

June 23, 2010 Board Meeting

OCEANO COMMUNITY SERVICES DISTRICT
PROPOSED BUDGET
FISCAL YEAR 2010 - 2011

Vern Dahl, President
Pamela Dean, Vice President
Jim Hill
Mary Lucey
Lori Angello

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INTRODUCTION

INTRODUCTION

Oceano Community Services District is a multi-service special district formed on January 1, 1981, under the Community Services District Law, Section 61000 et. seq. of the California Government Code. Oceano Community Services District serves the residents and business people within the limits of its 1.7 square mile service area with fire protection, sewer and water services, street lighting, and refuse collection.

The executive head of the District is a Board of Directors composed of five members. Each member serves a four-year term, and elections are held every two years. The Board's regular monthly meetings are held at the District Chambers, 1655 Front Street, Oceano, California, at 6:30 p.m. on the second and fourth Wednesdays of each month. The District business office is located at the same address.

The District's staff consists of seven full-time employees: A General Manager; an Accounts Payable; an Accounts Receivable ; a Bookkeeper/Secretary; Utility Lead person; and 2 Utility Systems Operators. Fire Protection Services are contracted with JPA. District engineering services are contracted with Wallace Group. Kirk & Simas, a Professional Law Corporation, is District general legal counsel.

Office hours are from 8:00 a.m. to 5:00 p.m., Monday through Friday, except during holidays. In addition, the District has a 24-hour telephone number, 481-6730. This number is answered by an answering service during non-business hours; emergency utility-related calls will be forwarded to standby personnel. The Fire Department is constantly manned 24 hours per day, seven days a week. All emergency fire and/or medical requests are handled through the 9-1-1 system and Grover Beach dispatch.

OCSD RESOLUTION NO. 2010 - 07

ADOPTING THE

BUDGET

FOR THE

2010-2011 FISCAL YEAR

and

OCSD RESOLUTION NO. 2010 - 08

DETERMINING THE

APPROPRIATION LIMITATION

FOR THE

2010-2011 FISCAL YEAR

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010 - 07

A RESOLUTION ADOPTING THE 2010-2011 FISCAL YEAR BUDGET

WHEREAS, the District is required, pursuant to State codes, to designate a custodian for its money; and,

WHEREAS, such custodianship requires that proper methods be used for the acquisition and disbursements of District monies; and,

WHEREAS, the District desires to make known its planned activities and associated costs for the 2010-2011 fiscal year.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, Oceano Community Services District, San Luis Obispo County, California, as follows:

1. That the proposed budget entitled, "**Proposed 2010 - 2011 Budget, Oceano Community Services District,**" be adopted as follows.

Street Lighting Fund Appropriations	\$53,546
Fire Department Fund Appropriations	\$765,427
Water Fund Appropriations	\$1,785,003
Sewer Fund Appropriations	\$800,402
Garbage Fund Appropriations	\$70,000
Major Litigation Fund Appropriations	\$10,000
Sheriff's Facility Fund Appropriations	\$9,495

2. That the final budget be administered as established by past policies and practices.

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

AYES:
NOES:
ABSENT:
ABSTAINING:

the foregoing Resolution is hereby adopted this 23 _ day of June ___, 2010.

Vern Dahl, PRESIDENT

ATTEST:

SECRETARY

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010 - 08

DETERMINATION OF APPROPRIATION LIMITATION
FOR THE 2010-2011 FISCAL YEAR

WHEREAS, Article XIII B of the California Constitution specifies that appropriations made by governmental entities may increase annually by the change in population and the change in U.S. Consumer Price Index or California per-capita income, whichever is less; and

WHEREAS, it has been determined by the State Department of Finance that the California per-capita income increase shall be used; and

WHEREAS, the percent change in the California per-capita income is -2.54 % and the percent change in the population of the unincorporated area of San Luis Obispo County is 0.87%.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, Oceano Community Services District, San Luis Obispo County, California, as follows:

1. That the ratio of change is and is determined as follows:

$$\underline{-.0254} \times \underline{.0087} = \underline{-.000221}$$

2. That the 2010-2011 appropriation limit is and is determined as follows:

2009-10 Limitation	\$6,556,840
2009-10 Ratio of Change	<u>-.000221</u>
Amount of Change	-1,449
2010-11 Appropriation Limitation	\$6,555,391
2010-11 Appropriations Subject to Limitation	\$3,511,149
2010-11 Appropriations Under Limit	<u>\$ 3,044,242</u>

3. No further adjustment to the 2010-11 appropriation limitation has been made for mandated costs. However, any new mandated costs or increases in existing mandated costs would increase the limitation by the amount of "Proceeds of Taxes" used to finance mandates in fiscal year 2010-11.

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010-08

DETERMINATION OF APPROPRIATION LIMITATION
FOR THE 2010-2011 FISCAL YEAR

(Continued)

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this 23 day of June, 2010.

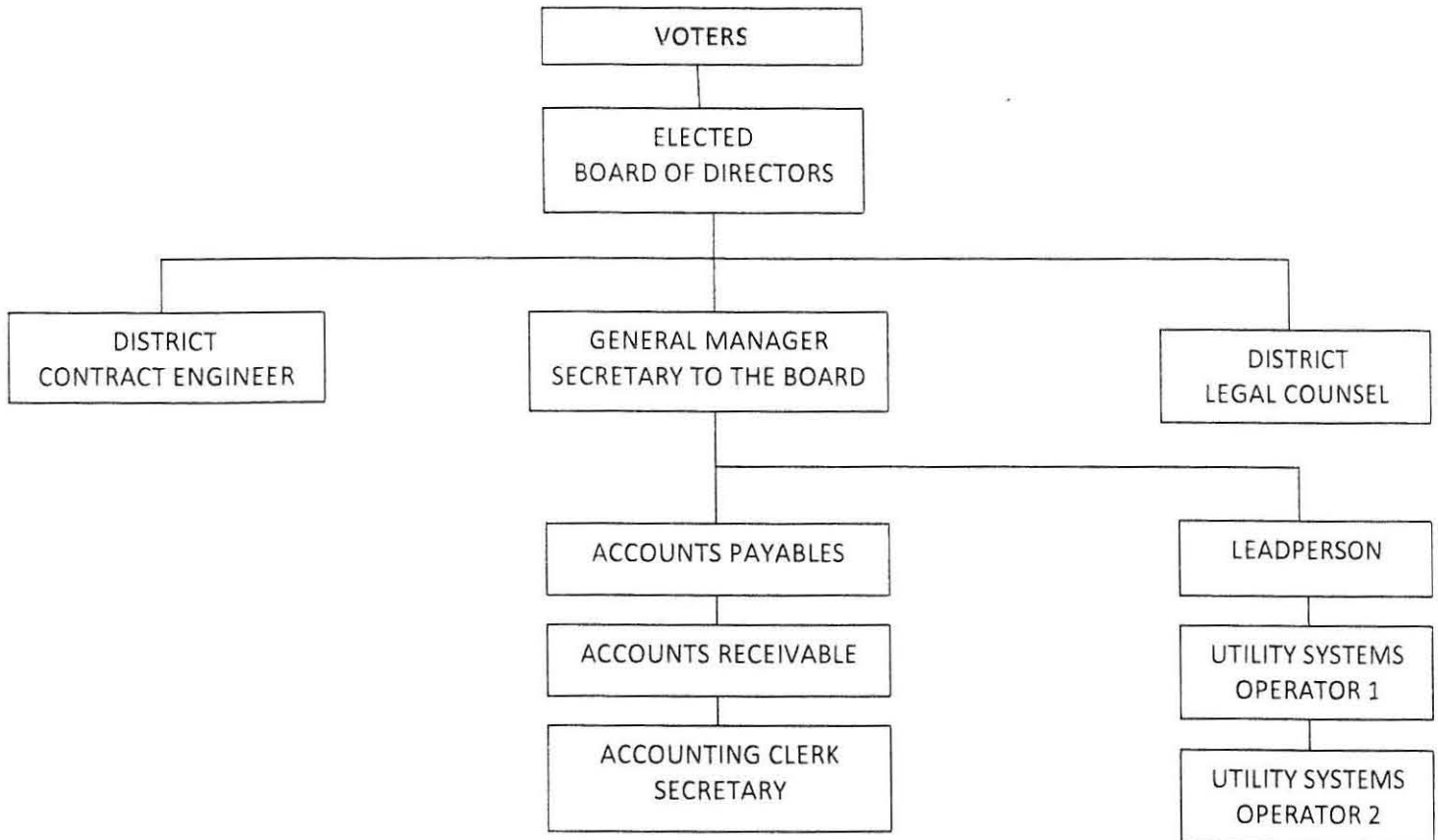
Vern Dahl, PRESIDENT

ATTEST:

