

Pursuant to Governor Newsom's Executive Order N-29-20, members of the Board of Directors, staff and public may participate in this meeting via teleconference and/or electronically. The Oceano Community Services District Boardroom will NOT be open for accessing the meeting.



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, JANUARY 27, 2021 – 6:00 P.M
Location: TELECONFERENCE – SEE BELOW

HOW TO OBSERVE THE MEETING

This meeting will be conducted using Zoom software, which requires a name/email to be entered prior to accessing the meeting. This is not a District requirement for participation. Public participants are welcome to use an anonymous name/email if preferred.

Telephone: Listen to the meeting live by dialing (669) 900-9128 or (253) 215-8782. Enter **Meeting ID# 892-6279-7188** followed by the pound (#) key. Then enter the **Password: 508435** followed by the pound (#) key. If the line is busy, additional phone numbers can be found on Zoom's website at <https://zoom.us/u/abb4GNs5xM>

Computer: With internet access use the **Password: 508435** to watch the live streaming at <https://us02web.zoom.us/j/89262797188?pwd=Q2lUeVc5THhnZk10TEtOUTItcXRiZz09> or by going to zoom.us and selecting "Join A Meeting" then entering the **Meeting ID# 892-6279-7188** followed by the **Password: 508435**

Mobile: Log in through the Zoom Mobile App on a smartphone or tablet and enter **Meeting ID#: 892-6279-7188** then enter the **Password: 508435**.

For information on Zoom's system requirements please visit: <https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>

HOW TO SUBMIT PUBLIC COMMENTS

Before the Meeting: Please email your comments to carey@oceanocsd.org with "Public Comment" in the subject line. In your email please include the agenda item number and title and your comments. You may also provide public comment through the District website at: <https://oceanocsd.org/contact/>. All comments received before 12:00 p.m. the day of the meeting will be included as an agenda supplement on the District's website <https://oceanocsd.org/meeting-agendas-minutes/agenda-packets/> and provided to the Directors prior to the meeting. Comments received after the deadline, but prior to the meeting start time, will be attached to the minutes of the meeting.

Live Comments: During the meeting, the Board President or designee will announce the opportunity for public comment. Members of the public may utilize the "raise hand" feature in Zoom to be placed into the speaking queue. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one-minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

To "Raise Hand:"

- **Telephone:** Prese " * 9 " to raise your hand to notify meeting host and be placed in the queue. The host will unmute and call on you when it's your time to speak.
- **Computer/Mobile Device:** Click the "raise hand" button to notify meeting host and be placed in the queue. The host will unmute and call on you when it's your time to speak. If the "raise hand" button is not displayed on the screen, please click the "participants" icon at the bottom of the screen and the "raise hand" button will appear.

All items on the agenda including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

1. CALL TO ORDER
2. ROLL CALL
3. FLAG SALUTE
4. AGENDA REVIEW
5. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

6. SPECIAL PRESENTATIONS & REPORTS:

A. STAFF REPORTS:

- i. Sheriff's South Station - Commander Jay Wells
- ii. FCFA Operations - Chief Steve Lieberman
- iii. Operations – Utility System Manager Tony Marraccino
- iv. OCSD General Manager – Will Clemens

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Villa
- ii. Director Gibson
- iii. Vice President White
- iv. President Austin
- v. Director Repogle

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Special Presentations and Reports. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

7. CONSENT AGENDA ITEMS:

Public comment Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

- A. Review and Approval of Minutes for Regular Meeting January 13, 2020.
- B. Review of Cash Disbursements
- C. Authorize the President to sign a Conflict Waiver regarding the Integrated Waste Management Authority's Technical Assistance Grant Program
- D. Consideration of a letter requesting access to the federal Emergency Rental Assistance program for District customers

8. BUSINESS ITEMS:

Public comment Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

- A. Discussion/Action Regarding Refinancing of the District's Outstanding California Public Employees Retirement System (CalPERS) Unfunded Accrued Liability (UAL) and Appointing Financial Consultants
- B. Discussion/Action Regarding Adoption of a Debt Management Policy
- C. Review of the District's Budget Status as of December 31, 2020

9. HEARING ITEMS:

10. RECEIVED WRITTEN COMMUNICATIONS:

11. LATE RECEIVED WRITTEN COMMUNICATIONS:

12. FUTURE AGENDA ITEMS Deferred Infrastructure Program, Lopez Water Contract Amendments, Wastewater CIP, The Place, EIR State Parks PWP, Old Firehouse Art, California Voting Rights Act, District Flag Policy/ Pride Month, Social Media Policy/ Live Stream Board Meetings, Bill insert/ mailing policy

13. FUTURE HEARING ITEMS:

14. CLOSED SESSION:

15. ADJOURNMENT:

This agenda was prepared and posted pursuant to Government Code Section 54954.2. Agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at www.oceanocsd.org

ASSISTANCE FOR THE DISABLED If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.



Oceano Community Services District

Summary Minutes

Regular Meeting Wednesday, January 13, 2021 – 6:00 P.M.

Location: TELECONFERENCE

1. **CALL TO ORDER:** at approximately 6:00 p.m. by President Austin
2. **ROLL CALL:** Board members present: President Austin, Vice President White, Director Gibson, Director Villa, and Director Replogle. Staff present: General Manager Will Clemens, Legal Counsel Jeff Minnery, and Business and Accounting Manager, Carey Casciola.
3. **FLAG SALUTE:** led by President Austin.
4. **AGENDA REVIEW:**
A motion was made by Vice President White to move agenda item 8A ahead of agenda item 6, with a second from Director Gibson and a 5-0 roll call vote.
5. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:**

| | |
|----------------|---|
| Jackie Mansoor | Provided grant funding information available from the SLO APCD. |
|----------------|---|

| 8. BUSINESS ITEMS: | ACTION: |
|--|--|
| <p>a. Review and consideration of District Code 15.10 Sale of Fireworks.</p> | <p>After an opportunity for public comment, Board discussion, and input from Sheriff Commander Wells and Fire Chief Lieberman, the Board provided staff with the direction to draft a revised Ordinance to limit the discharge of safe & sane fireworks to July 4th only from the hours of 10am to 10pm and to limit the number of vendors to a total of four and allow first right of refusal to the current vendors and to draft a letter to the County of San Luis Obispo Board of Supervisors in support of adopting an administrative code for review and consideration at a future Board meeting.</p> <p>Public Comment:</p> <p>Gary Wells – In support of limited safe and sane fireworks to one day per year along with an administrative fireworks prosecution ordinance and a website or phone line dedicated to reporting illegal fireworks.</p> <p>Lucia Casalnuovo – In support of limiting safe and sane fireworks to two days per year, July 4th and December 31st.</p> <p>Charles Varni – In support of limiting safe and sane fireworks to July 4th only.</p> <p>Esther Meyers, Open Door Preschool – In support of the sale of safe and sane fireworks to support community non-profits.</p> <p>Julie Tacker – In support of repealing District Code entirely or at least limit the days and hours safe and sane fireworks can be discharged.</p> <p>Bill C. – In support of limiting safe and sane fireworks.</p> |

| | |
|--|---|
| | <p>April Dury – In support of better rules and regulations for the sale and use of safe and sane fireworks as well as a community committee for input.</p> <p>Suzanne Wells – In support of the sale of safe and sane fireworks, limiting the use of safe and sane fireworks to 1-2 days per year and the District sending a letter to the County Board of Supervisors recommending they draft an administrative ordinance.</p> |
|--|---|

6. SPECIAL PRESENTATIONS & REPORTS:

A. STAFF REPORTS:

- i. **Sheriff's South Station** - Commander Jay Wells – December 2020 Report for the Oceano response area: 583 calls for service generating 141 crime reports for theft from unlocked vehicles, theft in general, narcotics and domestic violence. 31 cases have been reported to the DAs office. Due to COVID-19 jail bookings are down and people committing minor offenses and misdemeanors are being cited in the field and released.
- ii. **FCFA** - Chief Steve Lieberman – Provided an update on his participation in the Incident Management Team which is working with the County of SLO Public Health Department to stage pods within the county for COVID-19 vaccinations. Please visit ReadySLO.org for more information and to register for email updates.
- iii. **Operations** - Utility Systems Manager, Tony Marraccino – Continuing with daily rounds; weekly and monthly samples; 11 work orders; 18 USAs; 9 customer service calls; 5 after hours call outs; FOG Program is complete for 2020; 5 new meters installed for new developments; 1 angle stop repaired and one leaking that will be repaired; paving done due to repairs; continuing with weed abatement; meter reading this month; Zero SSO's for December and 1 SSO for January thus far that is scheduled for repair on the 25th of January; 3 Ready311 tickets for December; equipment runs completed for the first of the month; concrete, asphalt and old meters have been recycled; Lopez is at 39.8%. 19,645 AF, Lopez delivered 54.82 AF and zero has been pumped.
- iv. **OCSO General Manager** – Will Clemens – attended (virtually) NCMA meeting and working with other agencies to prepare the 2020 Annual Report. Well index level is approximately 1 foot lower than this same time last year; Flood Control Zone 3 technical committee meeting – 20,000 AF is the trigger for the Low Reservoir Response Plan, if the Board of Supervisors declares an emergency; California Coastal Commission heard the appeal for the injection test well here in Oceano and found no substantial issues related to the appeal. State Parks has paid their invoice for the flyer inserted in utility bills. We continue to waive late fees for residents paying their bill.

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Villa – Reported on the 12/17/2020 Oceano Advisory Council (OAC) meeting.
- ii. Director Gibson – Reported on the 1/7/2021 Ad Hoc Sub Committee for Water Resources Advisory Committee (WRAC) meeting and the 1/8/2021 State Water Subcontractor Advisory Committee.
- iii. Vice President White – Reported on the 12/18/2020 Five Cities Fire Authority (FCFA) Meeting.
- iv. Director Repogle – None
- v. President Austin – Reported on the 12/16/2020 & 1/6/2021 South San Luis Obispo County Sanitation District (SSLOCSD) meetings.

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

Public comment was received from:

| | |
|--------------|---|
| Julie Tacker | In support of posting the letter from SSLOCSD to the website vs attaching to the minutes and to have the option of an email/ mailing list for agendas. In opposition of the injection test well for the Central Coast Blue project. |
| April Dury | In support OCSD Board of Directors reviewing legal expenses incurred by the SSLOCSD. |

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|--|---|
| 7. CONSENT AGENDA: | ACTION: |
| <ul style="list-style-type: none"> a. Review and Approval of Minutes for Regular Meeting December 9, 2020. b. Review and Approval of Minutes for Regular Meeting December 23, 2020. c. Review of cash disbursements. d. Annual review of the District's Investment Policy and Consideration of a Recommendation to approve a resolution adopting the District's 2021 Investment Policy and submittal of the District Fiscal Year 2020-21 Quarter 2 Treasurer Report. | <p>After an opportunity for public comment and Board discussion, staff recommendations were approved with a motion from Vice President White, with a second from Director Gibson and a 5-0 roll call vote.</p> <p>Public Comment: April Dury – Requested additional information on a warrant to Burdine printing.</p> <p>Julie Tacker – Requested that public comment is made before making a motion.</p> |
| 8. BUSINESS ITEMS CONTINUED: | ACTION: |
| <ul style="list-style-type: none"> b. Consideration of 2021 District Priorities and Goals with Board Direction as deemed appropriate. | <p>After an opportunity for public comment and Board discussion, staff recommendations were approved with a motion from Vice President White, with a second from Director Gibson and a 5-0 roll call vote.</p> <p>Public Comment: Julie Tacker – In support of an ad hoc committee for parks and recreation. In support of divesting parks and recreation power. In opposition of the Central Coast Blue project.</p> <p>April Dury – In support of a community committee for the OCSD website. In support of prioritizing goals and 'Future Agenda Items' for 2020.</p> |

9. HEARING ITEMS - None

10. RECEIVED WRITTEN COMMUNICATIONS: None

11. LATE RECEIVED WRITTEN COMMUNICATIONS:

| | |
|----------------------|--|
| Larry Griswold | In support of implementing the same firework laws as Arroyo Grande and Grover Beach. |
| Roxanne Bohn | In support addressing the firework issue. |
| John Kelly | In support moving towards the same firework laws as Arroyo Grande and Grover Beach. |
| Jill Abercrombie | In support of implementing the same firework laws as Arroyo Grande and Grover Beach. |
| Suzanne & Gary Wells | In support establishing an administrative code to |

| | |
|----------------|--|
| | prosecute illegal fireworks, limit the days allowed, and establish an anonymous hotline to report illegal fireworks. |
| Julie Tacker | In support of reviewing the Health and Safety Code and County Counsels' response. |
| Megan LeBlanc | In support of safe and sane fireworks year-round. |
| Kim LeBlanc | In support of safe and sane fireworks year-round. |
| Jim Bernhardt | In support of modifying the fireworks regulations to match Grover Beach. |
| Arlene Sackman | In opposition of allowing fireworks year-round and in support of eliminating all fireworks in Oceano. |

12. **FUTURE AGENDA ITEMS:** Continued, Deferred Infrastructure Program, Lopez Water Contract Amendments, Wastewater CIP, The Place, EIR State Parks PWP, Old Firehouse Art, California Voting Rights Act, Fireworks Ordinance, District Flag Policy/ Pride Month, Social Media Policy / Live Stream Board Meetings.
13. **FUTURE HEARING ITEMS:** None
14. **CLOSED SESSION:** None
15. **ADJOURNMENT:** at approximately 8:20 pm



TO: Linda Austin
FROM: Jeremy Ghent
SUBJECT: Response to questions from Oceano Community Members

IS THERE A CHANCE OF PROJECT COST INCREASES?

As part of best practices for project development the District's Redundancy Project Team has already undertaken a Risk Management analysis that identified risks to project schedule and budget. The project as awarded has no known outstanding financial risks that would lead to cost increases. While projects of this size and duration often encounter some cost increases during construction, there is no inherent high-risk exposure to major cost increases.

WILL THE USDA LOAN REDUCE OCEANO RATES?

The District service area includes the disadvantaged community of Oceano. As part of the District's financial plan for funding the redundancy project the team was successful in securing a long-term(40 yr) low-interest (1.375%) loan from the United States Department of Agriculture in the amount of \$4,464,000. This represents approximately 16% of the \$28million borrowed to construct the project. The benefit to the District ratepayer were two-fold.

1. The low interest rate reduces total interest costs. (approximate savings to the District of \$4,250 per year)
2. The 40 year term reduces the District's Annual Payment over a conventional 30year loan.

Acquiring the USDA funding required additional environmental work and some project delay which are direct expenses of securing the funding.

The question has been asked to staff as to whether this favorable USDA funding would result in lower rates for the Oceano Ratepayers. Costs associated with securing the funding are not entirely finalized, but at current expenses the savings to the average Single Family Residence would be approximately \$0.03 to \$0.06 per month. Discussion on this matter will occur at a future SSLOCS D meeting.

WHY DID WE IMPROVE THE PLANT INSTEAD OF MOVING THE PLANT?

The District is glad to announce that after 6 years of project development the District has awarded the construction of our Redundancy Project to Filanc Construction. The necessary Project creates a treatment facility that staff can maintain and operate, protects the health and safety of our community, and various coastal and tourism resources.

Since 2015 District leadership has developed and delivered the Redundancy Project to ensure that the treatment facility can be operated during various conditions and still meet all waste discharge requirements as required by the Regional Water Quality Control Board.

The decision to modify the existing plant had clear and substantial value to the ratepayer. While the cost of the redundancy project can be covered by the existing rates and charges, the cost of completely relocating the facility would result in an approximate doubling or a 100% increase in current wastewater rates and charges over the existing rates for the community. The District seeks to use its revenues effectively and responsibly, and as such has made fiscally sound decisions that extends the life of the existing facility by approximately 30 years and protects our community from unnecessary rate increases.

Respectfully,

Jeremy Ghent, P.E.
District Administrator
South San Luis Obispo County Sanitation District.



Oceano Community Services District

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

PHONE(805) 481-6730 FAX (805) 481-6836

Date: January 27, 2021

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #7(B): Recommendation to Review Cash Disbursements**

Recommendation

It is recommended that your board review the attached cash disbursements:

Discussion

The following is a summary of the attached cash disbursements:

| Description | Check Sequence | Amounts |
|--|----------------|--------------|
| | 58778 - 58806 | |
| Disbursements: | | |
| Regular Payable Reigster - paid 01/20/2021 | 58789 - 58805 | \$ 11,804.48 |
| Deposit Refund for Cancelled Project - paid 01/20/2021 | 58806 | \$ 17,803.84 |
| Subtotal: | | \$ 29,608.32 |
| Reoccurring Payments for Board Review (authorized by Resolution 2020-06): | | |
| Payroll Disbursements - PPE 01/16/2021 | N/A | \$ 31,849.90 |
| | | |
| | | |
| Reoccurring Utility Disbursements - paid 01/06/2021 | 58778 - 58782 | \$ 5,719.38 |
| Reoccurring Utility Disbursements - paid 01/20/2021 | 58783 58787 | \$ 1,269.89 |
| Reoccurring Health Disbursements - paid 01/20/2021 | 58788 | \$ 618.21 |
| | | |
| | | |
| | | |
| Subtotal: | | \$ 39,457.38 |
| Grand Total: | | \$ 69,065.70 |

Other Agency Involvement

N/A

Other Financial Considerations

Amounts are within the authorized Fund level budgets.

Results

The Board's review of cash disbursements is an integral component of the District's system of internal controls and promotes a well governed community.

