS ADVANTAGE	32425	51309	49171	313.96	0
EXECUTIVE JANITORIAL	12975	51309	49152	312.21	0
SAN LUIS OBISPO, COUNTY OF	28611	51309	49167	308.55	0
SM TIRE, INC	29600	51309	49168	274.24	0
PJ'S	92515	51309	49181	221.16	0
MISSION LINEN SUPPLY	21186	51309	49161	219.36	0
VERIZON WIRELESS	15500	51309	49155	217.11	0
ADVANTAGE ANSWERING PLUS, INC	599	51309	49144	137.95	0
SANCHEZ, CASSEY	91216	51309	49179	71.50	0
TROXELL'S BRAKE & ALIGNMENT	34200	51309	49173	59.95	0
OCSD PETTY CASH FUND	24057	51309	49163	56.60	0
RODLIN, JAMES	91202	51309	49177	50.00	0
CHARTER COMMUNICATIONS	7500	51309	49146	47.99	0
GUARDADO, ESTHER L.	91217	51309	49180	36.30	0
LEE CENTRAL COAST NEWSPAPERS	26250	51309	49165	31.20	0
DIGITAL WEST NETWORKS	11433	51309	49151	25.00	0
LIFE ASSIST	19700	51309	49158	14.35	0

154213.15 \*

38 RECORDS PROCESSED

PAYEE	DETAIL OF DEMANDS VEND.NO.	INV.NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
04/09 ANSWER SERV ADVANTAGE ANSWERING PLUS, INC	00599	103546	02-4400-110	WATER	049144	137.95 137.95		180
1000 UB DOOR HANGERS		11266	01-4100-200	ADMINISTRA		190.80		190
1500 WORK ORDERS		11266	01-4100-200	ADMINISTRA		56.00		200
500 NEW CUSTOMER		11266	01-4100-200	ADMINISTRA		19.35		210
500 TIME CARDS		11266	01-4100-200	ADMINISTRA		50.90		220
250 OVERTIME SLIPS		11266	01-4100-200	ADMINISTRA		4.60		230
1200: 2300 WEED NOTICES		11266	01-4100-200	ADMINISTRA		69.19	120080200	240
BURDINE PRINTING	04548				049145	390.84		
SERV THRU 053109 CHARTER COMMUNICATIONS	07500	200141448301	01-4100-200	ADMINISTRA	049146	47.99 47.99		250
B/S: 2 REG		043009	01-4100-225	ADMINISTRA		200.00	118806225	10
B/S: 2 SPEC		043009	01-4100-225	ADMINISTRA		200.00	118806225	20
B/S: 1 OAC		042009	01-4100-225	ADMINISTRA		50.00	118806225	30
DAHL, VERN	10300				049147	450.00		
1306: 03/09 POSTAGE		55998	03-4500-210	SEWER		430.02	130680210	260
1306: 03/09 PROF SERV		55998	02-4400-220	WATER		313.53	130660220	270
1306: 03/09 PROF SERV		55998	03-4500-220	SEWER		313.52	130660220	280
1306: 03/09 POSTAGE		55998	02-4400-210	WATER		430.01	130680210	290
DATA PROSE, INC	10475				049148	1,487.08		
OFF/OPER SUPP		01-04/09	01-4100-200	ADMINISTRA		288.17		300
OPER SUPP		061308	02-4400-175	WATER		47.73		310
DAVIS, PHILIP T.	10791				049149	335.90		
B/S: 2 REG		043009	01-4100-225	ADMINISTRA		200.00	119160225	40
B/S: 2 SPEC		043009	01-4100-225	ADMINISTRA		200.00	119160225	50
B/S: 2 FIRE		043009	01-4100-225	ADMINISTRA		100.00	119160225	60
B/S: FIRE CODIFICATION		042109	01-4100-225	ADMINISTRA		50.00	119160225	70
B/S: 1 FINANCE		041509	01-4100-225	ADMINISTRA		50.00	119160225	80
DEAN, PAMELA	11120				049150	600.00		
WEB HOST: 05/09 DIGITAL WEST NETWORKS	11433	1307	01-4100-220	ADMINISTRA	049151	25.00 25.00		320
04/09 SERV/SUPP EXECUTIVE JANITORIAL	12975	38747	01-4100-173	ADMINISTRA	049152	312.21 312.21		330
0433: R&M ROLLS/CAT		2741	02-4400-163	WATER		501.01	43380163	340



