



# 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.

September 23, 2009

Oceano  
Wednesday

### BOARD MEMBERS

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

Jim Hill, Vice President  
Pamela Dean, Director

### SECRETARY TO THE BOARD

Kevin D. Walsh  
Interim General Manager

### DEPUTY SECRETARY TO THE BOARD

Gina A. Davis  
Administrative Assistant

### FIRE CHIEF

Chief Mike Hubert

### UTILITY OPERATIONS SUPERVISOR

Philip T. Davis

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

1. Roll Call
2. Flag Salute
3. Public Comment \*  
Any member of the public may address the Board on any item of interest within the jurisdiction of the Board. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda.
4. ADJOURN TO CLOSED SESSION  
The Board will adjourn to closed session to consider the following items:
  - a. 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.

### RULES FOR PRESENTING TESTIMONY

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

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

- 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 Interim General Manager.
- c. 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(s). The positions under considerations are the Office Manager and the Account Clerk I/II+.
- d. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION \*  
**CLOSED SESSION** – A closed session pursuant to Government Code Section 54956.9(b) to meet with agency's legal counsel concerning pending litigation . (Santa Maria Groundwater Litigation, Santa Clara County, Lead Case # CV 770214)

**RETURN TO OPEN SESSION**

- 5. Board Member Items/Discussion \*
- 6. Review and Approval of Minutes
  - a. September 09, 2009
- 7. Fire Items
  - a. Vehicle Exhaust System  
Award of Bid for Extraction System in Fire Apparatus Bay
- 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. Draft Water Master Plan  
Discussion and Possible Action – Follow-up on Draft Report
  - c. Draft Sewer Technical Memo  
Receive and File Final Memo
  - d. Status Update on Water and Sewer Rate Study  
Receive Report and Give Direction to Staff
  - e. Prop 218 Procedures  
Review and Discussion on Possible Prop 218 Procedures

9. Administrative Items

- a. Status Report on 2007-2008 Audit  
Report from General Manager and Board Liaison
- b. Update on State Property Tax Shift  
Update on Prop 1A Loan Securitization Program
- c. 2009-2010 Draft Budget  
Discussion and Possible Action
- d. Interim Funding for the Period September 24, through October 15, 2009, while Budget for 2009-10 is in Progress  
Consideration of Resolution 2009-12, A Resolution Adopting an Interim Budget for the Period September 24, through October 15, of the Fiscal Year 2009-2010
- e. Revised Response to 2007-2008 Audit Memo  
Discussion and Possible Action on Revised Responses
- f. Discussion and Possible Action Re: Mainframe Computer  
Consider Possible Replacement of IBM AS400 – Vice President Hill
- g. Old Business – No Status Change/No Report \*
  - (1) Drainage Issues
  - (2) Review of Codification Sections
  - (3) 2009-10 District Goals

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) SSLOCSD 09 16 2009
- (2) Fire Committee 09 21 2009
- (3) CSDA 09 18 2009
- (4) Other

b. VICE PRESIDENT JIM HILL

- (1) SSLOCSD 09 16 2009
- (2) Other

- c. **DIRECTOR VERN DAHL**
  - (1) OAC 09 21 2009
  - (2) Zones 1/1A 09 22 2009
  - (3) Personnel 09 17 2009
  - (4) Other
  
- d. **DIRECTOR PAMELA DEAN**
  - (1) Fire Committee 09 21 2009
  - (2) Other
  
- e. **DIRECTOR MARY LUCEY**
  - (1) Personnel 09 17 2009
  - (2) Other

12. Interim General Manager Items/Discussion \*

a. Sewer Rehabilitation Project

b. Halcyon Mobile Homes

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.**

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[www.oceanocsd.org](http://www.oceanocsd.org) [ocsd@oceanocsd.org](mailto:ocsd@oceanocsd.org)**



# Oceano Community Services District

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

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September 9, 2009

**TO:** Kevin D. Walsh, General Manager  
**FROM:** Gina A. Davis, Administrative Assistant  
**SUBJECT:** September 9, 2009 AGENDA PACKET

The following agenda items are not included in the packet:

Item 6.a. September 9, 2009 Minutes  
Item 14. Warrants

We apologize for the inconvenience, and we will deliver them at a later date. Thank you for your understanding.

## MEMORANDUM

**DATE:** September 23, 2009

**TO:** Board of Directors

**VIA:** Kevin Walsh, Interim General Manager

**FROM:** John L. Wallace, P.E., District Engineer

**SUBJECT:** Fire Station Diesel Exhaust Extraction System – Award of Bid

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### RECOMMENDATIONS:

Staff recommends the Board:

1. Review the Bid Summary, Bid Analysis, and Staff Report (to be distributed at the meeting) to consider awarding the Fire Station Diesel Exhaust Extraction System Contract to the lowest responsive and responsible bidder.
2. Direct staff to issue the Notice of Award to the lowest responsive and responsible bidder.

### FUNDING:

The Board of Directors accepted a grant from the Federal Emergency Management Agency (FEMA) in the amount of \$33,250 at the January 14, 2009 meeting. The grant is part of the 2008 Assistance To Firefighters Grant (AFG) Program, and the grant number is EMW-2008-FO-02153. The estimated cost for the project is \$39,914. Originally, \$1,995 was budgeted in the 2008-09 budget to provide for the District's matching funds. The grant amount was reduced from the original \$37,919 to \$33,250. The remaining \$4,664 that was not covered by the grant funding and not included in the original budget was approved for transfer from Contingency (01-4100-380) to Fixed Assets (01-4200-320) at the January 14, 2009 meeting as well. At the August 26, 2009 Board Meeting, the Board authorized Staff to solicit bids for this project.

### DISCUSSION:

The bid opening for this project was scheduled to be held at 2pm on Tuesday, September 22, 2009. This report was due for inclusion into the Board packet on Thursday, September 17, 2009. At the time of its completion the bid opening had not occurred. Staff will distribute the Bid Summary, Bid Analysis, and Staff Report at the meeting and discuss the overall bid results at that time.

The reason for the condensed time frame for this project is that the grant which will fund it is to expire in December of this year and time is of the essence. Waiting an additional 2 weeks for the next Board meeting will not allow for sufficient float to be incorporated into the project schedule. Should issues arise during construction, insufficient float could drive the project completion past the date required for grant funding. Please see the attached Tentative Construction Schedule for an illustration of the timeframe for this project and the need for expedience at this time.



# Oceano Community Services District

## Tentative Construction Schedule

For

### Diesel Exhaust Extraction System, Oceano Fire Station

September 2009

1st Notice to Bidders (Publish & send to Contractors).....	September 12, 2009
2 <sup>nd</sup> Notice to Bidders (min. 5 days between publications) .....	September 18, 2009
Pre-Bid Conference (Friday 10:00 AM at the District Board Room).....	September 18, 2009
<b>Receive Bids (Tuesday, 2:00 PM) .....</b>	<b>September 22, 2009</b>
Board Award of Bid (District Board Meeting) .....	September 23, 2009
Notice of Award to Contractor* .....	September 25, 2009
Notice to Proceed Issued ** (10 days from award) .....	October 5, 2009
Pre-construction Conference (Tuesday 2:00 PM) .....	October 6, 2009
<b>Start Work (10 Days From Notice to Proceed) .....</b>	<b>October 15, 2009</b>
Completion Date - (60 Calendar Days) .....	December 4, 2009

\*Send Certified Mail

\*\*Copy given to Contractor at Preconstruction Meeting and original sent by Certified Mail



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September 23, 2009

TO: Board of Directors, OCSD

FROM: Kevin D. Walsh, Interim General Manager

**SUBJECT: CLEANING AND INSPECTION OF DISTRICT SEWER AND WATER LINES**

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

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

Agenda Item 09 23 2009 8.a.

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# Oceano Community Services District

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September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** DRAFT WATER MASTER PLAN

Wallace Group provided the District with a draft Water Master Plan Update at the September 9, 2009 Board meeting. At that meeting, the representative from Wallace Group indicated that they were recommending OCSD participation in the drought buffer program, and would return with further information in order for the Board to make a decision. One option would be to have someone from County staff educate the Board on the drought buffer program. At the same meeting then the County representative could update the Board on the County Water Master Plan they are preparing, the water section of the County Open Space Element of the General Plan, and the status of the Prop 84 grant program.

The Board should hear and understand the County drought buffer program, and then direct that the Master Plan include (or not include) a discussion and provision for participation in the drought buffer program.

Iris Priestaf of Todd Engineers was asked to review Chapter 4. Her comments will need to be added to the draft report before it is finalized. Also, there are some issues surrounding the Santa Maria Groundwater Judgment that can affect the groundwater section of the Master Plan. These legal issues are the subject of a closed session.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** Give direction to staff regarding the timing and scope of a presentation on the County drought buffer.

Agenda Item 09 23 2009 8.b.

*T:\Agendas\BdMtgAgendas\2009\09232009\Draft Water Master Plan*



# Oceano Community Services District

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September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** DRAFT SEWER TECHNICAL MEMO

The Final Sewer Technical Memo presents the engineer's analysis of the sewer collection system: There are no needed capital improvements at this time.

The Wallace Group presented the District with a draft Sewer Technical Memo at the September 23, 2009 Board meeting. There were no changes of modifications made by the Board. Staff has made three minor changes which will be pointed out by the Utility Operations Supervisor at your meeting. The memo can now be accepted and finalized.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll call vote: Receive and File the Final Sewer Technical Memo.

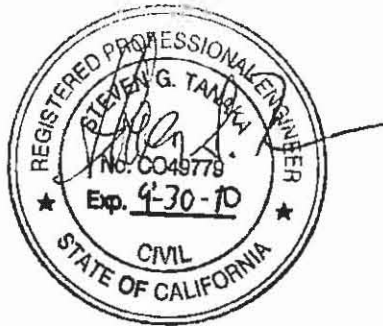
Agenda Item 09 23 2009 8.c.

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**TECHNICAL MEMORANDUM**

**WASTEWATER COLLECTION SYSTEM STUDY  
FOR  
OCEANO COMMUNITY SERVICES DISTRICT**



**PREPARED BY:**

**WALLACE GROUP**

**September 16, 2009**

## TECHNICAL MEMORANDUM

This technical memorandum (TM) addresses the Oceano CSD's (District) wastewater collection system needs, addressing existing and future build-out needs. This TM provides information to identify system needs to budget accordingly, and assist with evaluation of sewer collection system rates.

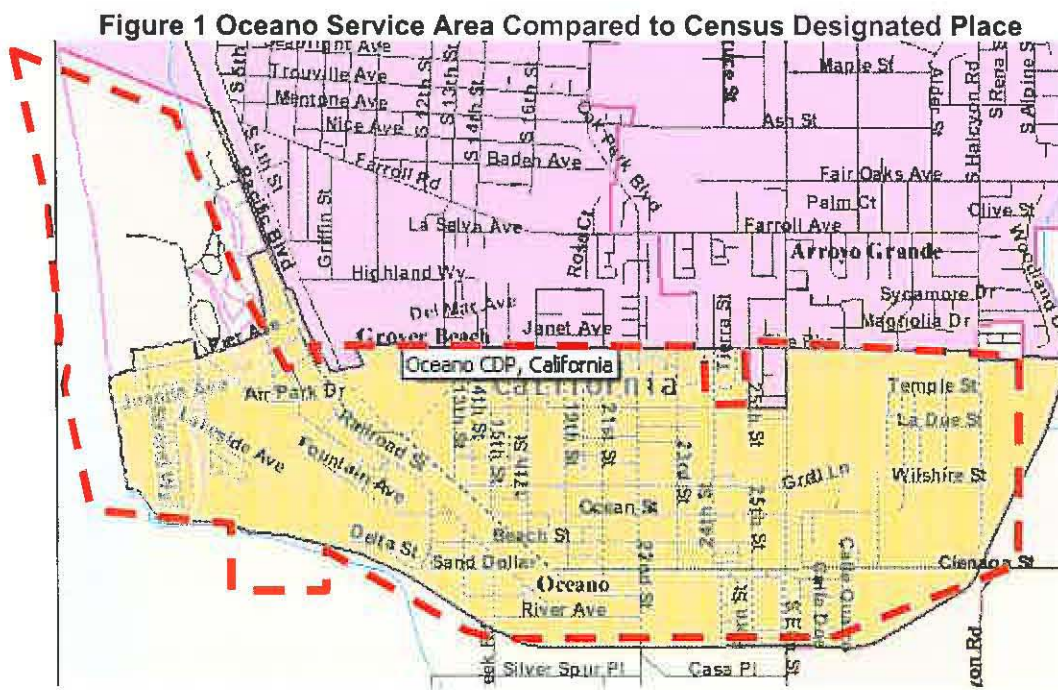
The District provides its customers with wastewater collection services; conveying wastewater to the South San Luis Obispo County Sanitation District (SSLOCSD) trunk sewer and wastewater treatment facilities. This TM focuses specifically on the Oceano CSD wastewater collection system.

### LAND USE AND SERVICE POPULATION

#### Population

The population of the District service area for wastewater services has a large impact on the use of and demand for those services. Determining the service population is not always a simple process and estimates are key components to forecasting system and community needs. Population can be estimated with several different approaches. Consideration must also be given to those provided sewer service living outside the official District boundary.

Figure 1 shows the Census Designated Place (CDP) in orange and the District's service area shown by the dashed red line. While they are not an exact match, most of the additional area included by the CDP is undeveloped. Also, there are other areas the District provides sewer service which are outside the District Boundary and the CDP. While the service population and the CDP are not the same, the 2000 census still provides a reasonable estimate of the typical household size (2.96) and a population of 7260 within the service area can still be used as a base point for population estimates.



Currently the District provides sewer collection for approximately 115 people on Paul Place and Russ Court (39 units) which is outside the District service area boundary. The current population served can be estimated several ways, detailed as follows:

1. 2005-2006 County General Plan: Appendix A of the 2005-2006 County General Plan (General Plan) estimated the population of Oceano at 7,446 in 2005 and projected it to be 7,826 in 2010. From this, it is reasonable to interpolate a population of 7,750 in 2009 within the District. By adding the population outside the District boundary we can estimate the total sewer service population to be 7,865.
2. Sewer Billing Information: The previous estimate is based on data projections rather than current information. The most up-to-date information the District has concerning its customers is billing information. Billing information can be used to estimate population by multiplying the household size of 2.96 by the 2,770 residential units with sewer service to obtain a total population served of 8,199 people. The internal District population can be back calculated by subtracting out the 115 customers outside the District to arrive at a population of 8,084.

Of the two population estimating methods described above and summarized in Table 1 the sewer service based approach uses information that is both current and produces the more conservative estimate so will be used as the basis of analysis throughout the remainder of this study.

**Table 1 Current District Population**

Estimation Method	District	Sewer Customers
General Plan	7,750	7,865
Sewer Billing	8,084	8,199

While the preceding approach works well to estimate current population, the District's population in 20 years and at build-out will also impact planning for collection system improvements.

#### **Future Population**

Though the G&T 2004 WMP estimates future population, the update population information warrants an updated approach and estimates. It is worth noting that population projections can be developed in a number of different ways, and thus discrepancies between County and District population estimates will exist.

The 2002 Oceano specific plan estimates the build-out population under the existing County General Plan to be 9,601. Although the Oceano specific plan recognizes that the build-out population is often never reached because it represents a maximum, the population provided water service can be larger than the build-out population because land use within the District can be rezoned, the service area of the District can expand, and the District can provide service to people outside its service area. Current sewer service agreements already add 115 users not included in the Oceano Specific Plan and there are no further agreements planned.

The General Plan contains population projections to 2030. From this data we can back calculate an average population growth rate of 0.67% that can be applied to the District's current population. By this method the current population of 8,199 (including the additional 115 customers outside the service boundary) will increase to 9,416 in 2030.