COMPANY: 99 - POOLED CASH FUND
ACCOUNT: 1-1001-000 POOLED CASH OPERATING
TYPE: All
STATUS: All
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
AMOUNT: 0.00 THRU 999,999,999.99
CHECK NUMBER: 058789 THRU 058805

| ACCOUNT | --DATE-- | --TYPE-- | NUMBER | -----DESCRIPTION----- | ----AMOUNT--- | STATUS | FOLIO | CLEAR DATE | |
|-----------------------------|-----------|----------|--------|--------------------------------|---------------|-------------|-------|------------|--------------------------------|
| CHECK: | | | | | | | | | |
| 1-1001-000 | 1/20/2021 | CHECK | 058789 | BRISCO'S | 49.85CR | OUTSTND | A | 0/00/0000 | PAVING |
| 1-1001-000 | 1/20/2021 | CHECK | 058790 | BURDINE PRINTING & GRAPHICS | 23.79CR | OUTSTND | A | 0/00/0000 | FOG FORMS |
| 1-1001-000 | 1/20/2021 | CHECK | 058791 | CALPORTLAND CONSTRUCTION | 276.93CR | OUTSTND | A | 0/00/0000 | PAVING |
| 1-1001-000 | 1/20/2021 | CHECK | 058792 | CANNON | 2,556.00CR | OUTSTND | A | 0/00/0000 | USDA PRELIM ENGR SVCS |
| 1-1001-000 | 1/20/2021 | CHECK | 058793 | CENTRAL COAST TOWING | 60.00CR | OUTSTND | A | 0/00/0000 | TOWING |
| 1-1001-000 | 1/20/2021 | CHECK | 058794 | CLEATH-HARRIS GEOLOGISTS, INC. | 930.00CR | OUTSTND | A | 0/00/0000 | PROFESSIONAL SVCS |
| 1-1001-000 | 1/20/2021 | CHECK | 058795 | DIVERSIFIED PROJECT SERVICES I | 560.00CR | OUTSTND | A | 0/00/0000 | ENGINEERING SVCS |
| 1-1001-000 | 1/20/2021 | CHECK | 058796 | GATOR CRUSHING & RECYCLING | 20.00CR | OUTSTND | A | 0/00/0000 | RECYCLING ASPHALT |
| 1-1001-000 | 1/20/2021 | CHECK | 058797 | MECHANICS BANK VISA CARD | 65.48CR | OUTSTND | A | 0/00/0000 | CREDIT CARD (DETAILS ATTACHED) |
| 1-1001-000 | 1/20/2021 | CHECK | 058798 | MIER BROS. | 301.70CR | OUTSTND | A | 0/00/0000 | PAVING |
| 1-1001-000 | 1/20/2021 | CHECK | 058799 | MINER'S ACE HARDWARE, INC. | 21.54CR | OUTSTND | A | 0/00/0000 | PAVING |
| 1-1001-000 | 1/20/2021 | CHECK | 058800 | MULLAHEY FORD INC | 47.94CR | OUTSTND | A | 0/00/0000 | SERVICE VEHICLE |
| 1-1001-000 | 1/20/2021 | CHECK | 058801 | OFFICE1 | 218.40CR | OUTSTND | A | 0/00/0000 | COPIER REPAIR |
| 1-1001-000 | 1/20/2021 | CHECK | 058802 | ONE COOL EARTH | 4,750.00CR | OUTSTND | A | 0/00/0000 | SCHOOL OUTREACH PGM |
| 1-1001-000 | 1/20/2021 | CHECK | 058803 | QUILL CORPORATION | 12.85CR | OUTSTND | A | 0/00/0000 | OFFICE SUPPLIES |
| 1-1001-000 | 1/20/2021 | CHECK | 058804 | RAMINHA CONSTRUCTION, INC. | 500.00CR | OUTSTND | A | 0/00/0000 | HYDRANT DEPOSIT REFUND |
| 1-1001-000 | 1/20/2021 | CHECK | 058805 | ZENITH INSURANCE COMPANY | 1,410.00CR | OUTSTND | A | 0/00/0000 | WORKERS COMP INSURANCE |
| TOTALS FOR ACCOUNT 1-1001-0 | | | | CHECK | TOTAL: | 11,804.48CR | | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | | |
| | | | | INTEREST | TOTAL: | 0.00 | | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | | |
| | | | | EFT | TOTAL: | 0.00 | | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | | |

COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 058789 THRU 058805

ACCOUNT --DATE-- --TYPE-- NUMBER -----DESCRIPTION----- ----AMOUNT--- STATUS FOLIO CLEAR DATE

| | | | |
|-----------------------------|----------------|--------|-------------|
| TOTALS FOR POOLED CASH FUND | CHECK | TOTAL: | 11,804.48CR |
| | DEPOSIT | TOTAL: | 0.00 |
| | INTEREST | TOTAL: | 0.00 |
| | MISCELLANEOUS | TOTAL: | 0.00 |
| | SERVICE CHARGE | TOTAL: | 0.00 |
| | EFT | TOTAL: | 0.00 |
| | BANK-DRAFT | TOTAL: | 0.00 |

A C C O U N T S P A Y A B L E
O P E N I T E M R E P O R T
D E T A I L

| VENDOR | TYPE | ---ID--- | BANK | ITEM DT/ POST DT | DUE DT/ DISC DT | PAY DT/ CHECK# | 1099 | ----- | DESCRIPTION | ----- | GROSS/ BALANCE | -DISTRIBUTION- | |
|---------|---------|----------|--------------------------|---------------------|--------------------|-------------------|--------|-------|--------------------------|---------------------|-------------------|--|-------|
| 01-1114 | | | MECHANICS BANK VISA CARD | | | | | | | | | | |
| | INV | 01282021 | | 1/19/21 | 2/18/21 | 1/20/21 | N | | MECHANICS BANK VISA CARD | | 65.48 | CREDIT CARD TRANSACTION DETAILS | |
| | | AP | | 1/19/21 | | 058797 | | | PO: | | 0.00 | | |
| | | | JAN 2021 STMT | | | | | | | | | | |
| | | | | | | | | | 01 -5-4100-248 | QUICKBOOKS DEC 2020 | | 40.00 | |
| | | | | | | | | | 01 -5-4100-200 | ZOOM DEC 2020 | | 12.74 | |
| | | | | | | | | | 01 -5-4100-200 | ZOOM JAN 2021 | | 12.74 | |
| ===== | TOTALS: | GROSS: | | 65.48 | PAYMENTS: | 196.44- | DISCS: | 0.00 | ADJS: | 0.00 | BAL: | 65.48 | ===== |

1/21/2021 9:06 AM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 1
 CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 058806 THRU 058806

ACCOUNT --DATE-- --TYPE-- NUMBER -----DESCRIPTION----- ----AMOUNT--- STATUS FOLIO CLEAR DATE

CHECK:
 1-1001-000 1/20/2021 CHECK 058806 R BAKER SEPARATE PROP 17,803.84CR OUTSTND A 0/00/0000

**CONNECTION FEES REFUND - PROJECT
 CANCELLED**

TOTALS FOR ACCOUNT 1-1001-0
 CHECK TOTAL: 17,803.84CR
 DEPOSIT TOTAL: 0.00
 INTEREST TOTAL: 0.00
 MISCELLANEOUS TOTAL: 0.00
 SERVICE CHARGE TOTAL: 0.00
 EFT TOTAL: 0.00
 BANK-DRAFT TOTAL: 0.00

TOTALS FOR POOLED CASH FUND
 CHECK TOTAL: 17,803.84CR
 DEPOSIT TOTAL: 0.00
 INTEREST TOTAL: 0.00
 MISCELLANEOUS TOTAL: 0.00
 SERVICE CHARGE TOTAL: 0.00
 EFT TOTAL: 0.00
 BANK-DRAFT TOTAL: 0.00

Payroll Summary Report
Board of Directors - Agenda Date January 27, 2020

| | (*) | |
|--|--------------------|--------------------|
| <u>Gross Wages</u> | 1/2/2021 | 1/16/2021 |
| Regular | \$27,207.09 | \$27,207.10 |
| Overtime Wages | \$1,038.71 | \$492.15 |
| Stand By | \$450.00 | \$600.00 |
| | <u>\$28,695.80</u> | <u>\$28,299.25</u> |
| Cell Phone Allowance | \$75.00 | \$0.00 |
| Total Wages | <u>\$28,770.80</u> | <u>\$28,299.25</u> |
| | | |
| <u>Disbursements</u> | | |
| Net Wages | \$23,032.50 | \$22,023.72 |
| State and Federal Agencies | \$4,759.49 | \$4,290.97 |
| CalPERS - Normal | \$4,378.41 | \$5,378.41 |
| SEIU - Union Fees | \$156.80 | \$156.80 |
| Total Disbursements processed with Payroll | <u>\$32,327.20</u> | <u>\$31,849.90</u> |
| | | |
| Health (Disbursed with reoccurring bills) | \$6,204.70 | \$6,204.70 |
| | | |
| Total District Payroll Related Costs | <u>\$38,531.90</u> | <u>\$38,054.60</u> |

(*) Previously reported in prior Board Meeting packet - provided for comparison.

COMPANY: 99 - POOLED CASH FUND
ACCOUNT: 1-1001-000 POOLED CASH OPERATING
TYPE: All
STATUS: All
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
CLEAR DATE: 0/00/0000 THRU 99/99/9999
STATEMENT: 0/00/0000 THRU 99/99/9999
VOIDED DATE: 0/00/0000 THRU 99/99/9999
AMOUNT: 0.00 THRU 999,999,999.99
CHECK NUMBER: 058778 THRU 058782

| ACCOUNT | --DATE-- | --TYPE-- | NUMBER | -----DESCRIPTION----- | ----AMOUNT--- | STATUS | FOLIO | CLEAR DATE | |
|-----------------------------|-----------|----------|--------|--------------------------------|---------------|------------|-------|------------|---|
| CHECK: | | | | | | | | | |
| 1-1001-000 | 1/06/2021 | CHECK | 058778 | DE LAGE LANDEN FINANCIAL SERVI | 150.15CR | OUTSTND | A | 0/00/0000 | COPIER LEASE |
| 1-1001-000 | 1/06/2021 | CHECK | 058779 | DIGITAL WEST NETWORKS, INC. | 596.81CR | OUTSTND | A | 0/00/0000 | PHONE, WEBSITE, SOFTWARE LICENSE |
| 1-1001-000 | 1/06/2021 | CHECK | 058780 | HIRIARTE'S INDOOR CLEANING SER | 825.00CR | OUTSTND | A | 0/00/0000 | CLEANING SERVICE |
| 1-1001-000 | 1/06/2021 | CHECK | 058781 | PACIFIC GAS & ELECTRIC | 3,917.46CR | OUTSTND | A | 0/00/0000 | UTILITY |
| 1-1001-000 | 1/06/2021 | CHECK | 058782 | VERIZON WIRELESS | 229.96CR | OUTSTND | A | 0/00/0000 | FIELD CELL SVC |
| TOTALS FOR ACCOUNT 1-1001-0 | | | | CHECK | TOTAL: | 5,719.38CR | | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | | |
| | | | | INTEREST | TOTAL: | 0.00 | | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | | |
| | | | | EFT | TOTAL: | 0.00 | | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | | |
| TOTALS FOR POOLED CASH FUND | | | | CHECK | TOTAL: | 5,719.38CR | | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | | |
| | | | | INTEREST | TOTAL: | 0.00 | | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | | |
| | | | | EFT | TOTAL: | 0.00 | | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | | |

COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 058783 THRU 058787

| ACCOUNT | --DATE-- | --TYPE-- | NUMBER | -----DESCRIPTION----- | ----AMOUNT--- | STATUS | FOLIO | CLEAR DATE | |
|-----------------------------|-----------|----------|--------|--------------------------------|---------------|------------|-------|------------|----------------------------------|
| CHECK: | | | | | | | | | |
| 1-1001-000 | 1/20/2021 | CHECK | 058783 | MAP COMMUNICATIONS, INC. DBA A | 310.79CR | OUTSTND | A | 0/00/0000 | ANSWERING SERVICE |
| 1-1001-000 | 1/20/2021 | CHECK | 058784 | AGP VIDEO INC. | 397.80CR | OUTSTND | A | 0/00/0000 | TELECONF ARCHIVE SVC |
| 1-1001-000 | 1/20/2021 | CHECK | 058785 | CHARTER COMMUNICATIONS | 150.00CR | OUTSTND | A | 0/00/0000 | INTERNET - COMMUNICATIONS |
| 1-1001-000 | 1/20/2021 | CHECK | 058786 | COASTAL COPY, INC. | 230.05CR | OUTSTND | A | 0/00/0000 | COPIES/MAINTENANCE |
| 1-1001-000 | 1/20/2021 | CHECK | 058787 | SO CAL GAS | 181.25CR | OUTSTND | A | 0/00/0000 | UTILITY |
| TOTALS FOR ACCOUNT 1-1001-0 | | | | CHECK | TOTAL: | 1,269.89CR | | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | | |
| | | | | INTEREST | TOTAL: | 0.00 | | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | | |
| | | | | EFT | TOTAL: | 0.00 | | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | | |
| TOTALS FOR POOLED CASH FUND | | | | CHECK | TOTAL: | 1,269.89CR | | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | | |
| | | | | INTEREST | TOTAL: | 0.00 | | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | | |
| | | | | EFT | TOTAL: | 0.00 | | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | | |

COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 058788 THRU 058788

| ACCOUNT | --DATE-- | --TYPE-- | NUMBER | -----DESCRIPTION----- | ----AMOUNT--- | STATUS | FOLIO | CLEAR DATE |
|-----------------------------|-----------|----------|--------|-----------------------|---------------|----------|-------|--|
| CHECK: | | | | | | | | |
| 1-1001-000 | 1/20/2021 | CHECK | 058788 | TASC -CLIENT INVOICES | 618.21CR | OUTSTND | A | 0/00/0000 FSA ADM FEE & ANNUAL RENEWAL FEE |
| TOTALS FOR ACCOUNT 1-1001-0 | | | | CHECK | TOTAL: | 618.21CR | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | |
| | | | | INTEREST | TOTAL: | 0.00 | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | |
| | | | | EFT | TOTAL: | 0.00 | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | |
| TOTALS FOR POOLED CASH FUND | | | | CHECK | TOTAL: | 618.21CR | | |
| | | | | DEPOSIT | TOTAL: | 0.00 | | |
| | | | | INTEREST | TOTAL: | 0.00 | | |
| | | | | MISCELLANEOUS | TOTAL: | 0.00 | | |
| | | | | SERVICE CHARGE | TOTAL: | 0.00 | | |
| | | | | EFT | TOTAL: | 0.00 | | |
| | | | | BANK-DRAFT | TOTAL: | 0.00 | | |



Oceano Community Services District

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

(805) 481-6730 FAX (805) 481-6836

Date: January 27, 2021

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #7(C): Authorize the President to sign a Conflict Waiver regarding the Integrated Waste Management Authority's Technical Assistance Grant Program**

Recommendation

It is recommended that your Board approve the attached Conflict Waiver regarding the Integrated Waste Management Authority's Technical Assistance Grant Program.

Discussion

The District was awarded grant funding through the Integrated Waste Management Authority's (IWMA) Technical Assistance Grant Program. The District's Legal Counsel, Jeffrey Minnerly of Adamski Moroski Madden Cummerland & Green LLP, also represents the IWMA as legal counsel. The California Rules of Professional Conduct prevents attorneys from representing a party in one matter where the attorney represents a different client in a related matter without the clients written consent. By approving the attached waiver, the District will fulfill the consent requirement of the California Rules of Professional Contact and avoid the cost of hiring a separate legal counsel to review the agreement.

Other Agency Involvement

The Integrated Waste Management Authority.

Financial Considerations

Legal services related to the IWMA TAG Program are within the 2020-21 Budget.

Results

Approval of the waiver will enable the District to utilize District Counsel for the IWMA Technical Assistance Grant Program and promotes a well-governed community.

Attachments:

- Conflict Waiver – January 19, 2021

**ADAMSKI MOROSKI MADDEN
CUMBERLAND & GREEN LLP**

ATTORNEYS AT LAW

Post Office Box 3835 • San Luis Obispo, California 93403-3835
T 805-543-0990 • F 805-543-0980 • *www.ammcglaw.com*

January 19, 2021

Oceano Community Services District
Attn: Board of Directors
P.O. Box 599
Oceano, CA. 93475

Re: Conflict Waiver

Dear Directors of the Board:

In or around September 2020, the Oceano Community Services District (“OCSD”) submitted a grant proposal to the San Luis Obispo County Integrated Waste Management Authority (“IWMA”) to install dual public trash/recycling receptacles and water refill stations throughout the community of Oceano in conjunction with the IWMA’s Technical Assistance Grant Program.

In addition to representing OCSD, I am also District legal counsel for IWMA. Accordingly, a conflict exists regarding the grant agreement and I am precluded from representing either the OCSD or IWMA on this matter without a conflict waiver from both agencies.

The California Rules of Professional Conduct prevent an attorney from representing a party in one matter where that attorney represents a different client in a related matter adverse to the first client unless both clients provide informed written consent. The following are the pertinent Rules of Professional Conduct related to this engagement:

RULES OF PROFESSIONAL CONDUCT

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

(a) A lawyer shall not, without informed written consent* from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or a separate matter.

(b) A lawyer shall not, without informed written consent* from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer’s representation of the client will be materially limited by the lawyer’s responsibilities to or relationships with another client, a former client or a third person,* or by the lawyer’s own interests.

(c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written* disclosure of the relationship to the client and compliance with paragraph (d) where:

- (1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
- (2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer. *See Exhibit "A"* (a complete copy of Rule 1.7 of the California Rules of Professional Conduct)

Here, because the matter is simply drafting of a grant agreement with IWMA, I am confident that I am able to provide you competent and diligent representation in all matters even if I simultaneously represent the IWMA regarding the same agreement. Nevertheless, I am obliged to inform you of any actual or reasonably foreseeable adverse effects of this representation. At this time, it is foreseeable that your Board could perceive my representation of both parties as a breach of loyalty.

YOUR CONSENT

It is understood that this consent will not waive any protection that you may have with regard to attorney-client communications with me in this matter. Those communications will remain confidential and will not be disclosed to any third party without your consent.

I believe that the OCSB Board is familiar with the factual background relevant to the content of this letter, and that I have given you a sufficiently-detailed description for obtaining informed written consent. However, if you believe that there is any other information that you or I need to have before such consent can be granted, please let me know immediately or such matters can be discussed at the January 27, 2021 meeting of the Board. You are advised of your right to seek independent legal advice related to the conflict represented by this waiver.

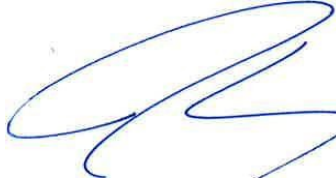
In the event that circumstances change or I become aware of new information that may affect your consent, you will be notified of that fact immediately, and continued representation will be subject to the informed written consent of involved parties.

Oceano Community Services District
January 19, 2021
Page 3

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.7 of the California Rules of Professional Conduct previously quoted in this letter.

Very truly yours,

ADAMSKI MOROSKI MADDEN
CUMBERLAND & GREEN LLP



JEFFREY A. MINNERY

Oceano Community Services District

Linda Austin, President

Date: _____



Oceano Community Services District

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

(805) 481-6730 FAX (805) 481-6836

Date: January 27, 2021

To: Board of Directors

From: Will Clemens, General Manager

Subject: **Agenda Item #7(D)** Consideration of a letter requesting access to the federal Emergency Rental Assistance program for District customers

Recommendation

It is recommended that the Board approve the attached letter to the County of San Luis Obispo.

Discussion

The California Special Districts Association (CSDA) recently sent the attached letter to Governor Gavin Newsom supporting special district utility providers access to housing utility and energy cost funding through the new federal Emergency Rental Assistance program, which includes assistance for tenants' utility bills and urging the State to ensure eligible special districts are included in its pending guidelines.

CSDA strongly encourages special districts providing electricity, gas, water, wastewater or trash removal services to their communities to communicate directly with their county and cities within district boundaries regarding this new program. Communicating the districts' interest is important, as counties and cities will be each be implementing their own, individual local relief programs.

Access to funding will be indirect. Utility-providing districts will need to encourage customers who are renting, or their landlords, to apply for assistance through their local city or county. Doing so will aid in offsetting utility arrears. Cities and counties are not required to pay arrears in-full.

