



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
Oceano
6:30 P.M.

Wednesday

October 28, 2009

BOARD MEMBERS

Barbara J. Mann, President

Vern Dahl, Director

Mary K. Lucey, Director

Jim Hill, Vice President

Pamela Dean, Director

SECRETARY TO THE BOARD

Raffaele F. Montemurro

General Manager

DEPUTY SECRETARY TO THE BOARD

Gina A. Davis

Administrative Assistant

FIRE CHIEF

Chief Mike Hubert

UTILITY OPERATIONS SUPERVISOR

Philip T. Davis

ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION

1. Roll Call
2. Flag Salute
3. Public Comment *
Any member of the public may address the Board on any item of interest within the jurisdiction of the Board. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda.
4. Board Member Items/Discussion *
5. Review and Approval of Minutes
 - a. September 23, 2009
 - b. September 30, 2009 (Special)
 - c. October 14, 2009
6. Reports*
 - a. September, 2009 Report for the Administration Department
 - b. September, 2009 Report for the Utility Departments

7. Fire Items
 - a. None.

8. Utility Items
 - a. Cleaning and Inspection of District Sewer and Water Lines
Continual Disclosure of the Emergency Declared by the Board of Directors Concerning the Cleaning and Inspection of the District Sewer and Water Mains.

 - b. Presentation by Courtney Howard, PE, Water Resources Engineer, SLO County Public Works Department *
Discussion regarding drought buffer and other current water issues

 - c. Sewer Rehabilitation Project *
Review Construction Progress – Wallace Group

 - d. Water Supply Update *
Discussion on Lake Lopez, State Water and Groundwater Costs and Supplies – Wallace Group

 - e. Water and Sewer Rate Study *
Status Update and Give Direction to Staff – Wallace Group

 - f. Review of Current Tracts and Developments Projects and Staff Recommendations
 - (1) WEISS: Add 13' wall to make bedroom on Laguna (W/S and F/S letters)
 - (2) MORNINGSTAR: SFR on Beach Street (W/S and F/S letters)
 - (3) PETYKO: Mixed Use on Railroad Ave (W/S and Fee letters)

 - g. First Reading Update Ordinance Fees for New Water Meters and Sewer Connections *
Presentation by Vice President Hill and Director Lucey, and first reading of proposed OCSD Ordinance # 2009-01 regarding water meter and sewer connection fees.

9. Administrative Items
 - a. Status Report on 2007-2008 Audit
Report from General Manager and Board Liaison

 - b. Resolution Re: Loan Securitization
Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Proposition 1A Receivable from the State; and Directing and Authorizing Certain Other Actions in Connection Therewith

 - c. Old Business – No Status Change/No Report *
 - (1) Drainage Issues
 - (2) Review of Codification Sections
 - (3) 2009-10 District Goals

9. Administrative Items (Continued)

d. New Business

- (1) Board Meeting Schedule for November and December, 2009 *

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 | 10 07 2009 |
| (2) Fire Committee | None |
| (3) Finance Committee | 10 22 2009 |
| (4) Other | |

b. VICE PRESIDENT JIM HILL

- | | |
|-----------------------------------|------------|
| (1) SSLOCSD | 10 21 2009 |
| (2) Water & Sewer: Fees & Charges | 10 19 2009 |
| (3) Finance | 10 22 2009 |
| (4) Other | |

c. DIRECTOR VERN DAHL

- | | |
|------------------------------|------------|
| (1) OAC | 10 19 2009 |
| (2) Ad Hoc: Fees and Charges | 10 20 2009 |
| (3) Other | |

d. DIRECTOR PAMELA DEAN

- | | |
|------------------------------|------------|
| (1) Fire Oversight Committee | None |
| (2) Fire Committee | None |
| (3) Ad Hoc: Fees and Charges | 10 20 2009 |
| (4) Other | |

e. DIRECTOR MARY LUCEY

- | | |
|-----------------------------------|------------|
| (1) Water & Sewer: Fees & Charges | 10 19 2009 |
| (2) Other | |

11. ADJOURN TO CLOSED SESSION

The Board will adjourn to closed session to consider the following item:

a. 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

12. General Manager Items/Discussion *
 - a. Halcyon Mobile Homes
 - b. Update on A/P position
 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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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.

**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
September 23, 2009**

Wednesday

Oceano

The Meeting was called to order by President Mann at 6:30 p.m.

1. Roll Call

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

Absent: Director Dean

Staff Present: Kevin D. Walsh, Board Secretary/Interim General Manager
Gina A. Davis, Deputy Board Secretary/Administrative Assistant;
Philip T. Davis, Utility Operations Supervisor; Alex Simas, District Legal
Counsel; Ryan Fothergill, District Legal Counsel

Staff Absent: Craig Angello, Fire Captain

2. Flag Salute

President Mann led the flag salute.

3. Public Comment

Nancy McNeil and Larry Bross (see attached), Oceano residents, made general comments regarding the Board Meeting held on September 9, 2009 and asked for an explanation as to the reason for the three Board members leaving the meeting before it was adjourned.

VP Hill stated that the current agenda has September 9th on and it should read September 23, 2009. Director Lucey asked DLC Simas if the Agenda items that were not covered during the September 9th meeting would be discussed this meeting. DLC Simas stated he did not compare the two Agendas and this was a new meeting, not a continuation of the meeting held September 9, 2009.

Director Dean arrived at 6:36 p.m.

4. **Adjourn to Close Session at 6:45 p.m.**

DLC Simas introduced the items to be discussed in closed session. President Mann adjourned the meeting to closed session at 6:45p.m.

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.

DLC Simas stated staff provided a report to the Board, no action taken.

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.

DLC Simas stated item was cancelled with no action taken.

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c. PUBLIC EMPLOYMENT

CLOSED SESSION – A closed session pursuant to Government Code Section 54957(B)(1) to evaluate the performance of an employee. The position under consideration is the Interim General Manager.

DLC Simas stated the evaluation was conducted and completed with no other action taken.

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)

Returned to Open Session at 8:52 p.m.

DLC Simas stated the Board received a report with no action taken.

DLC Simas asked to be excused from the meeting since he was feeling ill and stated DLC Fothergill will continue in his place.

5. Board Member Items/Discussion

Director Lucey stated she felt the public deserves an answer as to the Board members leaving the meeting of September 9, 2009 before adjournment. President Mann stated she was not feeling well and had to leave the last meeting early.

Rick Searcy, Oceano resident, stated he would like an explanation from Director Dahl and Director Dean for leaving early.

6. Review and Approval of Minutes

a. September 09, 2009

VP Hill stated on page 6 it should state the amount the Board approved of \$154,000.00 and the power point presentation needs to be attached.

Director Lucey stated she believed the Minutes of September 9th should not state the certain items "tabled" when that was not the action of the Board. DLC Fothergill stated the Minutes should end right after VP Hill adjourned the meeting and not include the remaining items.

President Mann stated she would like her comments attached the original minutes as they were mistakenly left out.

Larry Bross, Oceano Resident, asked the other two Board members again what their reason was for leaving the last meeting early.

After a request for public comment, none being given, upon motion by VP Hill and

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second by Director Lucey, the Board approved the minutes for September 9, 2009, 5-0, with the corrections above.

7. Fire Items

a. Vehicle Exhaust System

President Mann asked Doug Groshart of The Wallace Group gave the Board a report of the current status of the item. Mr. Groshart stated that staff's recommendation is that the bid be awarded to Air Cleaning Systems of Pomona, California.

VP Hill asked if the Board should state the Weidner Group is nonresponsive to the District's RFP. DLC Fothergill and Mr. Groshart both agreed that would be in the best interest of the District.

Director Dean asked if it did go to an appeal process if that would delay the work schedule as presented. Mr. Groshart stated it would not have any effect on beginning the work.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

The Board agreed with staff's determination to find The Weidner Group was unresponsive to the RFP and award the bid to Air Cleaning Systems.

9. Administrative Items

h. Sewer Rehabilitation Project

IGM Walsh presented the item and stated the recommendation to the Board is:

1. Review the following information of remaining sewer segments to be repaired as part of the ongoing Sewer Repair and Replacement Project
2. Authorize the President and General Manager in consultation with District Counsel, to execute the contract amendments with the County and HUD.
3. Direct staff to authorize R. Baker Inc., to perform the required repairs and replacement as detailed in the original contract documents (as Contract Change Order No.5), contingent upon the District executing pending amendment agreements with HUD and the County of San Luis Obispo (County).

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

AYES: Director Dahl, VP Hill, Director Dean, Director Lucey,

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President Mann

NOES: None

9. Administrative Items

h. Sewer Rehabilitation Project (Continued)

ABSENT: None

ABSTAIN: None

The Board approved Change Order No. 5 to extend the contract with R. Baker for ninety days.

IGM Walsh stated the next action would be to approve or deny the Contract with the County of San Luis Obispo. Director Lucey stated she wants to make sure that any funds the District had to provide to maintain the project that the District is reimbursed properly.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

The Board authorized the President and General Manager in consultation with District Counsel, to execute the contract amendments with the County and HUD.

8. Utility Items

a. Cleaning and Inspection of District Sewer and Water Lines

President Mann presented the item.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

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The Board approved the Continuance of the Declaration of Emergency, 5-0.

b. Draft Water Master Plan

IGM Walsh presented the item and explained the County's Drought Buffer Program. He stated the decision before the Board is whether to have the Draft Water Master Plan explain that program in greater detail or to leave the Draft Plan as presented.

Director Dean stated she felt it was a good idea for the Board to hear from the County as soon as possible. VP Hill stated he agreed with Director Dean.

The Board directed staff to schedule the County to present a detailed presentation of their Drought Buffer Program.

Director Dahl made a motion to continue the meeting past 10:00 pm at 10:30 pm.

c. Draft Sewer Technical Memo

IGM Walsh presented the item. He recommended to the Board to receive and file sewer technical final memo.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

The Board directed staff to receive and file sewer technical final memo, 5-0.

d. Status Update on Water and Sewer Rate Study

President Mann tabled the item.

e. Prop 218 Procedures

President Mann tabled the item.

9. Administrative Items

a. Status Report on 2007-2008 Audit

VP Hill stated he sent an email to auditor with no response. IGM, Walsh stated that he will get together with Senior Auditor and the auditor will be reviewing what has been submitted by the District. IGM Walsh stated that on 9/28/2009, auditor should have a timeframe in which the audit should be completed.

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b. Update on State Property Tax Shift

IGM Walsh presented the item and stated the recommended action of the Board is to authorize AA Davis to enroll OCSD into the program.

VP Hill stated he felt that this would fill in that budget gap until the state pays us back then this would be the best thing we can do and concurs with IGM Walsh's recommendation. President Mann and Director Dean stated they agree with VP Hill.

Director Lucey stated that she doesn't particularly appreciate having to pay the interest on a personal loan. IGM Walsh clarified that the State of California's obligation is to repay loan with interest. Director Lucey finally agrees in authorizing AA Davis to enroll OCSD into the program

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

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

NOES: None

ABSENT: None

ABSTAIN: None

The Board directed staff to enroll OCSD into the program, 5-0.

c. 2009-2010 Draft Budget

Director Dean suggested that IGM Walsh give a brief explanation of the budget summaries and what's happening so that people will know the facts from The 2009-2010 Proposed Budget binder, pages 19-21. IGM Walsh suggested the review of warrants due to time restraints.

President Mann made a motion to continue the meeting to 11:00 pm.

President Mann stated the Board members should meet in 2's to discuss budget.

VP Hill stated that this budget as drafted increases the average customer bill by \$35.00 a month and it doesn't count for the \$50,000 in legal fees. He strongly advises funding the legal obligations on this year's budget due to the fact that are impending July 1, 2010 Joint Powers agreement with The Fire Department. He is concerned with recommendations that may come out in Water and Sewer Master Plan. He suggests that the administrative staff be cut to alleviate the rate increase.

Director Dean stated that development cost and fee schedules need to be reviewed and changed.

Director Lucey stated a fire inspection in Arroyo Grande or Grover Beach cost \$129.00

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and when you start new business in Oceano the Fire Department do the inspection for nothing. She stated that this may be an area that we could build some revenue.

President Mann and Director Lucey are a team to review budget & bring suggestions back to staff.

Larry Bross, Oceano Resident stated the strength of the community is in growing families. Keep this in mind when you are raising rates because people have mortgages and kids and not everyone can afford the rate increase.

d. Interim Funding for the Period September 24, through October 15, 2009, while Budget for 2009-10 is in Progress

IGM Walsh corrected the resolution. The resolution has last meetings dates in it and the agenda has it right, this is going to be for period 9/24/2009 to 10/15/2009. This resolution in the now therefore be it resolved sentence needs to say 9/24/2009 to 10/15/2009. Where is says 9/10/2009 needs to be changed to the 9/24/2009 and where is says 9/24/2009 it needs to be changed to 10/15/2009.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

The Board directed staff to pay warrants for period 9/24/2009 through 10/15/2009, 3,2.