SECRETARY

PAYMENT AND COMPENSATION
AND
PERSONNEL

OCEANO COMMUNITY SERVICES DISTRICT
ORGANIZATION CHART
FISCAL YEAR 2010-2011



OCEANO COMMUNITY SERVICES DISTRICT
DISTRICT PERSONNEL: POSITION ROSTER
FISCAL YEAR 2010-2011

<u>FULL-TIME POSITIONS at June 30, 2010</u>	<u>2009-2010</u> <u>Current</u>	<u>2010-2011</u> <u>Requested</u>	<u>2010-2011</u> <u>Approved</u>
General Manager	1.00	1.00	.
Administrative Assistant	1.00	0.00	.
Accounts Payable	1.00	1.00	
Accounts Receivable	1.00	1.00	
Accounting Clerk/Secretary	1.00	1.00	.
Utility Operations Supervisor	1.00	0.00	.
Utility Lead	1.00	1.00	.
Utility Systems Operator	2.00	2.00	.
Total Full-Time Positions	<u>9.00</u>	<u>7.00</u>	<u>.</u>
<u>FIRE DEPARTMENT POSITIONS at June 30, 2009</u>			
Fire Chief (shared)	Shared	0.00	.
Battalion Chief (shared)	Shared	0.00	.
Fire Captain (Full Time)	3.00	0.00	.
Firefighter (Reserve)	<u>12.00</u>	<u>0.00</u>	.
Total Fire Department Positions	<u>15.00</u>	<u>0.00</u>	<u>.</u>
TOTAL	<u>26.00</u>	<u>7.00</u>	<u>.</u>

OCEANO COMMUNITY SERVICES DISTRICT
PAYMENT AND COMPENSATION PLAN
FISCAL YEAR 2010-2011

- I. Cost of Living Adjustment
This budget does not include a Cost-of-Living Adjustment (COLA) for any District employee.
- II. California Public Employee's Retirement System (PERS)
District employees, as required by law, are enrolled in CalPERS. District employees are currently enrolled at the contract rate of 2% at 55. The District's current contribution rate for CalPERS employees is 7.794% for Miscellaneous employees.
- III. Health Insurance
On July 1, 2007, the maximum health insurance contribution was \$665 per month. There was no increase in 2008 or 2009. We would recommend it be set at \$775 as of July 01, 2010.
- If an employee qualifies for coverage, he/she may elect to enroll his/her dependents at his/her own cost.
- IV. Summary
The salary ranges of classified employees have been arranged into a "tiered" system to allow these employees to progress commensurate with their ability and performance while keeping entry level compensation in line with the labor market.
- Due to Internal Revenue Service requirements that stipulate all public sector employees be covered by a recognized retirement system effective July 1, 1992, or must participate in Social Security in lieu thereof, the 2010-2011 Budget reflects Social Security (7.5% x gross wages) and related Medicare benefits (1.45% x gross wages), a total of 7.65%, for all personnel not participating in the Public Employment Retirement System (PERS). All tenured and probationary employees participate in the PERS system.

OCEANO COMMUNITY SERVICES DISTRICT
 PLAN OF PAYMENT AND COMPENSATION
 SALARY SCHEDULE
 For the Fiscal Year Ending June 30, 2011



STEP Differential:		2.5%	2.5%	5.0%	5.0%	5.0%	5.0%	5.0%
STEPS:	a	b	c	d	e	f	g	h
	<u>Hire</u>	<u>6 months</u>	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>4 Years</u>	<u>5 Years</u>	<u>10 Years</u>
	-	-	-	-	-	-	-	-
<u>Accounts Payable</u>								
Hourly	19.06	19.54	20.51	21.54	22.61	23.75	24.93	26.18
Annual	39,645	40,643	42,661	44,803	47,029	49,400	51,854	54,454
<u>Accounts Receivable</u>								
Hourly	14.56	14.92	15.67	16.45	17.28	18.14	19.05	20.00
Annual	30,285	31,042	32,594	34,223	35,934	37,731	39,618	41,599
<u>Account Clerk/Secretary</u>								
Hourly	14.20	14.56	14.92	15.67	16.45	17.28	18.14	19.05
Annual	29,536	30,274	31,031	32,594	34,223	35,934	37,731	39,618
	-	-	-	-	-	-	-	-
<u>Utility Systems Lead Person</u>								
Hourly	19.26	19.74	20.24	21.25	22.31	23.42	24.60	25.83
Annual	40,061	41,062	42,089	44,193	46,403	48,723	51,159	53,717
<u>Utility Systems Operator</u>								
Hourly	15.45	15.84	16.23	17.04	17.90	18.79	19.73	20.72
Annual	32,136	32,939	33,763	35,451	37,224	39,085	41,039	43,091
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

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BUDGET SUMMARIES

**OCEANO COMMUNITY SERVICES DISTRICT
FINAL REVENUE SUMMARY
FISCAL YEAR 2010-11**

Acct No	Description	General Fund: 01							02	03	06	09	10	Total
		100 Admin- stration	195 Street Lighting	200 Fire Department	Water Fund	Sewer Fund	Garbage Fund	Major Litigation Fund						
3100	Prop Tax: Current Secured	\$0	\$53,115	\$705,678	\$0								\$758,793	
3101	Prop Tax: Current Unsecured		1,306	17,346									\$18,652	
3102	Prop Tax: Prior Secured		(70)	(930)									-\$1,000	
3103	Prop Tax: Prior Unsecured		50	650									\$700	
3105	Penalties and Interest		20	0									\$20	
3106	Delinquent Chgs on Prop Tax Roll: Garbac	\$6,000											\$6,000	
3107	Delinquent Chgs on Prop Tax Roll: U/B												\$0	
3120	Homeowners' Prop Tax Relief		500	6,568									\$7,068	
3213	Will Serve Letter Fee	1,200											\$1,200	
3200	Water Sales				561,000								\$561,000	
3203	SWP Accrual: Sales				567,000								\$567,000	
													\$0	
3204	Lopez Remediation: Sales				405,500								\$405,500	
3205	Water Connection Fees				9,450								\$9,450	
3206	Water Front Footage Fees				4,080								\$4,080	
3207	UB Courtesy Notice Fees				3,595								\$3,595	
3208	UB Sec Notc/Door Hgr Fees				30,000								\$30,000	
3209	SWP Connection Fees				125,000								\$125,000	
3210	Sewer Sales					\$100,000							\$100,000	
3211	Lopez / Sewer Connection Fees				27,330	5,000							\$32,330	
3212	New UB A/C Setup / Lateral Construction				3,600	7,000							\$10,600	
3215	Sanitation District Fees					418,700							\$418,700	
3220	Fire: Weed Abatement												\$0	
3230	Miscellaneous Income	75		100	2,000	800							\$2,975	
3235	CDBG Proj: Reimb - Sewer					59,000							\$59,000	
3235	DRI Proj: Reimb - Sewer												\$0	
3235	Public Facility Fees												\$0	
3236	San Luis Ambulance Subsidy												\$0	
3237	Cost Recovery Program												\$0	
3238	Fireworks Permit			1,155									\$1,155	
3239	Rent: Village Group			10,200									\$10,200	
3240	Canyon Crest: Wheeling			31,025									\$31,025	
3241	Mutual Aid Reimbursement												\$0	
3245	SSLOCS D Reimbursement	4,930											\$4,930	
3251	Temporary Water Sales/AG				100,000								\$100,000	
3255	Inspection Fees	1,500			750	500							\$2,750	
3256	Fog Program: Reimbursement	0			0	1,850							\$1,850	
3260	Lease: Sheriff's Facility											\$113,940	\$113,940	
3260	Lease: Trans Sheriff's to Water				31,333						(\$31,333)		\$0	
3260	Lease: Trans Sheriff's to Sewer					73,112					(\$73,112)		\$0	
3300	Interest					100							\$100	
3300	Interest: Fire Engine												\$0	
3300	Interest: Adm & P&Rec/Rstr												\$0	
	Sub-Totals	\$13,705	\$54,921	\$771,792	\$1,870,638	\$666,062	\$0	\$0	\$9,495				\$3,386,613	

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**OCEANO COMMUNITY SERVICES DISTRICT
FINAL REVENUE SUMMARY
FISCAL YEAR 2010-11**