The State of California will receive \$2.6 billion, of which the state of California will reserve \$1.44 billion to use for its own program and/or disburse to municipalities with populations fewer than 200,000. California cities and counties with populations greater than 200,000 will directly receive an estimated \$1.16 billion.



CSDA's letter to the Newsom Administration underscores the mounting needs special districts face, and the inequity in COVID-19 relief investments in smaller communities and asks that the state communicate this need within guidelines being developed for administration of funds to cities and counties with fewer than 200,000 residents. The letter also requests rental assistance and utility assistance for households be kept in two separate sub-funds.

Tenants and landlords may access relief for a 12-month period. Outstanding utility bills are eligible retroactively to March 13, 2020.

Other Agency Involvement

N/A

Financial Considerations

To date, the District has a total of 317 past-due accounts with a total of \$78,985 in arrears.

Results

Considering federal relief programs support a prosperous and well-governed community.

Attachments:

CSDA Letter to Governor Newsom

District Letter to County of San Luis Obispo



**California Special
Districts Association**
Districts Stronger Together

January 20, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol
Sacramento, CA 95814

RE: Emergency Rental Assistance (ERA) Program, Special District Utility Service Providers Access to \$2.6 Billion Funding Assistance

Dear Governor Newsom:

On behalf of over 1,000 independent special districts and affiliates, the California Special Districts Association (CSDA) requests your support to ensure special district utility providers are specified as eligible recipients of the funding assistance for tenants and landlords through the federal Emergency Rental Assistance (ERA) Program.

CSDA appreciates the strong efforts and leadership of your Administration during this unprecedented time, as California and the nation face COVID-19. We applaud your unrelenting efforts to secure federal relief for Californians and acknowledgement of the severe impacts the pandemic has had on local government revenues.

However, despite facing a collective estimated \$1.26 billion in COVID19 related revenue losses and expenditures as of July 1, 2020, special districts have not been included in the state and federal resources made directly available to cities, counties, small business, non-profits, and individuals to aid in COVID-19 response impacts. Even as impacts continue to mount special districts remain dedicated front-line workers in their local communities, reliably providing critical services to Californians throughout the duration of the pandemic.

Utility services provided by special districts include water, sewer/wastewater, trash removal, and electricity. These services have made it possible for California's stay at home orders to be successfully adhered to as residents' immediate needs for water, sanitation, and electricity continue to be provided for in a safe and reliable manner, even when customer payments are outstanding. The cost of special district utility and home energy services are defined as allowable uses for funding received by grantees per the [ERA FAQ guidance](#) released by the US Department of Treasury on January 19, 2021.

OUR REQUEST

As the State of California develops its own guidelines for portions of the ERA funding and delivers messaging to cities and counties, we ask:

- 1. Your Administration explicitly communicate the eligibility of special districts providing qualifying utility services to be recipients of the ERA funds by whatever mechanism is determined, whether that be as a direct allocation to the district or through the customer in need; and,**
- 2. Funding available for housing utility assistance and rental assistance stay separate so that both needs can be addressed, as an individual is not required to show a need for rental assistance to access housing utility assistance per federal guidelines.**

1112 I Street, Suite 200
Sacramento, CA 95814
Toll-free: 877.924.2732
t: 916.442.7887
f: 916.442.7889
csda.net

DEMONSTRATED NEED

Special districts primarily experiencing financial duress include those providing local services critical to the public's health, such as water treatment and delivery, sanitation, and wastewater services. Since March 2020, many of these districts have been forced to cut staffing and services/service levels or have indicated they expect to do so over the coming year due to revenue impacts resulting from COVID-19.

Numerous special districts providing utility services have consistently indicated substantial arrears from non-payment of accounts, with districts who have experienced the most significant and immediate challenges from COVID-19 impacts primarily providing critical services and infrastructure to small communities – largely in rural areas with vulnerable populations. It is not uncommon for these districts to be the sole service providers in the state's less-populated regions, serving as a community's lifeline to essential services.

As noted in the January 19, 2021 State Auditor Report release, urban counties received twice the amount of Coronavirus Relief Funds compared to smaller counties in California, despite similar COVID-19 transmission rates and impacts. These smaller communities would benefit most from additional resources to aid in recovery. The inequity in investment in disadvantaged communities in small and rural counties is compounded by their reliance on special districts for their critical services. Communities in areas of the state where services are more centralized and delivered by cities in larger and urban counties have received CARES Act federal and state assistance – sometimes twice – buffering against some of the fiscal, operational, and staffing impacts. To secure a more equitable outcome, it is crucial the state not only target investments to smaller regions, disadvantaged communities, and vulnerable populations, but also prioritize the essential service providers to these same groups by including special districts in its funding and resource determinations.

Special district utilities' access to the ERA housing utility federal funding is an important step in the right direction toward equitable investment in all communities impacted by COVID-19 response and to help ensure that all Californians are able to afford and receive uninterrupted, high-quality essential local services.

CSDA is calling upon your administration and our county and city partners to ensure special district utility service providers are instructed in how to access the ERA programming for housing utility and home energy cost assistance. Additionally, to benefit the residents and communities we collectively serve, special district utility service providers should be utilized as local partners in outreach to impacted customers eligible for these program funds.

Just as California is calling for federal assistance, we recognize this extraordinary crisis necessitates partnership from all levels of government to manage impacts over the longer term. We continue to seek your partnership and that of local, state, and federal leaders as we work to rebound from the steep economic impacts of COVID-19 response. CSDA respectfully asks for your support in accessing ERA resources to allow us to continue to serve our communities at the high-service levels Californians deserve and expect.

Sincerely,



Neil McCormick
Chief Executive Officer

CC: The Honorable Toni Atkins, President pro Tempore, California State Senate
The Honorable Anthony Rendon, Speaker, California State Assembly
The Honorable Shannon Grove, Senate Republican Leader
The Honorable Marie Waldron, Assembly Republican Leader
Keely Bosler, Director, California Department of Finance
Graham Knaus, Executive Director, California State Association of Counties
Greg Norton, President & CEO, Rural Counties Representatives of California
Carolyn Coleman, Executive Director, League of California Cities



Oceano Community Services District

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

(805) 481-6730 FAX (805) 481-6836

www.oceanocsd.org

January 27, 2021

Wade Horton, County Administrative Officer

County of San Luis Obispo

1055 Monterey St. Ste. 430

San Luis Obispo, CA 93408

RE: Access to County of San Luis Obispo Emergency Rental Assistance Program

Dear Mr. Horton

The Oceano Community Services District provides water, wastewater collection, and solid waste services to nearly 8,000 residents in San Luis Obispo County. The district seeks participation in the County program for eligible tenants' access to utility relief funds allowed under the Emergency Rental Assistance (ERA) program.

Utility services provided by Special districts include water, sewer/wastewater, trash removal, and electricity. The safe and reliable delivery of these services has made it possible for residents to adhere to California's stay-at-home orders even when customer payments are outstanding. The cost of special district utility and home energy services are defined as allowable uses for funding received by grantees per the [ERA FAQ guidance](#) released by the US Department of Treasury on January 19, 2021.

To date, our District has a total of 317 past-due accounts with a total of \$78,985 in arrears. Oceano is a Disadvantaged Community with a Median Household Income (MHI) of \$39,000 or 55% of the County MHI. The ability for eligible customers to access this program will relieve financial stress on our community, our mutual constituents, and ultimately the critical infrastructure our district maintains and essential workers we employ.

Thank you for your consideration of our request.

Sincerely,

LINDA AUSTIN

President

cc: Lynn Compton, District 4 Supervisor



Oceano Community Services District

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

(805) 481-6730 FAX (805) 481-6836

Date: January 27, 2021

To: Board of Directors

From: Will Clemens, General Manager

Subject: Agenda Item #8(A): Discussion/Action Regarding Refinancing of the District's Outstanding California Public Employees Retirement System (CalPERS) Unfunded Accrued Liability (UAL) and Appointing Financial Consultants Recommendation

It is recommended that your Board:

1. Adopt a Resolution of Preliminary Intention to Proceed with the Refinancing of Part or All of the District's Outstanding CalPERS Unfunded Accrued Liability and Appointing Financial Consultants in Connection therewith.
2. Direct staff to work with the financing team to (i) solicit proposals from financial institutions, and (ii) structure the transaction and bring the matter back to Board for further consideration at a future meeting.

Discussion

The District currently has a contract with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full-time safety and miscellaneous employees. As part of the contract, the District is obligated to pay any unfunded accrued liability (UAL). This is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS. The present total UAL balance for employees covered under the Safety Plan is approximately \$100,442 and \$722,303 under the Miscellaneous Plan (collectively, the "UAL Obligation"). Please note the UAL Obligation does not include amounts under the PEPRA plan, as the UAL balances under this plan is relatively small.

The Board should consider its desire to refinance part or all of the existing UAL Obligation (the "Refinancing"), the effect of which will be to (i) enhance budget predictability by "smoothing" out the UAL payment structure over the next 15 to 20 years (i.e., minimize the effects of steadily increasing UAL payments being charged by CalPERS, which are forecasted to rise for



future annual budgets), and (ii) capture cash flow savings by taking advantage of historically low interest rates currently prevailing in the municipal bond market.

If the Board chooses to pursue this opportunity, and correspondingly adopts the attached Resolution, it will be (i) declaring its preliminary intention to proceed with are financing of its unfunded liability owed to CalPERS, (ii) appointing the proposed financingteam of California Municipal Advisors LLC as Financial Advisor, and The Weist Law Firm as Bond Counsel, and (iii) directing staff to work with the financing team to structure the transaction and bring the matter back to Board for further consideration at a future meeting.

Other Agency Involvement

Proceeds of any transaction would be deposited with CalPERS to pay down the UAL.

Other Financial Considerations

None at this time. However, because the consultants have agreed to work on a fully contingent basis, only if the Refinancing occurs, would there be cost implications to the District. This includes staff time spent on administrative tasks associated with the restructuring process and cost of issuance associated with the financing team of \$65,000. However, the anticipated interest cost savings to the District and its rate payers as a result of the Refinancing will exceed the cost of issuance. Current cash savings estimates range from \$166,000 to \$289,000 depending on the term of the financing after all costs of issuance.

Results

“Refinancing” of the District’s UAL will create more budget predictability and save taxpayer and ratepayer money which contributes to a well-governed community.

Attachments:

Presentation Regarding UAL and Refinancing Options

Resolution

Bond Counsel Services Agreement

Financial Advisory Services Agreement



Oceano Community Services District

Pension Liability Assessment

JANUARY 27, 2021





06/30/2019 Pension Funding Status

| Description | Misc | Safety Fire | PEPRA Misc | Combined |
|---|------------------|------------------|-----------------|------------------|
| Total Accrued Liability | \$2,659,051 | \$371,435 | \$153,625 | \$3,184,111 |
| Market Value of Assets | \$1,936,748 | \$270,993 | \$140,790 | \$2,348,531 |
| Unfunded Actuarial Liability (UAL) | \$722,303 | \$100,442 | \$12,835 | \$835,580 |
| % Funded | 72.8% | 73.0% | 91.6% | 73.8% |

Source: CalPERS Actuarial Valuation as of June 30, 2019

Definitions:

- Total Accrued Liability = What You Need
- Market Value of Assets = What You Have
- Unfunded Actuarial Liability = What You Owe

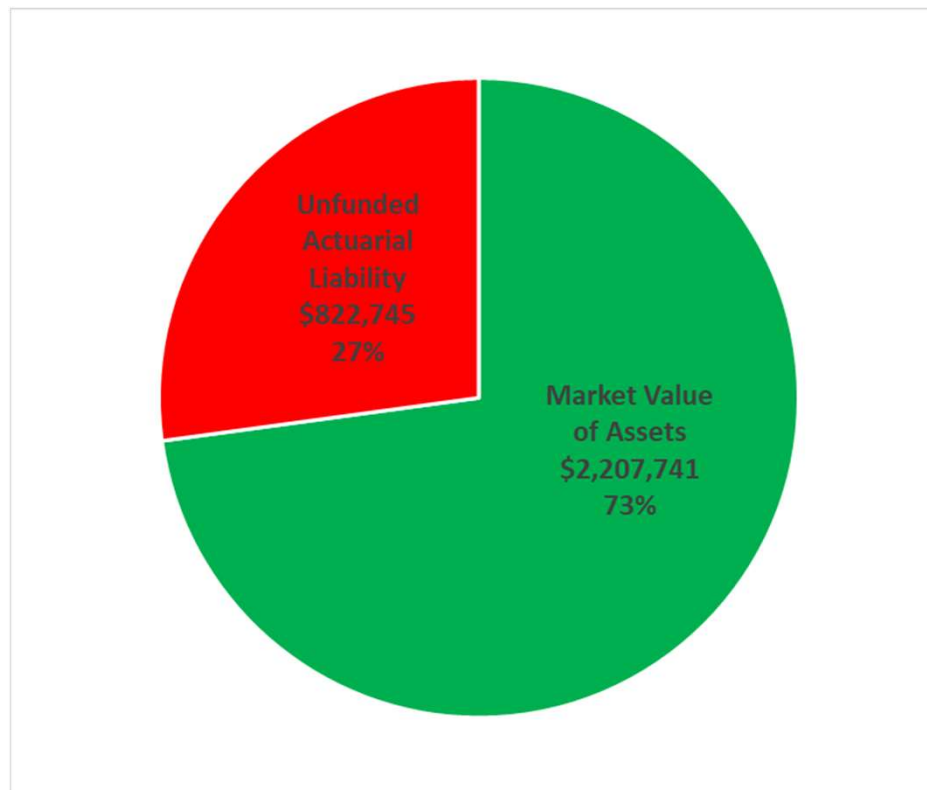
Three Pension Plans:

- Miscellaneous and PEPRA Miscellaneous
- Safety Fire

MISC and **SAFETY** represent largest savings opportunity



06/30/2019 Pension Funding Status



- Total Pension Obligations = \$3M
- Pension Assets = \$2.2M
- Shortfall = \$823K (27% of what is needed)

Shortfall (UAL) = DEBT:

- Owed to CalPERS
- Amortizes over time (20-30 years)
- Accrues interest at 7% interest rate (\$640K total)
- Reduced or delayed payments not allowed
- District's most expensive debt
- No prepayment restrictions or penalties



Pension Costs - Overview



District and employee pension costs – 30% of salaries

District makes two types of payments to CalPERS each year:

➤ **Normal Cost:**

- Annual cost of pension benefits for current employees
- % of payroll

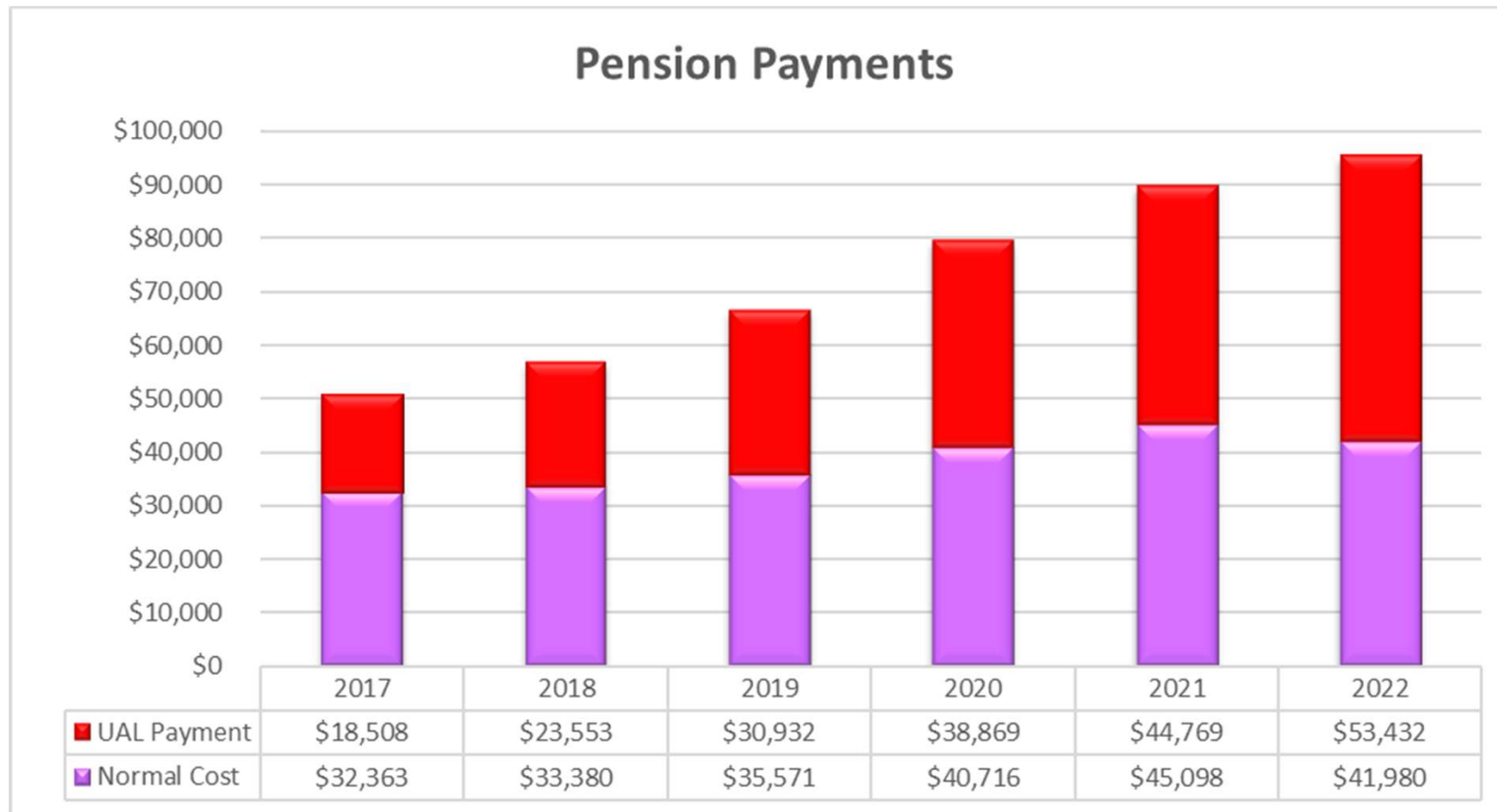
➤ **UAL Payment**

- Repayment of pension funding shortfall
- Fixed dollar amount

CalPERS charges **7%** interest rate on UAL (included in UAL Payment)