Director Lucey stated the budget was passed 2 minutes after meeting had run over.

e. Revised Response to 2007-2008 Audit Memo

VP Dean and Director Lucey commended IGM Walsh for the audit review.

f. Discussion and Possible Action Re: Mainframe Computer

VP Hill proposed that the Board set a sunset for 12/31/2009, the end of this year is declared surplus and we sell it on the 01/07/2010 and introduce a new system that the new General Manager can select.

Director Dean stated the new software may not be compatible current hardware and this will be more costly.

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Director Dahl stated the first task of the new GM will be to replace AS400. After research the new GM will be the one to come up with a timeframe and timeline to when it is feasible to replace AS400.

President Mann stated the new GM by the first meeting in November 2009 will give the Board a timeframe of when the system will be replaced.

The Board took no action on this item.

- g. Old Business – No Status Change/No Report
 - (1) Drainage Issues
 - (2) Review of Codification Sections
 - (3) 2009-10 District Goals

President Mann tabled these items.

- 10. Reports of District Representatives
 - a. PRESIDENT BARBARA MANN
Item Tabled.
 - b. VICE PRESIDENT JIM HILL
Item Tabled.
 - c. DIRECTOR VERN DAHL
Item Tabled.
 - d. DIRECTOR PAMELA DEAN
Item Tabled.
 - e. DIRECTOR MARY LUCEY
Item Tabled.
- 12. Interim General Manager Items/Discussion
 - a. Sewer Rehabilitation Project
 - b. Halcyon Mobile Homes
- 13. Board Member Discussion
- 14. Consideration of Warrants
Director Dahl made a motion to continue the meeting from 11:00 pm to 11:15 pm.

After a request for public comment, Lin Hill, Oceano Resident, stated the residents are not happy, directed specifically to Director Dahl, Director Dean, and President Mann to leave their resignations and they should not get paid the \$600.00 for the prior meeting, upon motion by VP Dahl and second by Director Dean, the Board

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approved the warrants as presented, 3,2.

15. Public Comment
None
16. Written Communications
None

President Mann adjourned the meeting at 11:38 pm.

Kevin D. Walsh, Board Secretary

**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
September 30, 2009**

Wednesday

Oceano

The Meeting was called to order by President Mann at 6:30 p.m.

1. Roll Call

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

Absent:

Staff Present: Kevin D. Walsh, Board Secretary/Interim General Manager
Gina A. Davis, Deputy Board Secretary/Administrative Assistant;
Philip T. Davis, Utility Operations Supervisor;
Ryan Fothergill, District Legal Counsel,
Craig Angello, Fire Captain

Staff Absent:

2. Flag Salute

President Mann led the 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.

DLC Simas announced that the District has offered the General Manager position by unanimous vote to Mr. Raffaele Montemurro and have accepted and approved an employment agreement which had been previously approved by Mr. Montemurro. DLC Simas instructed Mr. Montemurro to step forward to sign the agreement and ask any questions before the Board. GM Montemurro thanked the Board for their confidence.

President Mann welcomed new GM Montemurro.

b. 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)

DLC Simas stated that The District wanted to extend an invitation to the entire public to attend the next two regular board meetings held 10/14/2009 and 10/28/2009. There

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will be lengthy discussions regarding ground water matters in the community and The 5 Cities Area.

Director Lucey strongly encourages the residence who receives water to attend the meeting so they become aware of use. She will post the meeting dates at her place in Grover Beach.

Director Dean suggested that an announcement go out on the water bill for this month.

VP Hill suggested contacting the newspapers in the area to see if they will put an announcement in.

RETURN TO OPEN SESSION

5. Board Member Items/Discussion *

VP Hill, Director Dahl, Director Lucey, President Mann thanked IGM Walsh for his expertise and welcomed GM Montemurro.

Director Lucey announced she will need to leave the meeting right after budget discussion due to a family issue.

9. c. 2009-2010 Draft Budget

President Mann moved 2009-2010 Draft Budget discussion to accommodate Director Lucey.

IGM Walsh stated a consensus or agreement on what the Board would like the staff to do to begin to prepare a final document that will brought to the Board for the 10/14/2009.

IGM Walsh stated there is \$125.00 stipend for the Chaplain position on the OCSD Organization Chart. UOS Davis stated the other jurisdictions have 2 available chaplains for use. IGM Walsh stated if there are any strong objections or staff has a contrary opinion, the staff will take that as a consensus of the Board and just remove or add or change the number as the staff goes through the budget so there is no lack of discussion.

Director Lucey stated on page 5, Hours of Operations. There are 2700 accounts and it would be cost effective if we were closed on day a week to cut down on overhead (Furlough days).

IGM Walsh stated the following changes on page 12, under heading Full-Time Positions, Office Manager be changed back to Secretary/Bookkeeper, the date should be June 30, 2009 instead of June 30, 2008, and under heading Fire Department Positions, Fire Chief (shared) changed to Fire Battalion (shared)

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Wednesday

September 30, 2009

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Director Dahl stated that staff has been hiring outside accounting help to get caught up, so the staff is utilizing the time that is there.

VP Hill stated eliminating \$100,000 through cutting staff by closing the office one to two days a week.

Director Dean stated 2 options: furlough days or working without pay one day a month which could be used later paid out or as personal leave or hence the liabilities put down the road. There would be a salary savings of \$25,000 to \$26,000. She doesn't want to cripple the office prior to GM Montemurro coming on board and he can give a consensus of staffing.

President Mann, Director Dahl, agree with Director Dean with having the staff working without pay once a month to offset the budget.

Director Lucey stated that all recommendations made tonight be printed on paper and presented to the new GM to see what will work or not work and come back with the recommendations within 2 weeks

IGM Walsh stated no COLA for district employees.

President Mann stated to strike the entire sentence on page 14 "Firefighters receive an additional \$10 per pay period for uniform allowance."

IGM Walsh stated a correction on page 14, need to change sentence from "Firefighters are paid an additional 3.7 hours every pay period in lieu of holidays." To "Firefighters are paid an additional 6.07 hours semi monthly in lieu of holidays." He recommends that page 14 be deleted all together because page 16 offers better information.

Director Lucey suggested that a first year employee receive a week of vacation time instead of two week vacation time. IGM Walsh stated that this is a repeat of the personnel policy and changing policy comes with a formal process. She would like to the personnel committee to review the Holiday Schedule.

VP Hill stated restating policy in the budget is redundant and he suggests having the personnel committee look at the vacation policy with an idea to encourage people to take their vacations rather than buy it out.

IGM Walsh stated will leave up to personnel committee to organize a meeting to discuss vacation time and to bring back to the board the recommendations.

Page 26, 2nd paragraph, second line from bottom reads "will be".

Need to strike the will be's and replace with was. This will get the verb tense correct.

Page 28, line items 3213, 3245, and 3255 are fees that are too low.

Line item 353 be changed to zero and the \$21,000 be added to line item 321 increasing the requested amount from \$20,000 to \$41,000.

VP Hill stated the PEG revenue is not showing from the county. President Mann stated we need to actively pursue getting the monies from that account.

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IGM Walsh stated he will insert a line item in the Revenues for the PEG from the county.

Page 29, changes are as follows:

Item 321 will increase \$21,000,

Item 353 will decrease to zero

Item 224 added as repayment of legal services \$50,000. Director Lucey stated 2008-2009 Budget needs to be modified to reflect the \$50,000 debt in the correct year and transfer debt over into this fiscal year's budget. VP Hill states debt should be paid in this fiscal year. Item 222 IGM Walsh states that this should be moved to Fire, Water, & Sewer and not show up in administration expenditures.

Item 286 Board Member Expense, the amount agreed upon should be zero.

Item 225 Board Services, change to \$19,000.

IGM Walsh stated on Page 34, Summary of Fixed Assets, first item Building Rehab will be struck and Software will change to \$41,000.

IGM Walsh stated on Page 36, Overview, the 3rd sentence will be struck.

Director Lucey, President Mann both stated a letter be written by staff to have a builder in the area replace a street lighting.

IGM Walsh stated Page 38, Expenditures, Cap/Plant Imp: New Fixtures, Item 350, needs to read \$6,000.

Item 247, LAFCO, needs to be redistributed to Street Lighting Water, Fire, Sewer, Lighting, & Garbage.

IGM Walsh stated Page 39, new account number, 247, LAFCO, Allocation of LAFCO Expense, description will say Local Agency Formation Commission (LAFCO).

IGM Walsh stated Page 41, second paragraph "from 2003 to 2007" needs to read 2004 to 2008.

IGM Walsh stated Page 42, second paragraph, second to last sentence should read \$33,250. AA Davis, stated \$66,500 fills in the x's last paragraph.

IGM Walsh stated Page 43 and 44 have current updates given by Chief Hubert.

IGM Walsh suggest Page 45 needs to be deleted in its entirety, it appears elsewhere in the fire budget.

IGM Walsh stated Page 46, Revenues, after line Item 3103, add a line 3104 Loan Securitization, it is there we will insert the \$67,000 that could possibly received should SB67 pass in the next few weeks.

Item 3100, accounts the 8% tax shift which the state is borrowing. Director Dean and President Mann stated a note be added to reflect the 8% tax shift for this item and street lighting.

Item 3234, SLO: OHV In-Lieu Fees, nothing in requested column because IGM Walsh would like to carry over it over. There will be a similar entry on the expenditure side. President Mann stated okay. Director Dean stated can it be requested again? UOS Davis stated there is no expectation if this would be on going. Director Dahl stated we are

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directly affected so we need to apply for The OHV Grant.

Less in the Account No. Column, Fac Fees Trans to Rstrd Rsers, Requested Column needs to change from (21,000) to (\$26,400), it corresponds with Item 3235, Public Facility Fees.

Various Grant Funds, Requested Column needs to change from, 36,000 to 33,250.

Change title to Grant Funds/Vehicles Exhaust Removal and the next line will change to Grant Match, Requested from 4,000 to 4,664.

IGM Walsh stated Page 47, Expenditures, last two lines Account Number 300 will read the same title same description as previously stated Various Grant Funds, Requested Column needs to change from, 36,000 to 33,250. Change title to Grant Funds/Vehicles Exhaust Removal and the next line will change to Grant Match, Requested from 4,000 to 4,664.

VP Hill stated on Page 47, adding Account No. 222, Engineering, IGM Walsh stated yes.

IGM Walsh stated Pages 48-50 where no corrections to original text. He stated, staff will add Account No. 222, Engineering & Account No. 247 LAFCO Expense.

Director Dean stated Account No. 096, Description need to change from Admin staff to Fire Staff.

Water Budget

IGM Walsh stated Page 55, 2nd paragraph from the bottom, Sentence correction from "An air compressor for \$9,600 (actual cost of \$16,000, split 60/40 with... needs to read "An air compressor for \$6,400 (actual cost of \$16,000, split 40/60 with...

IGM Walsh stated Page 56, top of page, Utility Operations Supervisor is there twice, the 2nd utility Operations Supervisor line should read Lead Person.

IGM Walsh stated Page 58, adding a sentence at the bottom indicating that the list of projects which are shovel ready do not include a well at the avocado orchard that may be needed due to possible sea water intrusion into the basin.

IGM Walsh stated Page 59, Revenues, 3rd line down no Account No. present, needs to read 3201, Water Rate Increase. The Requested amount will reduce from 205,840 to 115,840.

Item 3240, Wheeling: Cnyn Crst +Christie/2 Halcyon MHPs, will be moved down below solid Line because IGM Walsh suggests keeping the District revenues separate to show what is revenue and not revenue plus something passing through.

IGM Walsh states, last line, Lopez Pass-Thru, line item needs to be completed deleted.

VP Hill stated the combined fees: Front Footage, State Water Project, and Lopez, have doubled and average about \$100,000. AA Davis stated State Water Project and Lopez fees are attributed to Mobile Home Parks, Halcyon 55,413 and 44336 where collected from the Mobile Home Parks already.

VP Hill, Director Dean, IGM Walsh, President Mann stated, Page 60, Account No. 222, Contract Engineering to increase from 10,000 to 25,000.

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IGM Walsh stated Page 60, Item 220, Professional Services, 41,445 was increased to 58,445.

IGM Walsh responded to President Mann regarding Item 260, Special Dept: Exp: Lopez/Zone 3, Lopez's rate increase has gone up \$100,000 in one year and it is out of our control. Director Dean will have future Lopez rate increases by next week.

IGM Walsh stated Page 63-66 have one suggestion, on Page 64, Account No 220, Professional Services, suggests that the description be expanded.

Sewer Fund

IGM Walsh stated Page 69, 3rd Paragraph, \$xx,xxx for a Sewer Rate Study is \$15,000.

IGM Walsh stated Page 72, Revenues, Account No. 3235, DRI Proj: Reimbursement, \$540,408.

Account No. 355, Description will change Description to Prior Unreimbursed Expense and requested amount (308,621).

IGM Walsh stated Page 73, Expenditures, Account No. 355, Description will change to Additional Sewer Segments and Retention and Requested will increase to 454,162.

Account No. 297, Sanitation Dist Pmnt, reads 294,790 needs to match the number on the revenue page which is 411,835.

IGM Walsh stated Page 77, Repairs Sewer Damage – 2003 earthquake amount will change to 554,162 and the description will change as well. The total of projects will change. VP Hill stated Account No. 247 Allocation of LAFCO Expense needs to be added. IGM Walsh agrees.