Since population projections by year are difficult, a build-out population estimate provides additional perspective of potential future demands. Further, these populations correlate to the construction of new units within the District service area. Even if the year's population is no longer representative of the District projected population, the number of new units since 2009 can be used to project collection system capacity. The build-out population for the District may be affected heavily by the rezoning of agricultural land for residential housing. Build-out population of the existing service area (plus the current agreement outside the service area) was calculated to be as much as 12,299. If the zoning changes, the District expands service area, and/or outside District agreements are carried out the effective build-out population served could be as much as 15,430. These build-out population projects are based on the 2004 G&T WMP and existing information. Several key populations and their corresponding unit equivalent are summarized in Table 2 and all other populations required for this report will be calculated from this data. This collection system analysis is based on a build-out population of 12,299.

**Table 2 Calculated Populations**

Year	Population	Additional Units
2000	7,260	-
2009	8,199	-
2010	8,253	18
2015	8,530	112
2030	9,416	411
Build-out same zoning	12,299	1,385
Build-out rezoning	15,430	2,443

A future planned development, the Coker-Ellsworth development, is envisioned to include seven units, plus a 20-unit mini storage facility. Wastewater from this future development will be collected via the City of Arroyo Grande's sewage collection system.

## WASTEWATER FLOWS

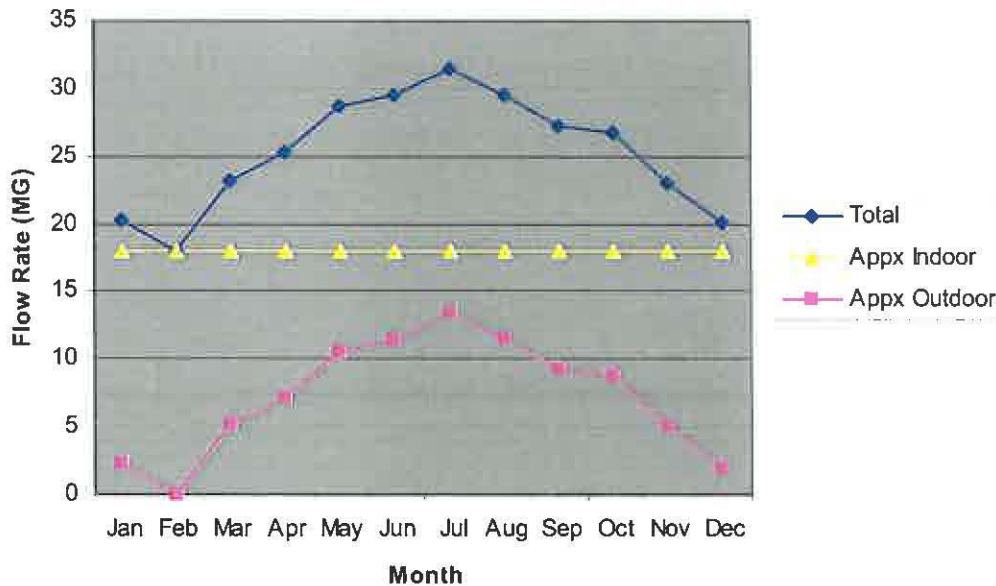
There are several wastewater production parameters used for the evaluation of a collection system under different conditions. For this analysis, average day, maximum day, and peak flows will be used to evaluate the hydraulic loading of the collection system. The time, intensity, and duration of these flows are typically described by a diurnal curve. Since wastewater flows are not metered like water demand, it is more challenging to determine the behavior of these flows. Although flow data is available at the treatment plant, the District shares the trunk collection system with two other cities making it difficult to determine the District's portion of the flow. In-line flow monitoring can also be done but is expensive for a system that has so many points of connection to the trunk collection system. For this reason wastewater parameters are estimated as follows.

1. SSLOCSD Long Range Plan: The 2002 Long Range Plan for SSLOCSD estimated per capita daily wastewater flows at 81 gpcd of wastewater flow. While OCSD, Grover Beach, and Arroyo Grande all contribute to SSLOCSD wastewater flows, one can reasonably assume that Oceano's per capita flow rates are comparable to its neighboring communities. The 81 gpcd represents an average daily flow for the District

and would equate to a present day flow of 0.66 MGD based on the preceding population estimates.

2. Water Use: Alternatively, per capita wastewater flows can be estimated from water use. The average 2007/2008 monthly water use is graphed in Figure 2. Assuming that the low water demand month of February is comprised predominantly of indoor water use, that indoor use is mostly discharged to the sewer, and that indoor water use does not appreciably change seasonally, the water demand in excess of the low demand rate during the rest of the year can be assumed to be for outdoor water use. Therefore, we can determine what fraction of water use is indoor and outdoor. From this analysis we can determine that approximately 72% of ADD and per capita water use is released to the collection system. Thus, average daily wastewater flows are 0.60 MGD and per capita wastewater flows are 67 gpcd. This per capita wastewater flow estimate is relatively low, even for communities with good water conservation programs.

**Figure 2 Seasonal Flows**



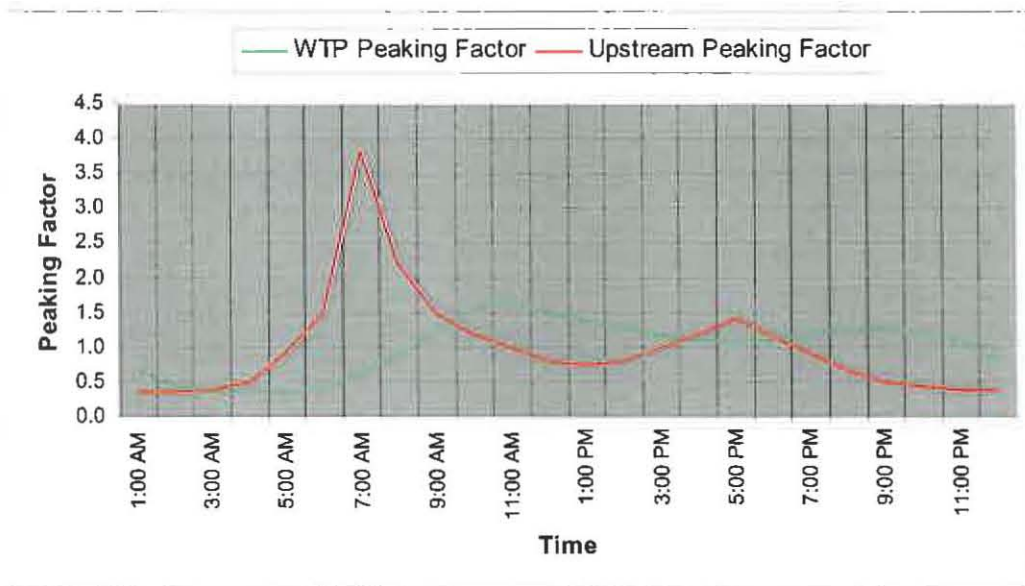
The two methods of estimating wastewater flow result in significantly different results. The 2002 long range plan is based on a study of multiple communities with different development patterns and therefore is not an ideal representation of the District's wastewater flows. The water demand approach assumes that there are no seasonal impacts on wastewater flows which may under or over estimate the actual flows. It also assumes that all of the February flow is discharged to the collection system, which will likely overestimate the flow. To determine a reasonable estimate for the purpose of analysis, the average of the two methods (74 gpcd) will be used for the collection system analysis.

Regardless of the per capita wastewater flows, a diurnal curve will explain how wastewater flows fluctuate throughout the day. Figure 3 illustrates the diurnal curve developed based on actual in-line flow readings at the SSLOCSO wastewater treatment plant (WWTP) in July 2000.

While this is not for the District directly, the shape of the diurnal curve will be similar. Figure 3 plots peaking factors over the course of a typical day at the WWTP that can be multiplied by daily flows to determine typical flows at that time of day.

However, this curve is based on flows as they enter the SSLOCSD WWTP. Typically, the further upstream a sewer is in relation to the WWTP, the earlier and more pronounced the peak will be. For this reason the peaking factors in Figure 3 are not representative of peaking factors in the upstream portions of the collection system. As an alternative, Metcalf and Eddy's Wastewater Treatment estimates a typical peaking factor for a community of the District's size to be 3.8 for peak hourly flow. This peaking factor is larger, as expected, and will be conservative enough to account for inflow and infiltration (as discussed below), so it will be used as a worst case scenario for the collection system evaluation. Using the peak hour flow peaking factor, the WWTP peaking factor data, and waste use behavior, an upstream diurnal curve was developed to be applied to daily average inflows illustrated in Figure 3.

**Figure 3 Diurnal Curve of Peaking Factors**



**Inflow and Infiltration**

Inflow and infiltration is excess water that enters into the wastewater collection system due to rainfall runoff or high groundwater seeping into manholes and collection system pipes. Inflow and infiltration can increase flows in a collection system two to three times or more in problem areas. It is important to determine the extent of inflow and infiltration in the District's collection system in order to size collection system piping and infrastructure. However, an I/I analysis was beyond the scope of this study. Thus, to account for I/I in the wastewater collection system model, a larger peaking factor discussed above will account for this.

Existing Wastewater Flows

Based on the existing population estimate (8,199) and per capita wastewater flows (74 gpcd) calculated above, the current average daily wastewater flow is approximately 0.6 MGD. Applying the peaking factor of 3.8 yields a peak hour flow of 2.3 MGD. The application of these

wastewater flows is based on proportionate amounts of water use records by meter type for different land use types.

#### Future Wastewater Flows

Based on the projected population build-out under existing zoning conditions (12,299) and per capita wastewater flows calculated above remaining constant in the future, the projected build-out wastewater flow is approximately 0.91 MGD. In the future the peaking factor is likely to be lower due to the increasing population. Applying the projected peaking factor of 3.6 yields a peak hour flow of 3.3 MGD.

### **COLLECTION SYSTEM**

The Oceano collection system conveys wastewater from the District's service area to the SSLOCSD trunk lines. To accomplish this goal the District utilizes a single lift station and force main as well as a variety of gravity sewer sizes and materials. The distribution of these facilities is illustrated in Figure 4 (next page). The length of pipe corresponding to each pipe material is unknown but the vitrified clay pipe (VCP) is the primary material with some PVC in the newer developments. The lengths by size are summarized in Table 3.

**Table 3 Collection System Diameter and Length**

<b>Diameter (in)</b>	<b>Length (ft)</b>
6	47,740
8	31,350
10	4,820
12	2,030

Figure 5 illustrates the approximate tributary areas that convey wastewaters to the SSLOCSD trunk system. While there are several even smaller connection to the trunk these 32 areas suffice to show the various points of connection to the SSLOCSD trunk system.

In order to determine capacity constraints of the existing collection system, a model of the District's sewer system was prepared. With a sewer model, existing and projected flows can be applied to determine remaining capacity of collection system infrastructure. Background flows from outside the District's service (Grover Beach and Arroyo Grande) area were added to the trunk system to accurately represent the effect of backwater on shallow sewer lines. For the District sewer model, two separate scenarios were prepared:

Scenario 1 – existing wastewater flows, according to the current layout of the District's collection system.

Scenario 2 – future wastewater flows, according to the current layout of the District's collection system, and distributing future flows to areas of future development within the service area.



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**OCEANO COMMUNITY SERVICES  
 DISTRICT (OCCSD)  
 SEWER COLLECTION SYSTEM  
 FIGURE 4**

JOB No : 225-002-007  
 DRAWING : Sewer Main  
 DRAWN BY : MJB  
 DATE : 08/05/2009  
 SCALE : NTS

- LEGEND**
- 6" (Red line)
  - 8" (Blue line)
  - 10" (Green line)
  - 12" (Yellow line)
  - SSLOCSO (Cyan dashed line)
  - Trunk Sewer (Black dashed line)

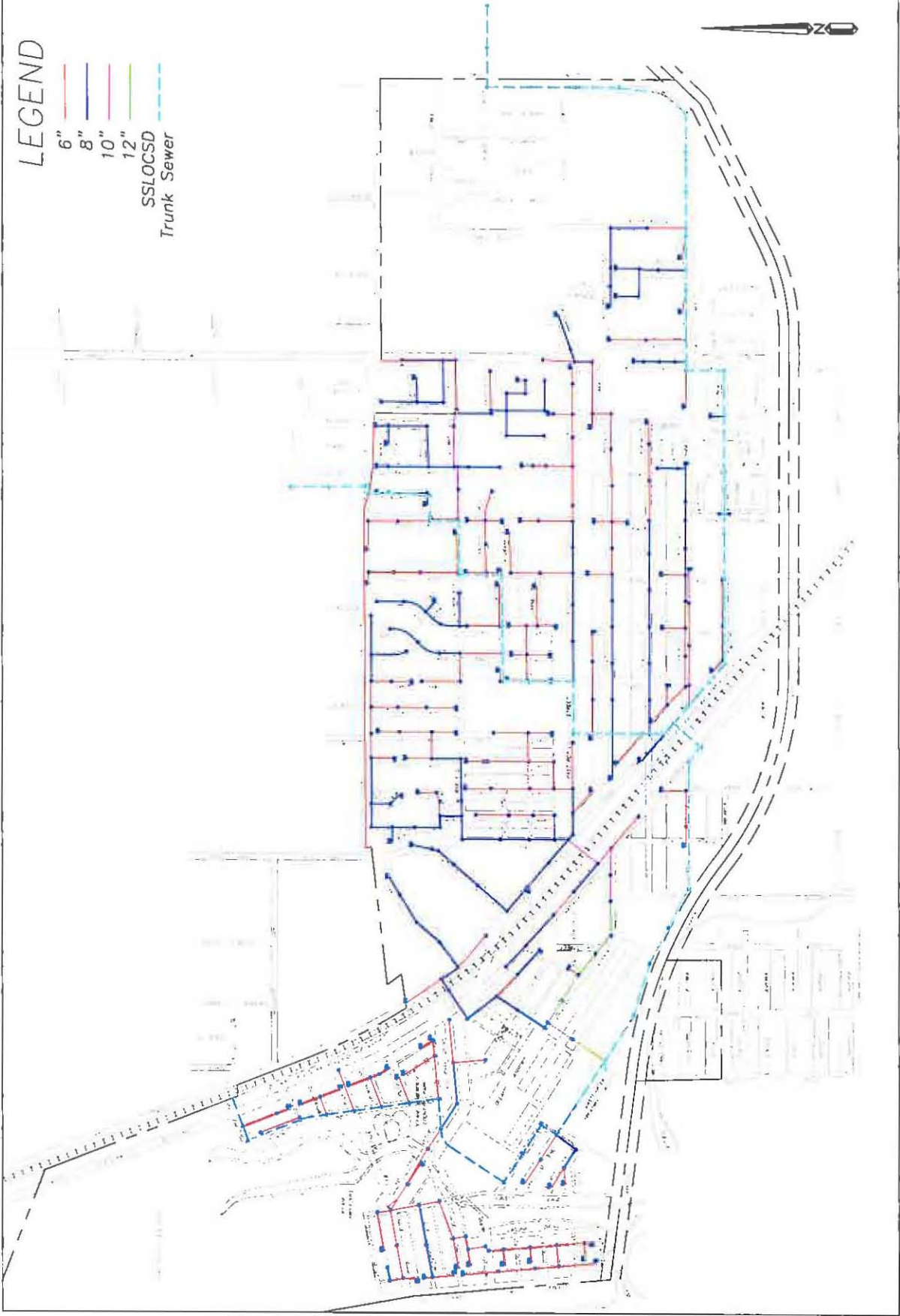
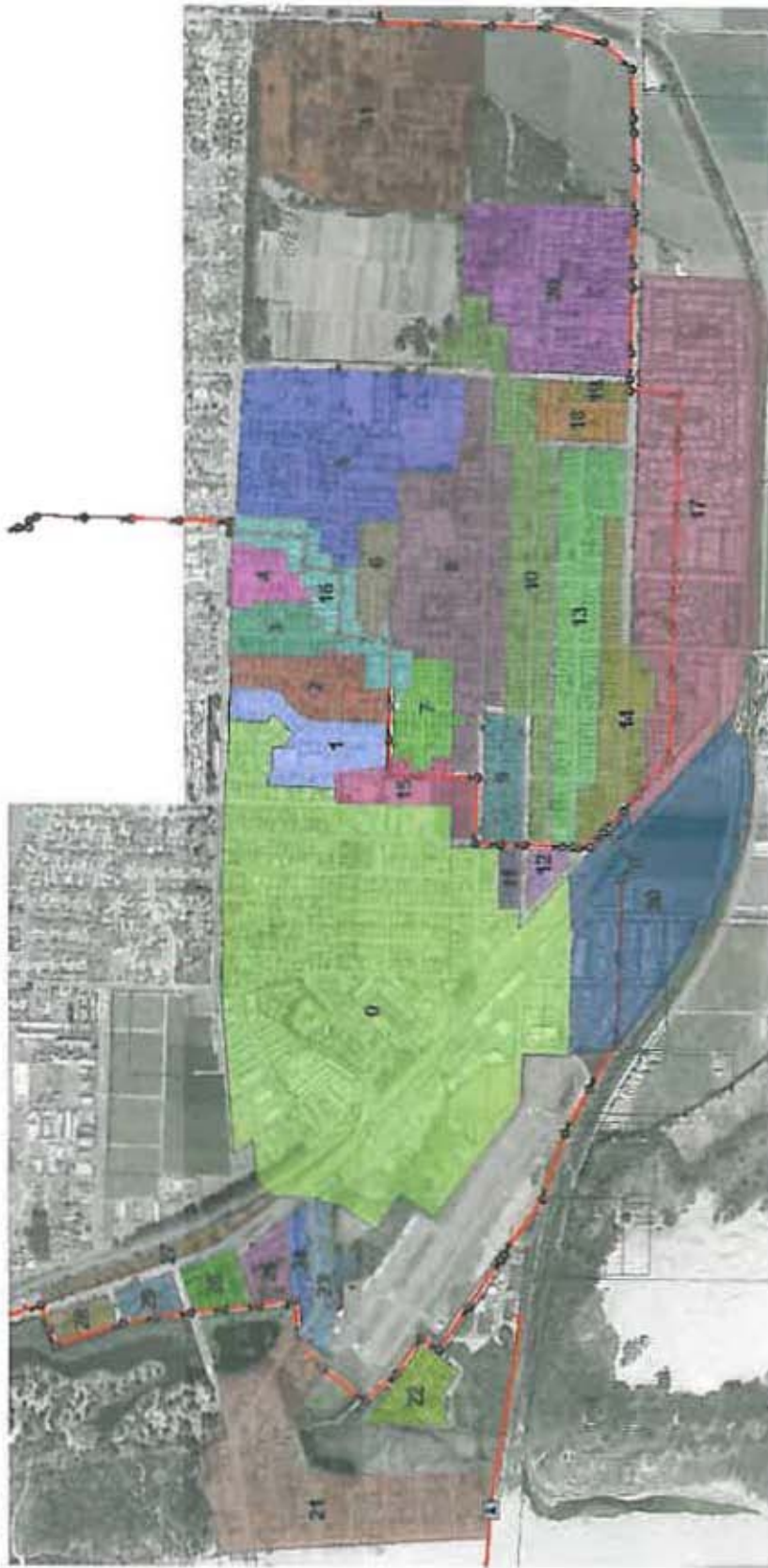