Acct No Description	General Fund: 01		02		03		06		09		10		Total
	100 Admin- stration	195 Street Lighting	200 Fire Department	Water Fund	Sewer Fund	Garbage Fund	Major Litigation Fund	Sheriff's Dept. Facility					
	Sub-Totals	\$13,705	\$54,921	\$771,792	\$1,870,638	\$666,062	\$0	\$0	\$9,495	\$3,386,613			
3301	Interest: Fire Restricted									0			
3301	Interest: CO/Rst/SCADA				225					225			
3302	Interest: CO/Non-Engine			2,000						2,000			
3302	Interest: CO/Rst/CIP's				170	2,400				2,570			
3302	Interest: CO/Rst/Adm	2,015								2,015			
3302	Interest: CO/Garbage						\$0			0			
3303	Interest: CO/Rst/Engine			345						345			
3305	Interest: CO/Rst/DP	75								75			
3306	Interest: Garbage									0			
3312/1	Interest: /Rst/CIP's									0			
3367										0			
3392	Interest: CO/SWP/ Step-Up				2,000					2,000			
3501	Garbage Franchise Fees						70,000			70,000			
3557	CO Collection Chg: SB2557		(1,375)	(16,105)						(17,480)			
	SUBTOTAL	\$15,795	\$53,546	\$758,032	\$1,873,033	\$668,462	\$70,000	\$0	\$9,495	\$3,410,363			
	LESS: Trans to Rstrctd Rservs: Fac Fees/Lopez Fees			(21,000)								(21,000)	
	Trans to Water and Sewer Funds											0	
	ADD: Trans from Rest Res: CDBG OCSD Grant Match											0	
	Grant Funds											0	
	Grant Match											0	
321	Fixed Assets/Rplcmnt: Safety Eq/Compressor											0	
357	Studies (Master Plan)				2,180	6,690				8,870			
357	Studies (Rates)				12,500	7,500				20,000			
357	Studies (Master Plan / Rates)				5,000					5,000			
321	Replace: Gas Sensor	0				12,600				12,600			
353	Cap Imp/Rplcmnts: Paint and Carpet									0			
321	Fixed Assets: PC/New Accounting System									0			
355	CDBG/DRI Sewer Rehabilitation *					69,000				69,000			
358	Clean Sewer Mains *					28,650				28,650			
	Major Litigation				(10,000)			10,000		0			
	Lopez Pass-Thru				(108,570)					(108,570)			
	GRAND TOTAL: ALL REVENUE	\$15,795	\$53,546	\$737,032	\$1,774,143	\$792,902	\$70,000	\$10,000	\$9,495	\$3,462,913			

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PAM

**OCEANO COMMUNITY SERVICES DISTRICT
FINAL EXPENDITURE SUMMARY
FISCAL YEAR 2010-2011**

		General Fund: 01		02	03	06	09	10		
Acct No	Description	Admini- stration 01-4100	Street Lighting 01-4195	Fire Department 01-4200	Water Fund 02-4400	Sewer Fund 03-4500	Garbage Fund 06-4900	Major Litigation Fund 09-4994	Sheriff's Dept. Facility 10-4300	Total
010	Wages and Salaries	\$194,000			\$100,000	\$26,540	\$14,295			\$334,835
020	Overtime/Standby	0			8,000	1,500	750			10,250
061	PERS/Employer Portion	18,500			8,000	1,655	730			28,885
062	SLO County Pension/Emplr Prt									0
070	SUI (Unemp Ins)	1,300			720	115	65			2,200
071	Medicare/FICA (SS)									0
075	State Compensation Ins	4,000			15,270	2,485	1,335			23,090
077	JPA			657,106						
090	Emplee Insurances	23,000			24,685	4,185	2,150			54,020
096	Emplee Retirement	21,000			13,855	2,250	1,215			38,320
099	GM's Auto/Expense Allow	2,400					0			2,400
	Total Personnel	264,200	0	657,106	170,530	38,730	20,540	0	0	1,151,106
	Service and Supply									
100	Clothing				2,500	450	250			3,200
110	Communications				2,750	505				3,255
111	Telephone	5,500		700	4,000	600				10,800
150	Insurance	6,150	0		6,800	11,075			\$1,750	25,775
163	Maint: Wtr/Swr Struct				7,500	500				8,000
165	Maint: Wtr/RADIOS			1,250	0					1,250
170	Maint: Equipment	9,000			1,800	100	150			11,050
171	Maint: Vehicles				1,500	1,000	200			2,700
172	Fuel				6,500	3,500	400			10,400
173	Maint: Shared Struct	8,000		900	400	500	50		1,850	11,700
175	Sys Parts/Oper Supp		250		12,500	4,500	15			17,265
176	Water Meters				45,000					45,000
180	Memberships	2,550			1,400	200				4,150
191	Over and Short	50								50
200	Office Expense	12,000		500	1,500		0			14,000
210	Postage	5,750			7,500	3,000	0			16,250
220	Professional Services	50,000			41,445	25,500	15			116,960
221	Data Processing	36,518								36,518
222	Contract Engineering	3,000			20,000	10,000				33,000
223	Legal Services	25,000		0	100	0	0	15,000		40,100
224	Pamela Dean Litigation	22,246								22,246
225	Board Member Services	15,000								15,000
230	Legal Notices	500			100	250	0			850
235	Books/Journals/Subsc	2,750			750					3,500
	Sub-Total Service & Supply	\$204,014	\$250	\$3,350	\$164,045	\$61,680	\$1,080	\$15,000	\$3,600	\$453,019
	Sub-Total Service & Supply	\$204,014	\$250	\$3,350	\$164,045	\$61,680	\$1,080	\$15,000	\$3,600	\$453,019
247	LAFCO		800	2,755	4,432	3955	719			12,661
250	Small Tools			0	100					100
260	Lopez Water Zone 3	500		0	440,874					441,374
280	Private Vehicle Mileage	1,000								1,000
285	Classes/Seminars	2,000			4,000	1,000				7,000

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R-T-M

**OCEANO COMMUNITY SERVICES DISTRICT
FIMAL EXPENDITURE SUMMARY
FISCAL YEAR 2010-2011**

Acct No	Description	General Fund: 01 02 03 06 09 10								Total
		Admini- stration	Street Lighting	Fire Department	Water Fund	Sewer Fund	Garbage Fund	Major Litigation Fund	Sheriff's Dept. Facility	
286	Board Member Travel	1,250								1,250
290	Utilities	17,000		3,000	28,000	900	225			49,125
295	Lighting		39,000							39,000
	Total Service & Supply	225,764	40,050	9,105	641,451	67,535	2,024	15,000	3,600	1,004,529

	Sub-Total	489,964	40,050	666,211	811,981	106,265	22,564	15,000	3,600	2,155,635
297	Pass-Through Rev	6,000			31,025	418,700				455,725
320	Fixed Assets: Fan/Gear Store/Turnouts/Rmt				0					0
350	Cap/Plant Imp		0							0
362	Litigation: SMVWCD							10,000		10,000
367										0
376	Allocation/Adm Exp	(589,100)	6,401	15,000	217,967	194,405	35,346			-119,981
391	Principal Pmts: Wtr				10,000					10,000
393	Interest Pmts: Wtr				7,750					7,750
395	Agency Fees				275					275
396	Principal Pmts: SDW				49,507					49,507
397	Interest Pmts: SDW				13,071					13,071
398	Principal/Interest: SWP				635,000					635,000
399	Rate Covenant Prepmnt				100,000					100,000
	Sub-Total	(\$93,136)	\$46,451	\$681,211	\$1,876,576	\$719,370	\$57,910	\$25,000	\$3,600	\$3,316,982

	Sub-Total	(\$93,136)	\$46,451	\$681,211	\$1,876,576	\$719,370	\$57,910	\$25,000	\$3,600	\$3,316,982
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RESTRICTED RESERVES:

										0
321	Fixed Assets/Safety Equipment	36,517			8,360					44,877
321	Rep Gas Sensor/Compressor 60%	0			0	12,600				12,600
351	Cap Imp/Paint&Carpet	25,000								25,000
351	Sewr Master Plan *			0		6,690				6,690
355	Various System Repairs/Replacements			0		25,000				25,000
357	Water Master Plan *				12,500					12,500
357	Water Buildout and Rate Study *				15,000					15,000
357	Sewer Buildout and Rate Study *				0	7,500				7,500
358	Sewer Clean Sewer Mains *				0	50,000				50,000
359	Cap Imp/SWP/ Shovel-ready Projects *				5,000					5,000
359	LESS: RR/Major Lit: Fund 9				-10,000					-10,000
	Major Litigation									0
	ALL EXPENDITURES	(\$31,619)	\$46,451	\$681,211	\$1,907,436	\$821,160	\$57,910	\$25,000	\$3,600	\$3,511,149

GRAND TOTAL: ALL REVENUE	\$15,795	\$53,546	\$765,427	\$1,785,003	\$800,402	\$70,000	\$10,000	\$9,495	\$3,509,668
GRAND TOTAL: ALL EXPENDITURES	-\$31,619	\$46,451	\$681,211	\$1,907,436	\$821,160	\$57,910	\$25,000	\$3,600	\$3,511,149
EXCESS OF REVS OVER EXPS	\$47,414	\$7,095	\$84,216	(\$122,433)	(\$20,758)	\$12,090	-\$15,000	\$5,895	-\$1,481

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RJM

ADMINISTRATION

01-4100

OCEANO COMMUNITY SERVICES DISTRICT
ADMINISTRATION
FISCAL YEAR 2010-2011

PURPOSE

This Budget Unit funds the operation of the District Office; it contains all costs of Board Member services, management, administration, and support functions of the District. It contains the costs that apply, across the board, to all the functions of OCSD. It does not contain costs that are specific to the individual functions of Street Lighting, Fire, Water, Sewer, and Garbage Franchise.