Garbage Fund

IGM Walsh stated Page 79, second paragraph, Overview, add sentence that says, "The contract that expired on April 28th, 2009, we are now operating under a one year extension." He suggests that the board prepare to renegotiate the Garbage Contract.

Sheriff's Department Facility Fund

IGM Walsh stated Page 87, last paragraph; amount needs to change to \$2,500.

President Mann made a motion to continue meeting to 10:30 pm.

Larry Bross, Oceano Resident stated that the budget deficit will be on the backs of the rate payers

President Mann and Director Dean suggest quarterly Budget reviews.

6. Review and Approval of Minutes

a. None.

7. Fire Items

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a. None

8. Utility Items

a. Status Update on Water and Sewer Rate Study

Receive Report

b. Prop 218 Procedures

IGM Walsh strongly encourages the board to have guideline in place President Mann stated would like new GM in the discussion and have every board member to take packet home to review and be prepared to discuss at next meeting.

9. Administrative Items

a. Status Report on 2007-2008 Audit

IGM Walsh has nothing new to report.

b. Update on State Property Tax Shift

IGM Walsh stated no update on Prop 1A Loan Securitization Program. He suggests that GM Montemurro register in the program instead of AA Davis.

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

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

NOES: None

ABSENT: Director Lucey

ABSTAIN: None

The Board agreed that GM Montemurro be one to enroll in the Loan Securitization Program when it becomes available, 4,0.

d. Appoint Ad Hoc Committee

President Mann appointed Director Dahl and Director Dean to Ad Hoc Committee. They are to meet and give a report at the next meeting.

e. Old Business – No Status Change/No Report *

(1) Drainage Issues

(2) Review of Codification Sections

(3) 2009-10 District Goals

10. Reports of District Representative

a. PRESIDENT BARBARA MANN

None.

b. VICE PRESIDENT JIM HILL

VP Hill reported on the SSLOCSD meetings held on September 2nd, 2009 and the next meeting was deferred until September 24th, 2009. He gave an overview of items on the

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agenda. He stated importance of RV Waste dumping of any treatment chemicals into the sanitary sewers system can cause the plant to not meet its discard requirements which may result in lots of fines that would have to be passed through to the rate payer.

c. DIRECTOR VERN DAHL

Director Dahl reported on the OAC Committee and stated a developer discussed the Closure of The Oceano Airport. Next month meeting will address how to get a townhall meeting on this idea.

Director Dahl reported on the Zone 1/1A and stated that they are looking into State & Federal Grants to do a complete rehab of the Creek.

Director Dahl had no report for Personnel.

President Mann moves to extend meeting to 10:45 pm.

d. DIRECTOR PAMELA DEAN

Director Dean reported on Zone 3 meeting held on September 17th, 2009 and stated Lopez Lake level is at 50.8% compared to last year level of 62.5%. She will prepare questions for next month's meeting to address the Habitat Conservation Plan for Steelhead. She reported Zone 3 is under budget.

e. DIRECTOR MARY LUCEY

Absent

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 | |

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12. Interim General Manager Items/Discussion *

IGM Walsh reviewed Sewer Rehabilitation Project and CBDG/DIR Funds and the limitations on the funds

IGM Walsh stated Halcyon Mobile Homes have received payments and new GM Montemurro will be able to finish report when completed.

IGM Walsh stated there are 3 vacancies in the office.

13. Board Member Discussion *

President Mann thanked IGM Walsh for his services.

14. Public Comment *

None

15. Written Communications

(Correspondence for the Board Received After Preparation of this Agenda is Presented by the General Manager)

President Mann adjourned meeting 9:17 pm

* Oral Presentation/Discussion

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The Meeting was called to order by President Mann at 6:30 p.m.

1. Roll Call
Present: President Mann, Vice President Hill, Director Dahl, Director Dean, Director Lucey
Staff Present: Raffaele F. Montemurro, Board Secretary/General Manager:
Gina Davis, Deputy Board Secretary/Administrative Assistant:
Philip T. Davis, Utility Operations Supervisor; Ryan Fothergill, District Legal Counsel; Mike Hubert, Fire Chief; John Wallace, District Consulting Engineer
2. Flag Salute
President Mann led the flag salute.
3. Public Comment *
None.
4. Board Member Items/Discussion *
VP Hill stated that he and his wife attended a presentation Agatha Christies' Mouse Trap at The Peter Plow Playhouse in Cambria and Tyler Lopez, Oceano resident, starred in the presentation.

The Board joined President Mann and Director Dean in welcoming new General Manager, Raffaele F. Montemurro.

Director Lucey apologized for missing part of the meeting because of family situation. She stated perhaps the agenda be modified.

GM Montemurro briefly presented his previous experience. He stated that he is here to help this Board provide the maximum service to its constituents with a minimum cost to the taxpayers and his door is always open.
5. Review and Approval of Minutes
 - a. September 23, 2009
President Mann tabled item.
 - b. September 30, 2009
President Mann tabled item.
6. Reports*
 - a. Commander Brian Hascall, Sheriff's South Station reported:
 - Residential burglary 1400 block at Railroad on October 1st between 9 AM – 10 AM. Firearm & jewelry taken
 - 4 similar crimes in the same area of Railroad and Airport Park. Fingerprints are being run through the Cal ID system.
 - Saturday, October 10th there was a pursuit on Elm that lasted 30 seconds, the car crashed, and both suspects fled, both arrested.
 - b. September, 2009 Report for the Fire Department
Captain Bova presented the report.

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7. Fire Items

a. None.

8. Utility Items

a. Cleaning and Inspection of District Sewer and Water Lines

Continual Disclosure of the Emergency Declared by the Board of Directors
Concerning the Cleaning and Inspection of the District Sewer and Water Mains.

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

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

NOES: None

ABSENT: None

ABSTAIN: None

**The Board agreed to continue the emergency cleaning and inspections of the
District Sewer and Water Mains. 5-0.**

b. Sewer Rehabilitation Project *

Review Construction Progress – Wallace Group: Doug Groshart presented an updated
construction schedule.

c. Water Supply Update *

Discussion on Lake Lopez, State Water and Groundwater Costs and Supplies –
Wallace Group

Draft Water Master Plan was presented by Steve Tanaka, Wallace Group . He
presented the following from power point slides regarding the existing water supply &
water supply reliability. The water supply recommendations from draft DWP are: State
Water Drought Buffer, Continued Conservation Efforts, Reduce Unaccounted-for Water,
and Future Water Recycling Opportunities. He provided a 2008 water use summary
and concluded with a brief summary of the cost of water supplies.

John Wallace presented a Water Atlas to show the sentry wells. UOS Davis and OCE
Wallace currently reviewing the Brisco Turnout for interconnect with Arroyo Grande and
to initialize the existing connection with Grover Beach. He pointed out OCSD's Test
wells located at the Depot Parking Lot that monitor sea water intrusion at various
depths.

President Mann asked where the 4 County Sentry wells are. OCE Wallace answered
Pier Avenue, Sand and Surf in Grover Beach, further north in Pismo Beach, and further
south of the beach dunes. UOS Davis stated that the wells will be tested next week.
Are the Sentry Wells mainly used for monitoring? Yes stated Wallace. What are the
wells telling us? Wallace stated the elevation and the quality of water and if there is salt

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water intrusion. President Mann reiterated what Wallace had talked about enlarging the lines coming from Lopez and that is the way we get our State Water too. So if those lines are to increase the capacity coming from State Water, we would be able to use let Ground Water. State Water is paid for regardless if we use it or not. So by making the lines bigger some way we can use more state water and less ground water and would protect the water we have.

Director Lucey asked who is responsible for the maintenance of the wells. OCE Wallace answered the County is directly responsible but they contract with the engineer which in turns contracts with a hydrologist to measure the wells.

UOS Davis provided a water system schematic that illustrates the water flow from the Wilmar yard into the systems.

Director Dean addressed the potential savings of putting in 3 inter-ties. The 3 inter-ties could receive all the water needed from the State. Wallace stated that a hydraulic model would need to be run. The use of a booster pump would be a second choice because running a pump is expensive and the use of gravity and inter-ties is simpler and cost effective.

VP Hill stated the constriction in the water line is not between Lopez Treatment Plant and the Brisco Turnout rather it is between the Brisco Turnout and OCSD Water Yard. Wallace stated that the Lopez line is also a constriction and how we balance it out would be storage in our tanks.

Director Dean asked if meter would be installed at the inter-ties to measure how much water would be used. Wallace answered yes.

David Angello, Oceano Resident, asked what the agricultural usage from the ground water is. Wallace answered it is being looked at as part of the overall analysis of the ground water basin.

Carol Hensen, Mobile Home Estates Residence, addressed the Lopez Fee and how there is no ceiling in the cost. Perhaps, getting more State Water would be better.

- d. Water and Sewer Rate Study *
Doug Groshart, Wallace Group, gave an update on the two projects.
 - e. Prop 218 Procedures
President Mann tabled this item.
 - f. Review of Current Tracts and Developments Projects and Staff Recommendations
(1) None.
9. Administrative Items
- a. Status Report on 2007-2008 Audit

GM Montemurro reported all requested documents have been provided.
VP Hill had nothing to report at this time.

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b. Resolution Re: Loan Securitization

GM Montemurro reported he has applied for the Prop 1A Loan Securitization and that the deadline has been pushed to November 6th, 2009. He confirmed that the application has been received as of October 14th, 2009. The contact names on file are GM Montemurro and President Mann.

President Mann requested a 5 minute break at 7:40 PM.

DLC Fothergill reported that Senate Bill 67 has passed. He will have a full report next meeting.

c. 2009-2010 Budget

GM Montemurro stated he can run the office with 4.5 persons. On page 12, he would like to change Secretary/Bookkeeper to Accounts Payable, and the Accounting Clerk to Accounts Receivable, and add one half-time person. This would cut \$20,000 when running a full staff.

Director Dahl asked would the Half Person be a temporary person. GM Montemurro stated the Half Person would be a position that would be hired.

VP Hill asked where the summary sheets are. AA Davis stated they will be put in when the final budget is approved.

Director Dean suggested adding the 8% back into the budget from Loan Securitization. GM Montemurro stated would like to receive the funds prior to putting back into budget and having a budget short fall. AA Davis stated that the narrative will be corrected to match the tables.

Director Lucey suggested that the administrative fees be addressed in the Ad Hoc Committee. Director Dean stated it is on the list along with Sewer and Water Fees.

VP Hill stated Page 40 Fire Department Revenues, no totals. AA Davis stated the actual figures below the line; those figures are in there this year because even though we received the revenue last year all those expenditures are being made in this fiscal year. She stated there would be no dramatic change in the bottom line. VP Hill suggests using the same terminology for the same subject, example Sewer Revenue Fees need to be described the same as in the ordinances.

Director Dean agrees with GM Montemurro and the restructure of staffing.

GM Montemurro stated that he and AA Davis attended a presentation by Tyler Technology for the software upgrade.

Larry Bross, Oceano Resident, asked about the District's state of affairs? AA Davis stated expenses for 09-10 are approximately \$4.2 million. GM Montemurro clarifies the budget as an annual expenditure. VP Hill stated budget average out over the year rather than looking at the budget monthly. He stated 2008-2009 budget, included the assumption of a midyear rate increase that never happened. The current 2009-2010 budget includes a midyear rate increase; however, budget and audits need to be completed before a rate increase.

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Director Lucey stated she is used to working with a year to date expenditure. AA Davis stated she will provide year to date information for any year when Director Lucey comes into office.

President Mann & VP Hill stated they are still waiting for staff to provide status of restricted reserves.

Carol Hensen, Mobile Home Estates Residence, agrees with GM Montemurro and the restructure of staff.

Nina Gabriel, Oceano Residence, suggests that we double side and collate handouts in order to save paper. She states, Page 25, Administrative Expenditures, would like an explanation of why the 2008-09 Budget and the 2008-09 Actuals are significantly higher. GM Montemurro addressed line item 200. He pointed out the 2009-10 Requested is what the goal will be.

Director Lucey stated capturing public suggestions would be beneficial. President Mann stated emailing in suggestions rather than tying up the phone lines with suggestions. Director Dean stated a suggestion a box at the front counter. GM Montemurro stated that the suggestion box is minimal maintenance.

GM Montemurro stated clearly what is being approved: the total revenue is \$4,486,877 and total expenditures are 4.2 million.

DLC, Fothergill, stated in the resolution to approve the budget, Resolution Document 2009-2010 Fiscal Year Budget will become Resolution No. 2009-13.

Larry Bross, Oceano Resident, requested that the figures for last year mailed or a phone call.

Director Lucey asked a point of clarifications from President Mann on how much has been pulled from reserves. GM Montemurro stated he does not have the figure right in front of him. President Mann stated anything coming from reserves has been voted on. AA Davis will provide the actual restricted reserves through 2008 and projected estimates through June 30, 2009 at the next scheduled board meeting.

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

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

NOES: None

ABSENT: None

ABSTAIN: Director Lucey

The Board agreed to accept 2009-10 Budget with the following updates: Tables governing the summaries and the missing summaries to be given at a later date.