Figure 5 District Tributary Areas to the SSLOCSD Trunk Sewer



Sufficient capacity in pipes is defined by the ratio of depth of flow under peak hour conditions to the diameter of the pipe (d/D). Acceptable d/D values are summarized in Table 4.

**Table 4 Capacity Criteria**

Pipe Diameter (in)	Acceptable (d/D)
6	0.5
8	0.5
10	0.75
12	0.75

Based on Table 4 criteria for existing and future conditions during peak hour wet weather flow conditions there are no improvements needed based on hydraulic capacity criteria.

**LIFT STATION**

Wallace Group evaluated the existing lift station located on Pier Avenue, west of the Oceano State Park. The lift station and associated force main was evaluated for service, operational and reliability parameters. The objective of this study was to identify near-term and long-term improvements to this lift station, if necessary, to serve the City through projected build-out. Hydraulic capacity and the ability of the lift station to service future needs was addressed as part of this evaluation. Recommended improvements and/or replacement, and corresponding capital costs were developed and incorporated into this evaluation. A follow up site visit was conducted with Oceano CSD staff on July 16, 2009.

**Summary of Existing Lift Station**

The existing conditions and design parameters for this lift station are summarized in Table 5. Hydraulic parameters are summarized in Table 6.

**Table 5 Summary of Lift Station Conditions**

Item	Description
Year Built	1966/67
Lift Station Type	S&L Wetwell w/Drypit and Vertical Non-Clog Pumps
Standby Power	Receptacle for Portable Generator
Alarms	Dial Up to Staff
Level Sensor	Bubbler for Pump Control, Float for High Level Alarm
Wetwell Material	Concrete
Wetwell Coating	Yes
Site Security/Fencing	None

**Table 6 Summary of Hydraulic Characteristics**

Item	Description
Pump Type	Vertical Non-Clog
Pump Manufacturer/Model	Smith & Loveless/07-4213
No. of Pumps	2
Pump Motor HP	5 <sup>2</sup>
Motor Speed, rpm	875 (constant)
Impeller Size	8 1/8"
Date of Last Pump Upgrade/Overhaul	November 2005/bearing service & replacement
Design Flow/Head (gpm@TDH)	200 at 13'
Pump Design Flow Condition	Simplex
Wetwell Operating Volume, Gallons	~500
Force Main Diameter, Inches	6
Pump Invert EL	-2.80
Force Main High Point EL	~9.0
Force Main Length, ft.	600
Force Main Velocity, ft/s, Simplex (Duplex <sup>1</sup> )	2.3/4.0

<sup>1</sup>Duplex operating conditions estimated from simplex pump curves. Duplex pump curves not provided by manufacturer.

<sup>2</sup>Pump motors upsized from 3 HP to 5 HP approximately 8 to 9 years ago, when Pacific Plaza Hotel was developed.

**Existing and Future Demands**

The existing and future wastewater flows/demands for this area were calculated based on the quantity of developed and undeveloped residential lots tributary to the lift station, State Park and other commercial areas. Infiltration/inflow data is not available; thus, reasonable estimates of wet weather flow were provided in Table 7.

**Table 7 Flow Summary<sup>1</sup>**

Flow Parameter <sup>1</sup>	Value
Existing Dry Weather Peak Flow, gpm	80
Existing Wet Weather Peak Flow, gpm	105
Future Dry Weather Peak Flow, gpm	93
Future Wet Weather Peak Flow, gpm <sup>1</sup>	170

<sup>1</sup>Includes 3.5 diurnal peaking factor.



### Lift Station General Evaluation (Non-hydraulic)

This evaluation included review of existing information, record drawings, and a site visit to the lift station. A summary of the pertinent non-hydraulic parameters of the lift stations is presented in Table 5.

The lift station is located on Pier Avenue, adjacent to Oceano State Park. The lift station receives flow from the park, and residential/tourist demands from this area. Sewage discharges through a 6-inch cast iron force main that flows southerly, crossing the lagoon/slough, then to Manhole T1-A, SSLOCSD trunk sewer.



- *Lift Station/Dry Pit:* The lift station and dry pit is a Smith & Loveless package lift station. The station was installed in 1966. Removing and replacing pumps can be difficult due to the depth of the dry pit, small opening, location of opening (not centered over pumps), and required confined space entry procedures. According to District staff, they generally contract out this type of service to pull the pumps from the drypit.
- *Wetwell:* The wetwell is a circular lined concrete wetwell. This wetwell was re-lined approximately one to two years ago, and is in good condition. Two gravity sewers discharge to this wetwell, and both have been equipped with stainless steel baskets to catch large debris (to avoid pump clogs). The baskets, which must be cleaned weekly, are working well to minimize the potential for large debris entering the wetwell and clogging the pumps.
- *Site Conditions:* The lift station is on the north shoulder of Pier Avenue, next to a PGE vault. The site is open (not fenced). Hatches are padlocked for security.
- *Site Power:* The lift station has a receptacle to receive a portable standby generator, which is stored at the City's water yard less than a mile away.
- *Telemetry/Alarms:* The station is equipped with an auto dialer, which telephones an alarm company when a high level or other alarm triggers at the lift station.



### Lift Station Hydraulic Performance Evaluation

The hydraulic characteristics of the lift station were analyzed and deficiencies were noted. Design criteria that apply to the lift station and force main is summarized below. Table 6 summarizes the hydraulic parameters of the lift station.

- Force main velocities should be greater than 2.0 feet per second to maintain self cleaning properties but less than 6.0 feet per second to minimize head loss and water hammer.
- Lift stations should be able to convey peak flows with the largest pump out of service. Station "capacity" is therefore calculated with the largest pump out of service.

- Lift station wet wells should be sized to limit the number of pump starts per hour to acceptable limits as defined by the pump manufacturer.
- Lift stations should have a means of conveying peak flows during a power outage. Lift stations serving a small number of customers could use wetwell storage to meet this requirement.

**Force Main Velocities**

As indicated in Table 7, the force main velocities, in simplex or duplex mode, are acceptable and within normal ranges.

**Lift Station Wet Well Capacity**

The lift station operating volume was calculated/estimated (due to the conical shape of the bottom of the wetwell, exact volumes could not be computed) and pump cycle times were computed for each station, based on peak dry and wet weather flows (running in simplex mode). Operating volumes do not account for storage volume available between the lead (simplex) pump on elevation and lag (duplex) pump on elevation. Table 8 summarizes the wetwell cycle time calculations.

According to staff, in the event of a power failure, the District generally has more than one hour of response time to provide the portable standby generator, before any potential spill may occur. This provides adequate time for the District to respond.

**Table 8 Summary of Lift Station Cycle Times**

<b>Item</b>	<b>Value</b>
Wetwell Operating Volume, gallons	~500
Cycles per Hour at Existing ADWF	2.6
Cycles per Hour at Max. Day Flow	3.1
Cycles per Hour at Existing PWWF	9.8
Cycles per Hour at Future PDWF	3.1
Cycles per Hour at Max. Day Flow	3.4
Cycles per Hour at Future PWWF	10.3

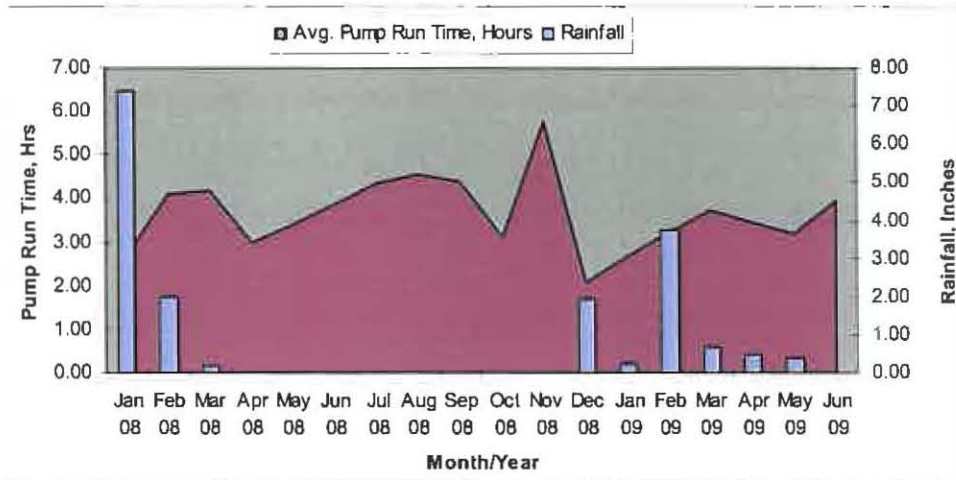
Lift station pumps should typically cycle not more than 5 to 6 times per hour during average and normal flow conditions, to limit pump starts and avoid motor burnout. This recommendation, however, should be based on the actual pump manufacturer's information. The general range of cycles for this lift station are normal and satisfactory. Only on very few occasions will the lift station cycle over 10 times per hour, and that will be during wet weather flow conditions with significant inflow. It should be noted again that I/I information is not available, thus this evaluation could only be based on assumed inflow values. Regardless, the lift station appears to have more than adequate capacity for existing and future years.

**Review of Lift Station Pump Run Hours**

Sometimes a plot of lift station pump run times can reveal trends with inflow/infiltration, or peak summer trends. January 2008 through June 2009 pump run times were calculated, and plotted versus monthly rainfall for the same period. Figure 6 depicts this data. From a review of the chart, no clear trend can be seen between precipitation and increased response to pump run

times; however, it appears that the summer tourist demands can be seen in summer months as run pump times increase.

**Figure 6 Lift Station Run Times vs. Rainfall**



**Recommendations**

Existing pump capacity for this station is greater than buildout peak wet weather flow, and thus no hydraulic upgrade recommendations are warranted. The lift station pump motors, impellers, bearings, and other components will continue to need service, maintenance, and replacements throughout the years to come. At this time, no other capital improvement recommendations are warranted for this lift station.

**CAPITAL IMPROVEMENTS**

At this time, there are no identified system capacity concerns and therefore no capital improvement projects are recommended. Other general recommendations are as follows:

- Sewer Videotaping - The District should consider an annual budget line item for periodic and as-needed sewer videotaping. Such review of existing collection system is part of the overall operation and maintenance program described in the Sewer System Management Plan (SSMP). At this time, focused inspections in "trouble-spots" areas is sufficient.
- Sewer Cleaning - Periodic sewer cleaning/jetting should be performed on an on-going basis.
- Manholes - Manholes should be inspected as needed consistent with current practices for signs of sulfuric acid attack and general deterioration, as well as any issues with solids build up and debris. If it is suspected that a manhole may be the source of inflow, gaskets or covers to minimize inflow through the manholes should be considered.

**Lift Station**

- No CIPs for the existing lift station are recommended at this time.

### **Gravity Collection System**

- No CIPs for the existing collection system are recommended at this time.

### **Conclusion**

The District has done an excellent job maintaining the collection system facilities. While periodic replacement of aging infrastructure will be required, a continued maintenance and inspection program will continue to further the lifetime of the system.



# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** WATER AND SEWER RATE STUDY

At your September 9, 2009 Board meeting, Wallace Group provided you with a progress update of the Water and Sewer Rate Study being conducted by Tuckfield & Associates. At that time it was reported that Tuckfield & Associates have asked for the following information, going back to 2003-04 if possible:

Water and Sewer Rates - Water History by Type, and Sewer History by Type.

Water and Sewer Revenue Summaries.

Water and Sewer Billing Register Summary.

Tuckfield has asked for this information in an Excel Spreadsheet format. This will require hand entry of the data retrieved from our AS-400, and will therefore require more time than we originally expected.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** None. Status Report only.

Agenda Item 09 23 2009 8.d.

*T:\Agendas\BdMtgAgendas\2009\09232009\Water & Sewer Rate Study*



# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6886

September 23, 2009

TO: OCS D Board of Directors

FROM: Kevin D. Walsh, Interim General Manager

**SUBJECT: REVIEW AND POSSIBLE ACTION ON PROP 218 PROCEDURES**

The 2008-09 Budget anticipated a rate increase in both the water and sewer departments in order to balance revenues and expenses. Those increases never took place, and the need for the increases has not gone away. It is expected that a final 2009-10 budget will be submitted to the Board in October, and that the FYE 2008 Audit will be ready about that time as well. The Rate Study is expected to be completed within a few months.

The procedures for increasing water and sewer rates are contained in Article XIID, Section 6 of the California Constitution. This section of law is sometimes referred to as Prop 218, after the voter approved Proposition that amended the Constitution.

Prop 218 contains provisions for the noticing of the rate hearing and the submission and tabulation of protests, but does not contain any firm guidelines. For example:

Prop 218 requires that protests be in writing and signed, but does not specify any form for protests, how they are to be tabulated, how to prevent double-voting, etc.