Pension Payments – Misc Plan Only



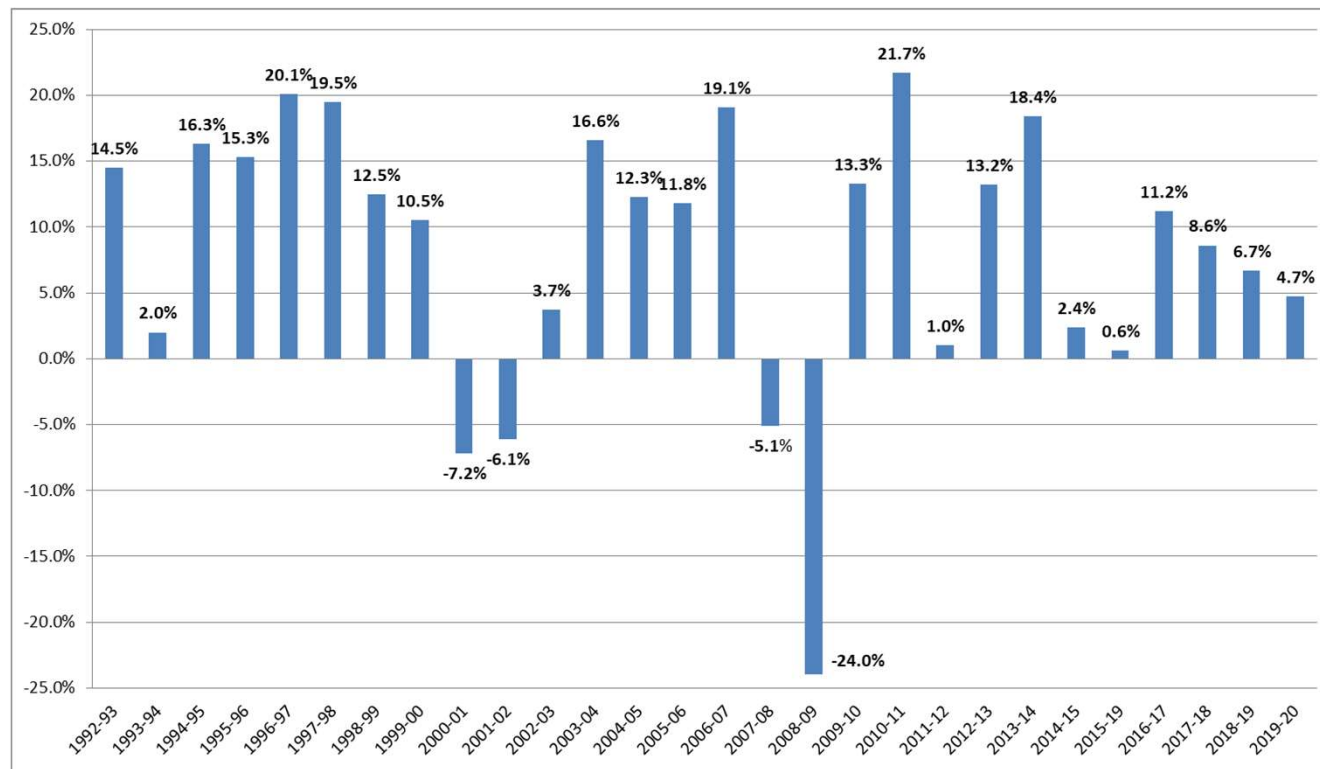
Total Pension Payments Increase:
\$45K in 6 years (88%)



Investment Risk and Returns

CalPERS Historical Average Rates of Return through 2019-20:

Past: 5 years – 6.3% 10 years – 8.5% 20 years – 5.5% 30 years – 8.0%



2020: 55% of pension benefits funded by investment returns

CalPERS manages pension investments

District bears all investment risk

Failure by CalPERS to achieve target investment returns does not relieve District from pension benefit guarantees to employees and retirees

Lower returns => higher UAL and higher pension payments by District



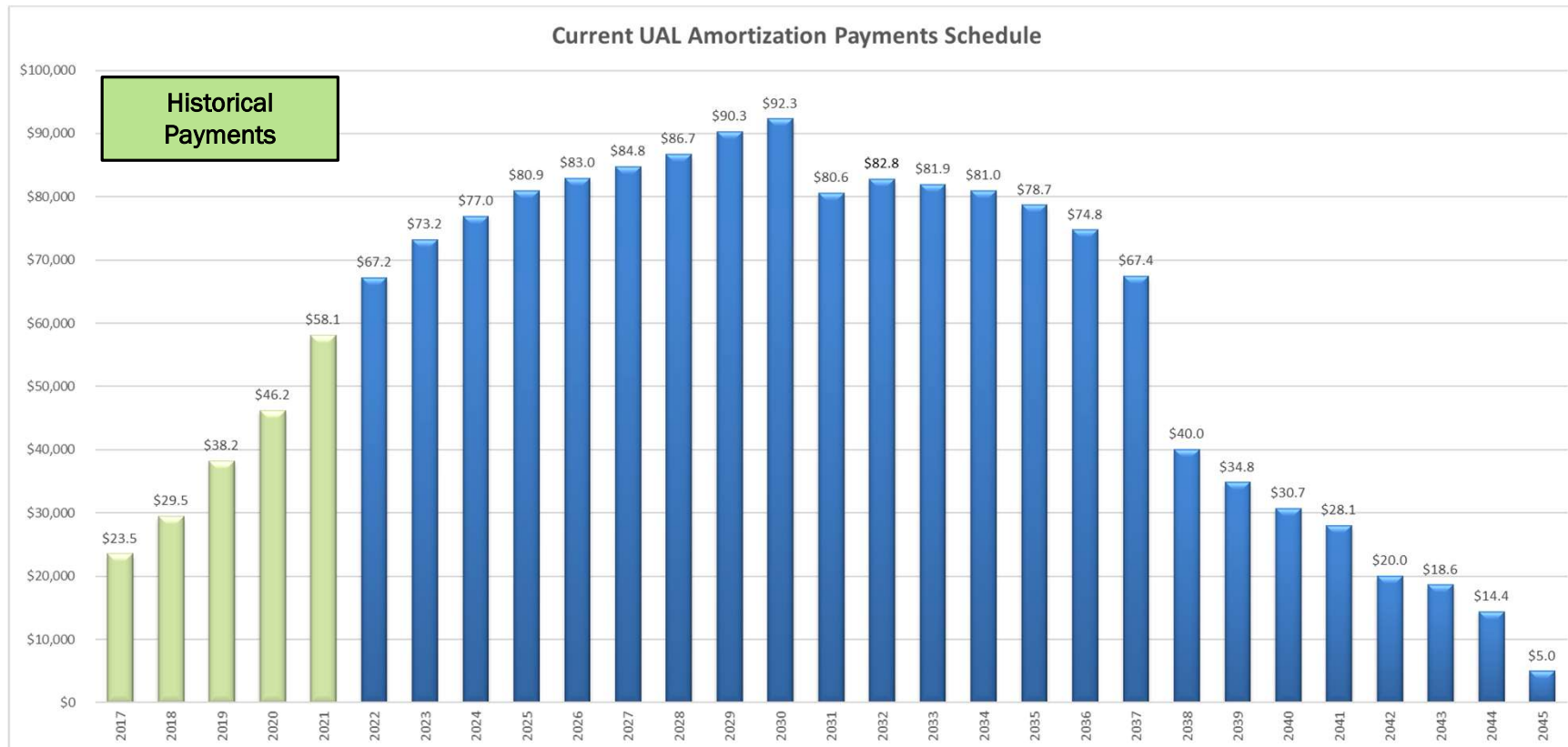
Future Trend Expectations

Lower overall return environment:

- CalPERS has been reducing discount rate / return expectations (8.75% in 1995 => 7.0% in 2019)
- Conversations have started to further reduce discount rate to 6.50% (likely 5 years out)
- CalPERS's 2020 return estimate is 4.7% (last updated 07/15/2020)
- Any return below 7% is a shortfall and leads to UAL increase
- 4.7% return is 2.3% funding shortfall (~\$51K UAL increase)



Where Things Are



06/30/2019 Actuarial Valuation

UAL Payments Only

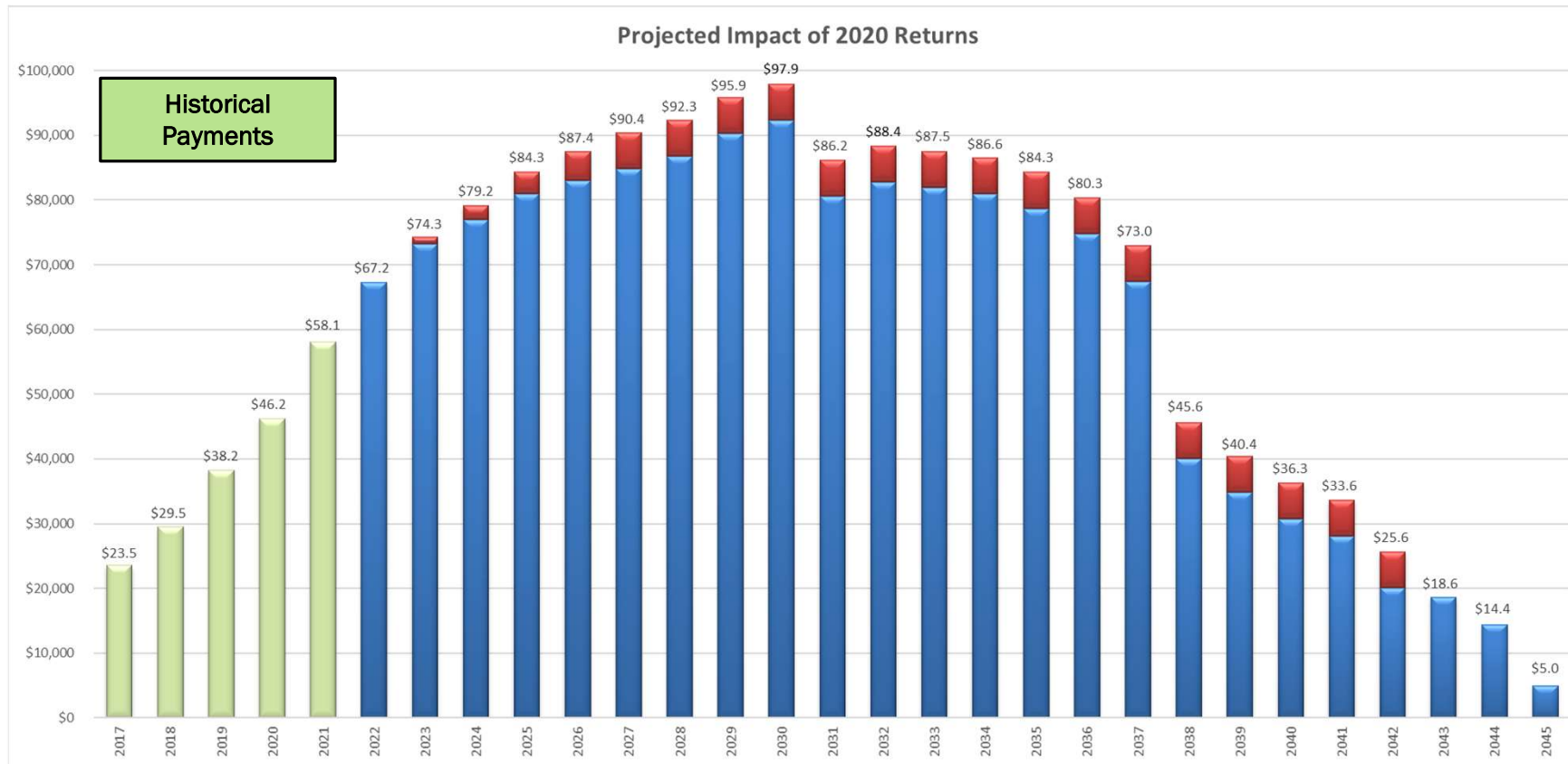
DOES NOT INCLUDE:

- Normal Cost (10.3%+ of salaries)
- 2020 Shortfall

Total interest cost - \$640K



Adding 2020 Shortfall Impact



UAL Payments Only

DOES NOT INCLUDE:

- Normal Cost (15.7%+ of salaries)

Total interest cost - \$696K



Pension Strategy Objectives

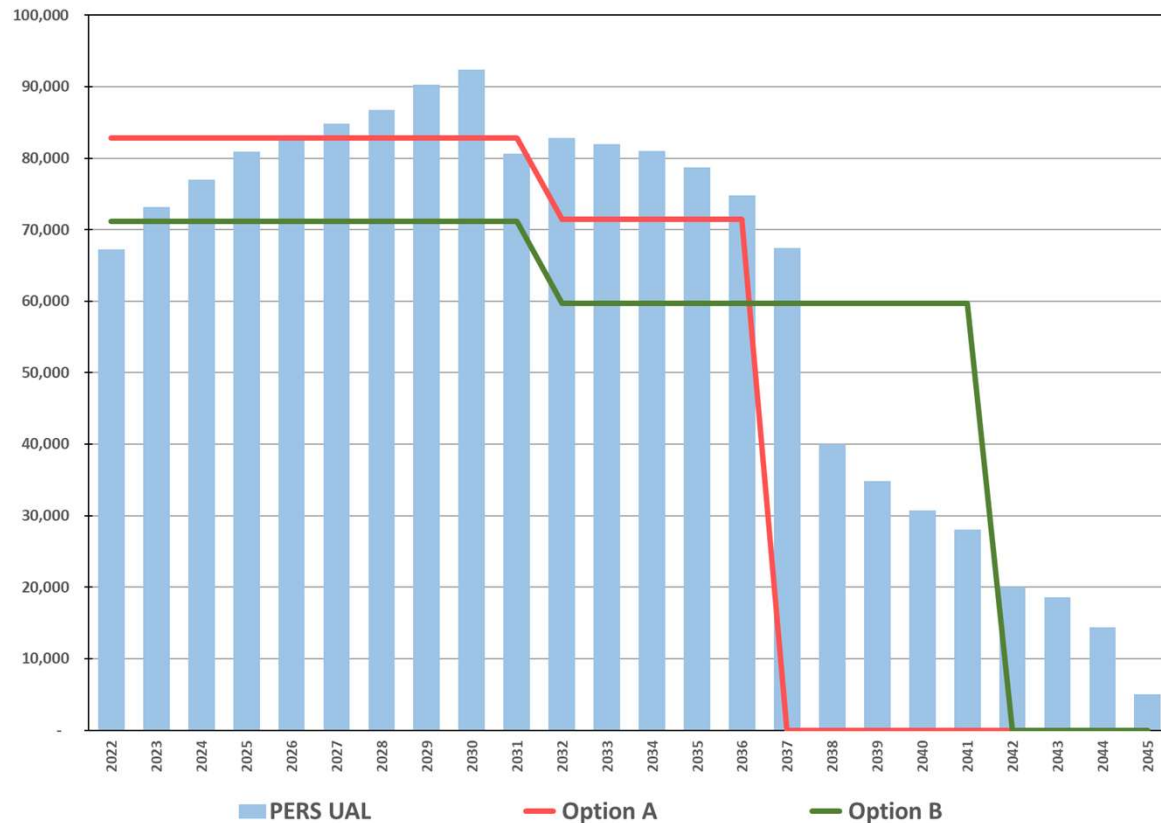
Strategy must incorporate reserves, cash flow constraints, policy objectives, capital improvements strategy, etc.

Two approaches to UAL cost management:

- Reduce annual payments – short-term cash flow management:
 - Extend UAL payments over longer term
 - Achieve interest cost savings comparing to 7% interest rate charged by CalPERS
- Reduce overall interest cost – long-term cost management:
 - Prepay or accelerate UAL payments
- After reviewing various tools to optimize UAL, District staff asked CalMuni Advisors to analyze options for **refunding the Miscellaneous and Safety Plan UAL** with bank loan at lower interest rate:
 - Safety Plan UAL repayment term – 10 years (to match current CalPERS amortization schedule)
 - Misc. Plan UAL repayment term – 15 and 20 years



Potential Refunding Options: Safety and Misc Plans



| Option | Term | % of UAL Refunded | Annual UAL Cost [1] | | Cash Flow Savings [2] | Estimated Interest Rate [3] |
|----------|-----------------|-------------------|---------------------|-----------------|-----------------------|-----------------------------|
| | | | Years 1-10 | Years 11+ | | |
| A | 15 years | 100% | \$83,000 | \$71,000 | \$289,000 | 3.90% |
| B | 20 years | 100% | \$71,000 | \$60,000 | \$166,000 | 4.15% |

[1] Annual UAL Cost consists of semi-annual loan payments and includes amortization of costs of issuance (\$65K for private placement).

[2] Savings are based on 7% CalPERS discount rate. PV savings depend on actual rate of return and may be different.

[3] Interest rate estimate is based on current market rates. Actual rates may vary.



Refunding Considerations – Benefits

- Enhanced fiscal resiliency and budget predictability from new “flattened” repayment structure
- Estimated near-term cashflow savings from lower interest rate
- Present value (PV) savings achieved if CalPERS earns more than the refunding interest rate
- Increased “funded status” of District’s retirement plan
- Cash flow savings can be utilized to build up reserves, pay down future UAL increases, set up reserves for future OPEB costs, or any other legal purpose of the District
- Interest rates are presently at all-time lows



Refunding Considerations - Risks

- CalPERS Reinvestment Risk: CalPERS will have more money to invest
 - Same for any UAL prepayment
- PV Savings not guaranteed: CalPERS has to earn more than the refunding interest rate
 - Easier to achieve than earning CalPERS' own 7% discount rate
- Listed as "debt" on District's financial statements
 - UAL is also shown as liability on financial statements
- For asset-secured structures, District's revenues or owned assets may be required as collateral



Next Steps

- Approve engagement of the financing team
- Determine refunding strategy term
- Determine financing structure to obtain lowest financing costs
- Prepare financing documents (bond documents, resolutions, etc.)
- Obtain financing bids and credit approval / commitment
- Approve financing terms and related documents
- Close the financing and wire funds to CalPERS
- Typical time-frame: 60-90 days



Questions?

Dmitry Semenov

California Municipal Advisors, LLC

(916) 257-5789

dsemenov@calmuniadvisors.com

Cameron Weist

The Weist Law Firm

(831) 438-7900

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OCEANO COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2021-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OCEANO COMMUNITY SERVICES DISTRICT OF PRELIMINARY
INTENTION TO PROCEED WITH THE REFINANCING OF PART OR
ALL OF THE DISTRICT'S OUTSTANDING UNFUNDED ACCRUED
LIABILITY TO THE CALIFORNIA PUBLIC EMPLOYEES'
RETIREMENT SYSTEM, AND APPOINTING THE NECESSARY
CONSULTANTS IN CONNECTION THEREWITH**

WHEREAS, the Oceano Community Services District (the "District") is a contracting member of the California Public Employees' Retirement System ("CalPERS"), and is obligated by law to make certain payments to CalPERS in respect of retired safety and miscellaneous employees (the "Pension Plans"); and

WHEREAS, the District is legally obligated under the Pension Plans to pay any unfunded accrued liability (the "UAL"), which is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS; and

WHEREAS, in accordance with the CalPERS most recent Actuarial Valuation Report (as of 06/30/2019), the District has a currently outstanding Safety Plan UAL obligation of approximately \$100,442 and a Miscellaneous Plan UAL obligation of \$722,303, which are scheduled to be unevenly amortized over the next 25 years (collectively, the "UAL Obligation"); and

WHEREAS, the Board of Directors (the "Board"), after due investigation and deliberation, has determined that it is in the public interests of the District at this time to consider the refinancing of part or all of the UAL Obligation (the "Refinancing"); and

WHEREAS, the District is authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), to enter into financial agreements for the purpose of refinancing certain outstanding obligations of the District, including the UAL Obligations; and

WHEREAS, in order to efficiently accomplish the Refinancing, the District desires to appoint California Municipal Advisors LLC as Financial Advisor and The Weist Law Firm as Bond Counsel to provide the necessary professional services in connection therewith; and

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

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the District set forth in the recitals

set forth above are true and correct and that the Refinancing will result in public benefits to the District and its ratepayers.