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Page 12, District Personnel, Full-Time Positions to read 1 General Manager, 1 Administrative Assistant, 1 Accounts Payable, 1 Accounts Receivables remove 2 Accounting Clerks and change to one half-time person;, and remove Secretary/Bookkeeper, and Page 40 to include totals.

The Board agreed to Adopt Oceano Community Services District Resolution No. 2009-13, the 2009-2010 Fiscal Year Budget.

11. **Adjourned to Closed Session at 9:06 PM**

DLC Fothergill introduced the items to be discussed in closed session. President Mann adjourned the meeting to closed session at 9:06 PM

- a. 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)

DLC Fothergill advised board of current developments and upcoming presentations. Courtney Howard, County Water Expert who will report at next board meeting on October 28th, 2009.

- b. 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. (Bookout v. State of California, et al.; San Luis Obispo County Superior Court Case # CV 060384)

DLC Fothergill stated the board was advised of current status and filings going on in that case.

President Mann made a motion and the Board concurred, to continue meeting to 10:30 PM.

RETURN TO OPEN SESSION

- d. Interim Funding for the Period October 15, through October 29, 2009, while Budget for 2009-10 is in Progress: No action required.

9. Administrative Items (Continued)

- e. 2008-2009 Grand Jury Report
Consider Response to Oceano Community Center Findings and Recommendations: Staff was directed to prepare & submit a response.
- f. Discussion regarding the Ad Hoc Committee to Review Fees and Charges – VP Hill *
VP Hill suggests that the Water & Sewer Committee & the Fire Committee are in place and can address the issue of fees & charges.

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President Mann states the Fire Committee will now meet once a month in order to cut costs.

VP Hill & Director Lucey will meet Monday for Water and Sewer Committee.

Director Dahl & Director Dean will meet as predetermined by staff.

David Angello, Oceano Resident stated the County of San Luis Obispo collects a cable transfer fee for Charter Cable. We are not being treated fairly with the cable companies and should contact the County.

Director Dean addressed how to get Oceano's fair share of the PEG fees.

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

None to report

b. VICE PRESIDENT JIM HILL

None to report

c. DIRECTOR VERN DAHL

None to report

d. DIRECTOR PAMELA DEAN

Director Dean reported on the Fire Oversight Committee meeting from October 9, 2009. There was discussion regarding the JPA. It was back to committee for more adjustments and discussion. There will be a Joint Dispatch Study happening at the next regularly scheduled meeting and at that time they will have a recommendation.

e. DIRECTOR MARY LUCEY

- (1) Other

12. General Manager Items/Discussion *

a. Halcyon Mobile Homes
None to report.

b. Other

13. Board Member Discussion *

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President Mann thanked Mrs. Hill and her friend for setting up the welcome party for GM Montemurro.

14. Consideration of Warrants

Director Lucey and VP Hill were unable to look at the warrants.

Director Dahl received \$50.00 more than was allocated. President Mann stated to pay him \$50.00 less next month.

President Mann motion to extend meeting to 10:45 PM.

Director Dean likes how the Wallace Group billing statement is broken down by Work Group.

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

AYES: Director Dean, President Mann, Director Dahl

NOES: None

ABSENT: None

ABSTAIN: VP Hill, Director Lucey

The Board agreed to approve the warrants with an adjustment to Director Dahl's check on the following payroll period.

15. Public Comment *

David Angello, Oceano Residence welcomed GM Montemurro.

16. Written Communications

(Correspondence for the Board Received After Preparation of this Agenda is Presented by the General Manager)

President Mann adjourned meeting

ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION

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

P.O. Box 599/Oceano, CA 93475
1655 Front Street/Oceano, CA 93445
(805) 481-6730 / FAX (805) 481-6836
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Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 28, 2009

TO: Board of Directors, OCSD

FROM: Raffaele F. Montemurro, 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 10 28 2009 8.a.

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Memorandum



Date: October 20, 2009

To: Mr. Dwayne Chisam
City of Pismo Beach
760 Mattie Road
Pismo Beach, CA 93449

Phone: (805) 773-4656

CC: Steve Adams, Bob Perrault, Kevin Rice, Kevin Walsh

A handwritten signature in black ink, appearing to read "Jeffery Szytel", is written over a horizontal line.

Prepared by: Jeffery Szytel, PE

SUBJECT: LIMITED REVIEW OF THE AUGUST 2009 SENTRY WELL WATER QUALITY MONITORING AND PROPOSED SCOPE OF SERVICES FOR THE 2009 MONITORING PROGRAM AND ANNUAL REPORT

Water Systems Consulting, Inc. ("WSC") was hired by the cities of Pismo Beach, Arroyo Grande, and Grover Beach as well as the Oceano Community Services District (collectively referred to as the "Northern Cities") to conduct a limited review of the results from the most recent round of water quality monitoring for the NCMA as summarized in a memorandum prepared by Todd Engineers, dated September 16, 2009. WSC was also hired to review the scope of work recommended by Todd Engineers for the 2009 Monitoring Program and Annual Report (proposal dated October 8, 2009).

This memorandum includes a summary of reference documents used, a summary of the current basin conditions, a review of the scope of work prepared by Todd Engineers, and a summary of generalized basin management recommendations going forward.

Reference Documents

In preparation of this memorandum WSC reviewed the following documents:

1. Lawrance, Fisk & McFarland, Inc., *Interim Report – Water Resources Management Program for Zone 3*, February 22, 1985 ("1985 Interim Report").
2. Santa Maria Groundwater Basin Adjudication Stipulation, June 30, 2005, including exhibits ("2005 Stipulation").
3. Todd Engineers, *Water Balance Study for the Northern Cities Area*, April, 2007 ("2007 Water Balance Study").
4. Santa Maria Groundwater Basin Adjudication Judgment, January 25, 2008, including exhibits ("2008 Judgment").
5. Todd Engineers, *2008 Annual Monitoring Report Northern Cities Management Area*, April, 2009 ("2008 Annual Report").
6. Todd Engineers, *August 2009 Sentry Well Water Quality Monitoring*, September 16, 2009 ("August 2009 Monitoring Memo").
7. Todd Engineers, *Proposal – Northern Cities Management Area Monitoring Program and Annual Groundwater Report*, October 8, 2009 ("October 2009 Proposal").

WSC's review is limited to the documents listed above and is intended to be high level and general in nature. WSC's scope does not include extensive technical analysis, research and/or calculations to verify and/or validate the analysis presented in the listed references.

Summary of Current Basin Conditions

The condition of the groundwater basin underlying the NCMA has been described extensively in a series of recent documents, as outlined above. The 2007 Water Balance Study established a representative hydrologic period extending from water year 1986 through 2004, and developed estimates for the basin's inflows and outflows for that period. The study concluded that over the study period, outflows from the basin were approximately matched by inflows, and no significant change in groundwater storage occurred. The study recommended no immediate change in the urban allotment of 4,000 AFY, and the implementation of a basin-wide monitoring program to support future management decisions.

The 2008 Annual Report expanded on the 2007 Water Balance Study, with several significant changes:

1. Supply and demand data were updated through the end of calendar year 2008, including updated pumping and precipitation data
2. Rural water demands were explicitly included in the analysis
3. Agricultural demands were refined based on recent data from the San Luis Obispo County Agricultural Commission. This resulted in a reduction of the total agricultural pumping from 3,300 AFY as presented in the 2007 Water Balance Study to a range of 1,941 to 2,588 AFY
4. The report did not develop an estimate of the change in basin storage from 2007 to 2008

The 2008 Annual Report presented a generally favorable evaluation of the state of the groundwater basin. It concluded that available supplies exceeded total urban demand, and that estimated subsurface outflow to the ocean of 2,700-3,000 AFY was maintained, which is helpful in preventing seawater intrusion. Although the groundwater elevations at several of the listed wells were near or below sea level during 2007 and 2008, the report concluded that the saltwater interface appeared to be offshore, and that there was no indication of seawater intrusion. Several measures were recommended to avoid seawater intrusion including a water quality sampling program and mutual strategies among the Northern Cities to reduce coastal pumping and increase use of other available water supplies.

However, some of the data seemed to indicate a pending problem. First, annual precipitation and associated deep percolation and infiltration recharge dropped significantly in 2007 and 2008. According to the data presented, 2007 was the third driest year since 1950, with annual precipitation less than half of average, and the annual precipitation in 2008 was more than 5 inches below average. Second, annual groundwater pumping had increased nearly 20% between 2005 and 2008 to nearly 6,000 AFY (by comparison, the 2007 Water Balance estimated annual average groundwater pumping at 5,600 AFY). Finally, the water levels across the basin were dropping from 2006 through 2008, and several of the wells, including two of the sentry wells, were measured below sea level during the spring and fall of 2008. The groundwater elevation at the sentry well port 30F3 was -0.56 feet msl in the spring, and the groundwater elevations at sentry well ports 30F3 and 30N2 were -5.22 and -1.88 feet msl, respectively in the fall. Although the groundwater elevation for sentry well port 30F3 was measured at or below mean sea level multiple times between 1986 and 1998 with no apparent seawater intrusion, the groundwater elevation at sentry well port 30N2 had never been measured below sea level throughout the 40 year period of record. Taken together, these trends signaled a condition of short-term overdraft, which left the basin vulnerable to seawater intrusion if dry conditions persisted and high pumping rates were sustained.

The August 2009 Monitoring Memo confirmed this trend. Although water quality in sentry well 24B01 had improved from historic samples, chloride concentrations in 30N02 and 30N03 increased dramatically between May and August of 2009. The time-concentration plots for chloride and Schoeller and Piper diagrams for sentry well ports 30N02 and 30N03 are clear evidence of seawater intrusion.

Review of Recommended Scope of Work

The October 2009 Proposal includes ongoing monitoring activities at the sentry wells, preparation of the required NCMA annual report, review of the NMMA annual report and general coordination.

Task 1. Sentry Well Monitoring

The proposed scope includes monthly water level measurements, quarterly water quality sampling and analysis and regular reporting. Comments on the proposed scope and fee for this task are as follows:

1. **Consider quarterly water level measurements in lieu of monthly measurements.** Although monthly water level measurements offer a high degree precision for evaluating variability in the aquifer level, such frequent measurements may not be required to effectively manage the basin. Quarterly measurements would allow sufficient data and response time for the Northern Cities to observe the current basin conditions, make adjustments in pumping activities (as required), and observe the effect of the change(s). The quarterly measurements would also allow observation of seasonal variability, and correlation with rainfall and/or stream flow data.
2. **Consider installing level measurement instrumentation at the sentry wells.** By installing level measurement instrumentation with data logging capability and/or SCADA communication at the sentry wells, the Northern Cities could significantly reduce the need for on-site measurement and reduce the life-cycle cost of basin monitoring. Although an up-front capital investment would be required, the equipment could pay for itself by reducing ongoing field measurement costs.
3. **Consider soliciting competitive proposals and/or contracting with the sampling firm(s) directly.** Data collection is a relatively non-specialized activity and typically does not require a high degree of engineering and/or management effort. Additionally, it may not need to be conducted by the same firm that prepares the Annual Report. Once sampling protocols have been established, a well qualified technician is all that is needed to conduct the sampling and record the results. Quality control could be provided by the engineer responsible for evaluating the data (e.g. Task 1.3).

Task 2. Basic Data Analysis

The proposed scope includes obtaining and analyzing hydrologic, operational, supply and demand data in preparation for the Annual Report. The scope appears complete and appropriate, therefore no comments are provided.

Task 3. Annual Report and Review of NMMA Report

The proposed scope includes preparation of the NCMA annual report and review of the NMMA Draft Annual Report and provision of comments. Although the scope appears appropriate, the Northern Cities may want to request that Todd Engineers provide a detailed outline of the proposed Annual Report so that comments can be provided and the content and/or format can be tailored in advance. For example, the 2008 Annual Report did not include an estimation of the change in basin storage in 2008 and this would be a good piece of information to track over time.

Task 4. Project Management and Meetings

This task includes correspondence, general management and coordination activities and attendance of various meetings throughout the term of the project. In general, the level of effort seems excessive relative to the scope as it is currently presented. Perhaps the Northern Cities should request a listing of the assumptions used in developing the level of effort estimates such as assumed number and duration of meetings, assumed number and duration of conference calls, etc.