Prop 218 requires that the protest identify the property for which the protest is filed, but does not define property; Is it the Assessor parcel number? Is it a legal parcel? (Usually the same, but not always.) Is it only properties with water meters? What about multiple water meters on one parcel? What about multiple parcels with one meter?

Prop 218 uses terms like "record owner", without defining that term. Is it a property owner? The tenant? What about joint owned common areas?

Prop 218 allows protests to be withdrawn. Is it in writing? On a form? A phone call to the District?

Local jurisdictions must follow the law, but in the absence of clearly mandated procedures, there is flexibility in how the law can be complied with. Provided that guidelines are adopted before the notice of the required hearing is given, it would be reasonable to expect that sensible guidelines are a proper action of the Board.

At the September 9, 2009 Board meeting, guidelines as used by the Cambria Community Services District, a jurisdiction formed under the same section of the Government Code as ours, were submitted for consideration. However, the Board and

some members of the public requested that we look at the guidelines of other jurisdictions. Examples are attached.

While this was referred to Finance Committee for further review, the Finance Committee has not met. To prepare for a Prop 218 hearing will require a few months to adopt guidelines, send notices, schedule a hearing date, and comply with statutory timeframes. Time is of the essence, and it is not too early to begin to plan now. It is recommended that the Board begin work at this time to adopt guidelines for the submission and tabulation of protests.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** Give direction to staff regarding the adoption (or not) of Prop 218 guidelines.

Agenda Item 09 23 2009 8.e.

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**RESOLUTION 2009-XXXX**

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE NIPOMO COMMUNITY SERVICES DISTRICT  
ADOPTING GUIDELINES FOR THE SUBMISSION AND TABULATION OF  
PROTESTS IN CONNECTION WITH RATE HEARINGS  
CONDUCTED PURSUANT TO ARTICLE XIID, SECTION 6,  
OF THE CALIFORNIA CONSTITUTION,  
AND RELATED NOTICING**

**WHEREAS**, Proposition 218 was adopted on November 6, 1996 adding Article XIID to the California Constitution; and

**WHEREAS**, Article XIID Section 6 of the California Constitution imposes certain procedural and substantive requirements related to the adoption of fees and charges for property-related services; and

**WHEREAS**, the State of California has adopted the Proposition 218 Omnibus Implementation Act, Sections 57750 et seq. of the Government Code; and

**WHEREAS**, some of the requirements of Proposition 218 and the Omnibus Implementation Act do not offer specific guidance as to how written protest are to be submitted or how the Nipomo Community Services District (District) is to tabulate the protests; and

**WHEREAS**, Government Code Section 61040(a) states, in relevant part, "a legislative body of five members known as the board of directors shall govern each district. The board of directors shall establish policies for the operation of the district"; and

**WHEREAS**, Government Code Section 61045(g) states, "the board of directors shall adopt policies for the operation of the district, including, but not limited to, administrative policies, fiscal policies, personnel policies, and the purchasing policies required by this division"; and

**WHEREAS**, the District Board of Directors believes it to be in the best interest of the community, and pursuant to Government Code Section 61040(a) and 61045(g), to adopt guidelines for the implementation of the provisions of Article XIID Section 6 of the California Constitution and the Proposition 218 Omnibus Implementation Act related to the adoption of fees and charges for property related services;



**NOW, THEREFORE, BE IT RESOLVED DETERMINED AND ORDERED**  
by the Nipomo Community Services District Board of Directors as follows:

SECTION 1. The Guidelines for the Submission and Tabulation of Protests attached hereto as Exhibit A are incorporated herein by this reference and are hereby adopted and approved.

SECTION 2. If any section, paragraph or phrase within the Guidelines for the Submission and Tabulation of Protests are in conflict with the California Constitution, the Proposition 218 Omnibus Implementation Act or other legislation (as now exists or as adopted in the future) then such legislation or Constitutional provisions shall prevail.

SECTION 3. The above recitals including references to the California Constitution and the Proposition 218 Omnibus Implementation Act, are incorporated herein by this reference and constitute further findings in support of the District's approval of the attached Guidelines for the Submission and Tabulation of Protests.

Upon motion by Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the following roll call vote, to wit:

AYES:  
NOES:  
ABSTAIN:

the foregoing resolution is hereby passed and adopted on this \_\_\_\_ day of \_\_\_\_\_ 2009.

\_\_\_\_\_  
JAMES HARRISON  
President of the Board

ATTEST:

APPROVED:

\_\_\_\_\_  
DONNA K. JOHNSON  
Secretary to the Board

\_\_\_\_\_  
JON S. SEITZ  
District Legal Counsel

# NIPOMO COMMUNITY SERVICES DISTRICT

## GUIDELINES FOR THE SUBMISSION AND TABULATION OF PROTESTS

### APPLICATION

Where notice of a public hearing, with respect to the adoption or increase of a utility charge, has been given by the Nipomo Community Services District (NCSD or District) pursuant to Article XIII D, Section 6(a) of the California Constitution, the following guidelines shall apply.

### RELEVANT DISTRICT CODE SECTIONS

District Code Section 3.03.040 states:

The owner of the property which is furnished services is the customer and shall be responsible for the payment of all rates, charges and fees, including penalties, thereon regarding such furnished services. Unpaid obligations shall run with the land, and shall lead to delinquency and termination of service for the residential unit or other real property involved without regard to any changes of residency or occupancy by persons different than the persons shown on district records as obligated to pay said bill. (Ord. 95-81 § 1 (part), 1995)

District Code Section 3.04.020 states:

A. Each house or building under separate ownership shall be provided with its own service connection or connections.

B. Two or more houses or buildings (such as apartments) under one ownership and located on the same lot or parcel of land may be supplied through one service connection.

C. When a parcel or building receiving water service through one connection is subdivided into smaller lots, parcels or units, capable of separate ownership, then the existing service connection shall be deemed appurtenant to the parcel or building unit upon which it is situated or most immediately adjacent.

D. The district reserves the right to limit the number of houses or buildings, or the area of the land under one ownership to be supplied by one service connection.

E. A service connection shall not be used to supply adjoining property of a different owner or to supply the property of the same owner on opposite sides of a public street or alley. (Ord. 98-87 § 8, 1998)

District Code Section 3.04.030 states:

Except for connection to a single-family residence, a separate service connection with backflow prevention device shall be provided to each parcel of property for landscape irrigation. A separate landscape connection fee shall be computed pursuant to Section 3.04.050, and paid. (Ord. 98-87 § 9, 1998)

## DEFINITIONS

Unless the context plainly indicates another meaning was intended, the following definitions shall apply in construction of these Guidelines:

1. "Parcel" means a piece of land or property (within the NCSD) identified by Assessor's Parcel Number (APN) that is served by the NCSD, as determined by the San Luis Obispo County Tax Assessor.
2. "Record customer" and "customer of record" means the person or persons whose name or names appear on the NCSD's records as the person who has contracted for utility services to a particular parcel and utility account. Record customer is generally the record owner but, in a limited number of cases, a record customer means a tenant or property manager when the tenant or property manager's name appears on NCSD's records as the person who has contracted for utility services to a particular parcel.
3. "Record owner" or "parcel owner" means the person or persons whose name or names appear on the San Luis Obispo County Tax Assessor's latest equalized assessment roll as the owner of a parcel that is receiving utility services. Pursuant to District Code Section 3.03.040, the record owner is responsible for the payment of all rates, charges, and fees, including penalties thereon regarding such furnished services.
4. A "fee protest proceeding" is not an election, but the District Secretary/Clerk will maintain the confidentiality of protests as provided in Section 12 below.
5. "Public hearing" means the public hearing on the proposed charges.
6. "Protest official" means the NCSD District Secretary/Clerk or his/her designee.
7. "Representative(s)" means designated trustees, legal guardians, probate estate executors or administrators, court-appointed or other legal representatives, or property managers/agents of a record owner or a record customer.

## NOTICE OF PROPOSED RATES AND PUBLIC HEARING

6. ***Notice Delivery.***
  - A. The NCSD shall give notice of proposed charges and public hearing on the proposed charges via 1<sup>st</sup>-class U.S. mail to all record owners and customers of record served by the NCSD, effective on the date the public hearing is approved by the Board of Directors.
  - B. The NCSD will mail each notice subject to a request that the U.S. Postal Service provide forwarding address information to the NCSD for any notices forwarded by the U.S. Postal Service.

- C. If the U.S. Postal Service returns any notice to the NCSD as undeliverable and provides the NCSD a forwarding address, the NCSD shall mail the notice to the forwarding address, but its doing so does not extend the time in which protests may be submitted with respect to the proposed charges that are the subject of the public hearing.
- D. The NCSD will provide the notice of proposed charges and public hearing to each record owner and/or record customer who initiates NCSD utility services after the notice is mailed and before the date of the public hearing on the proposed charges, but its doing so does not extend the time in which protests may be submitted with respect to the proposed charges that are the subject of the public hearing.
- E. The NCSD will post the notice of proposed charges and public hearing at its official posting site on the date the notice is mailed pursuant to subparagraph 6(B) above.

## **SUBMISSION OF PROTESTS**

### **7. *Protest Requirements.***

- A. A written protest must include:
  - (i) A statement that it is a protest against the proposed charge which is the subject of the notice;
  - (ii) Name of the record owner or customer of record;
  - (iii) Identity of the affected parcel by assessor's parcel number or service address;
  - (iv) Original signature of the record owner or customer of record with respect to the identified parcel; and
  - (v) The date the written protest is signed.
- B. Protests shall not be counted if any of the required elements (i thru v) outlined in the preceding subsection "7.A." are omitted.
- C. A notice of proposed charges may, but need not, include a form by which record owners and customers of record may note their protest of, or support for, a proposed charge. However, use of such a protest form shall not be required and the NCSD shall accept any protest which complies with these Guidelines.

8. ***Protest Submittal.***

- A. Any record owner or customer of record who is subject to the proposed utility charges may submit a written protest to the District Secretary/Clerk, by:
- Delivery to the District Secretary/Clerk's Office, 148 S. Wilson, Nipomo, CA 93444,
  - Mail to the NCSD, Attention: District Secretary/Clerk, 148 S. Wilson, Nipomo, CA 93444 or P.O. Box 326 Nipomo, CA 93444-0326, or
  - Personally submitting the written protest at the public hearing.
- B. Protests must be received by the close of the public hearing, including those mailed to the NCSD. No postmarks will be accepted; therefore, any protest not actually received by the close of the public hearing, whether or not mailed prior to the public hearing, shall not be counted.
- C. In order to reduce duplicate protests and to avoid fraud, a protest may only be submitted by a record owner or a customer of record who has signed the protest or an individual authorized in writing, with original signature, by the record owner or the customer of record, to submit the protest. That written authorization with original signature shall be provided to the District Secretary/Clerk with the written protest so that the District Secretary/Clerk may accept a protest from someone other than the person who signed it.
- D. A Representative may sign a written protest on behalf of a record owner or a record customer provided the Representative attaches written documentation/authorization, with original signature, to act in such capacity to the written protest.
- E. Emailed or faxed protests shall not be counted. Only protests with original signatures shall be counted.
- F. Copied protests shall not be counted. Only protests with original signatures shall be counted.
- G. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the NCSD Board of Directors welcomes input from the community during the public hearing on the proposed charges.

9. ***Protest Withdrawal.***

Any record owner, record customer, or Representative who submits a written protest may withdraw it by submitting to the District Secretary/Clerk a signed and dated written request that the protest be withdrawn. The withdrawal of a protest

shall identify the affected parcel by parcel number or service address and the name of the record owner or customer of record who submitted both the protest and the request that it be withdrawn.

10. ***Multiple Record Owners or Customers of Record.***

A. Each record owner or customer of record of a parcel served by the NCSD may submit a protest. This includes, but is not limited to, instances where:

- (i) A parcel is owned by more than a single record owner or more than one name appears on the NCSD's records as the customer of record for the parcel, or
- (ii) A customer of record is not the record owner, or
- (iii) A parcel includes more than one record customer, or
- (iv) Multiple parcels are served via a single utility account such as master-metered condominium units and multi-family residential units.

B. Only one protest will be counted per parcel.

C. Any one protest submitted in accordance with these rules will be sufficient to count as a protest for the identified parcel.

11. ***NCSD as Record Owner of Parcel.***

Parcels owned by the NCSD that receive utility services, but are not subject to the proposed charges which are the subject of the public hearing, shall not be included in the parcel count for tabulation.

12. ***Transparency, Confidentiality, and Disclosure.***

A. To ensure transparency and accountability in the fee protest tabulation, while protecting the privacy rights of record owners and customers of record, protests will be maintained in confidence until tabulation begins following the public hearing.

B. Once a protest is opened during the tabulation, it becomes a disclosable public record, as required by state law.

## TABULATION OF PROTESTS

### 13. *Protest Official.*

The Protest Official shall tabulate written protests. The Protest Official shall not accept as valid any protest if he or she determines that any of the following conditions exist:

- A. The protest does not state its opposition to the proposed charges.
- B. The protest does not name the record owner or record customer of the parcel identified in the protest, as of the date of the public hearing.
- C. The protest does not identify a parcel served by the NCSD which is subject to the proposed charge.
- D. The protest is not dated.
- E. The protest does not bear an original signature of the named record owner, record customer or Representative (pursuant to subsection 8.D) with respect to the parcel identified on the protest. Whether a signature is valid shall be entrusted to the reasonable judgment of the Protest Official, who may review and compare it with signatures on file with the County Elections Official and/or the NCSD. If the signature is questionable, it will be retained for further follow-up with the record owner or customer of record. Should the count be close enough that any retained protest might change it, the Protest Official will mail a notice to the record owner, customer of record or representative requesting they contact the Protest Official within five (5) business days of the date of the mailing to verify their signature.
- F. The protest was altered in a way that raises a fair question as to whether the protest actually expresses the intent of a record owner or a customer of record to protest the charges.
- G. The protest was emailed, faxed, copied or by any other means without an original signature.
- H. The protest was not received by the District Secretary/Clerk before the close of the public hearing on the proposed charges.
- I. A request to withdraw the protest was received prior to the close of the public hearing on the proposed charges.
- J. The Protest Official's decision that a protest is not valid shall constitute a final administrative action of the NCSD.

### 14. *Majority Protest.*

A majority protest exists if protests are timely submitted and not withdrawn by the record owners, or customers of record with respect to, a majority (50% plus one) of the parcels subject to the proposed charge.

15. ***Tabulation of Protests.***

At the conclusion of the public hearing, the Protest Official shall tabulate all protests received, including those received during the public hearing, and shall report the results of the tabulation to the NCSD Board of Directors.

16. ***Report of Tabulation.***

If at the conclusion of the public hearing the Protest Official determines that he or she will require additional time to tabulate the protests, he or she shall so advise the NCSD Board of Directors, which may continue the meeting to allow the tabulation to be completed on another day or days. If so, the NCSD Board shall declare the time and place of tabulation, which shall be conducted in a place where interested members of the public may observe the tabulation, and the Board shall declare the time at which the meeting shall be resumed to receive and act on the tabulation report of the Protest Official.

17. ***Severability***

If any section, paragraph or phrase within these guidelines are in conflict with the California Constitution, the Proposition 218 Omnibus Implementation Act or other legislation (as now exists or as adopted in the future) then such legislation or Constitutional provisions shall prevail.





RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORT HUENEME ESTABLISHING PROCEDURES FOR INCREASING WATER, WASTEWATER AND SOLID WASTE FEES IN ACCORDANCE WITH THE REQUIREMENTS OF PROPOSITION 218**

The Council of the City of Port Hueneme does resolve as follows:

SECTION 1: The City Council finds and declares as follows:

- A. On July 24, 2006, the California Supreme Court confirmed that charges for water and wastewater services are subject to Proposition 218 procedures (*Bighorn-Desert View Water Agency v. Verjil* (2006) 39 Cal.4<sup>th</sup> 205);
- B. The City Council anticipates that there will be future increases in water, wastewater and refuse rates. Adopting the policies and procedures set forth in this Resolution will help implement the requirements set forth in Article XIID of the California Constitution and help ensure that the rights of those persons that are authorized to protest service charges are preserved;
- C. Elections Code § 4000(c)(9) provides that any protest ballot proceeding required or authorized by California Constitution Articles XIIC or XIID may be conducted wholly by mail. In the event a protest ballot process is required, the City Council seeks to achieve higher awareness of those affected by the proposed increase, provide an orderly protest process for both those receiving the ballots and the City, insure to the extent practicable that there is some verification process regarding the protests received, and to reduce the costs of the protest ballot process; and
- D. Adopting this Resolution is in the public interest for the reasons set forth above and as further stated within Article XIID and the Proposition 218 and state legislation relating to the implementation of Proposition 218.

SECTION 2: The City Council adopts the procedures set forth in this Resolution for conducting all proceedings required by California Constitution Article XIID for utility fee (as defined below) increases. Where no specific procedures are imposed by Article XIID or the Proposition 218 Omnibus Implementation Act (Government Code §§ 53750, *et seq.*), the procedures set forth in this Resolution apply. This Resolution may be referred to as the "Proposition 218 Protest Proceedings Resolution."

SECTION 3: Definitions. Unless the contrary is stated or clearly appears from the context, the following definitions govern the construction of the words and phrases used in this Resolution. Words and phrases not defined by this chapter will have the meaning set forth in California Constitution Article XIID or the Proposition 218 Omnibus Implementation Act.

- A. "Act" means the Proposition 218 Omnibus Implementation Act found at Government Code §§ 53750, *et seq.*;
- B. "Article 13D" means California Constitution Article XIID, § 6;
- C. "Manager" means the City Manager or designee;
- D. "Property owner" has the same meaning set forth in Article 13D and also pursuant to the Act includes tenancies of real property where tenants are directly liable to pay the proposed water, wastewater or solid waste fee or charge;
- E. "Protest" means a written protest filed with the City Clerk in accordance with Article 13D, the Act, and this Resolution as described in Article 13D, § 6(a)(2);
- F. "Utility fee" means a fee or charge imposed for water, wastewater, or solid waste services provided to customers in accordance with the Port Hueneme Municipal Code ("PHMC"), and other applicable law, by the City of Port Hueneme;

SECTION 4. Administration of Proceedings. The City Manager, or designee, is authorized to implement this Resolution in a manner consistent with the California Constitution and other applicable law.

SECTION 5. Notice. Notice of a proposed utility fee increase is provided as follows:

- A. In general, the City will identify the record property owner(s) of each parcel to which the utility fee would be applied from its billing system database and/or the latest equalized tax roll produced by Ventura County. The City's Utility Billing database and the equalized tax roll is presumptive evidence of ownership of the land for voting purposes.
- B. If either the City's Utility Billing Database or Ventura County Recorder's website shows that more than one property owner has an interest in a parcel, all property owners (each property owner) must receive notice at the address shown for the property owner. Both property owners and parties financially responsible for paying the fee will be provided notice.

- C. The notice must be sent by first class mail at least forty-five (45) days before the date set for the public hearing on the utility fee.
- D. The form of the notice of hearing will be approved by the City Council and be on file with the City Clerk.
- E. The notice provided by these procedures, in accordance with Article 13D, supersedes and is in lieu of notice required by any other statutes to levy or increase a utility fee.
- F. The City Clerk, or designee, may certify the proper mailing of notices by an affidavit which constitutes conclusive proof of mailing in the absence of fraud.
- G. Failure of any person to receive notice does not invalidate the proceedings.

#### SECTION 6. Protests against Utility Fee Increases.

- A. The property owner(s) of parcels subject to the proposed fee increase are entitled to a single protest for each parcel. When a parcel is held as community property or in joint tenancy or as a tenancy in common, any spouse or joint tenant or tenant in common is presumed to have authority to cast a protest on behalf of such parcel.
- B. If the owner(s) of the property desire to designate a particular owner as the person authorized to cast the protest for such parcel, they may file with the City Clerk, at any time before the commencement of the public hearing or the date of the election, as the case may be, a written authorization of such designation, signed by all the owners of record, and acknowledged in the manner that deeds of real property are required to be acknowledged to entitle such deeds to be recorded in the Ventura County Recorder's Office.
- C. Executors, administrators, and guardians may cast a protest on behalf of the estate represented by them. If such representatives are shown on the latest assessment roll as paying taxes and assessments on behalf of the property owner(s), that fact establishes the right of such representative(s) to cast a protest. If such representatives are not shown on the latest assessment roll, the representatives may file with the City Clerk, at any time before the commencement of the public hearing, or the date of the election, as the case may be, certified copies of the written documentation establishing the legal representation.

- D. The protest of any public or quasi-public corporation, private corporation, or unincorporated association may be signed by any person so authorized in writing by the board of directors or trustees or other managing body thereof.
- E. The Manager is designated as the voting representative with respect to City-owned property.
- F. In any case where the documentation provided to the City Clerk is ambiguous or unclear, the City Attorney will determine whether the documentation is adequate for the purpose provided.
- G. In the event a property owner loses or misplaces a protest ballot, upon request by the property owner the City will send by first class mail a replacement protest ballot unless a properly filled out protest ballot has already been received for the parcel of property.

#### SECTION 7. Public Hearing.

- A. Only protest ballots that (i) were provided by the City to the property owner in the form approved by the Council and (ii) are properly filled out and legibly signed by an eligible property owner is made will be counted as a valid protest. Only one protest shall be counted for each parcel of property regardless of the number of protests filed by property owners for the parcel.
- B. The City Clerk must stamp each written protest the date and time it is filed with the City Clerk for purposes of establishing whether the protest was filed before the close of the public testimony portion of the public hearing. No protest received after the close of the public testimony portion of the public hearing can be counted in determining the amount of protest, but the Council may, in its discretion, consider such protests in making its decision. Written protests may be withdrawn in writing at any time before the conclusion of the public testimony portion of the public hearing.
- C. At the time and place fixed for the hearing, or at any time to which the hearing is adjourned, the Council must:
  - 1. Hear all persons interested in the matter of the proposed fee increase;
  - 2. Hear all objections, protests or other written communications from any owner of property subject to the proposed utility fee; and

3. Take and receive oral and documentary evidence pertaining to the proposed fee increase.
4. The hearing may be continued from time to time, as the Council determines necessary to complete its consideration of the proposed fee increase.
5. If the Council determines, at the close of the public testimony portion of the public hearing, that votes were received from property owners representing a majority of the parcels subject to the proposed fee increase, the Council shall adopt a resolution setting forth the results of the protest ballot process and the proceedings shall then be closed and the utility fee cannot be approved by the City Council.
6. If the Council determines at the close of the public testimony portion of the public hearing that written protests were not received from property owners representing a majority of the parcels subject to the proposed utility fee, the Council shall adopt a resolution setting forth the results of the protest ballot process and then may by Ordinance change the utility fee so long as in an amount that does exceed the amount and methodology set forth in the public notices sent to the property owners.

SECTION 8. Environmental Review. This Resolution is exempt from review under the California Environmental Quality Act (California Public Resources Code §§ 21000, *et seq.*, "CEQA") and CEQA regulations (14 California Code of Regulations §§ 15000, *et seq.*) because it establishes rules and procedures to implement government funding mechanisms; does not involve any commitment to a specific project which could result in a potentially significant physical impact on the environment; and constitutes an organizational or administrative activity that will not result in direct or indirect physical changes in the environment. Accordingly, this Resolution does not constitute a "project" that requires environmental review (see specifically 14 CCR § 15378(b)(4-5)).

SECTION 9. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the city council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Resolution are severable.

SECTION 10. Repeal of any provision of the Port Hueneme Municipal Code, or other Resolution, does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Resolution's effective date. Any such repealed part will

remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Resolution.

SECTION 11. The City Clerk is directed to certify the passage and adoption of this Resolution; and cause it to be entered into the City of Port Hueneme's book of original Resolutions.

This Resolution will take effect immediately day following its final passage and adoption.

**PASSED, APPROVED, AND ADOPTED** this 18th day of March, 2009.

\_\_\_\_\_  
**JONATHAN SHARKEY**  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**MICHELLE ASCENCION**  
**DEPUTY CITY CLERK**

**APPROVED AS TO FORM:**

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
**MARK D. HENSLEY**  
**CITY ATTORNEY**

\_\_\_\_\_  
**DAVID J. NORMAN**  
**CITY MANAGER**



# Oceano Community Services District

1655 Front Street, P.O. Box 509, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6886

September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** Status Report on 2007-2008 Audit

The production of the District's annual audit report for 2007-08 is nearing completion. It is imperative that this audit be completed in a timely fashion and that the work on the 2008-09 begin. As of this date, the auditor has finished their field work, and has followed up with two requests for more documents. Staff has supplied information in response to both requests.

The current audit is running ahead of the effort last year. I am very pleased with our Administrative Assistant and the senior auditor from the Moss Levy Hartzheim firm who have been working diligently to keep the audit on track.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** None. Status Report

Agenda Item 09 23 2009 9.a.

*T:\Agendas\BdMtgAgendas\2009\09232009\Status Report 2007-2008 Audit*





# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** Update on State Property Tax Shift

Finding itself in an extreme deficit situation, and unable to resolve deep partisan divides regarding increased taxes, the State Legislature has suspended the local government Constitutional revenue protections that were provided under Proposition 1A as approved by the voters some years ago. The result for local agencies: Counties, Cities, and Special Districts, is that 8% of the prior year property tax revenue that was collected and allocated by the Counties is shifted from local government to the State. For OCSD, that amounts to about \$67,000 according to a recent estimate from Barbara Godwin, Property Tax Manager of the San Luis Obispo County Auditor.

In order to rectify this situation, the State Legislature has adopted, and is intending to adopt, further "clean-up" legislation which will authorize California Communities to issue tax exempt bonds to provide a complete replacement of the shifted property tax. This is possible because the property tax shift is a loan as provided for in the State Constitution, and must be repaid with interest within three years. It is expected that there are investors who will buy this repayment obligation at a reasonable interest rate.

All bond costs are to be paid by the State; there is no cost to local agencies. Local agencies have no obligation on the bonds; the bonds will be a State obligation. Local agencies have no credit exposure; the bonds are issued on the full faith and credit of the State of California. Attached is a PowerPoint presentation that contains more information. In a nutshell it works like this:

- 1) State has suspended Prop 1A resulting in an 8% property tax reduction to local agencies (i.e. OCSD) for FY 2009-10.
- 2) Local agencies sell their State repayment obligation (receivables) to California Communities
- 3) California Communities issues tax exempt bonds on receivables
- 4) Cash proceed from the bond sale flow through a trustee to the Local Agencies, with ½ the money paid on January 15, 2010 and ½ the money paid on May 3, 2010.

Agenda Item 09 23 2009 9.b

T:\Agendas\BdMtgAgendas\2009\09232009\Update Property Tax Shift

- 5) The State pays the Principal and Interest to the bondholders by June 30, 2013.

If local agencies desire to participate in the program, they must approve and adopt the necessary documents by November 6, 2009. There are extreme time pressures on this program, and the documents provided will be unique to each agency and cannot be changed.

Starting on September 14, 2009, Local Agencies may enroll in the program. As of this writing, the necessary forms and documents (e.g. Sale Resolution, Purchase and Sale Agreement and a sample staff report) are not yet available. It is expected that they will be E-mailed or mailed to each local agency contact including legal counsel within approximately one week from the date of enrollment. Local Agencies may then proceed to adopt and execute their documents, and return them to Transaction Counsel (a type of escrow).

All of this hinges on Assembly Bill 67 (SB 67) being enacted. When that happens, the program will proceed as scheduled, but if for any reason SB 67 fails to become law, the transaction will not go forward and Transaction Counsel will destroy all documents pursuant to escrow instructions. Under no circumstances will any documents become effective or will any sale of Proposition 1A Receivables to California Communities be consummated unless SB 67 is enacted and the bonds are successfully sold and delivered.

SB 67 delays the hardship determinations until December of 2009. However, absent enactment of SB 67, the hardship determination and other provisions of AB 15 (which originally suspended Prop 1A), are still in full force and effect. Therefore, any Local Agency that believes it would qualify for a hardship exemption should file for such determination as required by AB 15. Absent enactment of SB 67, written requests for such hardship determination must be received by the Director of Finance by October 15, 2009, as provided in AB 15. We expect that the Department of Finance will provide more information on how to file for hardship determination under AB 15 and California Communities will post that additional information on their website when and if it becomes available.

**The Bottom Line:** If the bond sale through California Communities is successful, then OCSD will be totally made whole from the 8% property tax shift, and will not loose any tax revenue due to the State "borrowing" from local agencies.

(Note: I know of one local agency that views this as an investment opportunity, i.e. a three year with interest loan to the State, and is not participating in the California Communities bond sale. OCSD is not in a position to do this.)

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll call vote: Authorize the Administrative Assistant to enroll OCSD in the program.

Agenda Item 09 23 2009 9.b



# Proposition 1A Securitization Program Webinar

September 10, 2009 – 10:00 AM

September 11, 2009 – 10:00 AM



# Agenda

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# Executive Summary

- The Proposition 1A Securitization Program provides all program participants 100% of its reduced property tax allocations for the 2009-2010 Fiscal Year
- California Communities has structured a "user-friendly" securitization program for impacted local governments
- Once bonds are sold, local agencies have no ongoing obligations with regards to use of proceeds or repayment of the bonds (and therefore no credit exposure to the State)
- If local agencies choose not to participate in the CSCDA securitization, they will receive a rate of interest to be determined by the Department of Finance, and will be paid back by the State in 2013 (or earlier at the State's discretion)
- The purpose of this presentation is to address the mechanics of the offered securitization program, review the timeline and discuss the commitment process

# California Communities - Overview

- California Statewide Communities Development Authority, known as "California Communities," is a joint powers authority
- Sponsored by
  - League of California Cities ("League") and
  - California State Association of Counties ("CSAC")
- Created in 1988 to enable local government and eligible private entities access to low-cost, tax-exempt financing

# California Communities - Overview

- Completed over 1,200 financings totaling more than \$42 billion since 1988
- Consistently ranked in the top 10 of tax-exempt issuers nationwide (of more than 3,000)
- 2005 Vehicle License Fee (“VLF”) Program
  - Similar bond securitization program
  - State borrowed VLF revenues from cities and counties
  - \$455 million in advance repayments to
  - 146 participating cities and counties

# Introduction to the Finance Team

Sponsor - California State Association of Counties ("CSAC")  
*Paul McIntosh, Jean Hurst, Tom Sweet and Laura Labanich*

Sponsor - League of California Cities  
*Chris McKenzie and Dan Harrison*

Sponsor - California Special Districts Association ("CSDA")  
*Neil McCormick and Tom Vu*

Issuer: California Communities  
*James Hamill, Richard Watson and Michael Chin*





# Overview of the Prop. 1A Suspension

- The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package
- The legislature is currently reviewing a clean-up bill, SB67
- Impact to the local agencies:
  - **Reduction in local agency property tax allocations for the 09-10 fiscal year of 8% of prior year taxes collected and allocated**
- The county auditors will be calculating the 8% reduction amounts for purposes of the borrowing
- The state must repay the withholding between June 6-13, 2013 with interest

# Overview of the Prop. 1A Securitization Program

- California Communities is the only issuer authorized to sell bonds to finance the State's obligation to repay the property tax payments
- State's obligation to repay the 8% property tax borrowing is the only security pledge for the repayment of the bonds
- Each participating local agency will sell their state repayment obligation to California Communities
- California Communities will issue tax-exempt bonds and provide each local agency with the cash proceeds in two equal installments, on **January 15, 2010 and May 3, 2010** (to coincide with the dates that the State will be shifting property tax from local agencies)