The employees who work in the District Office, e.g., the "Administration," all spend 100% of their time performing the functions of the District. During the Fiscal Year 2001-2002, the Administrative employees kept track of the time they spent working on each of the District functions. From this analysis, and two years of historical data, a three-year average was calculated. It is assumed that 2010-2011 will.

WATER	53%
FIRE	3%
SEWER	37%
PARKS AND RECREATION	0%
STREET LIGHTING	1%
GARBAGE FRANCHISE	6%

Administration receives very little revenue directly. The revenue includes Sanitation District reimbursements for billing services, delinquent taxes and fees for processing "Will Serve" letters. The costs of Administration, then, must be distributed to the OCSD functions in the percentages that they are actually served, as described above. The total amount of the Administration expenditures is paid by the Water, Sewer, Fire, Street Lighting and Garbage Franchise Departments based on the percentages described above, as the line item, "Allocation of Administrative Expenses," in each Department's list of expenditures.

Revenues equal expenditures for the Administration Fund.

OCEANO COMMUNITY SERVICES DISTRICT
 ADMINISTRATION
 FISCAL YEAR 2010-2011

PERSONNEL

<u>Description</u>	<u>Current</u>	<u>Requested</u>	<u>Approved</u>
Administrative Assistant	1	0	
Accounts Payable	1	1	
Accounts Receivable	1	1	
Accounting Clerk/Secretary	1	1	
Total Administrative Personnel	4	3	

* The General Manger, while having duties for all funds and departments, is accounted for in the Administration Fund, rather than distributed separately throughout all funds and departments.

PROGRAMS

District Legal Counsel:

The District is represented by the firm of Kirk and Simas.

In the Santa Maria Valley Groundwater lawsuit, the District is jointly represented with the cities of Arroyo Grande, and Grover Beach in the by Henry Weinstock of the firm of Nossaman, Guthner, Knox, and Elliott. The District portion of the joint defense costs are 27.3%. (Pismo Beach has withdrawn from the joint defense agreement for the Northern Cities Management Area.)

Engineering Services: The firm of Wallace Group performs engineering services for the District. The District Engineer reviews subdivision plans, required system improvements, and development requiring services from OCSD on an as-needed basis.

Administration: This includes general ledger maintenance, personnel management, business services, general management, and oversight such as: Accounts payable and accounts receivable, agenda preparation, research, utility billing, annual budget, audit, report preparation, customer service, and taking cash payments. It also includes all General Manager activity.

GOALS

The Board's goals are attached as a separate document. They were set under the umbrella of the following Mission Statement, which was last modified in April, 2001:

MISSION STATEMENT

TO PROVIDE THE CITIZENS OF THE DISTRICT WITH QUALITY,
INNOVATIVE, AND COST-EFFECTIVE SERVICES, INCLUDING WATER, SEWER,
FIRE PROTECTION, STREET LIGHTING SERVICES, PARKS AND RECREATION,
TRASH COLLECTION, AND OTHER MISCELLANEOUS ITEMS, THROUGH
RESPONSIVE AND RESPONSIBLE LOCAL GOVERNMENT TO MEET THE CHANGING
NEEDS OF THE COMMUNITY.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
ADMINISTRATION: 01-4100
FISCAL YEAR 2010-2011

Account No	Title	Description
010	Wages and Salaries	Wages and salaries for administrative personnel
020	Overtime Wages	Compensate Admin staff for occasional overtime work
040	Temporary Help	Provides compensation for temporary help
061	PERS	Provides for District contribution of 7.794% to Public Employees' Retirement System
070	SUI (Unemployment Insurance)	Provides for State Unemployment Insurance and ETT at 3.2% of gross salaries not to exceed a maximum salary of \$7,000/year/employee
071	Medicare	Provides Medicare contributions at a rate of 1.45% of gross for those employees who are required to participate due to hire date
075	State Compensation Insurance	Provides for District contribution to State Compensation insurance at .1.16% for clerical staff and at 4.26% for the General Manager
090	Employee Insurances	Provides for District portion of health, dental, vision, and life insurance premiums per Board-adopted policies
096	Employee Retirement Contrib	Provides for the District's payment of the employees' portion of their retirement plan contribution of 7% for the Admin staff
099	Auto/Expense Allowance	Compensates General Manager for auto expenses
111	Telephone	Provides service for 4 phone lines and ten phones; also includes computer communications lines and long distance charges.
150	Insurance	Provides for fire and general liability insurance, errors and omissions coverage, and employee honesty bond

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
ADMINISTRATION: 01-4100

Account No	Title	Description
170	Maintenance: Equipment	Provides for maintenance on typewriters, photo-copier, personal computers, FAX, dictation equipment, and calculators
173	Maintenance: Shared Structures	Provides for janitorial service and related supplies and landscape maintenance
180	Memberships	Provides for memberships in CSDA, etc
190	Miscellaneous Expense	Provides for various unanticipated and general expenses
191	Over and Short	Accounts for the occasional shortages or overages of cash transactions
200	Office Expense	Provides for general office supplies and materials for all District activities
210	Postage	Provides postage for general office mailings and newsletters
220	Professional Services	Provides for the annual audit and miscellaneous professional service expenses
221	Data Processing	Provides for supplies and maintenance of all Computer equipment, payment to the District's contract information technology technician, and capital reserves
222	Contracted Engineering Serv	Provides for contracted engineering Services
223	Legal Services	Provides for routine and additional Legal services
224	Pamela Dean Litigation	Defend District in Law Suits
225	Board Services	Remunerates Board members for District Board meetings, committee meetings, and other time spent in Board-approved attendance

<u>Account No</u>	<u>Title</u>	<u>Description</u>
230	Legal Notices	Provides for occasional legal notices necessary for recruitments, hearings, and other activities as prescribed by State Law.
235	Books/Journals/Subscriptions	Provides for occasional reports, codes, or books, including West's Public Contract and Public Utility Codes, and subscriptions to various periodicals
260	Special Departmental Expense	Provides for District election expenses and various other administrative expenses
280	Private Vehicle Mileage Exp	Reimburses office staff at the I.R.S. mileage reimbursement rate (\$.50/mile) for personal vehicles on District business
285	Classes and Seminars	Provides for registration, travel, lodging and meal expenses for administrative staff to attend various classes, seminars, and meetings
286	Board Member Expense	Provides for Board member registration, travel, lodging and meal expenses when attending classes, seminars, or meetings
290	Utilities	Provides for PG&E, Southern Cal Gas, trash, water, and sewer services to the District Administrative offices
320	Fixed Assets	Provides for purchase of fixed assets
321	Fixed Assets/Replacement	Provides for purchase of fixed assets with restricted reserves
351	C&P/Improvements/	Provides for Capital/Plant Improvements Replacements with restricted reserves
361	Property Acquisition	Provides for property acquisition

<u>Account No</u>	<u>Title</u>	<u>Description</u>
376	Allocation of Admin Exp	Provides the method to bill all other departments for the costs included in the Admin Dept to effectively and efficiently manage and operate the District
385	Funded Rsrv: CI/FA Rplcmts	Provides current year appropriation for replacement of fixed assets, capital /plant improvements and replacements, equipment, etc

OCEANO COMMUNITY SERVICES DISTRICT
FIXED ASSETS AND MAJOR PURCHASES
ADMINISTRATION: 01-4100
FISCAL YEAR 2010-2011

Software (Account 321)	\$36,517.32
Replace accounting and utility billing software presently run on IBM AS-400 hardware with software to run on personal computers.	
TOTAL ADMINISTRATION DEPARTMENT FIXED ASSET REQUESTS	\$36,517.32

STREET LIGHTING

01-4195

OCEANO COMMUNITY SERVICES DISTRICT
STREET LIGHTING
FISCAL YEAR 2010-2011

PURPOSE AND PROGRAMS

The operation and maintenance of 211 existing street lights are funded through this Budget Unit. All work is done by contract with PG&E.