General Basin Management Recommendations

The groundwater basin underlying the NCMA is a critical component of the Northern Cities' overall water supply, and is an extremely important and valuable asset to the region. With the evidence of seawater intrusion presented in the August 2009 Monitoring Memo and the possibility of continued drought conditions, decisive action is required to preserve this critical resource. Based on a preliminary review of the documents listed above, WSC recommends prioritizing NCMA management activities as follows:

1. **Reduce pumping as much as possible now and evaluate short and long-term options for increasing water supply.** Short-term measures could include increasing deliveries from Lopez, increasing State Water Project deliveries, and intra basin water sales. Long-term measures could include raising Lopez Dam, enhanced basin recharge, desalination, recycled water, etc.
2. **Establish a standard measure for tracking overall groundwater elevation in the NCMA.** The 2008 Annual Report selected seven "key wells" to develop hydrographs and track groundwater elevation changes. However, some of the wells are active production wells, were not designed for monitoring, are screened in various zones, or are located within the zone of influence of nearby active production wells. Ideally, monitoring wells would be dedicated to this purpose, and would be outside of the zone of influence of active production wells. If production wells must be used for monitoring, then consistent criteria should be applied (e.g. well off for more than 24 hours prior to measurement, surrounding well(s) off if within the zone of influence, etc.). Additionally, the groundwater elevations for the key wells could be averaged for any given time step, producing an "index" that can be used to track general basin conditions over time.
3. **Develop coordinated water shortage response plans among the Northern Cities.** Establish standardized criteria for tracking basin health such as the index described above. Once the standardized criteria are established, historical data can be used to establish thresholds for water shortage response planning. For example, the NMMA has developed a staged water shortage response plan that is triggered based on a "Key Wells Index" and chloride concentrations in coastal area monitoring wells.

4. **Intensify coordination with agriculture pumpers and the NMMA.** Agricultural pumping represents roughly half of the annual pumping from the basin. The Northern Cities should create opportunities to work together with the agricultural pumpers to develop mutually beneficial strategies to minimize pumping during critical periods such as now. By coordinating activities with the NMMA, the Northern Cities can help develop and implement regional solutions to shared groundwater management challenges.
5. **Develop and implement a plan to expand groundwater recharge.** Plan components could include expanding and/or improving existing percolation basins, construction of new percolation basins, evaluating recycled water recharge opportunities, considering opportunities for a seawater intrusion barrier, etc.
6. **Develop a regional conjunctive use plan.** The goal of the plan would be to maximize the beneficial use of each of the Northern Cities' water supplies in a way that is cost effective and sustainable long-term. The plan would establish goals, strategies, criteria, management guidelines and/or measures to coordinate the resource management decisions of the basin users to protect the region's resources long-term.
7. **Develop a regional groundwater model.** The model would become a critical tool for improving basin management by allowing the Northern Cities to evaluate various recharge and pumping scenarios, optimize conjunctive use strategies, evaluate well siting and/or pumping regimes, evaluate options for seawater intrusion barriers, etc.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 22, 2009

Thom Jess, AIA
Arris Studio Architects
1540 Marsh Street, Suite 150
San Luis Obispo, CA 93401

SUBJECT: APN 061-046-056; OCSD PROJ #6370; SLO CO# DRL2009-00369
OWNER/PROJECT: PETYKO/COMMERCIAL BUILDING AND CARETAKER'S UNIT

Dear Mr. Jess:

Oceano Community Services District will serve the commercial building and caretaker's unit project proposed for APN 061-046-056; subject to the following conditions:

1. Obtain valid OCSD and SSLOCSD permits. There are fees due.
2. Show onsite water and sewer services and cleanouts on plot plan.
3. Engineered plans are required before Fire Department and/or offsite improvements can be determined.
4. A fire safety plan will be required.
5. If any of the District facilities are required to be moved, raised, or in any way altered or changed because of required conditions of the District or any other agency having jurisdiction over the proposed development, the owner, developer, contractor, or agent responsible shall bring such facilities up to a minimum District standard of design and access.
6. If District facilities (such as water and/or sewer lines) extend into or across the subject property, you will be required to prepare and submit appropriate easement documents and/or encroachment permits for acceptance by the District's Board of Directors and recording with the County Clerk-Recorder.
7. Service will be subject to compliance with all District rules and regulations including, but not limited to: Fees, inspections, backflow requirements, fire flow requirements and main extensions.
8. All projects will require final inspections by OCSD.
9. An automatic fire sprinkler system, compliant to NFPA 13 Standards will be required.
A fire hydrant must be located within 50 feet of the Fire Department Connection (FDC).

Curbs, gutters and sidewalks will be required pursuant to County Ordinance 22.05.106 at owner's expense.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6886

October 22, 2009

Petyko Development
1484 Railroad Street
Oceano, CA 93445

SUBJECT: APN 061-046-021; OCSD PROJ #6370; SLOCO PERMIT# 2009-00369
OWNER/PROJECT: PETYKO / RESIDENTIAL & COMMERCIAL

Dear Petyko Development:

Presented below is an estimate of the water and sewer fees for connection of the subject project. All connection fees must be paid to Oceano Community Services District prior to the residence being connected to the District's water and sewer services. The plans for construction have not been approved so things could change. The fees presented here are for one (1) residential unit & (1) commercial unit.

Water Connection Charge

Water Meter Charge (3/4 inch)	\$950.00	
36 Ft. Front Footage Charge (2-50' Min. @ \$81.60/ft)	8,160.00	
State Water Project Charge (2 @ 3,662.88)	7,325.76	
Lopez Project Improvements (2)	<u>2,000.00</u>	
Sub Total		\$18,435.76

Sewer Connection Charges

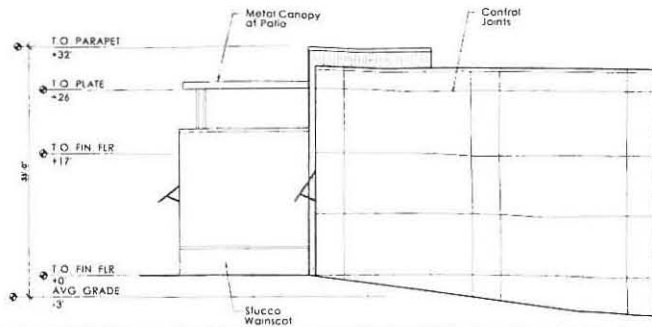
Sewer Connection Fee (1 @ 375.00 & 1 @ 700.00)	1075.00	
Inspection Fee (2 @ 50.00 ea.)	100.00	**
Installation Charge	<u>1500.00</u>	
Sub Total		<u>2,675.00</u>

**TOTAL ESTIMATED WATER AND SEWER FEES
FOR EACH UNIT**

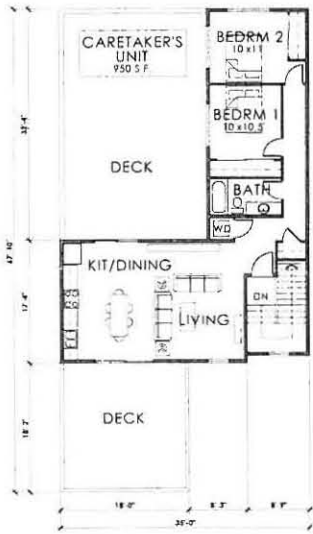
\$21,110.76



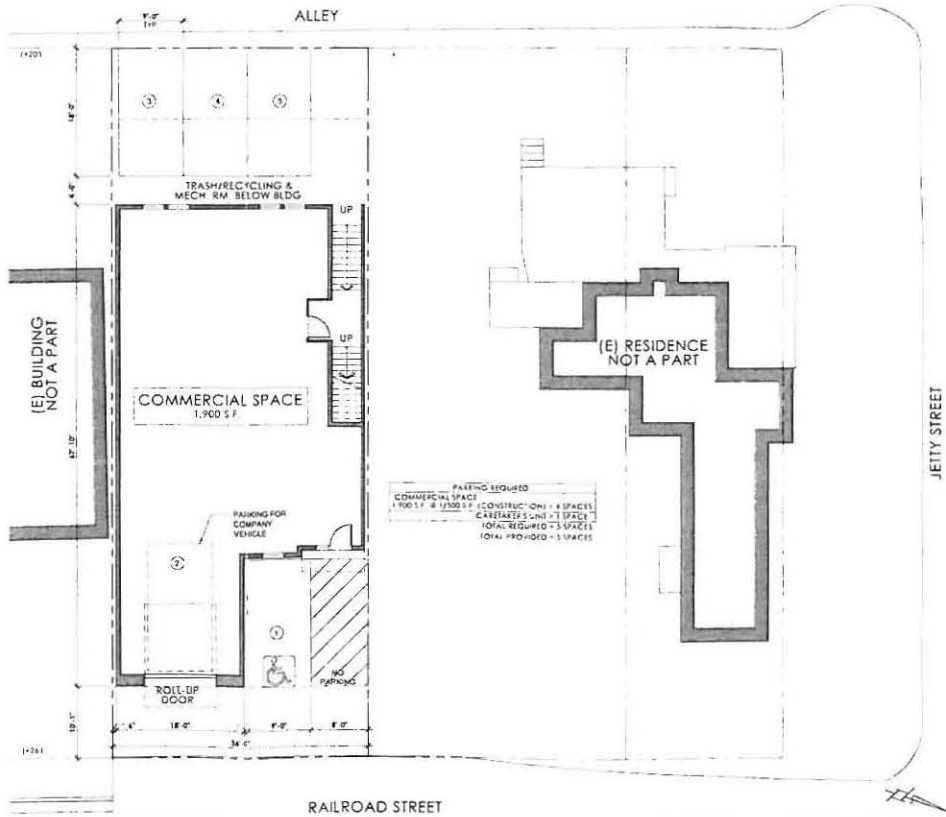
PROPOSED FRONT ELEVATION 3



PROPOSED SIDE ELEVATION 1



PROPOSED SECOND FLOOR PLAN 4



PROPOSED SITE PLAN / FIRST FLOOR PLAN 2



STUDIO ARCHITECTS
 1940 AMARH STREET, STE. 150
 SAN LUIS OBISPO, CA 95021
 +805/547 2240 +805/547 2241

Architect of Record

KayHow, LLC
 744 Hermosa Vista Way
 Arroyo Grande, CA 93420

Petyko Development
 1484 Railroad Street
 Oceano, CA
 PROPOSED FLOOR PLANS
 PROPOSED ELEVATIONS

No.	Revision	Date

Date: September 4, 2008
 Sheet: A-1

NOT SCALE. DIMENSIONS SHOWN ON THIS PLAN SHALL TAKE PRECEDENCE OVER DIMENSIONS SHOWN ON ANY OTHER DRAWING. THE PROJECTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED TO THE PROJECTOR. THE PROJECTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED TO THE PROJECTOR. THE PROJECTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED TO THE PROJECTOR.



12
SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP
DIRECTOR

OCEANO

THIS IS A NEW PROJECT REFERRAL

DATE: 11/21/06

TO: Oceano CBD

COMM SERV DIST
To UOS not file

FROM: - South County Team - North County Team - Coastal Team

PROJECT DESCRIPTION: File Number: DRC2006-00102 Applicant: Petyko
MUP -> commercial bldg. of 2,444 sq. ft. Site located
off Railroad St. in Oceano. 061-046-056

Return this letter with your comments attached no later than: 12/6/06

PART 1 - IS THE ATTACHED INFORMATION ADEQUATE TO COMPLETE YOUR REVIEW?

- YES (Please go on to PART II.)
- NO (Call me ASAP to discuss what else you need. We have only 30 days in which we must accept the project as complete or request additional information.)

PART II - ARE THERE SIGNIFICANT CONCERNS, PROBLEMS OR IMPACTS IN YOUR AREA OF REVIEW?

- YES (Please describe impacts, along with recommended mitigation measures to reduce the impacts to less-than-significant levels, and attach to this letter)
- NO (Please go on to PART III)

PART III - INDICATE YOUR RECOMMENDATION FOR FINAL ACTION.

Please attach any conditions of approval you recommend to be incorporated into the project's approval, or state reasons for recommending denial.

IF YOU HAVE "NO COMMENT," PLEASE SO INDICATE, OR CALL.

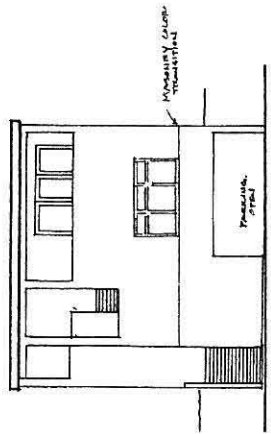
We recommend approval, upon satisfactory completion of all requirements as stated in the OCSD Will Serve letter.