Section 2. Preliminary Intention to Proceed. The Board hereby determines that it is necessary and desirable to proceed with the Refinancing, subject to final authorization thereof by resolution of the District at a subsequent meeting held for such purpose. This Resolution does not bind the District to ultimately provide for the Refinancing.

Section 3. Authorized Representatives. The Board President, General Manager, Business & Accounting Manager and any other person authorized by the General Manager to act on behalf of the District shall each be an "Authorized Representative" of the District for the purposes of structuring and providing for the matter to be brought back to the Board for further consideration, and are hereby authorized, jointly and severally, in each of their discretion, to effectuate the actions which the Board has approved in this Resolution.

Section 4. Professional Services. The Board hereby appoints California Municipal Advisors LLC as Financial Advisor and The Weist Law Firm as Bond Counsel in connection with the Refinancing described in this Resolution. The General Manager is authorized and directed to execute agreements with these two firms in the respective forms on file with the Board Secretary.

Section 5. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the Oceano Community Services District on January 27, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President, Board of Directors of the
Oceano Community Services District

ATTEST:

Board Secretary of the
Oceano Community Services District

AGREEMENT FOR BOND COUNSEL SERVICES

THIS AGREEMENT is made and entered into this ____ day of January, 2021, by and between the OCEANO COMMUNITY SERVICES DISTRICT (the “District”), whose address is 1655 Front Street, Oceano, CA 93445, and THE WEIST LAW FIRM (the “Bond Counsel”), whose address is 20 South Santa Cruz Avenue, Suite 300, Los Gatos, CA 95030.

WITNESSETH:

WHEREAS, the District is a member of the California Public Employees’ Retirement System (“CalPERS”) and, as such, is obligated by the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “Retirement Law”), and the contract between the Board of Administration of CalPERS and the District (as amended, the “CalPERS Contract”), to make contributions to CalPERS to (a) fund pension benefits for its employees who are members of CalPERS, (b) amortize the unfunded accrued liability with respect to such pension benefits (the “UAL”), and (c) appropriate funds for the purposes described in (a) and (b); and

WHEREAS, the District desires to arrange for the procurement of low interest rate taxable municipal obligations in order to provide cost effective financing for the refinancing of part or all of its outstanding UAL owed to CalPERS, as evidenced by the CalPERS Contract (the “Refinancing”); and

WHEREAS, the District desires to retain Bond Counsel to do the necessary consulting, legal and analytical work hereinafter outlined, upon the terms and conditions hereinafter set forth, to structure, issue and deliver Series 2021 Taxable Pension Obligation Refunding Obligations (the “2021 Obligations”) as necessary to accomplish the Refinancing of part or all of the UAL; and

WHEREAS, Bond Counsel is specifically trained and experienced in the conduct of Refinancing proceedings for accomplishing the issuance of the 2021 Obligations, and hereby represents that it is ready, willing and able to perform said work; and

NOW, THEREFORE, in consideration of the covenants and premises herein contained and other good and valuable consideration, the parties hereto agree as follows:

Section 1. Scope of Services.

Bond Counsel Services: Bond Counsel shall provide the following legal services in connection with the preparation of the resolutions, documents and certifications necessary for the sale and delivery of the 2021 Obligations. Such services shall include the following:

1. Consult with representatives of the District, including the Board President, General Manager, Business & Accounting Manager and other appropriate members of the District’s staff, financial advisors, underwriter and others, with respect to the timing, terms and legal structure of the proposed issuance of 2021 Obligations.
2. Prepare of all resolutions, ordinances, notices, affidavits, Depository Trust Company agreements, indentures, lease agreements, escrow agreements, fiscal agent agreements, and other legal

documents customarily prepared by Bond Counsel, as required for the issuance of 2021 Obligations (the “Principle Documents”).

3. Review of documents prepared District staff, consultants, financial advisor, CalPERS or underwriter, including the purchase contract(s) to be derived therefrom, and the continuing disclosure undertaking or undertakings.

4. Review of documentation with respect to any title reports, bond provisions, parity debt provisions and reserve fund requirements provided or required in connection with the 2021 Obligations, if any.

5. Review and evaluate the various financing structures that may be available to the District for the securing of the 2021 Obligations. Our analysis will examine the range of capital borrowing methods available to the District.

6. Attend such meetings or hearings of the Board of Directors of the District (the “Board”) and working group meetings or conference calls as the District may request, and as Bond Counsel deems prudent and necessary.

7. Coordinate legal presentations to the rating agencies and/or credit enhancement providers. We will advise on the legal prudence of seeking a rating and/or bond insurance.

8. Work with CalPERS and its actuaries to develop the documentation required to process the prepayment of strategically targeted UAL Bases from 2021 Obligation proceeds at closing.

9. Prepare final closing papers to be executed by the District required to effect delivery of the 2021 Obligations and coordination of the closing of the 2021 Obligations.

10. Render Bond Counsel’s customary final legal opinion on the validity of the 2021 Obligations and the exemption from California personal income tax of interest thereon.

11. Prepare of the required reports to the California Debt and Investment Advisory Commission (pursuant to section 8855 et seq. of the Government Code) respecting the sale of the 2021 Obligations.

12. Prepare of a complete transcript of the proceedings, containing originally signed copies of all resolutions, ordinances, legal agreements, disclosure statements, certificates and notices. Copies shall be provided to the District and each member of the financing team.

Section 2. Excluded Services. Bond Counsel’s services are limited to those specifically set forth above. Bond Counsel’s services do not include representation of the District or any other party to the transaction in any litigation or other legal or administrative proceeding involving the 2021 Obligations or any other matter.

Bond Counsel’s services also do not include legal services not specified above relating to the issuance of 2021 Obligations, including but not limited to compliance with the California Environmental Quality Act, the National Environmental Policy Act, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Hazardous Material Transportation Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act, the Occupational Safety and Health Act, the Safe Drinking Water Act, the

Porter-Cologne Water Quality Control Act, the Safe Drinking Water and Toxic Enforcement Act of 1986, the Hazardous Substance Account Act, the Hazardous Waste Control Act, or any determinations pertaining to completion and readiness for acceptance.

Bond Counsel's services also do not include validation proceedings or any responsibility for compliance with state blue sky, environmental, land use, real estate or similar laws or for title to or perfection of security interests in real or personal property, including the acquisition of interests in real property, whether through gift, negotiation or the exercise of the power of eminent domain. Bond Counsel's services also do not include any responsibility for the negotiation or preparation of joint powers agreements with other agencies. Bond Counsel will not be responsible for the services performed or acts or omissions of any other participant.

Also, Bond Counsel's services for a particular series of 2021 Obligations will not extend past the date of issuance of such series of 2021 Obligations and will not, for example, include services related to on-going administration, annexation, rebate compliance or continuing disclosure or otherwise related to such series of 2021 Obligations, proceeds of such series of 2021 Obligations or a refunding after issuance of such series of 2021 Obligations.

Bond Counsel may be willing to perform such excluded services on such terms as might be mutually agreed to at the time of need. The performance by Bond Counsel of services excluded by the preceding three paragraphs, if required by the District, shall be under separate written agreement.

Section 3. Compensation.

(a) Legal Fees for Bond Counsel Services. For all 2021 Obligations issued by the District, Bond Counsel shall be paid a flat fee of \$35,000. Payment of said amount shall be entirely contingent upon the sale or placement of the 2021 Obligations.

(b) Miscellaneous Legal Services. If and to the extent Bond Counsel is requested in writing (with a return written acknowledgment by Bond Counsel) by the General Manager to perform legal services that are outside the scope of services set forth in Section 1, Bond Counsel shall be paid an hourly rate of \$510 per hour (the "Hourly Rate").

(c) Out-of-Pocket Expenses. In addition to the legal fees, Bond Counsel shall be reimbursed its normal and customary out-of-pocket expenses, including travel (which includes an out of office fee of \$650 for each day of travel) and customary mileage rates; parking charges and bridge tolls as incurred, photocopies at forty-five cents per page, transcript preparation and distribution; telephone and facsimile charges as incurred, and postage and express delivery charges as incurred for each series of 2021 Obligations issued.

Section 4. Termination of Agreement and Legal Services.

This Agreement and all legal services to be rendered under it may be terminated at any time by written notice from either party, with or without cause. In that event, all finished and unfinished documents prepared for adoption or execution by the District, shall, at the option of the District, become its property and shall be delivered to it or to any party it may designate; provided that Bond Counsel shall have no liability whatsoever for any subsequent use of such documents. In the event of termination by the District without cause, Bond Counsel shall be entitled to receive compensation for all work performed to the date of termination in accordance with the percentage of work completed at the time of abandonment or termination, as the case may be, compared to a

successfully completed transaction (meaning issuance of the applicable Bonds), with it being understood and agreed that the drafting of Principal Documents signifies 80% completion. This continuing right to receive full compensation shall survive the term of this Agreement.

If not sooner terminated as aforesaid, this Agreement and all legal services to be rendered under it shall terminate upon final issuance of the 2021 Obligations. Upon termination, Bond Counsel shall have no future duty of any kind to or with respect to the 2021 Obligations or the District.

Section 5. Insurance.

Bond Counsel specifically represents that it maintains errors and omissions insurance of a minimum of \$1,000,000/\$2,000,000 aggregate applicable to the Bond Counsel services to be rendered under this Agreement.

Section 6. Nature of Engagement.

The District acknowledges that Bond Counsel regularly performs legal services for many private and public entities in connection with a wide variety of matters. Bond Counsel has represented, is representing or may in the future represent other public entities, underwriters, trustees, rating agencies, insurers, credit enhancement providers, lenders, contractors, suppliers, financial and other consultants/advisors, accountants, investment providers/brokers, providers/brokers of derivative products and others who may have a role or interest in the 2021 Obligations financing or the Refinancing or that may be involved with or adverse to the District in this or some other matter.

Bond Counsel agrees not to represent any such entity in connection with the 2021 Obligations financing, during the term of this Agreement, without the consent of the District.

Given the special, limited role of Bond Counsel described above, the District acknowledges that no conflict of interest exists or would exist, and waives any conflict of interest that might appear actually or potentially to exist, now or in the future, by virtue of this Agreement or any such other attorney-client relationship that Bond Counsel may have had, have or enter into, and the District specifically consents to any and all such relationships.

Section 7. Standards of Professional Conduct.

Bond Counsel and every employee thereof shall provide their services, advice and any reports in full compliance with all applicable law and professional standards. Bond Counsel represents that it is specially trained, experienced, expert and competent to perform the services required under this Agreement, and that each individual providing legal services is a member in good standing of the State Bar and is licensed to practice in California. Bond Counsel certifies that it will not accept representation in any matters, including litigation, under this Agreement if it or any employee thereof has any personal or financial interest therein.

Bond Counsel certifies that it accepts this retention because it has the time, energy, skills and ability necessary to perform the duties required in an efficient, trustworthy, professional and businesslike manner. It is understood that the services under this Agreement must be provided immediately, and that they are time-critical. Bond Counsel is engaged by District for its unique qualifications and skills.

Bond Counsel agrees that it will comply with all ethical duties, will maintain the integrity of the Bond Counsel-client relationship, and will take all steps available to preserve all applicable legal privileges, confidences, and records from disclosure; however, it is hereby understood and agreed that the Financing and 2021 Obligations are public in nature, and the District hereby waives its right to confidential communications, and protecting of records from disclosure; however, where it is contended by third parties, Bond Counsel's work product or attorney-client privileged communications are subject to disclosure, and District directs Bond Counsel to not disclose the records, District agrees to indemnify Bond Counsel from any cost or expense related to protecting said records from disclosure.

Section 8. Independent Contractor.

Bond Counsel and District understand and agree that Bond Counsel is an independent contractor and that the District shall not be liable for Workers' Compensation, retirement or unemployment benefits for Bond Counsel or Bond Counsel's agents, partners or employees.

Section 9. No Guarantee of Outcome.

District hereby acknowledges and agrees that this is a best effort undertaking, and that no guarantee of success or outcome has been, or can be, made by Bond Counsel.

Section 10. Indemnification.

District agrees that it will indemnify and hold harmless Bond Counsel and its respective directors, officers, employees and controlling persons (Bond Counsel and each such person being an "Indemnified Party") from and against any and all losses, claims, damages and liabilities, joint or several, as incurred, to which such Indemnified Party may become subject under any applicable United States federal or state law, or any applicable foreign law, or otherwise, and related to or arising out of any untrue statement or alleged untrue statement of a material fact contained in any information, including without limitation the due diligence disclosure relating to the 2021 Obligations (the "Disclosure"), furnished or made available by District to Bond Counsel or otherwise, to the purchaser of the 2021 Obligations or any of its representatives or the omission or the alleged omission to state therein a material fact necessary in order to make the statements therein not misleading, in the light of the circumstances under which they were made; provided, however, that District will not be liable to the extent that any loss, claim, damage or liability is found in a final judgment by a court to have resulted from Bond Counsel's bad faith or negligence in performing the services described above.

Section 11. Arbitration.

Any controversy, claim or dispute arising out of or relating to this Agreement, shall be settled solely and exclusively by binding arbitration in San Francisco, California. Such arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of JAMS/Endispute ("JAMS"), with the following exceptions if in conflict: (a) one arbitrator shall be chosen by JAMS; (b) each party to the arbitration will pay its pro rata share of the expenses and fees of the arbitrator, together with other expenses of the arbitration incurred or approved by the arbitrator; and (c) arbitration may proceed in the absence of any party if written notice (pursuant to the JAMS' rules and regulations) of the proceedings has been given to such party. Each party shall bear its own attorneys fees and expenses.

The parties agree to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity; provided however, that nothing in this Section shall be construed as precluding the bringing an action for injunctive relief or other equitable relief. The arbitrator shall not have the right to award punitive damages or speculative damages to either party and shall not have the power to amend this Agreement. The arbitrator shall be required to follow applicable law.

Section 12. Entire Agreement.

This Agreement contains the entire understanding between Bond Counsel and District. All previous proposals, offers and communications relative to the Refinancing and this Agreement, whether oral or written, are hereby superseded except to the extent that they have been incorporated into this Agreement.

No future waiver of or exception to any of the terms, conditions, and provisions of this Agreement shall be considered valid unless specifically agreed to in writing by both Bond Counsel and District. No oral agreement or implied covenant shall be held to vary the provisions of this Agreement.

This Agreement shall bind and inure to the benefit of the parties to this Agreement and any subsequent successors or assigns as may be permitted pursuant to the provisions of this Agreement.

Section 13. Modification.

Both District and Bond Counsel understand that it may be desirable or necessary during the execution of this Agreement for Bond Counsel or District to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with District and all changes and their cost shall be memorialized in a written amendment to this original Agreement prior to the performance of the additional work.

Until a written change order is so executed, District shall not be responsible to pay any charges Bond Counsel may incur in performing such additional services, and correspondingly Bond Counsel shall not be required to perform any such additional services.

Section 14. Severability.

All sections and subsections of this Agreement are severable, and the unenforceability or invalidity of any of the sections or subsections of this Agreement shall not affect the validity or enforceability of the remaining sections or subsections of this Agreement, but such remaining sections or subsections shall be interpreted and construed in such a manner as to carry out fully the intention of the parties.

Therefore, if any part, term, or provision of this Agreement shall be held illegal, unenforceable, or in conflict with any law of a federal, state, or local government having jurisdiction over this Agreement, the validity of the remaining portions or provisions shall not be affected by such holding and shall nevertheless continue in full force without being impaired or invalidated in any way.

Section 15. Waiver.

The waiver by either party of a default or breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent default or breach of the same or of a different provision of that party. No waiver or modification of this Agreement or of any covenant condition, or limitation contained in this Agreement shall be valid unless in writing and duly executed by the party or parties to be charged therewith.

Section 16. Counterparts.

This Agreement may be executed in any number of counterparts and each counterpart shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers and representatives thereto duly authorized, all as of the day and year first above written.

OCEANO COMMUNITY SERVICES DISTRICT

By: _____

THE WEIST LAW FIRM

By: _____
Cameron A. Weist, Esq.

CALIFORNIA MUNICIPAL ADVISORS LLC
AGREEMENT FOR FINANCIAL ADVISORY SERVICES

THIS AGREEMENT (the “Agreement”), made and entered into this ___th day of _____ 2020, by and between the Oceano Community Services District, a public agency organized and operating under the laws of the State of California, with its principal place of business at 1655 Front Street, Oceano, CA 93445 (the “Client”), and California Municipal Advisors LLC, a California Limited Liability Company, with its principal place of business at 20 South Santa Cruz Avenue, Suite 300, Los Gatos, CA 95030 (“CalMuni”), sets forth the terms and conditions under which CalMuni shall provide financial advisory services to the Client.

WHEREAS, the Client wishes to obtain the services of a financial advisor on an exclusive basis to assist in financial planning and financing management in connection with the issuance of certain debt obligations (the “Debt Obligations”) for the purpose of refinancing all or a portion of its California Public Employees' Retirement System Unfunded Accrued Liability (the “UAL”); and

WHEREAS, CalMuni is duly licensed and has the necessary qualifications to provide the Scope of Services; and

WHEREAS, the President of the Board of Directors of the Client and the Client’s General Manager are each individually authorized to enter into this Agreement on behalf of the Client; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, and intending to be legally bound hereby, the Client and CalMuni agree as follows:

SECTION I. SCOPE OF SERVICES

CalMuni shall provide the services described in Exhibit A to this Agreement (hereinafter referred to interchangeably as the “Services” or “Scope of Services”). The Client acknowledges and agrees that most tasks requested by the Client will not require all services provided for in Exhibit A and as such the specific scope of services for such task shall be limited to those services required to complete the specific task. Any material changes in or additions to the Scope of Services described in Exhibit A shall be promptly reflected in a written supplement or amendment to this Agreement. Services provided by CalMuni which are not specifically referenced in the Scope of Services shall be completed as agreed in writing in advance between the Client and CalMuni. Upon request of the Client, CalMuni or an affiliate of CalMuni may agree to additional services to be provided by CalMuni or an affiliate of CalMuni, by a separate agreement between the Client and CalMuni or its respective affiliate.

