

OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
November 11, 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 Dean, Director Lucey

Absent: Director Dahl

Staff Present: Raffaele F. Montemurro, Board Secretary/General Manager;
Gina A. Davis, Deputy Board Secretary/Administrative Assistant;
Alex Simas, District Legal Counsel

Staff Absent: Mike Hubert, Fire Chief; Philip T. Davis, Utility Operations Supervisor

2. Flag Salute

President Mann led the flag salute.

3. Public Comment *

None

4. Board Member Items/Discussion *

President Mann, Director Dean, VP Hill, & Director Lucey acknowledged our Nation's veterans on this November 11th Veteran's Day.

5. Review and Approval of Minutes

a. October 28, 2009

GM Montemurro requested that the Minutes be deferred. President Mann directed that the review and approval of minutes be put on the agenda for the December 9th Board Meeting.

6. Reports*

a. Commander Brian Hascall, Sheriff's South Station:

The Commander was not in attendance.

b. October, 2009 Report for the Fire Department

Captain Angello presented report.

7. Consideration of Warrants

Director Lucey stated there is still no cross referencing and would like to see the invoice (back up for each check). GM Montemurro said the invoices for all warrants are available.

Director Dean stated that she and Director Dahl cross-referenced the invoice amounts with the check number prior to signing checks presented October 28th, 2009.

President Mann stated she pre-signed 6 checks for the warrants that need to be paid on the first of the month.

GM Montemurro stated he went through each invoice number, invoice amount, check number, and check amount to make sure that everything lined up. He stated next meeting warrants will be done in a timely fashion and the Board can see the warrants at anytime. VP Hill stated the

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current warrant summary in sufficient since the GM Montemurro will have the support for the warrants available at the Board meeting.

President Mann asked AA Davis about a director being over compensated. AA Davis stated the Director turned in two warrants; she voided the warrants, and reissued a corrected warrant.

Director Dean asked where is the \$600,000. AA Davis answered the money was moved to the interest-bearing account at the County.

After a request for public comment, none being given, upon motion by Director Dean and second by Director Dahl, the Board approved the warrants as presented, 4-0, with Director Dahl absent.

8. Fire Items

- a. Update regarding Exhaust Removal System *
Captain Angello stated system is installed and in use.

9. Utility Items

- a. Cleaning and Inspection of District Sewer and Water Lines
President Mann presented the item.

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

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

NOES: None

ABSENT: Director Dahl

The Board unanimously approved the continuance of the Declaration of Emergency, 4-0, with Director Dahl absent.

b. Review of Current Tracts and Developments Projects and Staff Recommendations

- (1) CASTENADA: 3-lot split; 16th Street (W/S and F/S letters)
(2) ST FRANCIS OF ASSISI CHURCH: Community Hall, Beach St (W/S and Fee letters)
(3) NEWBERGER: Replace SFR; 15th Street (F/S letter)

Director Dean stated the addition of the Church will be an asset to the Community. GM Montemurro stated the existing fire hydrant is sufficient. AA Davis stated the will serve letter has been changed to accommodate that the County may charge for curb and gutter. Director Dean would like to see "Capacity Charge" (SWP).and Additional Connection Fees (LOPEZ PROJ IMPS)..

The Board approved the 3 projects.

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10. Administrative Items

a. Status Report on 2007-2008 Audit *

GM Montemurro reported that Auditor has what he needs to work on the draft. VP Hill stated that corresponds with his communication with the Auditor.

b. Codification *

President Mann stated Fire section has been completed, VP Hill and Director Dean were assigned Water, Director Lucey and Director Dean was assigned Sewer. Director Dean stated she will be reporting what new ideas have come up in the Ad Hoc Committee and will have a list of fees, findings, and recommendations. President Mann stated the codification needs additional cleaning up.

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

(1) Drainage Issues
No report given.

(2) Review of Codification Sections
No report given.

(3) 2009-10 District Goals
No report given.

(4) Water Supply

Director Lucey asked what percentage of capacity is being carried in the Lopez line.

DC Simas stated the District is charged for 100% of the infrastructure costs. Sometimes, due to climatic issues they are not able to deliver any water. There are two components to the cost of receiving State Water: first is the water itself and secondly, the infrastructure cost. The infrastructure costs have to be paid regardless.

(5) Sewer Rehabilitation Project
No report given.

b. New Business

(1) Board Meeting Schedule for November and December, 2009
President Mann introduced the item.

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 Dean, President Mann

NOES: None

ABSENT: Director Dahl

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The Board adopted staff's recommendation that the regularly scheduled board meetings November 25, 2009 and December 23, 2009 be cancelled, 4-0, with Director Dahl absent.