November 30, 2006
Date

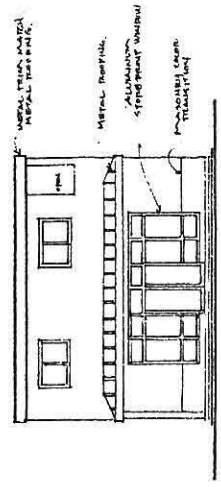
Name Philip T. Davis

(805) 481-6730
Phone

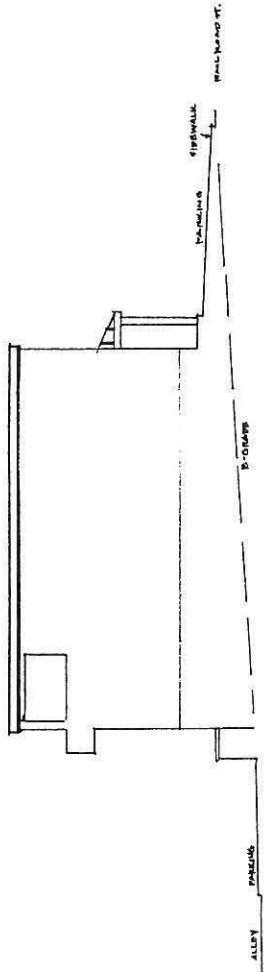
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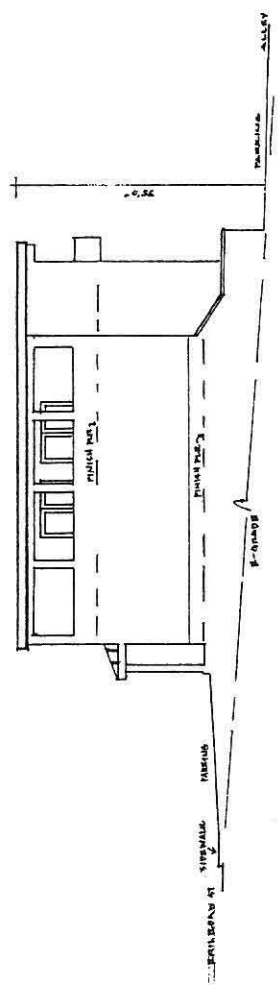
EAST ELEVATION
SCALE 1/8" = 1'-0"



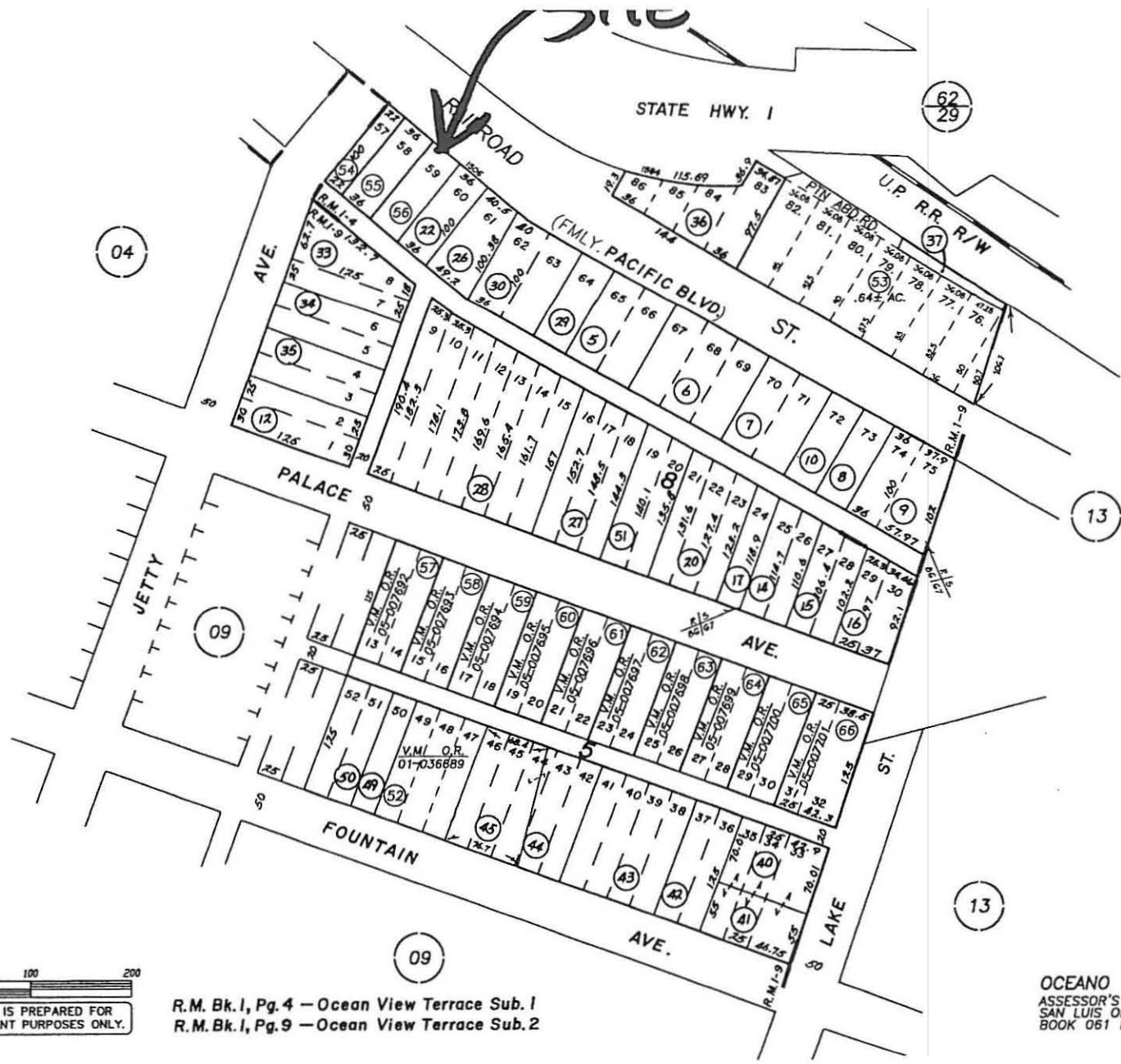
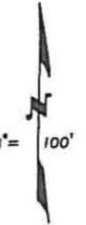
WEST ELEVATION
SCALE 1/8" = 1'-0"



NORTH ELEVATION
SCALE 1/8" = 1'-0"



SOUTH ELEVATION
SCALE 1/8" = 1'-0"



REVISIONS	
I.S.	DATE
NA	09-05-03
05-361	04-01-05
08-018	07-12-05

50 0 100 200

LZ 07-23-01 THIS MAP IS PREPARED FOR ASSESSMENT PURPOSES ONLY.

R.M. Bk. 1, Pg. 4 - Ocean View Terrace Sub. 1
 R.M. Bk. 1, Pg. 9 - Ocean View Terrace Sub. 2

OCEANO
 ASSESSOR'S MAP, COUNTY OF
 SAN LUIS OBISPO, CA.
 BOOK 061 PAGE 046



Parcel Summary Report For Parcel # 061-046-056

11/21/2006
12:08:27PM

San Luis Obispo County Department of Planning and Building

County Government Center

San Luis Obispo, California 93408

Telephone: (805) 781-5600

Address Information

<u>Status</u>	<u>Address</u>
	00000 PACIFIC BL OCNO

Lot Information:

Community: OCNO

Planning Area: SLB

<u>Lot Type</u>	<u>Tract / Twnshp</u>	<u>Block / Range</u>	<u>Section</u>	<u>Lot</u>	<u>Land Use Elements</u>	<u>Lot Flags</u>	<u>Misc</u>
T	OCVWT	0008	0059	Y	CS / AR / LCP	VL / VP / ZL	
P	061046	056	0001	N	AS / CAZ		

People Information

<u>Role</u>	<u>Name and Address</u>	<u>Phone Numbers and Contact info</u>	<u>Notes</u>
OWN	PETYKO GREG 1484 RAILROAD OCEANO CA 93445-9627		

Parcel Information

<u>Status</u>	<u>Description</u>	<u>Notes</u>
Active	OCEAN VW TER SB 1 LT 59	



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 28, 2009

Roy Morningstar
2447 Beach St.
Oceano, CA 93445

SUBJECT: APN 062-131-18; OCSD PROJECT #1947; SLO CO # 2005-00829
OWNER/PROJECT: Morningstar/Additional Single Family Residence

Dear Morningstar

Oceano Community Services District will serve the additional Single Family Residence proposed for

APN 062-131-18, subject to the following conditions:

1. Obtain valid OCSD and SSLOCSD permits.
2. Show onsite water and sewer services and cleanouts on plot plan.
3. Engineered plans are required before Fire Department and/or offsite improvements can be determined.
4. A fire safety plan exception of content letter has been issued.
5. If any of the District facilities are required to be moved, raised, or in any way altered or changed because of required conditions of the District or any other agency having jurisdiction over the proposed development, the owner, developer, contractor, or agent responsible shall bring such facilities up to a minimum District standard of design and access.
6. If District facilities (such as water and/or sewer lines) extend into or across the subject property, you will be required to prepare and submit appropriate easement documents and/or encroachment permits for acceptance by the District's Board of Directors and recording with the County Clerk-Recorder.
7. Service will be subject to compliance with all District rules and regulations including, but not limited to: Fees, inspections, backflow requirements, fire flow requirements and main extensions.
8. All projects will require final inspections by OCSD.

Roy Morningstar
October 28, 2009
Page 2

Curbs, gutters, and sidewalks will be required pursuant to County Ordinance 22.05.106 at owner's expense.

This will serve letter will expire October 13, 1010 and is nontransferable. The District reserves the right to review service at the time permits are issued. If you have any questions, please contact the office at (805) 481-6730.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

Raffaele F. Montemurro, General Manager

PTD/cap



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 28, 2009

San Luis Obispo County
Planning & Building Department
Rm 317, County Government Center
San Luis Obispo, CA 93408

Attention: Leslie Perry

**SUBJECT: FIRE SAFETY PLAN FOR APN #062-131-18/ OCSD PROJ#1947
SLO CO PERMIT #2005-00829
OWNER/PROJECT: MORNINGSTAR/ADDITIONAL SINGLE FAMILY RESIDENCE**

Dear Ms. Perry ,

After reviewing information concerning building permit application, OCSD has determined that this falls under the EXCEPTION OF CONTENT REQUIREMENTS (Section 22.05.082 a (3)) since fire sprinklers will be installed. As a result, the District will not require the builder to submit a fire safety plan, with the understanding that the 20' wide access or driveway must be paved with an all-weather surface.

If you have any questions, or require further information, please feel free to call.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

By Philip T. Davis, Utility Operations Supervisor
For Raffaele Montemurro, General Manager

PO/PTD/cap



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 28, 2009

Roy Morningstar
2447 Beach St.
Oceano, CA 63445

SUBJECT: APN 062-131-18; OCSD PROJ #1947 SLO CO PERMIT #2005-00829
OWNER/PROJECT: MORNINGSTAR/ADDITIONAL SINGLE FAMILY RESIDENCE

Dear Mr. Morningstar:

Presented below is an estimate of the water and sewer fees for connection of the subject project. All connection fees must be paid to Oceano Community Services District prior to the residence being connected to the District's water and sewer services. The following fees are based on our understanding that you will be using the lots exiting water & sewer service.

Water Connection Charge

Water Meter Charge (5/8 inch)	\$ 0.00	
Front Footage Charge (50' Min. @\$81.60/ft)	4,080.00	
State Water Project Charge	3,662.88	
Lopez Project Improvements	<u>1,000.00</u>	
Sub Total		\$8,742.88

Sewer Connection Charges

Sewer Connection Fee	500.00	
Inspection Fee	<u>50.00</u>	
Sub Total		<u>550.00</u>

TOTAL ESTIMATED WATER AND SEWER FEES \$9,292.88

Roy Morningstar
October 28, 2009
Page 2

The \$50.00 inspection fee shown above is for inspecting the buildings sewer laterals between the District's cleanout and the connection to the new residences. Please give us at least 24 hours notice to schedule the required inspections. The estimate does not include permanent pavement repair.

In addition, the South San Luis Obispo County Sanitation District (SSLOCSD) will require payment for its connection fees. You may find out the precise amount of this payment by calling the SSLOCSD office between 8:00 a.m. and noon at (805) 481-6903 and speaking with Sabrina Spears, Secretary/Bookkeeper. **OCSD will require that you submit a copy of your County building permit and the receipt from the SSLOCSD before it will accept water and sewer fees due to us.**

Estimated fees could increase at any time, and will increase on January 1st of each year.

If you have any questions, please feel free to call.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

Philip T. Davis, Utility Operations Supervisor

PTD/cap

San Luis Obispo County Department of Planning and Building

County Government Center, San Luis Obispo, CA 93408 (805) 781-5600

[Home](#)

[Status](#)

[Parcel](#)

[Help](#)

View Case Status

The information below summarizes the case you selected.