OVERVIEW

Budgeted revenues are greater than budgeted expenditures.

UTILITIES

The 2010-2011 Budget continues to include increases for utility charges to pay for anticipated higher costs for energy.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
STREET LIGHTING: 01-4195
FISCAL YEAR 2009-2010

Account No	Title	Description
150	Insurance	Provides for insurance premiums on the District's antique streetlights
175	Operating Supplies	Provides for materials and supplies used to repair and maintain the District's antique streetlights
247	Allocation of LAFCO Exp	Provides for department share of Local Agency Formation Commission
295	Utilities	Provides the contracted payments to PG&E for the existing street lights
376	Allocation of Admin Exp	Provides the method of repayment for the costs included in the Admin Dept to effectively and efficiently manage and operate the District
380	Contingency	Provides for unforeseen expenditures, not otherwise budgeted

OCEANO COMMUNITY SERVICES DISTRICT
STREET LIGHTING
FISCAL YEAR 2010-2011

The following item is included in the 2010-2011 Budget as a new or "first time" acquisition:

Street Light (Account 350)
Install one new street light.

TOTAL STREET LIGHT DEPARTMENT FIXED ASSET REQUESTS 0

FIRE

01-4200

OCEANO COMMUNITY SERVICES DISTRICT
 FIRE DEPARTMENT
 FISCAL YEAR 2010-2011

PURPOSE

The Oceano Community Services District Fire Department provides fire protection and rescue services for all lands and properties within the District boundaries, including Oceano Airport, the Town of Halcyon, and honors Automatic Aide agreements with the City of Grover Beach, Arroyo Grande, Pismo Beach, and County of San Luis Obispo, and Mutual-Aid agreements with the California Department of Forestry which brings the Fire Department to the Oceano Dunes recreation area.

Below is a chart, by type, and the number of responses for each year from 2004 to 2008. Not all of the responses tallied are in Oceano, many are for auto-aid or mutual aid responses. The chart will indicate the response category where ever it may have occurred.

YEAR	Fires	Emergency Medical	Hazardous Conditions	Other Situations	Total
2004	131	500	38	77	746
2005	161	464	31	62	718
2006	150	492	36	127	805
2007	169	527	35	102	833
2008	140	427	31	165	762

ne situation types have been condensed for ease of accounting and clarity. The heading "Fire" includes all fires, structure, vegetation, vehicle, alarms ringing, smoke seen, illegal burning etc. "Emergency Medical" are all calls related to and involving patients and patient contacts. "Hazardous Conditions" includes hazardous materials, spills and odors, wires down, fallen trees, flooding, etc. "Other Situations" include Good intent calls (reported situations that are not occurring at the time of arrival), false alarms, which are malicious/untrue reports of an emergency, and public service assist calls which are for assistance in a non-emergent situations.

OCEANO COMMUNITY SERVICES DISTRICT
FIRE DEPARTMENT
FISCAL YEAR 2010-2011

The Fire Department holds regular drills for the on duty crews and all reserve firefighters every first and third Tuesdays of each month from 7 P.M. to 10 P.M. The full time personnel who are off duty during the Tuesday night drills are scheduled to participate in the same level of training the following consecutive duty days. The general public are invited to attend these drills, but are not allowed to participate. If anyone from the general public is interested in attending, they should submit a request prior to the drill date. Additionally the on-duty crew also trains everyday on topics that may need review or updated training. Within this FY's budget there have been funds set aside for on-the-job training that will prove helpful for individuals that need on duty training time and for the new hire staff to train with the on duty crews. The Department is unable to teach all subjects. Some of the other courses attended by firefighters outside the regular drills are: the fire academy, emergency medical technician, swift water rescue, confined space rescue, trench rescue, fire investigation, urban interface training, hazardous materials, and all company officer courses. Several of these outside courses meet the requirements for automatic and mutual aid responses.

Automatic Aid Agreements: The Department continues to honor its automatic aid agreements with the surrounding agencies, including Arroyo Grande, Pismo Beach, Grover Beach, and Cal Fire. The South County Fire Chiefs completed a comprehensive response plan and automatic aid agreement that has the closest agency responding to an emergency regardless of city boundaries along with the agency having jurisdiction. This agreement is in service today and has been updated in early 2008. The matrix for the agreement is a template that will be utilized countywide.

2009-2010 Accomplishments: The Department continues to staff with full-time personnel and reserve personnel. The Department now has three full-time Fire Captains; one on each shift.

The Department now participates in Joint Fire Operations with the Arroyo Grande and Grover Beach Fire Departments. The three agencies share a Fire Chief and Battalion Chief who coordinate operation of all three agencies as well as coordinating most training. The Department also joined Grove Beach and Arroyo Grande in developing a Joint Reserve Firefighter Program where reserves are hired jointly before being assigned to a specific station. These reserve firefighters then rotate shifts between all stations. The Oceano, Grover Beach and Arroyo Grande Fire Departments continue to share back up fire apparatus. Between the three departments there has also been progress in combining grant applications, a committee to review medical supplies and other inventories, and a committee to review and recommend standardized equipment and equipment purchases. All three governing bodies have agreed to pursue a Joint Powers Authority (JPA) Agreement. If approved, a combined Fire Authority Agency could be in place by July 09 2010.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
FIRE: 01-4200
FISCAL YEAR 2010-2011

<u>Account No</u>	<u>Title</u>	<u>Description</u>
077	Annual Payment	To the JPA for services.
110	Communications	Provides for contracted dispatching services with Grover Beach, services with Sylvester's Alarm Systems, and maintenance on mobile radios and pagers
111	Telephone Expense	Provides for telephone expense, including cell phones
170	Maintenance: Equipment	Provides for the maintenance of extinguishers, copier, computers, and printers.

OCEANO COMMUNITY SERVICES DISTRICT
 ACCOUNT JUSTIFICATION
 FIRE: 01-4200

Account No	Title	Description
172	Fuel	Provides gasoline, diesel, and oil for operation of fire apparatus and equipment
173	Maintenance: Structures	Provides materials and services for repair and maintenance of the Apparatus Room and the old Fire Station, including landscaping
190	Miscellaneous Expense	Provides for occasional expenses such as photo printing
200	Office Expense	Provides for general office supplies
210	Postage	Provides for miscellaneous fire-related mailing and shipping expense

ACCOUNT JUSTIFICATION

FIRE: 01-4200

Account No	Title	Description
290	Utilities	Provides for PG&E, water, gas, and sewer services to the old Fire Station
320	Fixed Assets	Provides for purchase of fixed assets
321	Fixed Assets/Replacement	Provides for purchase of fixed assets with restricted reserves
351	C&P/Improvements/ Replacements	Provides for Capital/Plant Improvements replacements with restricted reserves,
359	C&P/Improvements/ Replacements	Provides for Capital/Plant Improvements replacements connected with the Halcyon fire suppression/waterline with restricted reserves
'6	Allocation of Admin Exp	Provides the method of repayment for the costs included in the Admin Dept to effectively and efficiently manage and operate the District

OCEANO COMMUNITY SERVICES DISTRICT
WATER FUND
FISCAL YEAR 2010-2011

PURPOSE

This Budget Unit provides for the operation and maintenance of, and improvements to, the OCSD water system. OCSD is responsible for approximately twenty miles of water lines, five usable wells, two storage tanks with a combined capacity of 1.3 million gallons, and five booster pumps, all of which serve about 2,000 water connections and approximately 7,500 customers. The Water Fund receives revenues from user fees, connection fees, interest from cash flow accumulations and reserves.

This fund is also responsible for collection of State Water Project connection fees. These fees accrue in a reserve account to help finance the future purchase of State Water.

OVERVIEW

The proposed budget includes a projected deficit of \$384,000 for the year. Currently a rate study is underway to determine the amount of the rate increase required to eliminate this and future deficits. (In order to balance the budget for Fiscal Year 2009-2010, it was assumed that an increase in the following rates would be approved: minimum charge increase of 15%, 1st tier increase of 20% and 2nd tier increase of 40%. Those rate increases did not happen, and the Water fund ran in deficit.)

Front Footage Fees (account 3206), SWP Connection Fees (account 3209) and Lopez Connection Fees (account 3211) are projected to be more than last year. These projections were based on amounts already received for FY 2010-2011.