# Overview of the Prop. 1A Securitization Program

- The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction
- No cost to participating local agencies as all interest and issuance costs will be paid by the state
- Participating local agencies will have no obligation on the bonds and no credit exposure to the State
- Bondholders will be paid principal and interest by the State on the bonds' interest payment dates and at maturity
- The bonds will mature between June 6 and 13, 2013

# Options available to local agencies

## 1) Participate in the Securitization

- Receive half of suspended amount on January 15, 2010
- Receive remaining half on May 3, 2010

## 2) Choose not Participate in the Securitization Program

- Forego property tax revenues (8% of prior year taxes allocated and collected) for 2009-10
- Receive withheld property tax repayment plus interest from the state between June 6 and June 13, per the clean up bill
- Interest rate will be set by the Director of Finance on or before September 28, 2009. The interest rate must be no less than the current Pooled Money Investment Account rate, but no higher than 6%

## 3) Sell Receivable to another Local Agency

- The market for local agencies purchasing other agency receivables may be limited

# Options available to local agencies

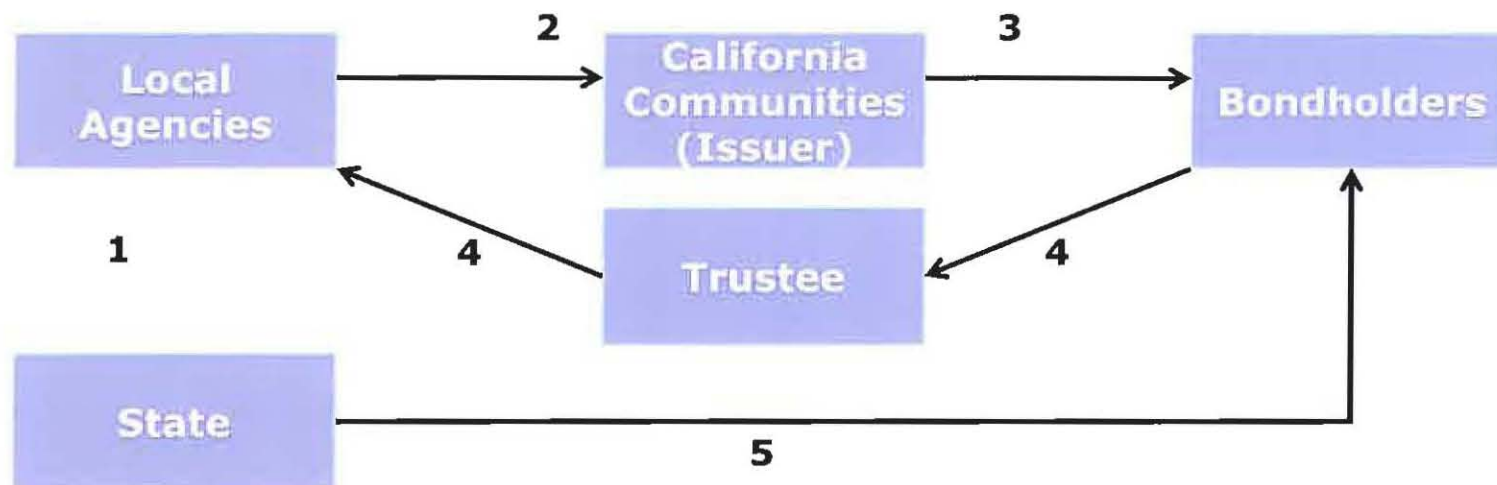
- **Hardship Application**

- For those local agencies experiencing extreme fiscal hardship, upon written request, the Director of Finance may decrease the reduction amount
- Prior to submitting a hardship application, local agencies must first submit a completed application to the California Communities Proposition 1A Securitization Program

# Options available to local agencies

- **Hardship Application (continued)**
  - The Director of Finance may permit a reallocation of the property tax reduction amount only to the extent that the agency did not receive bond proceeds
    - Decreased amounts cannot exceed 10% per county
    - Decreased amounts are reallocated on a pro rata basis to remaining local agencies in respective county
  - Extreme fiscal hardship may include local agencies:
    - in bankruptcy proceedings
    - that would be forced to seek bankruptcy protection
    - that do not have sufficient reserves
    - that would not be able to provide a basic level of core services

# Prop. 1A Securitization Structure Overview



- 1) State suspends local government revenue protections under Proposition 1A resulting in a property tax reduction for FY 2009-10
- 2) Local agencies sell their state repayment obligations to California Communities
- 3) California Communities issues tax-exempt bonds
- 4) Cash proceeds from the transaction flow through the Trustee to the Local Agencies on January 15, 2010 and May 3, 2010
- 5) The State pays Principal and Interest to the Bondholders by June 30, 2013

# Local Agency Documents Overview

- Document Review Process – Participation by League, CSAC and CSDA
- Authorizing Resolution
  - Approves execution and delivery of Purchase and Sale Agreement and related certificates and documents
  - Must be adopted no later than November 6, 2009
  - Need to indicate identity of “Authorized Officers” for purpose of executing documents





# Clean-up Legislation

- Introduced as SB 67/AB 185 (Committee bills)
- Allows financing to occur in November
- Provides for county auditor certification of amount of Prop 1A receivable
- Accommodates tax-exempt structure
- Clarifies that California Communities is the only issuer
- More flexibility on bond structure (interest payments, state payment date and redemption features)
- Provides for sales among local agencies
- Revises hardship mechanism

# Marketing of the Bonds

- The California Proposition 1A bonds will be structured according to the general provisions set forth in the legislation
  - Final structure to be approved by the Department of Finance and the State Treasurer's Office
- The bonds will be secured by the State's constitutionally-mandated obligation to repay the receivable
  - This payment will take priority over all other obligations of the State except support to schools and GO debt service
- Due to this security structure, and the overall strength of the markets in general, we believe that the proposed financing will be well received by investors

# What it means to Enroll

- Agencies who are interested in participating in the securitization and those applying for hardship should enroll in the program
- FAQs, the timeline and sample legal documents are available at [www.cacommunities.org](http://www.cacommunities.org) through the Proposition 1A Securitization Program link
- **Enrollment does not commit the local agency to the program**
- Each local agency is not committed to the program until all executed documentation is returned to the finance team on or prior to **November 6, 2009**

# Enrollment Process

- Program Enrollment will be available after cleanup legislation is enacted
  - Friday September 11, 2009 is the date we expect the Legislature to approve
  - Week of September 14, 2009 is when we expect the Governor to sign it
- E-mail notification will be sent to:
  - CSAC List
  - League of California Cities List
  - CSDA Lists
  - Webinar participants
  - Agencies that have registered to receive additional information about the program

# Enrollment Process

After availability of Enrollment is announced, please follow these steps:

1) Go to the California Communities website:

[www.cacommunities.org](http://www.cacommunities.org)

2) Navigate to the Proposition 1A Securitization Program page

3) Click on "Enroll Now"

– *Note: the Enrollment form is different than the "Request for More Information"*

4) Fill out the Enrollment Form online and click "Submit"

5) Sale Resolution, Purchase and Sale Agreement and sample staff report will be E-mailed or mailed to each local agency contact including legal counsel

# Enrollment Process

## Required Enrollment Form Information

1. Local Agency Name and Primary Address
2. Type of Governing Body (City Council, Board of Supervisors, etc.)
3. Title of Governing Body (Clerk or Secretary)
4. Name and Title of Signatory to Resolution (Mayor, Chairman, President, etc.)
5. Type of Board/Council Meeting (regular or special)
6. Primary Contact Information
7. Legal Counsel Contact Information
8. Name and Title of Authorized Officers (2 required)

# Enrollment Process

## Optional Enrollment Form Information

1. Date of Board/Council approval
2. Additional Contacts (up to 2 may be added)
3. 3<sup>rd</sup> Authorized Officer
4. Wire Instructions for proceeds
  - *Proceeds will be mailed by check, 50% on January 15, 2010 and 50% on May 3, 2010, if wire instructions are not provided*



# Commitment Process

- Board or City Council Approval
  - Sale Resolution
  - Purchase and Sale Agreement
- Submit signed documents to Orrick, Herrington & Sutcliffe **by November 6, 2009**
  - Adopted Sale Resolution with Clerk's Certificate
  - Executed Purchase and Sale Agreement
  - Certificate of Local Agency
  - Opinion of Local Agency Counsel
  - Bill of Sale and Bringdown Certificate
  - Bringdown Opinion of Local Agency Counsel
  - Escrow Instruction Letter
  - Irrevocable Instructions to Controller

# Commitment Process

- Once the signed documents are returned to Orrick, Herrington & Sutcliffe (transaction counsel), the local agency is committed to the securitization
- **November 6, 2009 – Commitment Deadline**
- Participating local agencies will receive cash receivable
  - 50% on **January 15, 2010**
  - 50% on **May 3, 2010**

# Timeline

August							September							October							November						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
						1			1	2	3	4	5					1	2	3	1	2	3	4	5	6	7
2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10	8	9	10	11	12	13	14
9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17	15	16	17	18	19	20	21
16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24	22	23	24	25	26	27	28
23	24	25	26	27	28	29	27	28	29	30	25	26	27	28	29	30	31	29	30								
30	31																										

Date	Event
Thursday, September 10, 2009 Friday, September 11, 2009	Webinars
Week of September 14, 2009	Enrollment Begins (after cleanup bill approved)
Thursday, September 17, 2009	Earliest date Enrolled Agencies will receive documents
Friday, November 6, 2009	Signed Participant documents due to Orrick Final Commitment date for Participating Local Agencies
Tuesday, November 10, 2009	Pricing
Thursday, November 19, 2009	Closing
Friday, January 15, 2010 Monday, May 3, 2010	Local Agencies Receive Funds

## Additional Information

- Go to the California Communities website:  
[www.cacommunities.org](http://www.cacommunities.org)
- Specific questions may be directed to:
  - [prop1A@cacommunities.org](mailto:prop1A@cacommunities.org)
  - 1-800-635-3993 x260

Questions?





# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** Draft 2009-2010 Budget

Attached is a draft of the 2009-2010 budget. The budget has not been reviewed by the Finance Committee, but is being distributed directly to the Board. Written and numeric summaries, as well as the necessary resolutions for adoption are included within the budget. Your draft budget includes a Table of Contents for ease of locating any specific item.

- Numeric summaries for both revenues and expenditures can be found on pages 20 - 24.
- Written summaries are included at the beginning of each fund section.
- Revenues and expenditure detail for each fund are in each fund section.
- The necessary Resolutions (two required) for adoption of the budget can be found on pages 7 -9.
- The Payment and Compensation Plan remains unchanged from last year, and can be found beginning at page 11.

The 2009-2010 draft Budget follows last year's template which has been in use for many years, and is familiar to the Board, staff, and the public. As far as budgets go, the long-standing format is about as easy to use and understand as it gets, especially given the complexity of funds and revenue sources. And it strikes a good balance between detail and readability.

In the narrative discussions, there often seemed to be an excessive amount of historical information. I have removed most, but not all, of this narrative that did not seem to be germane to the draft Budget 2009-2010 revenues and expenditures. I hope this meets with the Board's satisfaction.

I will note that the Major Litigation Fund would seem better deleted, and the single expenditure shown as an expense in the Water Fund. However, if it is desired to easily track this singular expense, separating it out as is done is certainly a way to do that. Unfortunately, it has the effect of enhancing the Water Fund operating balance at the expense of the Water Fund reserves. The Board needs to give direction here as to how

they would like this expense presented. I have only updated the status of the groundwater litigation information.

I also note that as shown, the funds collected on behalf of the South San Luis Obispo County Sanitation District (SSLOCSD) are neither true revenue, nor true expenses of OCSD. The Board may want to consider taking these out of the Sewer Fund Revenue and Expense tabulations, and making a separate footnote instead. Leaving the SSLOCSD funds as is have the effect of giving the appearance of the Sewer Operating fund being about twice the size that it is. The Board needs to give direction as to how they would like this expense presented.

Because of the bulk of the draft Budget, it will be distributed under separate cover.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board Discussion and Public Comment, give staff appropriate direction.

Agenda Item 09 23 2009 9.c.

*T:\Agendas\BdMtgAgendas\2009\09232009\Draft 2009-2010 Budget*



# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6886

September 23, 2009

TO: OCSD Board of Directors

FROM: Kevin D. Walsh, Interim General Manager

**SUBJECT: ADOPTION OF RESOLUTION 2009-12, A RESOLUTION ADOPTING AN INTERIM 2009-2010 FISCAL YEAR**

Staff has completed work on the 2009-2010 Fiscal Year Budget. It is expected that the Board will schedule the budget for discussion and possible adoption at their October 14, 2009 meeting.

The Resolution before you will provide funding for the Salaries and Benefits, Operation and Maintenance of the District for the period September 24, through October 15, 2009 of the 2009-2010 Fiscal Year. (A three-week period of time.)

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll call vote, adopt OCSD Resolution 2009-12, A RESOLUTION ADOPTING AN INTERIM BUDGET FOR THE 2009-2010 FISCAL YEAR, approving an aggregate expenditure of \$134,600 for the period September 24, through October 15, 2009 of the 2009-2010 Fiscal Year.

Agenda Item 09 23 2009 9.d.

*T:\Agendas\BdMtgAgendas\2009\09232009\Interim Funding Resolution*



OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2009 – 12

A RESOLUTION ADOPTING AN INTERIM BUDGET FOR THE  
2009-2010 FISCAL YEAR

WHEREAS, the Board of Directors have reviewed a draft budget but have not yet adopted a final budget for the 2009-2010 fiscal year; and,

WHEREAS, the Board of Directors desires to appropriate on an interim basis for salaries, wages, benefits, operations, and maintenance.

NOW, THEREFORE, BE IT RESOLVED BY THE Board of Directors for the Oceano Community Services District that the following aggregate expenditures and interim fiscal year budget limit be set by this Resolution for all funds expended during the period September 10 through September 24, 2009.

<u>CATEGORY</u>	<u>AMOUNT</u>
Salaries and Benefits	\$ 60,500.
Operations and Maintenance	<u>74,100.</u>
TOTAL BUDGET	<u>\$ 134,600.</u>

Upon the motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing resolution is hereby passed and adopted this 23rd day of September, 2009.

\_\_\_\_\_  
Barbara J. Mann, President

ATTEST:

\_\_\_\_\_  
Gina A. Davis, Deputy Bd. Secretary



# Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

September 23, 2009

TO: OCSD Board of Directors

FROM: Kevin D. Walsh, Interim General Manager

SUBJECT: **Revised Audit Memo**

At the August 31 Finance Committee meeting, the committee directed that the General Manager review the District Response to each and everyone of the Findings and Recommendations in the April 27, 2009 Moss, Levy & Hartzheim "Communication of Significant Deficiencies That Indicates No Material Weakness in Internal Control". The Committee was interested in a review of the responses that considered their accuracy and appropriateness, as well as a more detailed response to each finding and recommendation, and an investigation into whether or not action was being taken as indicated in the response, especially with regard to those responses that indicated a correction or change was being made.

In addition, the Finance Committee directed that the General Manager prepare a draft policy for Board review to comply with the auditor's findings and recommendations.

The attached draft Revised Response re-iterates each and every Auditor finding, recommendation, and District response as given in the original April 27, 2009 letter. Added to each and every finding is a "Follow up", (*in italics and bold*), that updates, adds additional pertinent detail, and where necessary corrects, the original District response.

Once the Board reviews and discusses the attached draft Revised Response, staff will be in a better position know how to prepare policies for the Board to review and consider for possible action that addresses the Auditor's findings and recommendations.

Recall that the Findings and Recommendations in the April 27, 2009 Moss, Levy & Hartzheim "Communication of Significant Deficiencies That Indicates No Material Weakness in Internal Control" are with regard to events that happened from July 1, 2006 to June 30, 2007. When the District replies that an issues is resolved, that would be with regard to the time frame from April 27, 2009 going forward. Therefore, while any given issue may be resolved as of today, the same finding and recommendation may yet appear in the fiscal year 2007-2008 audit, and the 2008-2009 audit.