Case Number: PMT2005-00829 **Project Name:** **Parcel:** 062-131-018 **Status:** Issued

Application Date:	9/13/2005 12:00:21 PM	
Issued Date:	7/18/2007	
Finalized Date:		
Expiration Date:	7/18/2008	
Address:	02447 BEACH ST OCNO	
Type of Case:	SINGLE FAMILY DWELLING	
Description:	SFD (854) WITH GARAGE (400 SF)	

Activities [Schedule an Inspection](#)

Type	Requested	Scheduled	Completed	Disp (done by)	
Zoning Clearance	9/13/2005	9/20/2005	9/13/2005	DONE	JNB
Building Intake	9/13/2005	9/20/2005	9/13/2005	DONE	JNB
Initial Fee Payment	9/13/2005	9/13/2005	9/16/2005	DONE	TTE
Addressing	9/13/2005	9/13/2005	10/27/2006	DONE	LFM
Site Check Sent	9/13/2005	9/20/2005	9/14/2005	DONE	KAL
Building Site Check Clear	9/13/2005	9/13/2005	9/15/2005	DONE	KAL
BUILDING PLAN REVIEW	9/13/2005	10/12/2005	11/1/2005	DONE	TBB
PLANNING DIVISION REVIEW	9/13/2005	10/12/2005	1/4/2006	DONE	JNB
PUBLIC WORKS REVIEW	9/13/2005	10/12/2005	11/8/2005	DONE	EMW
Plan Correction Pick-up	9/13/2005	9/13/2005	11/1/2005	DONE	SAK
Allocation Clearance	9/13/2005	9/13/2005	10/20/2006	DONE	JSM
SFD Fees OCEANO	9/13/2005			DONE	JNB
P. W. Received	9/27/2005	9/28/2005	9/27/2005	DONE	SBD

P. W. Recycling PI	9/27/2005	10/11/2005	8/31/2006	DONE	EMW
P. W. Final	9/27/2005	10/4/2005	8/31/2006	DONE	EMW
P. W Curb/Gutter/Sidewalk	10/4/2005	10/17/2005	2/28/2006	DONE	SBD
P. W. Drainage Rev	11/8/2005	11/21/2005	2/28/2006	DONE	SBD
Plan Correction Return	12/16/2005	12/16/2005	12/16/2005	DONE	SAK
BUILDING PLAN CHECK FINAL	12/16/2005	12/16/2005	12/29/2005	DONE	TBB
PLANNING DIVISION FINAL	12/16/2005	12/16/2005	1/4/2006	DONE	MJL
Permit Notification	12/16/2005	12/16/2005	9/6/2006	DONE	SAK
Final Fee Payment	12/16/2005	12/16/2005	7/18/2007	DONE	LES
P. W. Received	1/5/2006	12:00:00 AM	1/5/2006	DONE	SBD
Notes			9/6/2006	DONE	SAK
P. W Curb/Gutter/Sidewalk	10/20/2006	10/31/2006	10/20/2006	DONE	MPL
P. W. Recheck	10/20/2006	10/30/2006	12/4/2006	DONE	SBD
Apply Deposit	10/20/2006	10/20/2006	10/20/2006	DONE	PSW
Permit Notification	12/5/2006	12/6/2006	12/5/2006	DONE	SAK
Override - Condition Holds	7/18/2007				
Override - Condition Holds	7/18/2007				
Override - Condition Holds	7/18/2007				
Override - Condition Holds	7/18/2007				
Issue Permit	7/18/2007		7/18/2007	DONE	LES
Reprint Permit	8/2/2007		8/2/2007	DONE	SAK
Reprint Permit	8/3/2007		8/3/2007	DONE	LES
Reprint Issued Permit	8/6/2007		8/6/2007	DONE	MJL
FOUNDATIONS	4/23/2008	4/24/2008	4/24/2008	CRNA	RPD
Setbacks	4/23/2008	4/24/2008	4/24/2008	CRNA	RPD
Concrete Encased Ground Elec	4/23/2008	4/24/2008	4/24/2008	CRNA	RPD
Stem Walls Only	4/23/2008	4/24/2008	4/24/2008	CRNA	RPD
Stem Walls Only	4/24/2008	4/25/2008	4/25/2008	APPR	RPD
FOUNDATIONS	4/24/2008	4/25/2008	4/25/2008	APPR	RPD
Concrete Encased Ground Elec	4/24/2008	4/25/2008	4/25/2008	APPR	RPD
Setbacks	4/24/2008	4/25/2008	4/25/2008	APPR	RPD
Concrete Slab	5/8/2008	5/9/2008	5/8/2008	APPR	RPD
Roof Nailing & Roof Framg	6/29/2008	6/30/2008	6/30/2008	PAPV	DRR
Lateral (Shear) All	6/29/2008	6/30/2008	6/30/2008	APPR	DRR
Rough Framing Only	6/29/2008	6/30/2008	6/30/2008	NRDY	DRR
Roof Framing Only	6/30/2008	7/1/2008	7/1/2008	APPR	RPD
Notes	10/15/2008		10/15/2008	DONE	SPH
Under-Slab/Floor Plumbing	4/25/2008	4/25/2008	4/25/2008	APPR	RPD
Notes			5/26/2009	DONE	SAK
Reprint Permit	5/26/2009		5/26/2009	DONE	LXM
Exterior Gas (trench/air)	6/24/2009	6/25/2009			IVR
Interior Gas (air test)	6/24/2009	6/25/2009			IVR

Fees

Item	Fee Amount
ZSPK-Single Residence/Park-2	1,491.24
ZSFR-Combined Single Res.-2	1,209.72
B01-Building Permit Inspct-2	755.75
FIRE-Combined Fire Fee-2	731.88

ZSLQ-Single Residence/Land-2	707.88
A01-Building Plan Rev Fees-1	491.24
L04-Plot Plan w/Bldg Prmt-1	338.00
Z08A-CDF Fire Plan SFD-1	279.00
R97-Allotment Admin Fee- 1	150.00
A02-Plan Rev Energy Fee-1	75.58
R20-Address w/Bldg Permit-1	62.00
E02-Electrical Permit SFD-2	47.82
X74A-Public Works Prmt Rev-1	30.00
P22-Plumb SFD or Duplex-2	29.89
P13-Plumb Bldg Sewer-2	24.65
E01-Elec Base Fee-2	23.50
X74B-Acct Transfer Fee-1	17.00
Z08B-Acct Transfer Fee-1	17.00
M02-Mechanical Permit-2	8.54
Z18-SMIP Tax-2	6.52
Reversal - Z08B-Acct Transfe	(17.00)
Reversal - Z08A-CDF Fire Pla	(279.00)
Total Fees	6,201.21

Conditions

Title	Tag	Status
Verify-Footings in Native-S	FOUN	Met
Bond Curb/Gutter-I	ISSU	Met
Verify Contractor's License-I	ISSU	Met
Survey Height Control Point-S	FOUN	Met
Site Check Slope Notes-C	CORR	Met
Fire Plan Review-C	CORR	Met
Floor Plan for Assessor-C	CORR	Met
P.W. Fee-\$ Estimate-I	ISSU	Met
Bond Curb/Gutter-I	ISSU	Met
Sewer Will Serve Letter-C	CORR	Met
P.W. Fee-\$ Estimate-I	ISSU	Met
Consent of Owner-C	CORR	Met
MISC. HOLD-F	ISSU	Met
Toxic Waste Vrf Forms-C	CORR	Met
D.O.S./ Safety Form-C	CORR	Met
School District Clearance-I	ISSU	Met
Water Serve or Well Report-C	CORR	Met
P.W. Recycling Plan-I	ISSU	Met
Dev. Review Inspection-F	FINL	Unmet
Fire Agency Insp Req-F	FINL	Unmet
P.W. Recycling Plan Comply-F	FINL	Unmet
Height Check @ Roof Nailing-R	FRAM	Unmet
Curb/Gutter-F	FINL	Unmet
Misc. Hold-I	ISSU	Met

Valuations

Item	Quantity	Grade	Type	Rate	Valuation
Dwelling	854	Average	Type V-N WD Frame	65.28	55,749.12



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 09, 2009

Christine Weiss
187 Ruth Ann Way
Arroyo Grande, CA 93420

SUBJECT: APN 061-062-023; OCSD PROJ #
OWNER/PROJECT: WEISS/BEDROOM ADDITION

Dear Mrs. Weiss:

Oceano Community Services District will serve the bedroom addition purposed for APN 061-062-023; subject to the following conditions:

1. Obtain valid OCSD and SSLOCSD permits. There are fees due.
2. Show onsite water and sewer services and cleanouts on plot plan.
3. Engineered plans are required before Fire Department and/or offsite improvements can be determined.
4. A fire safety plan will be required.
5. If any of the District facilities are required to be moved, raised, or in any way altered or changed because of required conditions of the District or any other agency having jurisdiction over the proposed development, the owner, developer, contractor, or agent responsible shall bring such facilities up to a minimum District standard of design and access.
6. If District facilities (such as water and/or sewer lines) extend into or across the subject property, you will be required to prepare and submit appropriate easement documents and/or encroachment permits for acceptance by the District's Board of Directors and recording with the County Clerk-Recorder.
7. Service will be subject to compliance with all District rules and regulations including, but not limited to: Fees, inspections, backflow requirements, fire flow requirements and main extensions.
8. All projects will require final inspections by OCSD.

Curbs, gutters and sidewalks will be required pursuant to County Ordinance 22.05.106 at owner's expense.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

October 9, 2009

San Luis Obispo County
Planning & Building Department
Rm 317, County Government Center
San Luis Obispo, CA 93408

Attention Leslie Perry:

SUBJECT: FIRE SAFETY PLAN FOR APN 061-062-023; OCSD PROJ# ;
OWNER/PROJECT: WEISS/BEDROOM ADDITION

Dear Ms. Perry:

After reviewing information concerning the above building permit application, OCSD has determined that this project falls under the EXCEPTION OF CONTENT REQUIREMENTS (Section 22.05.082, a (3)). As a result, the District will not require the builder to submit a fire safety plan.

If you require further information, please feel free to call.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

By Philip T. Davis, Utility Operations Supervisor
Raffaele F. Montemurro, General Manager

RFM/PTD/cap

CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY
REVENUE BONDS
(STATE OF CALIFORNIA PROPOSITION 1A RECEIVABLES PROGRAM)
SERIES 2009

CERTIFICATE OF THE SELLER RE:
COMPONENTS OF PROPOSITION 1A RECEIVABLES

The undersigned, an Authorized Officer of the Oceano Community Services District (the "Seller") hereby certifies as follows with respect to that certain Purchase and Sale Agreement, dated as of November 1, 2009 (the "Agreement"), by and between the Seller and the California Statewide Communities Development Authority (the "Purchaser") as follows (all capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Agreement):

1. The components (the "Components") of the Proposition 1A Receivable listed in Schedule I, attached hereto and incorporated herein by reference, belong to the Seller;
2. The Components are listed as they appear on the certification of the County Auditor pursuant to Section 100.06 of the Revenue and Taxation Code;
3. By entering into the Agreement, the Seller is selling the Proposition 1A Receivable, including all Components thereof listed in Schedule I;
4. The Seller acknowledges that the Purchase Price of the Proposition 1A Receivable will be equal to aggregate the Initial Amounts of each Component as each such Component is separately certified by the County Auditor; and
5. The funds or other entities listed as Components in Schedule I (other than the Seller itself) are not independent legal entities with the power to enter into contracts.

Dated: Pricing Date

**OCEANO COMMUNITY SERVICES
DISTRICT**

By: _____
Authorized Officer

ACKNOWLEDGEMENT OF SELLER'S COUNSEL

The undersigned, counsel to the Seller hereby acknowledges and confirms that the statements in paragraphs 1 and 5 of this certificate are legally correct.

By: _____
Seller's Counsel

SCHEDULE I

COMPONENTS OF PROPOSITION 1A RECEIVABLE

Names of Components
Oceano Community Services District

Schedule I

Component Certificate of Oceano Community Services District

RESOLUTION NO. _____

**BOARD OF DIRECTORS
OF THE
OCEANO COMMUNITY SERVICES DISTRICT**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the Oceano Community Services District, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this Board of Directors (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely

from the proceeds of the Seller's Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Oceano Community Services District to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Directors of the Oceano Community Services District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Directors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the "Irrevocable Written Instruction") notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this Board of Directors, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The Board of Directors acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the Oceano Community Services District, State of California, this _____ day of _____, 2009, by the following vote:

AYES:

NOES:

ABSENT:

President

Attest:

General Manager

Approved as to form :

SELLER'S COUNSEL

By _____

Dated: _____

Sample Staff Report
Proposition 1A Securitization Program
[Tax-Exempt Proceeds]

Note to Staff: The following is sample language for use in a staff report to accompany the Proposition 1A Receivables Sale Resolution. This language is only a suggestion and you should not hesitate to edit as needed. If you need assistance or would like the Proposition 1A Securitization Program to review your staff report or agenda item, please do not hesitate to contact us. Because of the need to maintain the uniformity of documents among all participating local agencies, the Proposition 1A Securitization Program will supply you with a finalized Proposition 1A Receivables Sale Resolution suitable for adoption based on the information you submit on the Proposition 1A Securitization Program enrollment. Participation in the Proposition 1A Securitization Program requires that the documents be approved exactly in the form provided to you. If you believe there is an error in the documents provided to you, please contact Orrick, Herrington & Sutcliffe LLP, the Proposition 1A Program's bond counsel as soon as possible. (Please see the Proposition 1A Securitization Program financing team contacts list for contact information.)

Agenda Item: A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH.

Background

Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concur.

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 on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.

The legislature is currently reviewing a clean-up bill, SB67 which would provide for a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism. [*Note to Staff: include if SB 67 has not yet been passed*] [While SB 67 has not yet been passed and signed into law, California Communities expects that to occur prior to funding the Program. If for any reason SB 67 is not enacted and

the bonds cannot be sold by December 31, 2009, all approved documents placed in escrow with Transaction counsel will be of no force and effect and will be destroyed.]

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Currently, SB67 is being considered to clarify specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds (“Prop 1A 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). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the [City/County/Special District] sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the [City/County/Special District]’s Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The [City/County/Special District]’s sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the [City/County/Special District] if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority (“California Communities”) is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California. *[Note –the [City/County/Special District] does not need to be a member of California Communities to participate].*

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits to the [City/County/Special District] of participation in the Proposition 1A Securitization Program include:

- Immediate cash relief – the sale of the [City/County/Special District]’s Proposition 1A Receivable will provide the [City/County/Special District] with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.
- Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15 and the proposed clean-up legislation SB 67, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.
- All costs of financing borne by the State of California. The [City/County/District] will not have to pay any interest cost or costs of issuance in connection with its participation.