Capital Expenditure studies (account 351) Budgeted \$15,000 for a Water Master Plan. While this study was budgeted for in 2008-2009, it was not yet completed and there will be expenses in 2010-2011. The water line replacement at Beach and 17th has been deferred pending a possible grant or low interest loan from the United States Department of Agriculture as a result of the so-called "stimulus money" funding their Rural Water Assistance Program.

OCEANO COMMUNITY SERVICES DISTRICT
WATER FUND
FISCAL YEAR 2010-2011

PERSONNEL

<u>Description</u>	<u>Current</u>	<u>Requested</u>	<u>Approved</u>
Utility Operations Supervisor	1	0	
Utility Operations Leadperson	1	1	
Utility Systems Operator	2	2	
Total Water Dept Personnel	<u>4</u>	<u>3</u>	

In conjunction with implementation of "Allocation of Utility Expenses," the 2010-2011 Fiscal Year Budget will distribute the personnel costs of the employees listed above directly to the unit of benefit. In order to ensure an equitable distribution, an analysis was performed of the time cards for these personnel for FYE's 2007 & 2008. It has been assumed that the percentage of time spent on each function during the 2010-2011 Fiscal Year will be similar to what has been budgeted in recent years:

WATER	80%
SEWER	13%
PARKS AND RECREATION	0%
GARBAGE FRANCHISE	7%

In addition to personnel costs, service and supply costs that could not be directly distributed to a particular department were also spread based on the above percentage. These line items included: Clothing; Maintenance/Vehicles; Fuel; and Maintenance/Shared Structures.

PROGRAMS

Operation and Maintenance: Routine water system operation and maintenance includes repair of minor line breaks and the installation of new services; monitor and record: Tank levels, line pressures, daily water production; maintain and service: natural gas and diesel engines, electric motors, four vehicles, one backhoe, pumps, and various other equipment and machinery; flush lines; read meters; respond to requests from the public; and inspect new installations and construction projects. In addition, the Water Fund finances:

1. The purchase of water from Lake Lopez--the contractual agreement being 303 acre feet per year.
2. The retirement of 1979 and 1986 Revenue Bonds.
3. The repayment of the Safe Drinking Water loan.
4. The construction of the Coastal Branch Facilities and financing to provide for 750 acre feet per year of State Water.

OCEANO COMMUNITY SERVICES DISTRICT
WATER FUND
FISCAL YEAR 2010-2011

2009-2010 Accomplishments :

The District crew was able to spend time on the water system valve operating program. We still have work to do on the valve program but most of the system valves have been exposed, located and operated within the last year. Another program that is nearly up to date is the water department fire hydrant operation and maintenance program. The crew managed to inspect, clean up and paint most of the fire hydrants in town during the past year. The fire hydrant painting job is one of the few maintenance jobs we do that is above ground where it is visible to the public. Another notable and positive program that occurred during the last year was that the District was able to complete an agreement with the City of Arroyo Grande to sell them 100 acre feet each year, of our excess ground water.

OCEANO COMMUNITY SERVICES DISTRICT
WATER FUND
FISCAL YEAR 2010-2011

We expect that the new home construction business will improve somewhat in the coming year.

The District, along with neighboring cities are also in the midst of a ground water study to determine if the ground water basin is being over pumped and or if we are facing a sea water intrusion problem. Staff is also reviewing a Draft Water Master Plan that the District Engineer has submitted.

OCSD has about \$1.16 million in projects that it cannot fund without a significant rate increase. These projects are not budgeted for this fiscal year. Should stimulus money be available, such as might be made available under a grant or low interest loan from the United States Department of Agriculture (USDA) as a Rural Water Assistance Program, then these projects should proceed.

The projects identified for near term construction in the recently completed draft 2009 Water Master Plan are:

- Beach Street Alley
- Pacific Avenue Alley
- 14th Street
- Pier Avenue (Bridge to Pacific Ave Alley)
- Norswing Drive
- Pershing Drive

Not included in the list are any plans to drill a new well in the so-called Avocado Orchard.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
WATER: 02-4400
FISCAL YEAR 2010-2011

Account No	Title	Description
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The following Personnel costs represent 80% for 2010-11 of the total costs for current personnel (Line items 010 through 096):

010	Wages and Salaries	Wages and salaries for the Utility Operations Supervisor and the Utility Systems Operators
020	Overtime	Compensates Utility Systems Operators for occasional overtime work as authorized by the Utility Operations Supervisor
040	Temporary Help	Provides for expense associated with the occasional use of temporary help
061	PERS	Provides for District contributions of 7.794% to Public Employees' Retirement System for the Systems Operators
070	SUI (Unemployment Ins)	Provides for State Unemployment Insurance and ETT at 3.2% of gross salaries not to exceed a maximum salary of \$7,000 per year per employee
071	Medicare	Provides for the District's portion of Medicare payments at a rate of 1.45% of gross for those employees who are required to participate due to hire date
075	State Compensation Ins	Provides for District's contribution to State Compensation Insurance at 9.17%
090	Employee Insurances	Provides for District's portion of health, dental, vision, and life insurance premiums per Board-adopted policies

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
WATER: 02-4400

Account No	Title	Description
096	Employee Retirement Contr	Provides for the District's payment of the employee's portion of 7% to PERS for the Utility Systems Operators.
100	Clothing	Provides 80% of the expense for shirts, pants, and shop towels and their cleaning, and annual employee boot allowance
110	Communications	Provides for services by Advantage Answering Service, Motorola maintenance of base and mobile units, Sylvester's Alarm Systems and USA
111	Telephone	Provides for regular and computer communications services to Wilmar Yard, related long distance calls, and Wilmar and Front Street Yard, regular and cell phones
150	Insurance	Provides for Water Fund share of the liability and fire insurance
163	Maintenance: Water Struc.	Provides for the maintenance of wells, motors, pumps, their appurtenances, generators, chlorinators, etc., which are directly related to the water system
170	Maintenance: Equipment	Provides for the maintenance of various other types of small equipment (hand-held or mobile) related to the water system including computer equipment/peripherals
171	Maintenance: Vehicles	Provides 80% of the expense for the maintenance of 4 District vehicles and one backhoe
172	Fuel	Provides 80% of the expense for diesel, gas, and oil for 4 District vehicles, backhoe, standby generator, and air compressor

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
WATER: 02-4400

Account No	Title	Description
173	Maintenance: Shared Struc	Provides 80% of the expense for various maintenance activities at the Wilmar Yard which are non-water specific (building, fences, storage, etc.)
175	System Parts/Oper Supp	Provides for pipe, fittings, couplings, etc, for water system maintenance and its repairs
176	Water Meter Purchases	Provides for the purchase of water meters, hydrant meters, and related repair parts for new installations and/or replacements
180	Memberships	Provides for certificate renewals, memberships in AWWA, etc.
200	Office Expense	Provides for general office supplies and materials for water-related activities only
210	Postage	Provides postage for water billings and required notifications
220	Professional Services	Provides for all contracted services where the contractor provides both equipment and labor, such as: Cross connection and lab services, including Lopez-related testing, inspection of aboveground fuel tank, large meter testing, and pre-employment physicals, permits, Haz-Mat inspections, Groundwater monitoring/annual report
222	Contract Engineering	Provides for occasional minor water-related engineering projects, outside engineering and non-contract review, and assistance with the water rate study
223	Legal Services	Provides for occasional water-related District Legal Counsel services
230	Legal Notices	Provides for legal notices for water-related activities only

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
WATER: 02-4400

Account No	Title	Description
235	Books/Journals/Subs	Provides for various codes, reports, periodicals, etc, that are used to keep personnel current on water operation and maintenance techniques and regulatory changes
241	Rents/Leases: Equipment	Provides for rental of equipment, e.g. jackhammer, dump trucks, etc., which will be used only by District personnel
247	Allocation of LAFCO Exp	Provides for Local Agency Formation Commission (LAFCO)
250	Small Tools	Provides for the occasional purchase of small tools necessary to repair or maintain the water system, vehicles, and/or equipment
260	Special Departmental Exp	Provides for the purchase of allotment Lake Lopez Water and SWP Wheeling charges
285	Classes and Seminars	Provides for registration, travel, lodging, and meal expenses for water personnel to attend training classes, seminars, meetings, and certification expenses
290	Utilities	Provides for PG&E, Southern Cal Gas, water, and sewer for the water yards
297	Canyon Crest Payment	Provides for the wheeling fees collected from Canyon Crest based on water consumption
320	Fixed Assets	Provides for purchase of fixed assets
321	Fixed Assets/Replacement	Provides for purchase of replacement fixed assets with restricted reserves
350	Capital/Plant Improvements	Provides for new capital/plant improvements/additions
351	Capital/Plant Improvements	Provides for replacement capital/plant improvements with restricted reserves
354	Capital Improve by Others	Compensates private contractors when hired to install District facilities, and in so doing, provides extra capacity for future growth or for purposes of transporting water elsewhere