SECTION II. WORK SCHEDULE

The services of CalMuni are to commence as soon as practicable after the execution of this Agreement. CalMuni shall thereafter diligently perform the Services through to completion unless otherwise directed by the Client or unless earlier terminated.

SECTION III. REGISTERED MUNICIPAL ADVISOR; REQUIRED DISCLOSURES

A. CalMuni is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. This Agreement designates CalMuni as the Client’s independent registered municipal advisor (“IRMA”) with regard to the attached Scope of Services for purposes of SEC Rule 15Ba1-1(d)(3)(vi) (the “IRMA Exemption”). CalMuni shall not be responsible for, or have any liability in connection with, verifying that CalMuni is independent from any other party seeking to rely on the IRMA Exemption (as such independent status is required pursuant to the IRMA Exemption, as interpreted from time to time by the SEC). The Client acknowledges and agrees that any reference to CalMuni, its personnel, and its role as IRMA, including in the written representation of the Client required under SEC Rule 15Ba1-1(d)(3)(vi)(B) shall be subject to prior approval by CalMuni. The Client further agrees not to represent that CalMuni is the Client’s IRMA with respect to any aspect of a municipal securities issuance or municipal financial product, outside of the attached Scope of Services or without CalMuni’s prior written consent.

B. MSRB Rule G-42 requires that municipal advisors make written disclosures to its Clients of all material conflicts of interest and certain legal or disciplinary events. Such disclosures are provided in CalMuni’s Disclosure Statement delivered to the Client together with this Agreement as Exhibit C.

SECTION IV. FINANCIAL ADVISORY COMPENSATION

For the Services provided under this Agreement, CalMuni’s professional fees shall be paid as provided in Exhibit B to this Agreement. Any services which are not included in the Scope of Services set forth in Exhibit A of this Agreement will be subject to separate, mutually acceptable fee structures.

SECTION V. TERMS AND TERMINATION

A. The Client may suspend this Agreement and CalMuni’s performance of the Services, wholly or in part, for such period as it deems necessary in the Client’s sole discretion. CalMuni will be paid for satisfactory services performed through the date of suspension.

B. If CalMuni at any time refuses or neglects to perform its Services in a timely fashion or in accordance with the schedule identified in Exhibit A, or is declared bankrupt, or commits any act of insolvency, or makes an assignment for the benefit of creditors without Client’s consent, or fails to make prompt payment to persons furnishing labor, equipment, materials or services, or fails in any respect to properly and diligently perform its Services, or otherwise fails to perform fully any and all of the Agreements herein contained, this Agreement shall be terminated.

C. If CalMuni fails to cure the default within seven (7) days after written notice from the Client, the Client may, at its sole option, demand possession of any documents or other materials (in paper and electronic form) prepared or used by CalMuni in connection with the

provision of Services and (1) provide any such work, labor, materials or services as may be necessary to overcome the default and deduct the cost thereof from any money then due or thereafter to become due to CalMuni under this Agreement; or (2) terminate this Agreement.

D. This Agreement and all Services to be rendered under it may be terminated upon fifteen (15) days written notice from either party, with or without cause. In the event Client elects to terminate this Agreement, CalMuni shall be paid for all services rendered, unless the termination is made for cause, in which event compensation, if any, shall be adjusted in the light of the particular facts and circumstances involved in the termination. This continuing right to receive full compensation shall survive the term of this Agreement. All Services to be rendered hereunder pertaining to the issuance and sale of the Debt Obligations shall be considered concluded upon issuance of such Debt Obligations. Therefore, upon issuance of the Debt Obligations, CalMuni shall have no future duty of any kind to or with respect to the Client pertaining to such Debt Obligations.

SECTION VI. ASSIGNMENT

CalMuni shall not assign any interest in this Agreement or subcontract any of the work performed under the Agreement without the prior written consent of the Client; provided that upon notice to the Client, CalMuni may assign this Agreement or any interests hereunder to a municipal advisor entity registered with the SEC that directly or indirectly controls, is controlled by, or is under common control with, CalMuni.

SECTION VII. INFORMATION TO BE FURNISHED TO CALMUNI

All information, data, reports, and records (“Data”) in the possession of the Client or any third party agent to the Client necessary for carrying out any services to be performed under this Agreement shall be furnished to CalMuni, and the Client shall cause its agent(s) to cooperate with CalMuni in its conduct of reasonable due diligence in performing the services, including with respect to the facts that are necessary in its recommendation(s) to the Client in connection with a municipal securities transaction or municipal financial product and/or relevant to the Client’s determination whether to proceed with a course of action.

To the extent the Client requests that CalMuni provide advice with regard to any recommendation made by a third party, the Client will provide to CalMuni written direction to do so as well as any Data it has received from such third party relating to its recommendation. The Client acknowledges and agrees that while CalMuni is relying on the Data in connection with its provision of the services under this Agreement, CalMuni makes no representation with respect to and shall not be responsible for the accuracy or completeness of such Data.

SECTION VIII. NOTICES

All notices given under this Agreement shall be in writing, sent by registered United States mail, with return receipt requested, addressed to the party for whom it is intended, at the designated below. The parties designate the following as the respective places for giving notice, to wit:

OCEANO COMMUNITY SERVICES DISTRICT

1655 Front Street
Oceano, CA 93445
Attention: General Manager

CALIFORNIA MUNICIPAL ADVISORS LLC

20 South Santa Cruz Avenue, Suite 300
Los Gatos, CA 95030
Attention: Dmitry Semenov

SECTION IX. LIMITATION OF LIABILITY

Except to the extent caused by willful misconduct, bad faith, gross negligence, or reckless disregard of obligations or duties under this Agreement on the part of CalMuni or any of its associated persons, neither CalMuni nor any of its associated persons shall have liability to any person for any act or omission in connection with performance of its services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other financial product or investment, or for any financial or other damages resulting from the Client's election to act or not to act, as the case may be, contrary to or, absent negligence on the part of CalMuni or any of its associated persons, upon any advice or recommendation provided by CalMuni to the Client.

SECTION X. INDEPENDENT CONTRACTOR; NO THIRD-PARTY BENEFICIARY

CalMuni, its employees, officers and representatives at all times shall be independent contractors and shall not be deemed to be employees, agents, partners, servants and/or joint venturers of the Client by virtue of this Agreement or any actions or services rendered under this Agreement. Nothing in this Agreement is intended or shall be construed to give any person, other than the Parties hereto, their successors and permitted assigns, any legal or equitable rights, remedy, or claim under or in respect of this Agreement or any provisions contained herein.

SECTION XI. NO GUARANTEE OF OUTCOME

The Client hereby acknowledges and agrees that this is a best effort undertaking, and that no guarantee of success or outcome has been, or can be, made by CalMuni.

SECTION XII. APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of California. CalMuni and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to pursuing other action.

SECTION XIII. ENTIRE AGREEMENT; SEVERABILITY

This Agreement represents the entire agreement between the Client and CalMuni and may not be amended or modified except in writing signed by both parties. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

SECTION XIV. EXECUTION; COUNTERPARTS

Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party. This Agreement may be signed in any number of counterparts, each of which shall be an original and all of which when taken together shall constitute one and the same document.

[Signature Page to Follow on Next Page]

IN WITNESS THEREOF, the Client and CalMuni have executed this Agreement as of the day and year herein above written.

OCEANO COMMUNITY SERVICES DISTRICT

By: _____

Name: _____

Title: _____

CALIFORNIA MUNICIPAL ADVISORS LLC

By: _____

Name: _____

Title: _____

EXHIBIT A
SCOPE OF SERVICES

A. Financial Planning and Financing Management.

- *Refinancing Alternatives and Plan.* Explore various refinancing alternatives available to the Client pertaining to the UAL and develop a refinancing plan, including recommendations as to the method of sale, timing, sizing and structure of the Debt Obligations to be transacted based on optimized savings opportunities, projected cash flow requirements, bonding capacity, and targeted revenue / rate threshold.

B. Issuance of Debt Obligations.

- *Financing Schedule.* Manage the financing process and coordinate activities of financing team members. Prepare a schedule of activities and ensure the financing is completed in a timely manner.
- *Method of Sale, Timing, Sizing and Structure of Debt Obligations.* Assist the Client in creating the financing plan for the Debt Obligations including timing, sizing, and structure.
 - a. *Method of Sale.* Advise as to the appropriate method of sale for the Debt Obligations.
 - b. *Preparation of Lender Request for Proposals.* Assist the Client with the preparation and distribution of Request for Proposals to banks and assist the Client with analysis the responses of the responding banks.
 - c. *Timing of Issues.* Advise as to the timing for each series of Debt Obligations to be sold based upon the Client's historical and projected revenues and expenses, market interest rate environment, and other factors.
 - d. *Sizing of Issues.* Advise as to the sizing of the Debt Obligations to be sold based on the nature of the financing, federal tax law limitations, state regulatory restrictions, targeted tax rates, goals of the financing program, and other matters.
 - e. *Structure of Debt Obligations.* Advise as to the repayment structure of the Debt Obligations to be sold based on targeted tax rates, impact on interest costs, prudent debt management practices, and other considerations.
- *Rating Agency Preparation.* Prepare the rating strategy and rating agency credit presentation to optimize the credit rating assigned to the Debt Obligations, if applicable.
- *Lender Due Diligence Assistance.* Assist the Client in providing due diligence information requested by lenders, if applicable.

- *Authorizing Documentation.* Provide bond counsel with information necessary for the preparation of authorizing documentation. Review authorizing documentation prior to their approval.
- *Pricing Strategy.* CalMuni will assist the Client throughout the sales negotiation process with the Underwriter / Placement Agent.
 - a. Advise the Client on the propriety of the Underwriter's or Placement Agent's proposed pricing and compensation relative to the current market conditions;
 - b. Negotiate to provide the lowest available rates and costs to the Client;
 - c. Provide the Client with a pricing analysis of proposed financing alternatives; and
 - d. Provide quantitative schedules showing the results of the final pricing.
- *Closing Documentation.* Review closing documents and otherwise assist in the closing of the transaction.

C. Non-Contingent Services.

- *Ongoing Program Management.* Provide ongoing support for the Client's debt management program as mutually agreed upon between the Client and CalMuni including, but not limited to, investment of debt obligation proceeds and reserve fund moneys, continuing disclosure compliance management, assistance with the levy and collection of taxes/revenues, and the repayment of the debt obligations.
- *Ongoing Responsibilities.* Review certain ongoing responsibilities of the Client as an issuer of debt obligations, including responsibilities with regard to state law obligations, federal tax law obligations, and other, and assist in the arrangement of certain ongoing services at the written request of the Client.

COST IS THE RESPONSIBILITY OF THE AGENCY

The Client understands that there are several program costs that are required for completion of the Debt Obligations that shall be the responsibility of the Client. These may include the cost of printing and distributing the Official Statements, notices, accountants, insurance, title reports, rating services, bond insurance, bond counsel, trustees, disclosure counsel, and of any other experts required for completion of the Debt Obligations.

**EXHIBIT B
COMPENSATION FOR SERVICES**

For the Services described in Exhibit A (paragraphs A&B), CalMuni will be compensated a flat fee of \$30,000 (if the financing is done as a private placement) to be paid at the time of issuance from Debt Obligation proceeds unless otherwise determined by mutual agreement of the two parties. If there are material changes to the complexity of the financing or other unanticipated circumstances, a different fee may be negotiated by mutual written agreement between CalMuni and the Client. Such transaction fees are to be paid from the proceeds of the financing and are contingent upon the closing of the issue.

For non-contingent services described in Exhibit A (paragraph C), CalMuni shall be compensated at the following hourly rates:

| <u>Title</u> | <u>Rate</u> |
|--------------|-------------|
| Principal | \$325 |
| Associate | \$225 |
| Analyst | \$175 |

CalMuni shall invoice the Client upon the successful issuance of the Debt Obligations.

EXHIBIT C
DISCLOSURE OF CONFLICTS OF INTEREST AND OTHER INFORMATION
CALIFORNIA MUNICIPAL ADVISORS LLC

I. Introduction

California Municipal Advisors LLC (hereinafter, referred to as “CalMuni”) is a registered municipal advisor with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”), pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2. In accordance with MSRB rules, this disclosure statement is provided by us to each client prior to the execution of its advisory agreement with written disclosures of all material conflicts of interests and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii). CalMuni employs a number of resources to identify and subsequently manage actual or potential conflicts of interest in addition to disclosing actual and potential conflicts of interest provided herein.

How We Identify and Manage Conflicts of Interest

Code of Ethics. CalMuni requires all of its employees to conduct all aspects of our business with the highest standards of integrity, honesty and fair dealing. All employees are required to avoid even the appearance of misconduct or impropriety and avoid actual or apparent conflicts of interest between personal and professional relationships that would or could interfere with an employee’s independent exercise of judgment in performing the obligations and responsibilities owed to a municipal advisor and our clients.

Policies and Procedures. CalMuni has adopted policies and procedures that include specific rules and standards for conduct. Some of these policies and procedures provide guidance and reporting requirements about matters that allow us to monitor behavior that might give rise to a conflict of interest. These include policies concerning the making of gifts and charitable contributions, entertaining clients, and engaging in outside activities, all of which may involve relationships with clients and others that are important to our analysis of potential conflicts of interest.

Supervisory Structure. CalMuni has both a compliance and supervisory structure in place that enables us to identify and monitor employees’ activities, both on a transaction and firm-wide basis, to ensure compliance with appropriate standards. Prior to undertaking any engagement with a new client or an additional engagement with an existing client, appropriate municipal advisory personnel will review the possible intersection of the client’s interests, the proposed engagement, our engagement personnel, experience and existing obligations to other clients and related parties. This review, together with employing the resources described above, allows us to evaluate any situations that may be an actual or potential conflict of interest.

Disclosures. CalMuni will disclose to clients those situations that it believes would create a material conflict of interest, such as:

- 1) any advice, service or product that any affiliate may provide to a client that is directly related to the municipal advisory work of CalMuni;
- 2) any payment made to obtain or retain a municipal advisory engagement with a client;

- 3) any fee-splitting arrangement with any provider of an investment or services to a client;
- 4) any conflict that may arise from the type of compensation arrangement we may have with a client; and
- 5) any other actual or potential situation that CalMuni is or becomes aware of that might constitute a material conflict of interest that could reasonably be expected to impair our ability to provide advice to or on behalf of clients consistent with regulatory requirements.

If CalMuni identifies such situations or circumstances, we will prepare meaningful disclosure describing the implications of the situation and how we intend to manage the situation. CalMuni will also disclose any legal or disciplinary events that are material to a client's evaluation or the integrity of our management or advisory personnel. CalMuni will provide this disclosure (or a means to access this information) in writing prior to starting our proposed engagement, and will provide such additional information or clarification as the client may request. CalMuni will also advise clients in writing of any subsequent material conflict of interest that may arise, as well as the related implications, its plan to manage that situation, and any additional information such client may require.

II. General Conflict of Interest Disclosures

Disclosure of Conflicts Concerning the Firm's Affiliates

CalMuni's affiliates offer a wide variety of financial and legal services, and our clients may be interested in pursuing an affiliate's services separately. The affiliate's business with the client could create an incentive for CalMuni to recommend a course of action designed to increase the level of the client's business activities with the affiliate or to recommend against a course of action that would reduce the client's business activities with the affiliate. In either instance, CalMuni may be perceived as recommending services for a client that are not in the best interests of our clients, but rather are in our interests or the interests of our affiliates. Accordingly, CalMuni mitigates any perceived conflict of interest that may arise in this situation by disclosing it to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives and financial circumstances. Further, CalMuni receives no compensation from its affiliates with respect to a client introduction or referral. If a client chooses to work with an affiliate, we require that the client consult and enter into a separate agreement for services, so that the client can make an independent, informed, evaluation of the services offered.

Disclosure of Conflicts Related to the Firm's Compensation

From time to time, CalMuni may be compensated by a municipal advisory fee that is or will be set forth in an agreement with the client to be, or that has been, negotiated and entered into in connection with a municipal advisory service. Payment of such fee may be contingent on the closing of the transaction and the amount of the fee may be based, in whole or in part, on a percentage of the principal or par amount of municipal securities or municipal financial product. While this form of compensation is customary in the municipal securities market, it may be deemed to present a conflict of interest since we may appear to have an incentive to recommend to the client a transaction that is larger in size than is necessary. Further, CalMuni may also receive compensation in the form of a fixed fee arrangement. While this form of compensation is

customary, it may also present a potential conflict of interest if the transaction ultimately requires less work than contemplated and we are perceived as recommending a more economically friendly pay arrangement. Finally, CalMuni may contract with clients on an hourly fee basis. If CalMuni and the client do not agree on a maximum amount of hours at the outset of the engagement, this arrangement may pose a conflict of interest as we would not have a financial incentive to recommend an alternative that would result in fewer hours. CalMuni manages and mitigates all of these types of conflicts by disclosing the fee structure to the client, and by requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, after reasonable inquiry, including the client's needs, objectives, and financial circumstances.

Disclosure Concerning Provision of Services to State and Local Government, and Non-Profit Clients

CalMuni regularly provides financial advisory services to state and local governments, their agencies, and instrumentalities, and non-profit clients. While our clients have expressed that this experience in providing services to a wide variety of clients generally provides great benefit for all of our clients, there may be or may have been clients with interests that are different from (and adverse to) other clients. If for some reason any client sees our engagement with any other particular client as a conflict, we will mitigate this conflict by engaging in a broad range of conduct, if and as applicable. Such conduct may include one or any combination of the following: 1) disclosing the conflict to the client; 2) requiring that there be a review of the municipal securities transaction or municipal financial product to ensure that it is suitable for the client in light of various factors, including the client's needs, objectives and financial circumstances; 3) implementing procedures that establishes a "firewall" that creates physical, technological and procedural barriers and/or separations to ensure that non-public information is isolated to particular area such that certain governmental transaction team members and supporting functions operate separately during the course of work performed; and 4) in the rare event that a conflict cannot be resolved, we will withdraw from the engagement.

Disclosure Related to Legal and Disciplinary Events

As registered municipal advisors with the SEC and the MSRB, pursuant to the Securities Exchange Act of 1934 Rule 15Ba1-2, our legal, disciplinary and judicial events are required to be disclosed on our forms MA and MA-I filed with the SEC, in 'Item 9 Disclosure Information' of form MA, 'Item 6 Disclosure Information' of form MA-I, and if applicable, the corresponding disclosure reporting page(s). To review the foregoing disclosure items and material change(s) or amendment(s), if any, clients may electronically access CalMuni filed forms MA and MA-I on the SEC's Electronic Data Gathering, Analysis, and Retrieval system, listed by date of filing starting with the most recently filed.

III. Specific Conflicts of Interest Disclosures – Client

The principal of The Weist Law Firm ("WeistLaw"), Cameron Weist, is also a principal of CalMuni. While this may appear to present a potential conflict of interest, we do not believe that it does because the California Rules of Professional Conduct governing the ethical standards imposed on lawyers are aligned with and equal or exceed the fiduciary duties imposed on municipal advisors, and also because CalMuni receives no compensation from WeistLaw, or vice

versa, and both firms are independently engaged under separate contracts which have been vetted in light of various factors, including the client's needs, objectives and legal and financial circumstances, to ensure that each such client has made an independent, informed, evaluation of the type and quality of services offered by each entity.