PAYEE	DETAIL OF DEMANDS	VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
GREGORY, DANNY		14860				049153	501.01		
DISPATCHING GROVER BEACH, CITY OF		15246	050109	01-4200-110	FIRE	049154	1,518.00 1,518.00		350
04/22 CELL SERV			756389097	01-4100-111	ADMINISTRA		47.83		360
04/22 CELL SERV			756389097	01-4200-111	FIRE		59.25		370
04/22 CELL SERV			756389097	02-4400-111	WATER		110.03		380
VERIZON WIRELESS		15500				049155	217.11		
B/S: 2 REG			043009	01-4100-225	ADMINISTRA		200.00	118560225	90
B/S: 2 SPEC			043009	01-4100-225	ADMINISTRA		200.00	118560225	100
B/S: FINANCE			041509	01-4100-225	ADMINISTRA		50.00	118560225	110
JIM HILL		16200				049156	450.00		
043009 RETAINER			043009	01-4100-223	ADMINISTRA		4,000.00		390
4100: THRU 043009			043009	01-4100-223	ADMINISTRA		3.20		400
KIRK & SIMAS		18780				049157	4,003.20		
OPER SUPP LIFE ASSIST		19700	500103	01-4200-175	FIRE	049158	14.35 14.35		410
B/S: 2 REG			043009	01-4100-225	ADMINISTRA		200.00	118960225	120
B/S: 2 SPEC			043009	01-4100-225	ADMINISTRA		200.00	118960225	130
LUCEY, MARY K.		20089				049159	400.00		
B/S: 1 REG			043009	01-4100-225	ADMINISTRA		100.00	119060225	140
B/S: 2 SPEC			043009	01-4100-225	ADMINISTRA		200.00	119060225	150
B/S: 2 FIRE			043009	01-4100-225	ADMINISTRA		100.00	119060225	160
B/S: 2 WRAC			043009	01-4100-225	ADMINISTRA		100.00	119060225	170
MANN, BARBARA		20130				049160	500.00		
04/09 CLOTHING/TOWELS BAL			110099	02-4400-100	WATER		219.36		420
MISSION LINEN SUPPLY		21186				049161	219.36		
01+02/09 LIT SERV: 22.50%			354388	09-4994-362	WATER LITI		80.44	949960362	430
03/09 LIT SERV: 22.50%			356027	09-4994-362	WATER LITI		352.87	949960362	440
NOSSAMAN, GUTHNER, KNOX ETAL		23375				049162	433.31		
POSTAGE		042409		01-4200-210	FIRE		9.89		450

DETAIL OF DEMANDS PAYEE	INV.NO. VEND.NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
MEETING EXP	043009	01-4100-285	ADMINISTRA		11.00		460
OPER SUPP	031209	01-4200-200	FIRE		34.96		470
POSTAGE	043009	01-4100-210	ADMINISTRA		.75		480
OCSD PETTY CASH FUND	24057			049163	56.60		
QTRLY LEASE TAX	3784147	01-4100-210	ADMINISTRA		437.62		490
PITNEY BOWES GLOBAL FINANCIAL	25741			049164	437.62		
1200: W/A	118461	01-4200-230	FIRE		31.20	120080230	500
LEE CENTRAL COAST NEWSPAPERS	26250			049165	31.20		
CDBG SEWER PROJ: WRK TO DATE	09-03-3602	03-4500-355	SEWER		95,815.78		510
LESS: 10% RETENTION	09-03-3602	03-4500-355	SEWER		9,581.58		520
R. BAKER, INC.	26355			049166	86,234.20		
X-CONN SERV: 03+04/2009	IN0063427	02-4400-220	WATER		308.55		530
SAN LUIS OBISPO, COUNTY OF	28611			049167	308.55		
0416: R&M 30016	01-19294	02-4400-171	WATER		274.24	41680171	540
SM TIRE, INC	29600			049168	274.24		
9173: 04/09 1655 FRONT	043009	01-4100-173	ADMINISTRA		173.98	917360173	550
1225: 04/09 1687 FRONT	043009	01-4200-173	FIRE		20.71	122560173	560
4173: 04/09 1685 FRONT	043009	02-4400-163	WATER		66.27	417360163	570
9701: 04/09 1681 FRONT	043009	10-4300-173	FUNDED CON		153.27	970160173	580
SHORELINE LANDSCAPE AND	31400			049169	414.23		
043009: COLLECTIONS	043009	03-4500-220	SEWER		48,591.41		590
SSLOCS	32274			049170	48,591.41		
OFF SUPP	3118610978	01-4100-200	ADMINISTRA		216.48		600
OFF SUPP	3118373769	01-4100-200	ADMINISTRA		97.48		610
STAPLES BUSINESS ADVANTAGE	32425			049171	313.96		
PROF SERV: CDBG SWR	15108-005	03-4500-355	SEWER		1,435.99		620
SWCA	32890			049172	1,435.99		
0416: R&M 30016	20152	03-4500-171	SEWER		59.95	41680171	630
TROXELL'S BRAKE & ALIGNMENT	34200			049173	59.95		
0151: MO BIZHUB C451/123108	98066	01-4100-170	ADMINISTRA		401.92	15180170	640

PAYEE	DETAIL OF DEMANDS	VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
ULTREX BUSINESS PRODUCTS		34400				049174	401.92		
04/07	LIFT STATION		13427	03-4500-220	SEWER		138.00	57360220	650
04/15	LIFT STATION		13442	03-4500-220	SEWER		138.00	57360220	660
04/23	LIFT STATION		13455	03-4500-220	SEWER		138.00	57360220	670
04/30	LIFT STATION		13455	03-4500-220	SEWER		138.00	57360220	680
RICHARD JONES DBA		36349				049175	552.00		
PROF SERV			042509	02-4400-220	WATER		1,057.13		690
PROF SERV			042509	03-4500-220	SEWER		1,057.13		700
DORAZIO TRUCKING		91005				049176	2,114.26		
EMT RECERT			042809	01-4200-285	FIRE		50.00		710
RODLIN, JAMES		91202				049177	50.00		
REIMB: RESCUE SYS ONE/FRESNO			11/2008	01-4200-285	FIRE		564.75		720
KALATA, PAUL J.		91213				049178	564.75		
MILEAGE			043009	01-4100-280	ADMINISTRA		71.50		730
SANCHEZ, CASSEY		91216				049179	71.50		
MILEAGE			043009	01-4100-280	ADMINISTRA		36.30		740
GUARDADO, ESTHER L.		91217				049180	36.30		
CLOTHING			111037	01-4200-100	FIRE		221.16		750
PJ'S		92515				049181	221.16		
CHECKS WRITTEN							154,213.15		
* PREPAID ITEMS							.00	*	
TOTAL DEMANDS PAID							154,213.15		