OCEANO COMMUNITY SERVICE DISTRICT
ACCOUNT JUSTIFICATION
WATER: 02-4400

Account No	Title	Description
357	Capital/Plant Improvements Water Master Plan	Provides for update of the District's water master plan update with restricted reserves
360	SWP Professional Services	Provides for all contracted services directly related to the State Water Project
367	Annexation Expense	Provides for expenses related to annexations, which are reimbursed by applicant
376	Allocation of Admin Exp	Provides the method of repayment for the costs incurred in the Admin Dept to effectively and efficiently manage and operate the District
380	Contingency	Provides for unforeseen expenditures, not otherwise budgeted
391	Principal Payments: Water	Provides for the semi-annual principal payments toward 1979 water Revenue Bond
393	Interest Payments: Water	Provides for semi-annual interest payments of the water Revenue Bond described above
395	Agency Fees: Water	Provides compensation for transacting the interest payments and bond purchases made by the County on behalf of OCSD
396	Principal Payments: SDW	Provides for the semi-annual principal payments toward 1986 SDW loan
397	Interest Payments: SDW	Provides for semi-annual interest payments of the SDW loan described above
398	Principal/Interest Payments: SWP	Provides for SWP principal and interest payments
399	Rate Covenant/Deposit and Prepayment	Provides for the SWP 125% Bond Requirement Coverage

OCEANO COMMUNITY SERVICES DISTRICT
FIXED ASSETS AND MAJOR PURCHASES
WATER DEPARTMENT: 02-4400
FISCAL YEAR 2010-2011

The following items are included in the 2010-2011 Budget acquisitions:

<u>Water Meter Purchases</u>	(02 4400 176)	\$45,000
<u>Studies: Water Master Plan</u>	(02 4400 351)	\$12,500
<u>TOTAL WATER DEPARTMENT ACQUISITIONS</u>		<u>\$ 57,500</u>

OCEANO COMMUNITY SERVICES DISTRICT
SEWER FUND
FISCAL YEAR 2010-2011

PURPOSE

The Sewer Fund provides for the operation and maintenance of, and improvements to, the OCSO sanitary sewer collection system. The system includes one lift station, approximately 1,817 active service laterals, 16+/- miles of line, and serves approximately 7,200 people. This Fund receives revenues from user fees, connection fees, and interest from cash flow accumulations and reserves.

OVERVIEW

The proposed budget is in the RED! Currently a rate study is underway to determine the amount of the rate increase required to fully fund the sewer budget.

Cleaning of sewer lines is now set at about \$30,000 per year (account 358). This amount will allow the District to clean all lines on a six-year cycle. It is expected that this cycle, in coordination with extra cleaning at trouble spots, will be sufficient to maintain the collection system in good working order.

PERSONNEL

In conjunction with implementation of "Allocation of Utility Expenses" in the 1991-92 Budget, the 2010-2011 Fiscal Year Budget distributes the personnel costs of the employees of the Water Department directly to the funds of benefit. In order to ensure an equitable distribution, an analysis was performed of the time cards for the Water Department personnel FYE's 2007 & 2008. It has been assumed that the percentage of time spent on each function during the 2010-2011 Fiscal Year will be similar to what has been budgeted in recent years:

WATER	80%
SEWER	13%
PARKS AND RECREATION	0%
GARBAGE FRANCHISE	7%

OCEANO COMMUNITY SERVICES DISTRICT
SEWER FUND
FISCAL YEAR 2010-2011

In addition to personnel costs, service and supply costs that could not be directly distributed to a particular department were also spread based on the above percentage. These line items included: Clothing; Maintenance/Vehicles; Fuel; and Maintenance/Shared Structures.

PROGRAMS

Operation and Maintenance: The sewer system's daily operations are handled by District personnel and consist of daily lift station inspection and monitoring, the investigation of any problems or complaints, the installation of new sewer services, and maintenance of vehicles and/or equipment. District personnel now attempt to perform all routine sewer system cleaning as well as clearing the majority of emergency main line blockages. The majority of the emergency lateral blockages, after being investigated by District personnel, are cleared by a local plumbing contractor.

Capital Improvements: As mentioned previously, District personnel install new sewer laterals. All other capital improvements are installed on an as-needed basis when they become necessary to serve new development and are normally constructed at the developer's expense. A Sewer Technical Memo has been prepared that indicated that there was no need at this time for an ongoing capital improvement program.

OCEANO COMMUNITY SERVICES DISTRICT
SEWER FUND
FISCAL YEAR 2010-2011

Sewer: Accomplishments and 2009-2010 Projects:

With the lack of activity in the new home construction business, we were able to find time to expose and repair the District portion of several sewer laterals that had experienced problems in the past. We purchased a See Snake during the past year. We definitely put it to good use when deciding which laterals needed repairs and which ones didn't.

The Regional Water Quality Control Board has required that OCSD must create and submit numerous plans and reports to them through out the year. As a result of their orders, it was necessary for the District staff to assist the District Engineer in completing several sewer system plans during the past year. We worked with the District Engineer while they developed the Fats Oil and Grease (FOG) program. We also assisted with whatever they needed while they developed an Operations and Maintenance Plan.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
SEWER: 03-4500
FISCAL YEAR 2010-2011

Account

<u>No</u>	<u>Title</u>	<u>Description</u>
The following Personnel costs represent 13% of the total costs for current personnel (Line items 010 through 096):		
010	Wages and Salaries	Wages and salaries for the Utility Operations Supervisor and the Systems Operators
020	Overtime	Compensates Utility Systems Operator for occasional overtime work as authorized by the Utility Operations Supervisor
061	PERS	Provides for District contributions of 7.794% to Public Employees' Retirement System for the Utility Systems Operators
070	SUI (Unemployment Ins)	Provides for State Unemployment Insurance and ETT at 3.2% of gross salary not to exceed a maximum gross annual salary of \$7,000/year/employee
071	Medicare	Provides for District's portion of Medicare payments at a rate of 1.45%
075	State Compensation Ins	Provides for District contribution to State Compensation Insurance at 9.17% for full-time positions
090	Employee Insurances	Provides for District portion of health, dental, vision, and life insurance premiums per Board-adopted policies
096	Employee Retirement Cont	Provides for District's payment on the employee's portion of their retirement plan contribution

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
SEWER: 03-4500

Account No	Title	Description
100	Clothing	Provides 13% of the expense for shirts, pants, and shop towels and their cleaning, and annual employee boot allowance
110	Communications	Provides for alarm services from Sylvester's Alarm Systems
111	Telephone	Provides for phone service for alarm system at lift station
150	Insurance	Provides for the Sewer Fund portion of liability and fire insurance
163	Maintenance: Sewer	Provides for the maintenance of lift Structure/Imp station collection system and its appurtenances, etc., which are directly related to the sewer system
70	Maintenance: Equipment	Provides for the maintenance of various other types of small equipment (hand-held or mobile) related to the sewer system
171	Maintenance: Vehicles	Provides for the maintenance of 1 pickup and the sewer cleaner, plus 13% of the expense for the maintenance of Water Department vehicles and backhoe
172	Fuel	Provides fuel for 1 pickup and 1 sewer cleaner plus 13% of the expense for diesel, gas, & oil for 4 pickup trucks, one backhoe, standby generator, and air compressor
173	Maintenance: Shared Struct	Provides 13% of the expense for various shared-facilities maintenance activities at the Wilmar Yard
175	System Parts/Oper Supp	Provides for pipe, fittings, and other various sewer supplies
180	Memberships	Provides for renewal of employee certifications

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
SEWER: 03-4500

Account No	Title	Description
190	Miscellaneous	Provides for occasional minor expenses
210	Postage	Provides for the sewer portion of billing
220	Professional Services	Provides for all contracted services where the contractor provides both equipment and labor, such as: TVing of lines, emergency system repairs by City of Arroyo Grande, Roto-Rooter, etc., and Hepatitis B vaccinations, etc.
222	Contract Engineering	Provides engineering services in connection with reviewing lift station capacity and for occasional minor sewer-related engineering projects (outside engineering and non-contract) review
223	Legal Services	Provides for services in connection with sewer-related items
247	Allocation of LAFCO Exp	Provides for Local Agency Formation Commission (LAFCO)
285	Classes and Seminars	Provides for registration, travel, lodging, and meal expenses for sewer personnel to attend training classes, seminars, and meetings
290	Utilities	PG&E costs incurred by the lift station
297	Sanitation District Payments	Provides for the pass-through of funds collected by OCSD on behalf of SSLOCSD
320	Fixed Assets	Provides for purchase of fixed assets
358	Capital/Plant Improvements	Provides for flushing/cleaning of District Sewer lines
367	Annexation Expense	Provides for expenses related to annexations
376	Allocation of Admin Exp	Provides the method of repayment for the costs incurred in the Admin. Dept. to effectively and efficiently manage and operate the District
380	Contingency	Provides for unforeseen expenditures
392	Principal Payments: Sewer	Provides for semiannual principal payments toward the 1967 Sewer Revenue Bonds
394	Interest Payments: Sewer	Provides for semiannual interest payments of the sewer Revenue Bonds described above