To our knowledge, following reasonable inquiry, we are not aware of any other actual or potential conflict of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the Client in accordance with applicable standards of conduct of MSRB Rule G-42.



Oceano Community Services District

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

(805) 481-6730 FAX (805) 481-6836

Date: January 27, 2021

To: Board of Directors

From: Will Clemens, General Manager

Subject: Agenda Item #8(B): Discussion/Action Regarding Adoption of a Debt Management Policy

Recommendation

It is recommended that your Board adopt a Resolution Approving and Adopting a Debt Management Policy.

Discussion

The District currently has a contract with the California Public Employees Retirement System (CalPERS) to provide retirement benefits for all full-time safety and miscellaneous employees. As part of the contract, the District is obligated to pay any unfunded accrued liability (UAL). This is the amount by which CalPERS is short of the amount that will be necessary, without further payments from the District, to pay benefits already earned by current and former employees covered by CalPERS. The present total UAL balance for employees covered under the Safety Plan is approximately \$100,442 and \$722,303 under the Miscellaneous Plan (collectively, the "UAL Obligation").

The Board is contemplating the financing (hereafter called "Financing") of part or all of its UAL balance under its "classic" Miscellaneous and Safety Plans (the "UAL Prepayment"), the effect of which will be to (i) bring the funded status of this plan to 100% funded, (ii) enhance budget predictability by "smoothing" out the UAL payment structure over the next 15 to 20 years (i.e., minimize the effects of fiscal peaks and valleys that prove problematic for annual budgets), and (iii) provide near-term cash flow savings to the District.



Adoption of a Debt Management Policy

Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) prior to the sale of any debt issue a report of the proposed issuance. Issuers are now required to certify on the Report of Proposed Debt Issuance that they have adopted a debt policy concerning the use of debt and that the proposed debt issuance is consistent with the adopted policy. The District's local debt policy, at a minimum, must include (A) through (E), below.

- A) The purposes for which the debt proceeds may be used.
- B) The types of debt that may be issued.
- C) The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, as applicable.
- D) Policy goals related to the District's planning goals and objectives.
- E) The internal control procedures that the District has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

In addition to the requirement set forth by Government Code section 8855(i), it is prudent financial management for the District to adopt a debt management policy that sets parameters for issuing debt, managing the District's debt portfolio and provides guidance to decision makers. Adoption of the attached Debt Management Policy will help ensure that District debt is issued and managed prudently to maintain a sound fiscal position and that any future credit rating is protected.

The attached Debt Management Policy has been written to include all elements required by CDIAC as well as best management practices expected by the pertinent credit markets and municipal bond industry.

Other Agency Involvement

N/A.



Oceano Community Services District

Board of Directors Meeting

Other Financial Considerations

Any cost to the District would be related to staff time spent on administrative tasks associated with the implementation of the Debt Management Policy.

Results

Adoption of a Debt Management Policy contributes to a well-governed community.

Attachments:

Resolution

Debt Management Policy (attached as Exhibit A to the Resolution)

OCEANO COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 2021-__

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
OCEANO COMMUNITY SERVICES DISTRICT APPROVING
AND ADOPTING A DEBT MANAGEMENT POLICY**

WHEREAS, the Board of Directors (the “Board”) of Oceano Community Services District (the “District”) recognizes that cost-effective access to the capital markets depends on prudent management of the District’s debt program; and

WHEREAS, SB 1029 (amending Government Code section 8855) has been signed into law and imposes a new requirement on California local government agencies who will issue municipal debt; and

WHEREAS, Government Code section 8855(i) requires any issuer of public debt to provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt issue a report of the proposed issuance (the “Report of Proposed Debt Issuance”), and must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the use of debt and that the proposed debt issuance is consistent with those policies (the “CDIAC Requirements”); and

WHEREAS, the District expects to be an issuer of new debt in 2021 and thereafter within the meaning of SB 1029 and the CDIAC Requirements; and

WHEREAS, the Board wishes to set parameters for issuing debt, managing the debt portfolio and providing guidance to decision makers; and

WHEREAS, the Board hereby finds and determines that adoption of the attached Debt Management Policy (the “Debt Management Policy”) will help ensure that debt is issued and managed prudently in order to maintain sound fiscal policy, and is intended to also satisfy the requirements of SB 1029 and the CDIAC Requirements; and

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

Section 1. Recitals and Findings. The Board hereby specifically finds and declares that all of the facts in the Recitals of this Resolution are true and correct.

Section 2. Adoption of Debt Management Policy. The Board hereby finds and declares that the proposed Debt Management Policy attached as Exhibit “A” hereto, is hereby approved as the official Oceano Community Services District Debt Management Policy to be effective January 27, 2021.

Section 3. Authorized Official Actions. The Board President, General Manager, Business & Accounting Manager, and all other officers of the District are hereby authorized and directed, jointly and severally, to do any and all things to effectuate the purposes of this Resolution and to implement and administer the Debt Management Policy.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED by the Board of Directors of the Oceano Community Services District on January 27, 2021 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

President, Board of Directors of the
Oceano Community Services District

ATTEST:

Board Secretary of the
Oceano Community Services District

EXHIBIT A

DEBT MANAGEMENT POLICY

OCEANO COMMUNITY SERVICES DISTRICT

**Adopted by the Board of Directors of the
Oceano Community Services District**

Pursuant to Resolution No. 2021- __

January 27, 2021

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Section 1: Policy

This Debt Management Policy sets forth debt management objectives for the Oceano Community Services District (the “District”), and any other entity for which the Board of Directors of the District (the “Board”) acts as legislative body, and the term “District” shall refer to each of such entities, and the term “Board” shall refer to the governing boards of each such entity.

This Debt Management Policy establishes general parameters for issuing and administering debt. Recognizing that cost-effective access to the capital markets depends on prudent management of debt incurred by the District (or any of its controlled entities), the Board has adopted this Debt Management Policy by resolution.

This Debt Management Policy is intended to comply with California Government Code Section 8855(i).

Section 2: Scope

The guidelines established by this policy will govern the issuance and management of all debt funded for long-term capital financing needs and not for general operating functions. When used in this policy, “debt” refers to all forms of indebtedness, including bonds, notes, loans, certificates of participation, installment sale agreements and lease obligations.

The District recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Debt Management Policy. In cases that require exceptions to this Debt Management Policy, approval from the Board will be necessary for implementation.

Section 3: Objectives

The purpose of this Debt Management Policy is to assist the District in pursuit of the following equally important objectives, while providing full and complete financial disclosure and ensuring compliance with applicable state and federal laws:

- Minimize debt service and issuance costs
- Maintain access to cost effective borrowing
- Preserve financial flexibility while assuring public transparency
- Achieve the highest practical credit rating
- Ensure full and timely repayment of debt
- Maintain full and complete financial disclosure and reporting
- Ensure compliance with debt covenants
- Ensure compliance with applicable state and federal laws

Budget Integration – The decision to incur new indebtedness should be integrated with the policy decisions embedded in the Board-adopted budget (the “Budget”). Annual debt service payments shall be included in the Budget.

The District will integrate its debt issuances with the goals of its Capital Improvement Program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District’s public purposes. The District will seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Biennial Review – Recognizing that cost-effective access to the capital market depends on prudent management of the District’s debt program, a biennial review of this Debt Management Policy should be performed. This Debt Management Policy will be included as an Appendix in the annual Budget adopted by Board. Any substantive changes to this Debt Management Policy shall be brought to the Board for consideration and approval.

Section 4: Delegation of Authority

This Debt Management Policy grants the General Manager the authority to select the Financing Team, coordinate the administration and issuance of debt, communicate with the rating agencies, and fulfill all of the pre-issuance and post-issuance requirements imposed by or related to state law, federal tax law and federal securities law.

Financing Team Definitions and Roles – The financing team is the working group of District staff and outside consultants necessary to complete a debt issuance proposal for presentation to the Oceano Community Services District Board, including, but not limited to, bond counsel, disclosure counsel, underwriter, municipal advisor, trustee, pricing consultant and/or arbitrage analyst.

Typically, the General Manager forms the District staff portion of the Financing Team. As needed, other staff members or designees (such as a standing committee of the District) may be appointed to the Financing Team.

Consultant Selection –The District will consider the professional qualifications and experience of consultants as it relates to the specific bond issue or other financing under consideration. In certain instances, the District will conduct a request for proposal/qualification process to select such consultants. The General Manager may, however, decide to select such consultants without having to undertake a request for proposal/qualification process, on an as-needed basis.

Section 5: Policies

A. Purposes for which Debt may be Issued

1. **Long-Term Debt.** Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District.
 - a. Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed is necessary to provide basic services.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the District and its taxpayers and/or ratepayers, as applicable.
 - When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.
 - b. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.
 - c. The District may use long-term debt financings subject to the following conditions:

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

- The project to be financed must be approved by the Board.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The District estimates that sufficient revenues will be available to service the debt through its maturity.
- The District determines that the issuance of the debt will comply with the applicable state and federal law.

2. Short-Term Debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

B. Methods of Financing

The General Manager will investigate all possible financing alternatives including, but not limited to, bonds, notes, loans, certificates of participation, installment sale agreements, lease obligations, state bond pools, and grants, which may be structured and consummated under any of the below described methods of financing.

1. Cash Funding. The District funds a significant portion of capital improvements from reserves accumulated from one-time revenues, which have been set aside for investment in the District's infrastructure.

2. Bank Loans / Lines of Credit. The District will evaluate lines of credit as a possible method of financing.

3. Other Loans. The District will evaluate other financing programs, including but not limited to federal "loans" from the United States Department of Agriculture.

4. Bond Financing. The District may issue any bonds which are allowed under federal and state law including but not limited to general obligation bonds, certificates of participation, revenue bonds, land-secured (assessment and special tax) bonds, refunding bonds and other obligations (see below for detail).

- ***General Obligation Bonds.*** General Obligation Bonds (GO Bonds) may only be issued with two-thirds approval of the District's registered voters. The California State Constitution (Article XVI, Section 18) limits the use of the proceeds from GO Bonds to "the acquisition or improvement of real property."
- ***Lease Revenue Bonds, Certificates of Participation (COPs) and Lease-Purchase Transactions.*** Lease financings may take a variety of forms, including certificates of participation, lease revenue bonds and direct leases (typically for equipment). When the District finances acquisition or construction of capital improvements or equipment with a

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

lease financing, the District agrees to lease either the financed asset or a different asset and, most commonly, the District's lease payments are securitized in the form of certificates of participation or lease revenue bonds. This type of financing requires approval of Board.

- **Revenue Bonds.** Revenue Bonds are generally issued by the District for enterprise funds that are financially self-sustaining without the use of taxes and therefore rely on the revenues collected by the enterprise fund to repay the debt. This type of financing requires approval of Board.
- **Assessment Bonds.** The Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) and other state laws, subject to Article XIID of the California Constitution, allow the District to issue bonds to finance improvements that provide "specific benefit" to the assessed real property. Installments are collected on the secured property tax roll of the County. This type of financing is secured by the lien upon and assessments paid by the real property owners and does not obligate the District's general fund or other funds. This type of financing requires approval of Board.
- **Special Tax Bonds.** Under the Mello-Roos Community Facilities Act of 1982, the District may issue bonds on behalf of a Community Facilities District (CFD) to finance capital facilities, most commonly in connection with new development. These bonds must be approved by a two-thirds vote of the qualified electors in the CFD, which the Mello-Roos Act defines to mean registered voters if there are 12 or more registered voters in the CFD and, if there are fewer than 12 registered voters, the landowners in the CFD. Bonds issued by the District under the Mello-Roos Act are secured by a special tax on the real property within the CFD. Board will approve any special tax bonds prior to placement on a ballot for voter consideration. The financed facilities do not need to be physically located within the CFD. As this type of financing is secured by the special tax lien upon the real property it does not obligate the District's general fund or other funds.
- **Refunding Obligations.** Pursuant to the Government Code and various other financing statutes applicable in specific situations, the Board is authorized to provide for the issuance of bonds for the purpose of refunding any long-term obligation of the District. Absent any significant non-economic factors, a refunding is required to meet the following test: 1) the refunding must produce a minimum net debt service savings (net of reserve fund earnings and other offsets, and taking transaction costs into account) of at least 3% of the par value of the refunded bonds on a net present value basis, using the refunding issue's True Interest Cost (TIC) as the discount rate, unless the General Manager determines that a lower savings percentage is acceptable for issues or maturities with short maturity dates, and 2) the final maturity of the original bonds cannot be extended unless expressly determined otherwise by the Board. Additionally, the General Manager may determine that there are other, compelling "non-economic" reasons (i.e. removal of onerous covenants, terms or conditions).

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

- ***Other Obligations.*** There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to: bond anticipation notes, grant anticipation notes, lease revenue bonds, pension obligation bonds, etc.

Section 6: Structure and Term

Term of Debt – Debt will be structured for the shortest period possible, consistent with a fair allocation of costs to current and future users. The standard term of long-term debt borrowing is typically 10-40 years.

Consistent with its philosophy of keeping its capital facilities and infrastructure systems in good condition and maximizing a capital asset's useful life, the District will make every effort to set aside sufficient current revenues to finance ongoing maintenance needs and to provide reserves for periodic replacement and renewal. Generally, no debt will be issued for a period exceeding the useful life or average useful lives of projects to be financed.

Debt Repayment Structure – In structuring a bond issue, the District will manage the amortization of the debt and, to the extent possible, match its cash flow to the anticipated debt service payments. In addition, the District will seek to structure debt with aggregate level debt service payments over the life of the debt. Structures with unlevel debt service will be considered when one or more of the following exist:

- Such structuring is beneficial to the District's aggregate overall debt payment schedule.
- Such structuring will allow debt service to more closely match project revenues during the early years of the project's operation.

Bond Maturity Options – For each issuance, the District will select serial bonds or term bonds, or both.

Interest Rate Structure – The District currently issues securities on a fixed interest rate basis only. Fixed rate securities ensure budget certainty through the life of the issue and avoid the volatility of variable rates. The use of variable rate securities may be issued if authorized by the Board on a case-by-case basis.

Credit Enhancement – Credit enhancement may be used to improve or establish a credit rating on a District debt obligation. Types of credit enhancement include letters of credit, bond insurance and surety policies. The General Manager will recommend the use of a credit enhancement if it reduces the overall cost of the proposed financing or if the use of such credit enhancement furthers the District's overall financial objectives.

Debt Service Reserve Fund – Debt service reserve funds are typically held by a Trustee to make principal and interest payments to bondholders in the event the pledged revenues are insufficient to do so. The District will fund debt service reserve funds when it is in the District's overall best financial interest. The District may decide not to utilize a reserve fund if the General Manager, in consultation with Bond Counsel and municipal advisor, determines there would be no adverse impact to the District's relevant existing legal provisions, credit rating and/or interest rates.

Per Internal Revenue Service rules, the maximum size of the reserve fund on tax-exempt bond issuance is the lesser of

- 10% of the initial principal amount of the debt;
- 125% of average annual debt service; or
- 100% of maximum annual debt service.

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

In lieu of holding a cash funded reserve, the District may substitute a surety bond or other credit instrument in its place. The decision to cash fund a reserve fund rather than to use a credit facility is dependent upon the cost of the credit instrument and the investment opportunities.

Call Options / Redemption Provisions – A call option or optional redemption provision gives the District the right to prepay or retire debt prior to its stated maturity date. This option may permit the District to achieve interest savings in the future through the refunding of the bonds. Often the District will pay a higher interest rate as compensation to the buyer for the risk of having the bond called in the future. In addition, if a bond is called, the holder may be entitled to a premium payment (call premium). Because the cost of call options can vary depending on market conditions, an evaluation of factors will be conducted in connection with each issuance. The General Manager shall evaluate and recommend the use of a call option on a case by case basis.

Section 7: Method of Issuance and Sale; Disclosure

Debt issues are sold to a single underwriter or to an underwriting syndicate, either through a competitive sale or a negotiated sale. A negotiated sale may involve the sale of securities to investors through an underwriter or the private placement of the securities with a financial institution or other sophisticated investor. The selected method of sale will be that which is most beneficial to the District in terms of lowest net interest rate, most favorable terms in financial structure, and market conditions. The General Manager will review conditions in conjunction with information and advice presented by the District's Financing Team.

Competitive Sales of Bonds – In a competitive sale, the terms of the debt will be defined by the District and the District's finance team, and the price of the debt will be established through a bidding process amongst impartial underwriters and/or underwriting syndicates. The issue is awarded to the underwriter judged to have submitted the best bid that offers the lowest true interest cost taking into account underwriting spread, interest rates and any discounts or premiums.

Negotiated Sale of Bonds – A method for sale for bonds, notes, or other financing vehicles in which the District selects in advance, based upon proposals received or by other means, one or more underwriters to work with it in structuring, marketing and finally offering an issue to investors. The negotiated sale method is often used when the issue is: a first-time sale by an issuer (a new credit), a complex security structure, such as variable rate transaction, an unusually large issue, or in a highly volatile or congested market where flexibility as to bond sale timing is important.

Private Placement – A private placement is a variation of a negotiated sale in which the District, usually with the help of a placement agent will attempt to place the entire new issue directly with a single investor. The investor will negotiate the specific terms and conditions of the financing before agreeing to purchase the issue. Private placements are generally undertaken because the transaction is complex or unique, requiring direct negotiations with the investor, or because the issue is small or of a shorter duration and a direct offering provides economies of scale, lower interest costs and reduced continuing disclosure.

Derivative Products – Because of their complexity, unless otherwise amended, Derivative Products such as interest rate swaps, interest floaters, and other hybrid securities are prohibited by this Debt Management Policy.

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Initial Disclosure Requirements – The District acknowledges its disclosure responsibilities. Under the guidance of Disclosure Counsel, the District will distribute or cause an underwriter to distribute its Preliminary Official Statement and final Official Statement (neither is typically required in a private placement, although in some cases a “private placement memorandum” may be required by the investor).

The Financing Team shall be responsible for soliciting “material” information (as defined in Securities and Exchange Board Rule 10b-5) from District departments and identifying contributors who may have information necessary to prepare portions of the Official Statement or who should review portions of the Official Statement. In doing so, the Financing Team shall confirm that the Official Statement accurately states all “material” information relating to the decision to buy or sell the subject bonds and that all information in the Official Statement has been critically reviewed by an appropriate person.

In connection with an initial offering of securities, the District and other members of the Financing Team will:

- Identify material information that should be disclosed in the Official Statement;
- Identify other persons that may have material information (contributors);
- Review and approve the Official Statement; and
- Ensure the District’s compliance, and that of its related entities, with federal and state security laws, including notification to the California Debt and Investment Advisory Board (“CDIAC”) of the proposed debt issue no later than 30 days prior to the sale of any debt issue, and submission of a final report of the issuance to the CDIAC by any method approved by the CDIAC.