- No obligation on Bonds. The [City/County/District] has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Proceeds of the Sale of the [City/County/Special District]'s Proposition 1A Receivable:

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the [City/County/Special District] its fixed purchase price, which will equal 100% of the local agency's Proposition 1A Receivable. These funds may be used for any lawful purpose of the [City/County/District] and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution:

- (1) Authorizes the sale of the [City/County/Special District]'s Proposition 1A Receivable to California Communities for 100% of its receivable;
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
- (3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;
- (4) Appoints certain [City/County/Special District] officers and officials as Authorized Officers for purposes of signing documents; and
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

- (1) Provides for the sale of the Proposition 1A Receivable to California Communities;
- (2) Contains representations and warranties of the [City/county/District] to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions is pending or threatened to disrupt the transaction and that this is an arm's length "true sale" of the Proposition 1A Receivable.
- (3) Provides mechanics for payment of the Purchase Price
- (4) Contains other miscellaneous provisions.

Proposed Purchase and Sale Agreement Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

- (B1) Opinion of Counsel: This is an opinion of the counsel to the local agency (which may be an in-house counsel or an outside counsel) covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).
- (B2) Bringdown Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).
- (C1) Certificate of the Clerk of the Local Agency: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.
- (C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.
- (C3) Bill of Sale and Bringdown Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.
- (D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.
- (E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

Recommended Action:

After [Council/Board] discussion and questions, if the [Board/Council] wishes to participate in the Proposition 1A Securitization Program, it should adopt the proposed Proposition 1A Sale Resolution and Purchase and Sale Agreement, which requires only a simple majority vote.

CK.#	LAST NAME	F M	REGULAR	O.T.	OTHER	AUTO/BUS	GROSS	NET PAY
49812	DAVIS	G A	2894.12	.00	.00	.00	2894.12	2191.20
49813	DAVIS	P T	2566.64	.00	.00	.00	2566.64	1878.83
49814	TORRES	M A	1971.04	221.74	.00	.00	2192.78	1990.87
49815	SILVEIRA	D P	1674.96	62.81	.00	.00	1737.77	1147.33
49816	LANGSTAFF	S A	1677.28	62.90	.00	.00	1740.18	1191.92
49817	GARCIA	S S	.00	.00	63.55	.00	63.55	52.99
49818	KALATA	P J	576.00	.00	.00	.00	576.00	426.26
49819	WATHEN	S C	408.00	.00	.00	.00	408.00	367.29
49820	SCHMIDT	M E	561.00	.00	.00	.00	561.00	502.73
49821	CORSIGLIA	S L	1210.00	.00	.00	.00	1210.00	912.62
49822	LANE	J R	561.00	.00	.00	.00	561.00	489.62
49823	MCKIM	J P	240.00	.00	.00	.00	240.00	214.00
49824	CHIRCOP	M V	240.00	.00	.00	.00	240.00	219.00
49825	LEATHERS	B W	2429.84	1065.94	.00	.00	3495.78	2597.19
49826	BOVA	J M	2200.61	.00	.00	.00	2200.61	1659.66
49827	RODLIN	J A	612.00	.00	.00	.00	612.00	539.65
49828	ANGELLO	J A	2116.35	.00	.00	.00	2116.35	1572.86
49829	FUKUHARA	B R	825.00	.00	.00	.00	825.00	710.41
			22763.84	1413.39	63.55	.00	24240.78	18664.43 *

18 RECORDS PROCESSED

PAYEE	VEND.NO.	CHECK DATE	CHECK #	CHECK AMT	PREPAID
WALLACE GROUP	35541	102809	49853	39759.32	0
ANTHEM BLUE CROSS	3950	102809	49838	8224.00	0
CA DEPT OF HEALTH SERVICES	6349	102809	49840	5233.41	0
TODD ENGINEERS	33570	102809	49850	4853.06	0
UNITED STAFFING ASSOCIATES	34478	102809	49851	3581.66	0
INTERSTATE BILLING SERVICE INC	27375	102809	49846	2740.03	0
AGP VIDEO	700	102809	49833	2295.00	0
SWCA	32890	102809	49849	1295.00	0
DHILLON MANAGEMENT SERVICES	92516	102809	49854	907.50	0
(PITNEYWORKS) RESERVE ACCOUNT	25740	102809	49844	750.00	0
PRINCIPAL MUTUAL LIFE INS CO	26100	102809	49845	586.79	0
A T & T	255	102809	49832	494.03	0
STAPLES BUSINESS ADVANTAGE	32425	102809	49848	487.11	0
CLINICAL LABORATORY OF	8135	102809	49841	480.00	0
BADGER METER, INC.	3085	102809	49837	339.14	0
AT&T ADVERTISING & PUBLISHING	252	102809	49831	321.00	0
J.B. DEWAR, INC.	11150	102809	49842	310.63	0
ARROYO GRANDE, CITY OF	2085	102809	49835	288.15	0
AVCO FIRE EXTINGUISHER CO.	2400	102809	49836	271.07	0
EXECUTIVE JANITORIAL	12975	102809	49843	223.71	0
HARVEYS HONEYHUTS	94531	102809	49855	129.09	0
AMERITAS LIFE INSURANCE	1484	102809	49834	127.50	0
THE GAS COMPANY	31878	102809	49847	117.63	0
CORSIGLIA, SCOTT L.	91219	102309	49830	70.37	1
BURDINE PRINTING	4548	102809	49839	66.42	0
UNITED RENTALS	34800	102809	49852	23.58	0

73975.20 *

26 RECORDS PROCESSED

PAYEE	DETAIL OF DEMANDS VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
SLO CO DIRECTORY LIST AT&T ADVERTISING & PUBLISHING	00252	8103766616	01-4100-111	ADMINISTRA	049831	321.00 321.00		50
100209	8054816730	805481673062	01-4100-111	ADMINISTRA		306.14		10
100209	8054810085	805481008558	02-4400-111	WATER		43.90		20
100209	8054892124	805489212449	02-4400-111	WATER		85.08		30
100209	8054817760	805481776058	03-4500-111	SEWER		58.91		40
A T & T	00255				049832	494.03		
09/09 VIDEO SERV AGP VIDEO	00700	3600	01-4100-220	ADMINISTRA	049833	2,295.00 2,295.00		60
11/09 VISION AMERITAS LIFE INSURANCE	01484	102818800001	01-2166-004	PAYROLL	049834	127.50 127.50		70
CLOTHING: PATCHES SEM: HAGLAND		09-04 09-05	01-4200-100 01-4200-285	FIRE FIRE		97.22 190.93		80 90
ARROYO GRANDE, CITY OF	02085				049835	288.15		
R&M EXTING R&M EXTING R&M EXTING		1562 1574 1622	01-4200-170 01-4200-170 01-4200-170	FIRE FIRE FIRE		197.36 48.71 25.00		100 110 120
AVCO FIRE EXTINGUISHER CO.	02400				049836	271.07		
3 3/4" TR METERS BADGER METER, INC.	03085	83900601	02-4400-176	WATER	049837	339.14 339.14		130
11/09 PREM ANTHEM BLUE CROSS	03950	396469	01-2166-001	PAYROLL	049838	8,224.00 8,224.00		140
BUS CARDS: MONTEMURRO BURDINE PRINTING	04548	12559	01-4100-200	ADMINISTRA	049839	66.42 66.42	200280200	150
07/01/08-06/30/09 AB2995 CA DEPT OF HEALTH SERVICES	06349	FEE 0960546	02-4400-220	WATER	049840	5,233.41 5,233.41		160
09/09 PROF SERV CLINICAL LABORATORY OF	08135	904247	02-4400-220	WATER	049841	480.00 480.00		170
10/15 FUEL 6100		712688	01-4200-172	FIRE		31.18	20980172	180

PAYEE	DETAIL OF DEMANDS	VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
10/15	FUEL 30009		712688	03-4500-172	SEWER		95.49	50980172	190
10/15	FUEL 30015		712688	02-4400-172	WATER		96.03	41580172	200
10/15	FUEL 30016		712688	02-4400-172	WATER		87.93	41680172	210
J.B. DEWAR, INC.		11150				049842	310.63		
10/09	SERV/SUPP		40554	01-4100-173	ADMINISTRA		223.71		220
EXECUTIVE JANITORIAL		12975				049843	223.71		
POSTAGE DEP ACCT			18285254	01-4100-210	ADMINISTRA		750.00		230
(PITNEYWORKS) RESERVE ACCOUNT		25740				049844	750.00		
11/09	DENTAL PREM		P42890-1	01-2166-002	PAYROLL		667.88		240
11/09	CR: SNCHZ & GRDDO		P42890-1	01-2166-002	PAYROLL		154.80	CR	250
11/09	CR: SNCHZ & GRDDO		P42890-1	01-2166-003	PAYROLL		35.06	CR	260
11/09	LIFE INS		P42890-1	01-2166-003	PAYROLL		108.77		270
PRINCIPAL MUTUAL LIFE INS CO		26100				049845	586.79		
0212: R&M 6192			310994808	01-4200-171	FIRE		617.27	21280171	280
0210: R&M 6171			310994556	01-4200-171	FIRE		2,122.76	21080171	290
INTERSTATE BILLING SERVICE		IN27375				049846	2,740.03		
10/11	1655 FRPMT		14371606006	01-4100-290	ADMINISTRA		31.02		300
10/11	1689 FRPMT		15211606007	01-4200-290	FIRE		34.65		310
10/11	1935 WILMAR		01761523008	02-4400-290	WATER		51.96		320
THE GAS COMPANY		31878				049847	117.63		
OFF SUPP			3126468426	01-4100-200	ADMINISTRA		487.11		330
STAPLES BUSINESS ADVANTAGE		32425				049848	487.11		
PROF SERV: CDBG/DRI SWR			15108-010	03-4500-355	SEWER		1,295.00		340
SWCA		32890				049849	1,295.00		
8601: ANNUAL MONITORING			46201 9-09	02-4400-220	WATER		4,057.86	860160220	350
PROF SERV: WTR MSTR PLAN			64201 9-09	02-4400-357	WATER		795.20		360
TODD ENGINEERS		33570				049850	4,853.06		
101109	TEMP SERV		034519	01-4100-220	ADMINISTRA		924.00		370
101109	TEMP SERV		034519	01-4100-220	ADMINISTRA		924.00		380
101809	TEMP SERV		035546	01-4100-220	ADMINISTRA		854.70		390
101809	TEMP SERV		035546	01-4100-220	ADMINISTRA		878.96		400

PAYEE	DETAIL OF DEMANDS VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
UNITED STAFFING ASSOCIATES	34478				049851	3,581.66		
R&M: WACKER UNITED RENTALS	34800	641296	02-4400-170	WATER	049852	23.58 23.58		410
083109	ADMIN	28636	01-4100-222	ADMINISTRA		1,231.25		420
093009	ADMIN	28807	01-4100-222	ADMINISTRA		6,839.99		430
083109	EXHAUST REMOVAL SYS	28637	01-4200-222	FIRE		3,622.50		440
093009	EXHAUST REMOVAL SYS	28808	01-4200-222	FIRE		382.50		450
083109	17TH & BEACH ALLEY	28637	02-4400-222	WATER		142.50		460
093009	17TH & BEACH ALLEY	28808	02-4400-222	WATER		162.84		470
093009	WELL SURVEYS	28808	02-4400-222	WATER		4,205.75		480
083109	CDBG/DRI ENGRING	28637	03-4500-355	SEWER		1,370.00		490
093009	CDBG/DRI ENGRING	28808	03-4500-355	SEWER		7,313.75		500
083109	CDBG/DRI CONST MGNT	28637	03-4500-355	SEWER		440.00		510
093009	CDBG/DRI CONST MGNT	28808	03-4500-355	SEWER		1,045.00		520
083109	WTR MSTR PLAN UPDATE	28637	02-4400-357	WATER		2,096.25		530
083109	SWR MSTR PLAN	28637	03-4500-357	SEWER		1,192.94		540
083109	SDW/SHOVEL READY PROJS	28637	02-4400-359	WATER		6,614.25		550
093009	SDW/SHOVEL READY PROJS	28808	02-4400-359	WATER		3,099.80		560
WALLACE GROUP	35541				049853	39,759.32		
ADVANCE: PPE 101009 REPLCMNT CORISGLIA, SCOTT L.	91219	WARR 049830	01-4200-010	FIRE 10/23/09	049830	70.37 70.37	*	570
DISPATCH STUDY EXP: 25% DHILLON MANAGEMENT SERVICES	92516	DMS09-003-04	01-4200-220	FIRE	049854	907.50 907.50		580
R&M: OLD F/S HARVEYS HONEYHUTS	94531	41990	01-4200-173	FIRE	049855	129.09 129.09		590
CHECKS WRITTEN						73,904.83		
* PREPAID ITEMS						70.37	*	
TOTAL DEMANDS PAID						73,975.20		