OCEANO COMMUNITY SERVICES DISTRICT
FIXED ASSETS AND MAJOR PURCHASES
SEWER DEPARTMENT: 03-4500
FISCAL YEAR 2010-2011

The following items are included in the 2010-2011 Budget acquisitions:

<u>Clean Sewer Mains</u>	(034500358)	\$50,000
The District is required to clean sewer mains every other year.		
<u>Repairs Sewer damage - :</u>	(034500355)	\$25,000
Addition sewer segments, payment of retentions, Engineering, monitoring		
Study: Sewer Rate Study	(034500357)	\$7,500
TOTAL OF PROJECTS:		<u>\$ 82,500</u>

OCEANO COMMUNITY SERVICES DISTRICT
GARBAGE FRANCHISE
FISCAL YEAR 2010-2011

PURPOSE

The Garbage Franchise Fund provides for the administration of the Ordinance adopted by the Board of Directors during Fiscal Year 1998-1999 making garbage collection within the District mandatory.

OVERVIEW

The Garbage franchise is being renegotiated. The contract expired on April 28th, 2009. We are now operating on a 1-year extension. Revenues exceed expenditures in this fund by a small amount.

PERSONNEL

Administration and operations are performed by District personnel from other budget units. However, in conjunction with implementation of "Allocation of Administrative Expenses" in the 1991-92 Budget, the 2010-2011 Fiscal Year Budget will distribute personnel costs of the employees of the Water Department directly to the funds of benefit, and this practice will be continued in future fiscal years. In order to ensure an equitable distribution, an analysis was performed of the time cards for the Water Department personnel for FYE's 2007 & 2008. It was determined that the average percentage of time that was spent on the garbage function was 7%. In addition to personnel, certain Service and Supply costs that could not be directly distributed to the Water Department were also spread based on the above percentage. These line items included: Clothing; Maintenance/Vehicles; Fuel; and Maintenance/Structures.

PROGRAMS

Operation and Maintenance: The administration of the Garbage Ordinance is handled by District personnel. These efforts consist of serving as a liaison between citizens-customers and the franchisee and auditing the franchisee's records to ensure compliance operationally and fiscally with the tenants and specifications of the Ordinance and the Franchisee agreement. From time-to-time, District personnel coordinate the removal of abandoned furniture and appliances with the franchisee. Additionally, staff will ensure that the specifications of the Ordinance are enforced within the guidelines of common sense and good Community relations.

Capital Improvements: None are anticipated at this time.

Accomplishments and 2010-2011 Projects: Work continues to ensure that South County Sanitary's customer list matches that of the District's water customers. During the up-coming Fiscal Year, staff will establish a monitoring and enforcement program consistent with common sense and good Community relations, will audit the franchisee's records to ensure compliance with the fiscal aspects of the agreement, and continue to work with IWMA to educate the public on the value of AB939 compliance.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
GARBAGE: 06-4900
FISCAL YEAR 2010-2011

<u>Account No</u>	<u>Title</u>	<u>Description</u>
The following Personnel costs represent 7% of the total costs for current personnel (Line items 010 through 096):		
010	Wages and Salaries	Wages and salaries for the Utility Operations Supervisor and the Systems Operators
020	Overtime	Compensates Utility Systems Operator for occasional overtime work as authorized by the Utility Operations Supervisor
061	PERS	Provides for District contributions of 7.794% to Public Employees' Retirement System for the Utility Systems Operators
070	SUI (Unemployment Ins)	Provides for State Unemployment Insurance and ETT at 3.2% of gross salary not to exceed a maximum gross annual salary of \$7,000/year/employee
071	Medicare	Provides for District's portion of Medicare payments at a rate of 1.45%
075	State Compensation Ins	Provides for District contribution to State Compensation Insurance at 9.17% for full-time positions
090	Employee Insurances	Provides for District portion of health, dental, vision, and life insurance premiums per Board-adopted policies
096	Employee Retirement Cont	Provides for District's payment on the employee's portion of their retirement plan contribution

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
GARBAGE: 06-4900

Account No	Title	Description
100	Clothing	Provides 7% of the expense for shirts, pants, and shop towels and their cleaning, and annual employee boot allowance
170	Maintenance: Equipment	Provides for the repairs & maintenance of cans
171	Maintenance: Vehicles	Provides for 7% of the expense for the maintenance of Water Department vehicles and backhoe
172	Fuel	Provides 7% of the expense for diesel, gas, and oil.
173	Maintenance: Shared Struct	Provides 7% of the expense for various shared-facilities maintenance activities at the Willmar Yard
175	System Parts/Oper Supp	Provides for misc supplies
190	Miscellaneous	Provides for occasional minor expenses
220	Professional Services	Provides for contracted services
247	Allocation of LAFCO Exp	Provides for Local Agency Formation Commission (LAFCO)
290	Utilities	Provides for Triangle Park
320	Fixed Assets	Provides for purchase of fixed assets for Triangle Park
353	Alley Maintenance	Provides for maintenance of Alleys
356	Vehicle Abatement	Provides for expenses related to The removal of abandoned vehicles
376	Allocation of Admin Exp	Provides the method of repayment for the costs incurred in the Admin. Dept. to effectively and efficiently manage and operate the District

OCEANO COMMUNITY SERVICES DISTRICT
MAJOR LITIGATION FUND
FISCAL YEAR 2010-2011

PURPOSE AND PROGRAMS

The District, as well as all other water purveyors in Southern San Luis Obispo/Northern Santa Barbara County, have become enmeshed in groundwater rights litigation. The resulting trial court judgment of this litigation has determined rights and ownership of water in the basin that serves the populace and agriculture interests within the Santa Maria Valley Groundwater Basin. Appeals to the trial court judgment continue by a small number of disaffected landowners.

The litigation, which began in 1997, has been quite protracted.

By all accounts it is a one-time expense. This litigation is not the cost of doing business of providing water to the District's customers. To place this expense under any of the existing categories would inflate the costs of providing the specific service. Monetary damages are not sought in the suit. Regardless of how the litigation is ultimately concluded, the District will continue to provide water, on demand, to its customers without a change in the cost equation of providing that water.

Should the District, through the decisions made during the course of the Groundwater Litigation, lose some of its prescriptive rights to the water in the basin, the mix of water between Lopez, State Water, and water from our District wells will be changed; however, the overall cost of the water will not.

The costs of this expensive litigation should not be directly apportioned to any single, or any combination of, operating budget units. While the cost of the litigation is a drain on the District's resources, any decision made will not change what the District pays for water that it delivers to its customers.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
MAJOR LITIGATION: 09-4994
FISCAL YEAR 2010-2011

<u>Account No</u>	<u>Title</u>	<u>Description</u>
362	Litigation Expense	Provides for litigation expenses

OCEANO COMMUNITY SERVICES DISTRICT
FUNDED CONSTRUCTION
SHERIFF'S DEPARTMENT FACILITY
FISCAL YEAR 2010-2011

PURPOSE AND PROGRAMS

The District constructed a 6,200 square foot building on District-owned property that is leased to the County of San Luis Obispo as the Sheriff's South station. Through the utilization of its reserves, the District invested in this structure and built over the course of the twenty-year lease an endowment for its water and sewer infrastructure. In addition to the financial benefits to be derived from this lease, Oceano enjoys a police presence within its boundaries. The County of San Luis Obispo benefits from the District's participation in that the structure was built at a lower cost over a shorter period of time. The facility was completed on August 15, 2002.

OCEANO COMMUNITY SERVICES DISTRICT
ACCOUNT JUSTIFICATION
SHERIFF'S DEPARTMENT FACILITY: 10-4300
FISCAL YEAR 2010-2011

<u>Account No</u>	<u>Title</u>	<u>Description</u>
173	Maintenance: Structures	Provides materials and services for repair and maintenance related to the Sheriff's Department Facility

THIS IS END OF BUDGET