In addition to District staff, input to this report was received from Ryan Cornel from Moss, Levy & Hartzheim; Harold Wright, who is assisting in our audit and budget effort; and Sharon Naccarati, who programs our AS 400.

I will note that it was no small effort to go back three years in time to understand what was done by staff that is no longer here. Most of the items seemed to me to be under the direct control of the general manager. Therefore, I have submitted the attached report in draft form. If the Board would like me to edit, clarify, add information, or do more research/investigation, I am more than willing to do that.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll call vote: Give appropriate direction to staff.

Agenda Item 09 23 2009 9.e.

*T:\Agendas\BdMtgAgendas\2009\09232009\Revised Audit Memo & Board Policies*

“Communication of Significant Deficiencies That Indicates No  
Material Weakness in Internal Control”

Relating to Fiscal Year 2006-2007

**DRAFT**

- 1 -

**Finding:** During the testing of the bank reconciliation, it was noted that the District had a number of outstanding checks that were outstanding for more than six months.

**Recommendation:** The District should have procedures in place to track checks outstanding longer than six months to ensure proper recording of cash and expenditures in the appropriate reporting period.

**District's Response:** The District will make the appropriate steps to ensure this control is in place.

**9/09 Follow-up:** *This situation as described for 2006-2007 does not appear to be the situation for 2007-2008 based on the work the auditors have done to date. It is not expected to be an issue for 2008-2009, although no research or audit was started or conducted yet for that fiscal year. The situation as described is not the current situation.*

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- 2 -

**Finding:** During the testing of payroll-related expenditures, it was noted that the District does not use personnel action forms to verify changes in pay rates, stipends, job descriptions, etc. In addition, it was also discovered that an employee's contract extension did not include their updated salary rate.

**Recommendation:** The District should improve internal controls in the payroll area to ensure that any changes to an employee's pay rate, stipend, job description, account/department code or allocation is appropriate. The District should also include all pertinent information to any contract made with an employee whether or not it is a new contract extension.

**District's Response:** The District will be more consistent in using existing employment forms.

**9/09 Follow-up:** *This is a two-part finding and recommendation and should have a two part response.*

*With regard to the personnel action forms, the situation as described for 2006-2007 continued through 2007-2008, and most likely through 2008-2009 until April 27, 2009 when the recommendation was fully implemented. After that date, the situation was corrected.*

*This will also be an issue for the 2007-2008 and 2008-2009 audits.*

*With regard to the contract extension and updated salary rate, it appears that this was a single year issue. However the Board of Directors should note the comment for future reference since this finding is specific to their contract with the then general manager.*

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- 3 -

**Finding:** Of the twenty-five payroll transactions tested, five of them did not have a supervisor's signature on the employee's timecard.

**Recommendation:** It is the District policy to have all time cards approved and signed by both the employee and the supervisor. This is an important control to ensure that a misappropriation of assets does not go undetected.

**District's Response:** The District will continue to improve its internal controls which include supervisors reviewing and signing each employee's timecard.

**9/09 Follow-up:** *The time cards in question were for the Utility Operations Supervisor, the Administrative Assistant, and the General Manager. It would have been the General Manager's responsibility to sign time cards for the Utility Operations Supervisor and the Administrative Assistant. With regard to the General Manager time card, the Administrative Assistant has reviewed and initialed these since April 27, 2009, when the comment was made.*

*This situation as described for 2006-2007 continued through 2007-2008, and most likely through 2008-2009 until April 27, 2009 when the recommendation was fully implemented, and will be an issue in the 2007-2008 and 2008-2009 audits.*

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- 4 -

**Finding:** The District does not reconcile deposits held with CCWA in the District's financial statements.

**Recommendation:** The District should be knowledgeable in all areas of the District's business, including activity occurring with CCWA. This includes, but is not limited to, reconciling the deposits held with CCWA to ensure that financial statements reflect the correct expenditures and assets with CCWA.

**District's Response:** According to a previous General Manager, State water is now brought through the County of San Luis Obispo and not CCWA. This is no longer an issue for the District.

*9/09 Follow-up: This is a finding and recommendation with an overall general statement and a specific example. The question should be answered with an overall general statement and a specific response to the specific example.*

*With regard to the general comment that the District should be knowledgeable in all areas of the District's business, including activity occurring with CCWA, staff agrees. Current staff is knowledgeable about CCWA. Based on perceived instructions to staff, it would appear that it could have been possible that at least one prior general manager did not have a complete understanding the District's relationship with CCWA when the billing from CCWA was switched from each individual purveyor in San Luis Obispo County (as it is done in Santa Barbara County) to a single billing to the County of San Luis Obispo, with the County of SLO then billing the individual purveyor.*

*With regard to reconciling statements, this situation as described for 2006-2007 has been resolved for 2007-2008, and should be resolved going forward. The previous manager's statement that "State water is now brought through the County of San Luis Obispo and not CCWA so this is no longer an issue for the District", was incorrect. OCSD does have funds on deposit at CCWA. These deposits are being reconciled to ensure that financial statements reflect the correct expenditures and assets with CCWA.*

*{It is the recommendation of the current interim general manager that future general managers of the District, and perhaps other District staff, attend at least one CCWA meeting a year when the budget presentation is made, and then report that meeting to the Board.}*

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- Finding:** During the examination of internal controls, it was noted that the Administrative Assistant is an authorized check signer on the general checking account.
- Recommendation:** To improve the District's segregation of duties, the District should either not allow the Administrative Assistant to be an approver for accounts payable or payroll related expenditures or not allow the Administrative Assistant to be a check signer. This additional segregation will allow the District to ensure a misappropriation of assets does not go undetected.
- District's Response:** Segregation of duties is difficult for a small District. The Board has had a policy whereby they avoid two directors from signing checks. The District will consider having the office manager approve accounts payable.
- 9/09 Follow-up:** *In smaller Districts, segregation of duties becomes problematic due to a small staff. In at least one prior audit where this was noted, the auditor also stated that "In many instances, like with the Oceano Community Services District, further segregation of accounting functions in a small office are (sic) not possible or cost effective."*
- This year the auditor has made a specific recommendation, and on 1 September 2009 the recommendation was fully implemented. As of that date the Administrative Assistant no longer signed any checks. (Staff would have preferred the situation be addressed by "having the office manager approve accounts payable" as noted in the original recommendation, but the incumbent in that position issued a notice of intent to resign, and some Board members have balked at refilling the position.)*
- This situation as described for 2006-2007 at least partially continued from time to time through 2007-2008 and 2008-2009, and will be an issue in those audit years.*
- {It is noted that the situation as described by the auditor was set up for two reasons: One case would be where the general manager was out (sick, vacation, etc), and payroll had to be issued. The second case was a protection for staff where directors could not come in and request a warrant without the general manager's knowledge.}*
-

**Finding:** During the testing of cash receipts and customer payments, it was noted that the District does not reconcile credits to customer accounts with deposits posted to the general checking account.

**Recommendation:** The District should, on a daily basis, reconcile the amount credited to customer accounts to the amount that is deposited into the bank accounts. This is an important control to verify the accuracy of each deposit. This will also ensure that a misappropriation of assets does not go undetected.

**District's Response:** The District will make the appropriate steps to ensure this control is in place.

**9/09 Follow-up:** *This situation as described for 2006-2007 was a result of a former general manager's direct and explicit directions to one of the clerks. When it came to the attention of the programmer and Administrative Assistant, the situation was corrected. This does not appear to be the situation for 2007-08 or any other year based on the work the auditors have done to date.*

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**Finding:** The District was required to make excessive journal entries to the general ledger at the end of the fiscal year to correct ending balances. In addition, journal entries did not have a sequential numbering system when posted. Journal entries examined during the audit also did not have support located in one area, and at times it was difficult to locate the purpose or rationale of the journal entries. Lastly, one journal entry examined and approved by general manager was made to the general checking account to add \$1,783 back to the general ledger balance.

**Recommendation:** The District should, throughout the course of the year, post necessary journal entries so that the District's financial information and statements are accurately stated throughout the year. To better improve internal controls in the adjusting journal entry system, the District should implement a sequential numbering system to ensure all journal entries are accounted for. Supporting documentation for every journal entry adjustment should be retained in one location or documented as to where the location of the support for the entry is. This will ensure appropriateness for each entry posted by the District. Journal entries posted to cash accounts should be approved or acknowledged by the Board of Directors. This in particular, is a high risk of fraudulent activity



and the Board should be made aware of possible misappropriation of assets if these entries are consistently being made.

**District's Response:** The District believes that this is a single year issue and that the finding noted is not in current practice.

**9/09 Follow-up:** *This is a four-part finding and recommendation, and should have a four part response.*

*With regard to excessive journal entries, this situation as described for 2006-2007 existed in at least one prior year (2005-2006), when it was mentioned in the management letter submitted with that year's audit. The situation continues up until this date. This item should and could have been corrected earlier, given the right staff resources. At this point in time, it can be best and most efficiently resolved after the completion of the 2007-2008 audit. At that time someone dedicated to that task will need to catch up on the journal entries for 2008-2009 and from July 1, 2009 to the then current date. Going forward, these journal entries will need to be made at least quarterly.*

*This will be an issue for the 2007-08 audit, and possibly the 2008-2009 audit.*

*With regard to a sequential numbering system, staff believes that such a system is in place, although it is sequential by month. Perhaps the comment relates to being sequential by year. Since we are still engaged with the auditor on 2007-2008 audit, we will meet with the auditor to discuss further and reach an understanding.*

*If indeed there needs to be a sequential numbering system different than the one in use now, staff recommends that this be done at the time a new financial system is implemented, and not expend any more effort on improving the existing system, since the Board desires that the existing system be replaced at the earliest convenience.*

*There fore the lack of sequential numbering may be an issue for the 2007-2008, 2008-2009, and 2009-2010 audits.*

*With regard to supporting documentation being kept in one place, staff believes that it is. In the early part of the audit, the general manager was helping the auditors, not the Administrative Assistant. For FY 2008-2009 there is a separate binder for all journal entries and back-up, which staff believes is redundant. Since we are still engaged with the*

*auditor on 2007-2008 audit, we will meet with the auditor to discuss further and reach an understanding on this comment.*

*With regard to the Journal entries posted to cash accounts by the general manager, the District's Response that was made is appropriate and applies: "The District believes that this is a single year issue and that the finding noted is not in current practice." It is noted that this had never been done before by a general manager, it is against procedure, and that the general manager did this against the advice of the Administrative Assistant.*

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- 8 -

**Finding:** During the examination of credit card transactions, the District had a luncheon for \$159 with no additional supporting documentation as to why the District management had the luncheon or who the parties were, nor was an itemized receipt attached.

**Recommendation:** For all credit card purchases, the District should have detailed supporting documentation as an explanation and rationale for the expenditure. All credit card purchases should have receipts, itemized if necessary, to ensure appropriateness of expenditure. All credit card purchases should be reviewed and approved by the General Manager.

**District's Response:** Occasionally for credit card transactions, the General Manager, or even director, may not have a lunch receipt. Staff always asks before entering the appropriate description of charge.

**9/09 Follow-up:** *This is a two-part finding and recommendation and should have a two-part response.*

*With regard to lack of documentation, the District's Response applies, "Occasionally for credit card transactions, the General Manager, or even director, may not have a lunch receipt. Staff always asks before entering the appropriate description of charge." However, in further discussions with the auditor on this issue, the District has been made aware that in the case of the occasional lack of receipt, that at least a written record of some sort should be made. Further, the auditor has noted that it should be clear on all receipts just what the justification for the expenditure was, and for some purchases, such as materials, a PO or other similar form be completed. Staff has now been instructed to include the proper documentation on all credit card submittals.*

*With regard to the general manager approval on all credit card receipts, this was fully implemented on April 27, 2009.*

*This situation as described for 2006-2007 continued through 2007-2008, and most likely through 2008-2009 until April 27, 2009 when the recommendation was fully implemented. Therefore this will be an issue for the 2007-08 audit, and possibly the 2008-2009 audit. They occasional loss a receipt will likely always be an issue.*

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# Oceano Community Services District

1655 Front Street, P.O. Box 509, Oceano, CA 93475

(805) 481-6730

FAX (805) 481-6836

September 23, 2009

**TO:** OCSD Board of Directors  
**FROM:** Kevin D. Walsh, Interim General Manager  
**SUBJECT:** Mainframe Computer

There has been an interest on the Board to replace the District's IBM AS400 mainframe computer. Last year's budget contained a \$20,000 item for software to replace the utility billing system and financial package the now run on the AS400. (I note that this was a budget for software only, not for the hardware – not computers/servers, not keyboards, not screens, not printers. Any new systems will require all of these; I don't believe that any utility billing system can be placed on any existing machines. Further, even if the financial package can be placed on the existing server, I have serious questions as to the reliability of such an arrangement. None of the existing IBM green screens, keyboards, or printer will work.)

This report is not a discussion of the pros and cons of the AS400 versus other operating systems and other software vendors. Nor is it an analysis of what the AS400 can or cannot do compared to other systems. I was asked to get a rough idea on what it might cost to convert our utility billing and financial systems. That I have done and will summarize that work. Along the way, however, I have heard several comments regarding such a conversion. I would be remiss if I did not state for the Board the issues that are involved in both utility billing and financial system conversions.

I contacted three vendors to get an idea of what costs might be for a utility billing system and financial package software. They were MOMSoftware (Corbin Willits Systems), INCODE (Tyler Technologies), and Black Mountain Software. MOMs and Black Mountain sent quotes. INCODE wanted to do a demonstration in our area first, and then produce a quote. Apparently the former general manager did quite a bit of research on CORE, which is a utility billing system only, not financial. His approach was to use QuickBooks for the financial package, but that is not an application designed for fund accounting, and I do not know of anyone in the utility business using it that way. I have heard of it being "forced" to fund accounting, but the report was that it was quite limited in what it could do, and it was not very satisfactory.

You should understand that the quotes are not strictly apples to apples comparisons. This was fast work, just to get a budget number. My conversations were verbal and I did

not prepare anything in writing. One should not assume the lower quote is the best price. There are many considerations as to what is included in the price: training, technical support, license fees, assistance with the conversion, optional packages like service orders or Payroll, need for third parties, what systems will the software work best with, etc. Two quotes are attached, and info from INCODE only, as they elected to not submit a quote at this time.

All systems need further evaluation, especially talking to those that actually use the system, including an understanding of how it is used and by whom. As a case in point, with regard to MOMs software, one SLO County community service district (CSD) told me they have it and love it. At two other SLO County CSDs the general managers said they thought MOMs was too limited for fund accounting. With regard to INCODE, one SLO CSD has just converted to this system. (Cost about \$70,000 – includes everything, software, servers, printers, etc.) They are happy so far, but mentioned that the training was somewhat of a rough go. This all goes to the issue that the new manager should be working with the Board and staff to select the correct application. In my experience, the people that use these applications tend to be very particular, and what floats the boat in one organization, sinks it in the other.

The conversion here at Oceano is not going to be that easy. Some software vendors will have a harder time than others migrating data from the AS400. The conversion of both the Financial and the Utility Billing system will be an extra-ordinary task, requiring an extra-ordinary amount of time, and I mean lots of time. If the Financial system is converted when more than one year of finance data is still on the AS400, data which is still needed for an audit, the amount of effort for conversion will be just about doubled. The Utility Billing system needs to be run in parallel for at least two months. That means even with perfect timing, our two month billing cycle will require a four month test period. I am not sure if both the Utility Billing and Financial systems can be served reliably by one SQL server. The AS400 is sort of the Sherman tank of computers. SQL servers have not proven as reliable, and tend to crash and burn up more often, yet they are generally considered the best thing going short of a mainframe. That is why the upgrade/replacement to the AS400 (IBM i series- yes small i) is so successful (OCSD is not a candidate for that machine by the way.) All that to say some sort of back up or off-site storage of the data, especially our main data-base is also needed.