(2) Street Lighting *

Director Dean stated she will do the street lighting survey on her own. She will take pictures of current street lighting during the day. She will address the following areas in the survey: very dark walk areas, uneven pavement where there are no sidewalks, lower energy costs through solar energy and new types of bulbs, and subdivision street lights. She suggested a street light fund to work together with contractors and to carry on with the original antique street lighting

AA Davis stated that UOS Davis is looking into finding a source for the antique street lights.

11. Reports of District Representatives *

a. PRESIDENT BARBARA MANN

President Mann stated VP Hill would report on the, SSLOCSD.

President Mann reported that the Fire Committee was cancelled.

President Mann had stated VP Hill would report on the, Finance Committee.

President Mann reported that she attended the LAFCO Annual Conference. She stated that former Paul Hood attended and received two awards, and David Church is the new LAFCO Executive Director.

11. b. VICE PRESIDENT JIM HILL

VP Hill reported on the SSLOCSD October 21, 2009 meeting. He stated items from the agenda that were discussed were the long-range plan of improvements and design and structure of final clarifier aeration tank (public hearing). He stated progress payment Number One was approved for the new centrifuge design building and an authorization was approved for a payment for a copier.

VP Hill reported on the SSLOCSD November 04, 2009 meeting. He stated there was a conference with a labor negotiator that is ongoing, employee compensation class adjustment, discussion on splitter box refurbishment, budget items, and financial reviews. President Mann agreed with VP Hill in stating OCSD had no employee compensation class adjustment this year and that he would not be able to support the proposal for SSLOCSD.

Examples of Prop 218 were looked at from Cambria CSD and Port Hueneme CSD. VP Hill stated the Cambria CSD looked good; however, VP Hill noticed it had a 45-day protest date. VP Hill stated if OCSD adopts Cambria CSD Prop 218 they will add the 45 day protest date. President Mann stated a clean copy, with any additions will, be brought back to the Board for approval.

VP Hill had nothing to report for the Water & Sewer: Fees & Charges meeting held on October 19, 2009.

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VP Hill had nothing to report for the Finance Committee meeting held on October 22, 2009.

c. **DIRECTOR VERN DAHL**

Director Dahl absent.

d. **DIRECTOR PAMELA DEAN**

Director Dean reported on the Ad Hoc: Fees and Charges meeting. She stated there will be an audit in our area for the Charter Cable PEG Rebate. Currently, there are 800 connections and we should expect income in 2010 for the connections. The amount has not been established.

She stated currently, there are 196 private hydrants that need 16 items checked when they are exercised every two years. Fire sprinklers are mandatory for all SFR's over 1000 square feet and need a specialized meter.

Director Dean reported on the mandatory FOG Program. Currently, there are 16 to 20 accounts being charged \$20 six times a year and the maintenance expenditure is \$12,500 a year. She reported other fees being reviewed are: agenda packages and equipment repairs.

e. **DIRECTOR MARY LUCEY**

Director Lucey reported Water & Sewer: Fees & Charges meeting met on October 19 2009. She stated that they will wait until Ad Hoc Fees and Charges meeting provides the findings and recommendation before going further so there will be no redundant work. She requested that the Ad Hoc Committee look at the copier expenditures with Ultrex and the Pitney Bowes postage meter.

Lin Hill, Oceano, stated there needs to be guidance in the committee.

12. **Adjourned to Closed Session at 8:23 pm:**

a. **CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION ***

CLOSED SESSION – A closed session with District Legal Counsel pursuant to Government Code Section 54956.9(c) to consider whether to initiate litigation.

DC Simas stated that the Board declined to initiate any litigation at this time.

Returned to open session 9:47pm.

13. **General Manager Items/Discussion ***

GM Montemurro reported Gentlemen's Agreement meeting discussion ranged from sea water intrusion to lending a letter to the County. They are concerned about the readings from the wells being accurate.

GM Montemurro stated he visited the Wallace Group and discovered that the Tuckfield Contract had not been signed by the prior IGM Walsh. President Mann asked to review the Tuckfield Contract again. The original contract was given to prior IGM Walsh last November or December, 2008.

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GM Montemurro stated response to Grand Jury Recommendation was through a letter that complied with Grand Jury Request.

GM Montemurro stated Prop 1A, Loan Securitization bonds were sold and the District will receive \$68,666.00. The first disbursement will be 50 % on or about January 15, 2010, with the final 50% disbursement in May, 2010

14. Board Member Discussion *
Director Lucey requested that the District insurance be put on the next agenda.
15. Public Comment *
16. Written Communications
GM Montemurro read the email received from Prop 1A Loan Securitization.

President Mann adjourned the meeting at .9:58 pm

Raffaele F. Montemurro, Board Secretary