I would suggest that:

- The District not try to convert everything at once.
- Convert the Financial system first, and then the utility billing system is probably the best approach.
- Careful research should also be made regarding the correct SQL Server, a File server like the District has now will not work.
- Those who are actually going to use the system on a daily basis should be involved in the decision making, otherwise you risk purchasing and implementing a system that your personnel find burdensome.

- Be prepared for glitches, glitches, and more glitches.
- Any further work or even discussion should be deferred until after the arrival of a new general manager – preferably at least 6 months so that person can gain a complete understanding of the Districts needs, both today and into the future.

My desire is that you should be prepared for just what a conversion entails. Many have gone through it. Not many (if any) in the water/sewer industry will disagree with what I have said here.

**THE RECOMMENDED ACTION BEFORE YOUR BOARD is to:** by Board discussion, public comment, motion, second, and roll call vote: Give appropriate direction to staff.

Agenda Item 09 23 2009 9.f.

*T:\Agendas\BdMtgAgendas\2009\09232009\Mainframe Computer*





Corbin Willits Systems, Inc.

m o m s o f t w a r e . c o m

3755 Washington Blvd. • Fremont, California 94538 • Phone 510-979-5600 • Fax 510-979-5613 • Email more\_info@momssoftware.com

September 9, 2009

Oceano CSD  
Kevin Walsh  
1655 Front Street  
Oceano, Ca. 93475

MOM Software	List	Net
System Utilities	3,350	
Cash Management	1,455	
General Ledger	4,310	
Accounts Payable	4,350	
Utility Billing	6,760	
	20,225	7,000
License (PVx)		
1 <sup>st</sup> User		750
3 users @\$400/ea		1,200
Conversion Utility Billing**		5,000
Training (\$1,040/day plus travel, etc.)		
System Utilities .5 day	520	
Cash Management .5 day	520	
General Ledger 1 day	1,040	
Accounts Payable 1 day	1,040	
Utility Billing 3 day	3,120	6,240
Sales Tax (9.75% our district)		875
Total		21,065
Enhancement, Service & Support		
\$444/month x 12 months		5,328
<b>GRAND TOTAL 1<sup>ST</sup> YEAR</b>		<b><u>26,393</u></b>

\*\*Client must supply data to be converted with file layout structure per CWS requirements.

These fees do not include the modules of Payroll, Human Resources, Purchase Order, Fixed Assets, Inventory or costs for forms and check modifications outside our standards. I will forward references tomorrow.

Cheers!



**Quote**

09/14/2009

**Oceano Community Services District**

Kevin Walsh

1655 Front Street

Oceano, CA 93475

kevin@oceanocsd.org



Heather Neff

800-353-8829

<i>Product Description</i>	<i>Purchase Price</i>	<i>Annual Fees</i>	<i>One-Time Conversion</i>	<i>Total</i>
<i>Cash Receipting</i>	4,390.00	880.00		5,270.00
<i>CR - Bar Code Scanner</i>	405.00	0.00		405.00
<i>CR - Cash Drawer</i>	175.00	0.00		175.00
<i>CR - Receipt Printer</i>	720.00	0.00		720.00
<i>Utility Billing</i> * UB Conversion is an estimate, usually \$2,000-\$4,000. Actual is billed. See #9 below	6,955.00	1,600.00	3,000.00	11,555.00
<i>UB - Account Barcode</i>	300.00	0.00		300.00
<i>UB - ACH</i>	750.00	175.00		925.00
<i>UB - AMR Interface</i>	1,000.00	150.00		1,150.00
<i>Service Orders</i>	3,250.00	650.00		3,900.00
<i>Accounting</i>	6,750.00	1,350.00	1,015.00	9,115.00
<i>Budget Preparation</i>	2,700.00	540.00		3,240.00
<i>Payroll</i>	4,725.00	945.00	710.00	6,380.00
<i>ACH Direct Deposit</i>	495.00	50.00		545.00
Subtotals:	<b>\$ 32,615.00</b>	<b>\$ 6,340.00</b>	<b>\$ 4,725.00</b>	
Grand Total:				<b>\$ 43,680.00</b>

**Terms**

1) Black Mountain makes every effort to ensure the content contained within this quote is complete and accurate. Black Mountain reserves the right to correct any error or omission related to price, product description or availability. To completely understand this quote, you must consider, in addition to product and prices, the terms and conditions that follow either on this or separate pages.

2) Prices quoted herein do not reflect sale or use taxes imposed by any state or local government, or any unit or subdivision thereof, which taxes are the responsibility of the buyer. Buyer agrees to be responsible for the documentation relating to the payment of such taxes to the maximum extent legally permitted. Black Mountain Software will be responsible for the collection of such taxes and/or the documentation related thereto, only to the extent required by law.

- 3) Installation and training come with the purchase of each software product. Free on-line training is always available thereafter for existing and new staff members as part of the Annual Service and Support. Advanced scheduling is required. Hourly rates and travel expenses apply to any other type of training.
- 4) All costs are based on prices in effect for 60 days from the date of this bid.
- 5) Annual service and support includes software updates and support via toll free telephone numbers. The price shown is for the first year, is billed annually, and is subject to change in subsequent years.
- 6) If travel is required, actual expenses if flying are billed as follows: charges include airfare, travel time at \$27 per hour per person, meals at \$39 per day, lodging at local rates, and rental car. Actual expenses for travel if driving are billed as follows: charges include mileage at 55 cents per mile, travel time at 45 cents per mile per person, meals at \$39 per day, lodging at local rates.
- 7) All of our software products are multi-user, with an unlimited number of licenses (seats). In addition, 'Read Only' access is available to limit data changes for specified users, while still providing lookup and printing capabilities.
- 8) Our Utility Billing software product requires the use of laser type billing forms, either postcards or full-page bills. Q Business Source of Billings, MT is already set up to produce billing forms in the proper format. The cost of laser billing cards is \$375 for 15,000 or \$240 for 3,000, plus shipping. Quotes are available for orders of other than 15,000 laser billing cards, or for full-page stock that is perforated. By using their service for the initial order, there is no additional labor charge for initial setup. After your first order, you may stay with QBS, or you may pick any other printing company you would like.
- 9) There are three Utility Billing Data entry/conversion options: (1) manually enter your own data, (2) have our staff manually enter your data, or (3) digitally convert your data. There are costs associated with option 2 or 3 that cannot be fully determined without further discussion and analysis of data.  
  
A 'standard' utility billing conversion consists of basic customer account info, account balances, prior month's meter readings, and text file comments that can be linked to customer accounts. Availability of data to be converted in usable formats from the current system impact the final data converted and costs associated with conversion.
- 10) With Automated Bank Drafting (ACH), there are setup and transaction fees charged by the banking institution that performs this processing. This is normally your local bank.
- 11) Data entry/conversion costs for Accounting do not include chart conversion. If chart conversion is needed it is available for \$500.

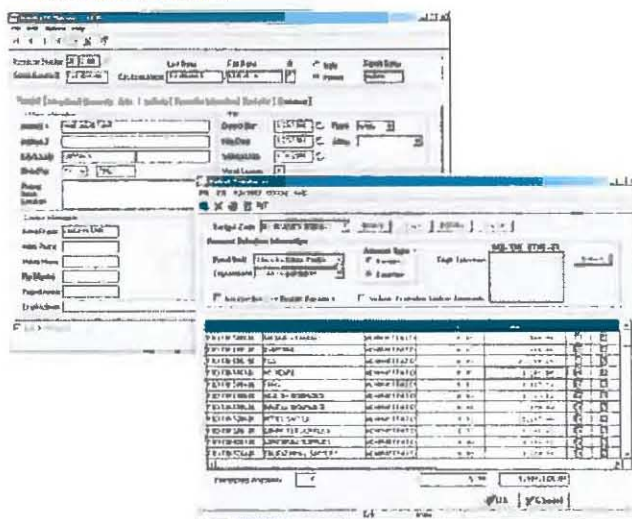
We asked our customers to summarize what about INCODE and Tyler Technologies was most important to them. We heard over and over "the products are great", and "the service is outstanding".

INCODE is Tyler Technologies' software sector designed to assist government entities in automating their operations. INCODE is proud to have provided software and services for local governments for more than 20 years. Today, INCODE has over 1,100 installations in municipalities, counties, utility districts and authorities across the United States.

★ INCODE Regional Offices



Human Resources Screen



Budget Preparation Screen

## The Technology You Want

We never take a passive approach to our software: this is why we continue to serve the first customer we ever sold. The entire INCODE suite of applications has evolved over time from menu driven character based systems to Windows compliant graphical user systems. We offer solutions built around Microsoft technology providing crucial integration with daily productivity applications like MS Outlook, MS Word and MS Excel. Offering a variety database options, Internet enablement and data warehousing options, INCODE continues to meet our customers technical expectations.

INCODE is a premier vendor of more than 35 integrated applications specifically designed to enable local governments to be more efficient, more accessible, and more responsive to the needs of citizens.

### FINANCIALS

general ledger  
project accounting  
budget preparation  
accounts payable  
purchase orders  
check reconciliation  
gasb reporter  
inventory control  
fixed assets  
human resources  
payroll/personnel  
electronic time sheet  
secure signatures  
forms overlay

### CUSTOMER RELATIONSHIP MANAGEMENT

contact and property  
centralized cash collections  
utility billing  
utility service orders  
accounts receivable  
business license  
permits & inspections  
sales tax  
cemetery records  
complaint tracking  
code enforcement  
voter registration  
property assessment  
property tax management

### MUNICIPAL COURT

records management  
computer aided dispatch  
jail management  
handheld citation

### ONLINE SERVICES

web design and hosting  
utility billing online  
accounts receivable online  
business licenses online  
permits & inspections online  
municipal court online

Tyler Technologies - INCODE Division, California Users

tyler

Entity Name	Contact	Title	Phone	City	ST	Pop.	Install	Systems	Previous
City of Albany	Charlie Adams	Finance Director	510-528-5730	Albany	CA	20,000	Installing	Financials	MOM
City of Aliso Viejo	Gina Tharani	Dir of Finance\Treas.	949-425-2520	Aliso Viejo	CA	44,500	Dec-02	Financials	New City
City of Antioch	Jim Lopez	Utility Director	925-779-7000	Antioch	CA	101,000	Apr-03	Utility	CAMEO
City of Beaumont	Brian Modrak	Utility Billing IT	951-769-8520	Beaumont	CA	16,000	Jun-04	Utility	FundBalance
City of Brentwood	Denise Davies	Finance Operations	925-516-5119	Brentwood	CA	34,500	Feb-05	Utility	Invensys
City of Duarte	Marcella Marlowe	HR Director	626-357-7931	Duarte	CA	21,105	Installing	Financials	Pentamation
City of Escalon	Tammy Alcantor	Assistant Finance Dir	209-838-4123	Escalon	CA	7,000	Installing	Financials, Utility, Building	MOM
City of Eureka	Sanna Wood	Finance Manager	707-441-4117	Eureka	CA	27,100	Nov-03	Financials, Utility	Therefore
City of Fountain Valley	Lee Pratt	I.S. Mgr.	714-593-4400	Fountain Valley	CA	57,275	Oct-03	Financials, Utility, Building	HP3000
City of Goleta	Tina Rivera	Finance Director	805-961-7500	Goleta	CA	35,000	Jul-02	Financials	New City
City of Hollister	Cindy Sanders	IT Analyst	831-636-4301	Hollister	CA	38,500	Mar-03	Financials, Utility	ACS
City of La Puente	Sophia Leung	Senior Accountant	626-855-1500	La Puente	CA	43,650	May-03	Financials	LEFAUI Systems
City of Live Oak	Satwant Takhar	Finance Director	530-695-2112	Live Oak	CA	8,484	Feb-06	Financials, Utility, Building	MiraSoft / ForFund
City of Lomita	Patsy Chavez	Admin Services Dir	310-325-7110	Lomita	CA	21,153	Nov-07	Financials, Utility	FundBalance
City of Los Alamitos	Nita McKay	Finance Director	562-431-3538	Los Alamitos	CA	11,536	Installing	Financials	ACS
City of Morgan Hill	Chu Thai	Budget Analyst	408-779-7238	Morgan Hill	CA	35,900	Jan-03	Utility	Invensys
City of Porterville	Maria Bemis	Acting CFO	559-782-7431	Porterville	CA	42,950	Jan-02	Financials, Utility	Eden
City of Rialto	June Overholt	CFO	909-820-2525	Rialto	CA	97,600	Aug-05	Utility	Harris
City of Santa Paula	Sandy Easley	Assistant Finance Dir	805-933-4206	Santa Paula	CA	29,281	Feb-07	Financials, Utility	ACS
City of Seaside	Daphne Hodgson	Finance Director	831-899-6718	Seaside	CA	34,450	May-01	Financials, Utility, Building	Eden
City of Soledad	Rudy Hernandez	Finance Director	831-223-5074	Soledad	CA	28,075	Mar-08	Financials, Utility	MiraSoft / ForFund
City of Shasta Lake	Carol Martin	Finance Director	530-275-7400	Shasta Lake	CA	11,030	Dec-05	Utility	Eden
Carpinteria Valley Water Dist.	Norma Rosales	Business Manager	805-684-2816	Carpinteria	CA	14,340	Sep-08	Financials, Utility	DataStream
Casitas Municipal Water Dist.	Denise Collin	Finance Director	805-649-2251	Oak View	CA	15,000	Oct-08	Financials, Utility	DataStream
Coastside Fire Protection Dist.	Hector Lwin	Controllor	650-726-5213	Half Moon Bay	CA	30,000	Oct-08	Financials	QuckBooks
Golden Hills CSD	Margo Warner	Accounting Manager	661-822-3064	Tehachapi	CA	7,800	Jun-06	Financials, Utility, Building	Core
Fresno Irrigation District	DeAnn Hailey	Controllor	559-233-7161	Fresno	CA	58,000	May-09	Financials, Utility	Timberline
Heber PUD	Graciela Lopez	Finance Manager	760-482-2440	Heber	CA	4,000	Sep-07	Financials, Utility	ACS
Hidden Lake CSD	Tami Ipsen	Admin. Assistant	707-987-9201	Hidden Valley Lake	CA	7,000	Dec-05	Financials, Utility	Harris
Heritage Ranch CSD	John D'Ornellas	GM	805-227-6230	Paso Robles	CA	5,500	Aug-06	Financials, Utility	DataWest
Joshua Basin Water District	Susan Greer	Controllor	760-366-8438	Joshua Tree	CA	16,000	Nov-08	Financials, Utility	DataStream
Lake Arrowhead CSD	Debbie Aubin	General Manager	909-337-8555	Lake Arrowhead	CA	25,000	Jul-03	Financials, Utility	Harris
Mojave Water Agency	Kathy Cortner	Finance Director	760-946-7000	Apple Valley	CA	200,000	Installing	Financials, Utility	MAS 90
Montecito Water District	Toni Bailey	Business Manager	805-969-2271	Montecito	CA	10,000	Jun-09	Financials, Utility	DataStream
North Coast County Water Dist.	Cari Lemke	Assistant District Mgr	650-355-3462	Pacifica	CA	75,000	Installing	Financials, Utility	MOM
Salinas Valley Solid Waste	Roberto Moreno	Finance Manager	831-755-1308	Salinas	CA	235,000	May-07	Financials	ACS
Twain Harte CSD	Yvonne Hilton	Controllor	209-586-3172	Twain Harte	CA	3,000	May-08	Financials, Utility	MOM
Valley County Water District	Brian Dickinson	Finance Director	626-338-7301	Baldwin Park	CA	75,000	Installing	Financials, Utility	PIC
West Valley Sanitation District	Joanna Fuller	Director of Admin	408-378-2407	Campbell	CA	112,000	Installing	Financials	In house
Yucaipa Valley Water Dist.	Pat Aspan	Admin. Supervisor	909-797-5119	Yucaipa	CA	54,000	Dec-05	Financials, Utility	Liant