The Financing Team shall critically evaluate the Official Statement for accuracy and compliance with federal and state securities laws. The approval of an Official Statement shall be placed on the Board agenda, and shall not be considered as a Consent Calendar item. The staff report will summarize the Board’s responsibilities with respect to the Official Statement and provide the Board the opportunity to review a substantially final Official Statement. The Board shall undertake such review as deemed necessary by the Board to fulfill the Board’s securities law responsibilities.¹

For any privately placed debt with no Official Statement, the final staff report describing the issue and such other documents will be provided to the Board for approval.

Section 8: Creditworthiness Objectives

Ratings are a reflection of the general fiscal soundness of the District and the capabilities of its management. Typically, the higher the credit ratings are, the lower the interest cost is on the District’s debt issues. To enhance creditworthiness, the District is committed to prudent financial management, systematic capital planning, and long-term financial

¹ The Securities and Exchange Board (the SEC), the agency with regulatory authority over the District’s compliance with the federal securities laws, has issued guidance as to the duties of the Board with respect to its approval of the POS. In its “Report of Investigation in the Matter of County of Orange, California as it Relates to the Conduct of the Members of the Board of Supervisors” (Release No. 36761 / January 24, 1996) (the “Release”), the SEC stated that, if a member of the Board has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such factors are adequately disclosed in the Official Statement. In the Release, the SEC stated that the steps that a member of the Board would take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

planning; however, the District also recognizes that external economic, natural, or other events may, from time to time, affect the creditworthiness of its debt.

The most familiar nationally recognized bond rating agencies are Standard and Poor's, Moody's Investors Service, and Fitch Ratings. When issuing a credit rating, rating agencies consider various factors, including, but not limited to:

- District's fiscal status;
- District's general management capabilities;
- Economic conditions that may impact the stability and reliability of debt repayment sources;
- District's general reserve levels;
- District's debt history and current debt structure;
- Project(s) being financed; and
- Covenants and conditions in the governing legal documents.

Bond Ratings – The Financing Team will assess whether a credit rating should be obtained for an issuance. The District typically seeks a rating from at least one nationally recognized rating agency on new and refunded issues being sold in the public market. The General Manager, working with the Financing Team, shall be responsible for determining which of the major rating agencies the District shall request provide a rating. When applying for a rating on an issue, the District and Financing Team shall prepare a presentation for the rating agency when the District determines that a presentation is in the best interests of the District.

Rating Agency Communications – The General Manager is responsible for maintaining relationships with the rating agencies that assign ratings to the District's various debt obligations. This effort shall include providing the rating agencies with the District's financial statements, if applicable, as well as any additional information requested.

Section 9: Post Issuance Administration

Notification to the CDIAC – The District shall work with Bond Counsel to submit a report of final sale to the CDIAC by any method approved by the CDIAC. The report shall include the information required by CDIAC.

Investment of Proceeds – The General Manager shall invest bond proceeds and reserve funds in accordance with each issue's indenture or trust agreement, utilizing competitive bidding when appropriate. All investments will be made in compliance with the District's investment policy objectives of safety, liquidity and then yield. The investment of bond proceeds and reserve funds shall comply with federal tax law requirements specified in the indenture or trust agreement and the tax certificate. Whenever reasonably possible, unexpended bond proceeds and reserve fund monies shall be held by the bank trustee. The trustee will be responsible for recording all investments and transactions relating to the proceeds and providing monthly statements regarding the investments and transactions.

Use of Bond Proceeds – The General Manager is responsible for ensuring debt proceeds are spent for the intended purposes identified in the related legal documents and that the proceeds are spent in the time frames identified in the tax certificate prepared by Bond Counsel. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the District will submit written requisitions for such proceeds. The District will submit a requisition only after obtaining the signature of the General Manager. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the General Manager shall retain records of all expenditures of proceeds through the final payment date for the debt.

OCEANO COMMUNITY SERVICES DISTRICT DEBT MANAGEMENT POLICY

Continuing Disclosure – When required by Securities Exchange Board Rule 15c2–12(b)(5) (the “Rule”) the General Manager or designee will ensure the District’s annual financial statements and associated reports are posted on the District’s web site, and will also comply with the Rule by filing its annual financial statements, other financial and operating data and notices of enumerated events for the benefit of its bondholders on the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board (MSRB). The District shall submit an annual report to the CDIAC in compliance with the requirements of Government Code Section 8855 and related regulations.

Arbitrage Rebate Compliance and Reporting – The use and investment of bond proceeds must be monitored to ensure compliance with arbitrage restrictions. Existing regulations require that issuers calculate rebate liabilities related to any bond issues, with rebates paid to the Federal Government every five years and as otherwise required by applicable provisions of the Internal Revenue Code and regulations. The General Manager shall contract with a specialist to ensure that proceeds and investments are tracked in a manner that facilitates accurate complete calculations, and if necessary timely rebate payments.

Compliance with Other Bond Covenants – In addition to financial disclosure and arbitrage, the General Manager is also responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments;
- Taxes/fees are levied and collected where applicable;
- Timely transfer of debt service payments to the trustee;
- Compliance with insurance requirements;
- Compliance with rate covenants; and
- Post-issuance procedures established in the tax certificate for any tax-exempt debt.

Retention – A copy of all relevant documents and records will be maintained by the District for the term of any bonds issued (including refunding bonds, if any), plus 10 years. Relevant documents and records will include sufficient documentation to support the requirements relating to the tax-exempt status.

Investor Relations – While the District shall post its annual financial report as well as other financial reports on the District’s website, this information is intended for the citizens of the District. Information that the District intends to reach the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the EMMA system.

Additional requirements for financial statements – It is the District’s policy to hire an auditing firm that has the technical skills and resources to properly perform an annual audit of the District’s financial statements. More specifically, the firm shall be a recognized expert in the accounting rules applicable to the District and shall have the resources necessary to review the District’s financial statements on a timely basis.

Section 10: Training

To the extent that the District has outstanding debt subject to the Rule, the General Manager shall (i) ensure that the members of the District staff involved in the continuing disclosure process and the Board are properly trained to understand and perform their responsibilities, and (ii) arrange for disclosure training sessions conducted by the District’s Disclosure Counsel. Such training sessions shall include education on the applicable federal and state securities laws and the disclosure responsibilities and potential liabilities of members of the District’s staff and members of the Board.



Oceano Community Services District

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

(805) 481-6730 FAX (805) 481-6836

Date: January 27, 2021

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #8(C): Review of the District's Budget Status as of December 31, 2020**

Recommendation

It is recommended that your Board review and discuss the District's budget status as of December 31, 2020.

Discussion

The attached worksheets have been prepared for your review of the status of this year's budget and they have been designed to include the following:

- ✓ Current fiscal year actual revenues and expenditures as of December 31, 2020
- ✓ Current percentage of adopted budget
- ✓ Current fiscal year adopted budget

In reviewing the worksheets, items of significance can be identified. The column containing the percent of the 2020-21 budget utilized in the second quarter of fiscal year 2020-21 illustrates that revenues and costs are on track to remain within budget for all the funds and no budget adjustments are needed at this time.

Expenditures:

There are several expenses that are front loaded and paid at the beginning of each fiscal year. The budget worksheets indicate that the District has spent more than 50% of the overall budget for these items. The worksheets also show that the year-end cost estimate is within budget.

The front-loaded expenses are as follows:

1. Water Supply from Lopez and State Water
2. CalPERS Unfunded Accrued Liability (UAL) for the Miscellaneous and Safety Plan members
3. Local Agency Formation Commission Expense (LAFCO)
4. Liability Insurance
5. Membership Expense (California Rural Water Association and California Special Districts Association)
6. Boot Allowance Expense
7. Annual Software Maintenance



Oceano Community Services District

Board of Directors Meeting

8. Regulatory Permits – State Water Resource Control Board

Other expenses appear to be running high in the General and Water Fund, but are expected to level out during the fiscal year, including the following:

Lighting Fund

- Salaries and Wages - during the first half of the year the utilities staff repaired light poles on HWY One.

| | | | |
|--------------------|-------------------------------------|----------------------------------|----------------|
| Budget: \$1,000 | Expensed @ 12/31: \$1,235 (123%) | Estimate - Year End: \$ 1,500 | Over: \$500 |
|--------------------|-------------------------------------|----------------------------------|----------------|

Water Fund

- Paving Expense – during the second quarter waterlines and valves were repaired that required paving and slurry.

| | | | |
|--------------------|------------------------------------|----------------------------------|------------------|
| Budget: \$1,300 | Expensed @ 12/31: \$1,233 (95%) | Estimate - Year End: \$ 2,466 | Over: \$1,166 |
|--------------------|------------------------------------|----------------------------------|------------------|

- Water Meter Expense – each year the utilities staff replaces old meters as a part of the meter replacement program.

| | | | |
|---------------------|-------------------------------------|-----------------------------------|--------------------|
| Budget: \$21,630 | Expensed @ 12/31: \$19,738 (91%) | Estimate - Year End: \$ 21,630 | Over/Under: -0- |
|---------------------|-------------------------------------|-----------------------------------|--------------------|

- Legal Notices – In October the Ordinance increasing and adjusting the water system services was published and the notice of exemption from the California Public Resources Code (CEQA) was filed at the County Clerk/Recorder.

| | | | |
|--------------------|----------------------------------|----------------------------------|--------------------|
| Budget: \$1,145 | Expensed @ 12/31: \$892 (78%) | Estimate - Year End: \$ 1,145 | Over/Under: -0- |
|--------------------|----------------------------------|----------------------------------|--------------------|

- CIP – Overlay – The County of San Luis Obispo performed an overlay project and the District brought valves and wastewater utilities in the system up to grade. These costs were not budgeted but both the water and wastewater funds have significant savings at this time and do not require a budget adjustment.

| | | | |
|---------------------------|-------------------------------|----------------------------------|-------------------------|
| Water Budget: \$0 | Expensed @ 12/31: \$25,200 | Estimate - Year End: \$25,200 | Over/Under: \$25,200 |
| Wastewater Budget: \$0 | \$16,500 | \$16,500 | \$16,500 |



Oceano Community Services District

Board of Directors Meeting

Revenues:

Property Tax revenues appear to be higher than the budgeted income for the second quarter. This is a result from the timing of the December 31st review. Every year about 60% of property taxes are paid in December with the remaining expected to come in April. This is consistent with previous years based on the County's collection system.

Water and Wastewater Sales are tracking with the budget since three of the six billing periods were recorded in the first half of the year. The revenue comparisons between the targeted revenue and the actual are attached from 2015 to November 2020.

Closely monitoring the budget in a conservative manner will help ensure remaining within budget. The third quarter results, as of March 31, 2021, will be provided to your Board at your second regular meeting in April 2021.

Other Agency Involvement

N/A

Other Financial Considerations

The new water rates approved at the October 14th public hearing became effective with the latest billing cycling ending January 2021 and will be included in the third quarter budget review. The water rates will be phased in over the next five years.

Results

Establishing good budget monitoring procedures will help ensure that the District's costs are managed in a financially prudent manner and promotes a prosperous and well governed community.

Attachments: Budget Worksheets
 Water Revenue Data



GENERAL FUND





**OCEANO COMMUNITY SERVICES DISTRICT
GENERAL FUND - QUARTER 2 REVIEW
SUMMARY**

| ACCOUNT NO. | GENERAL FUND (GF) | FINAL BUDGET FY 2020/21 | 2020/21 APPROVED ADJUSTMENTS | 2020/21 APPROVED BUDGET | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------|---|-------------------------|------------------------------|-------------------------|----------------------|------------------|------------------------------|
| SOURCES OF FUNDS | | | | | | | |
| | Fire | \$0 | \$0 | \$0 | \$0 | 0% | \$0 |
| | Lighting | \$0 | \$0 | \$0 | \$0 | 0% | \$0 |
| | Facilities | \$157,486 | \$0 | \$157,486 | \$72,763 | 46% | \$156,848 |
| | Admin | \$2,244,810 | \$0 | \$2,244,810 | \$1,206,184 | 54% | \$2,102,289 |
| | Total Sources of Funds | \$2,402,296 | \$0 | \$2,402,296 | \$1,278,947 | 53% | \$2,259,137 |
| USES OF FUNDS | | | | | | | |
| | Fire | \$1,186,861 | \$0 | \$1,186,861 | \$882,108 | 74% | \$1,179,488 |
| | Lighting | \$42,961 | \$0 | \$42,961 | \$19,077 | 44% | \$36,302 |
| | Facilities | \$33,127 | \$10,900 | \$44,027 | \$25,569 | 58% | \$36,986 |
| | Admin | \$1,147,589 | \$0 | \$1,147,589 | \$537,893 | 47% | \$993,722 |
| | Total Expenditures | \$2,410,538 | \$10,900 | \$2,421,438 | \$1,464,646 | 60% | \$2,246,498 |
| | OPERATING SURPLUS/(DEFICIT) | | | | | | |
| | Fire | (\$1,186,861) | \$0 | (\$1,186,861) | (\$882,108) | | (\$1,179,488) |
| | Lighting | (\$42,961) | \$0 | (\$42,961) | (\$19,077) | | (\$36,302) |
| | Facilities | \$124,359 | (\$10,900) | \$113,459 | \$47,194 | | \$119,862 |
| | Admin | \$1,097,221 | \$0 | \$1,097,221 | \$668,291 | | \$1,108,567 |
| | OPERATING SURPLUS/(DEFICIT) | (\$8,243) | (\$10,900) | (\$19,143) | (\$185,699) | | \$12,639 |
| | TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In - From Water Fund | 31,500 | | 31,500 | | | 31,500 |
| | (Transfers Out) - To Wastewater | (113,940) | | (113,940) | | | (113,940) |
| | Encumbrances - Sources of Funding | 0 | | 0 | | | 0 |
| | Encumbrances - (Designated Funds) | (645) | | (645) | | | (645) |
| | NET TRANSFERS & ENCUMBRANCES | (\$83,085) | \$0 | (\$83,085) | \$0 | | (\$83,085) |



ADMINISTRATIVE BUDGET





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
ADMINISTRATIVE DEPARTMENT - GENERAL FUND - 01**

| ACCOUNT NO. | GENERAL FUND (GF) ADMINISTRATIVE DEPARTMENT - 01 | FINAL BUDGET FY 2020/21 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------|---|----------------------------|-------------------------|------------|----------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| | Revenues | \$1,097,220 | \$668,291 | 61% | \$1,108,567 | \$11,347 |
| | Other Sources of Funds | \$1,147,590 | \$537,893 | 47% | \$993,722 | (\$153,868) |
| | Total Sources of Funds | \$2,244,810 | \$1,206,184 | 54% | \$2,102,289 | (\$142,521) |
| USES OF FUNDS | | | | | | |
| | Salaries & Wages | \$434,500 | \$206,817 | 48% | \$413,635 | \$20,865 |
| | Benefits | \$190,520 | \$122,380 | 64% | \$199,202 | (\$8,682) |
| | Personnel Services | \$625,020 | \$329,197 | 53% | \$612,837 | \$12,183 |
| | Services & Supplies | \$300,585 | \$126,389 | 42% | \$203,796 | \$96,789 |
| | Operating Crew Benefits Allocation | \$221,985 | \$82,307 | 37% | \$177,089 | \$44,895 |
| | Administrative Cost | \$0 | \$0 | 0% | \$0 | \$0 |
| | Total Expenditures | \$1,147,589 | \$537,893 | 47% | \$993,722 | \$153,867 |
| | OPERATING SURPLUS/(DEFICIT) | \$1,097,221 | \$668,291 | | \$1,108,567 | \$11,346 |
| | TRANSFERS & ENCUMBRANCES | | | | | |
| | Transfers In - From Facilities Fund | 123,738 | 0 | | 123,738 | 0 |
| | (Transfers Out) - Fire & Lighting | (1,230,467) | (901,185) | | (1,216,435) | (14,032) |
| | Encumbrances - Sources of Funding | 0 | 0 | | 0 | 0 |
| | Encumbrances - (Designated Funds) | 0 | 0 | | 0 | 0 |
| | NET TRANSFERS & ENCUMBRANCES | (\$1,106,729) | (\$901,185) | | (\$1,092,697) | (\$14,032) |



**OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
 ADMINISTRATIVE DEPARTMENT - GENERAL FUND - 01**

| ACCOUNT NO. | GENERAL FUND (GF) ADMINISTRATIVE DEPARTMENT - 01 | FINAL BUDGET FY 2020/21 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------------|---|----------------------------|-------------------------|------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| 01-4-3100-000 | Property Taxes: Current Year - Secured | 1,055,500 | 605,575 | 57% | 1,055,500 | 0 |
| 01-4-3101-000 | Property Taxes: Current Year - Unsecured | 39,000 | 36,706 | 94% | 39,000 | 0 |
| 01-4-3102-000 | Property Taxes: Prior Year - Secured | 0 | 979 | | 979 | 979 |
| 01-4-3103-000 | Property Taxes: Prior Year - Unsecured | 0 | 373 | | 373 | 373 |
| | Unitary Tax | 11,500 | 12,418 | 108% | 12,418 | 918 |
| 01-4-3105-000 | Penalties & Interest | 0 | 4,611 | | 4,611 | 4,611 |
| 01-4-3106-000 | Delinq Garbage Charges | 0 | 601 | | 601 | 601 |
| 01-4-3120-000 | Homeowners' Prop Tax Relief | 6,125 | 3,163 | 52% | 6,125 | 0 |
| 01-4-3213-000/100 | Will Serve Letter Fee | 0 | 120 | | 120 | 120 |
| 01-4-3230-100/195 | Misc Income | 0 | 3,745 | | 3,745 | 3,745 |
| 01-4-3238-200 | Firework Permit | 1,540 | 0 | 0% | 1,540 | 0 |
| 01-4-3557-000 | CO Charge: SB 2557 | (16,445) | 0 | 0% | (16,445) | 0 |
| | Total Revenues | \$1,097,220 | \$668,291 | 61% | \$1,108,567 | \$11,347 |
| OTHER SOURCES OF FUNDS | | | | | | |
| | Allocated Administrative Overhead | 925,605 | 455,585 | 49% | 816,633 | (108,972) |
| | Allocated Operating Crew Overhead | 221,985 | 82,307 | 37% | 177,089 | (44,896) |
| | Total Other Sources of Funds | \$1,147,590 | \$537,893 | 47% | \$993,722 | (\$153,868) |
| | Total Sources of Funds | \$2,244,810 | \$1,206,184 | 54% | \$2,102,289 | (\$142,521) |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| 01-5-4100-010 | Salary & Wages | 425,800 | 206,695 | 49% | 413,390 | 12,410 |
| 01-5-4100-020 | Overtime | 8,700 | 122 | 1% | 245 | 8,455 |
| | Total Salaries & Wages | \$434,500 | \$206,817 | 48% | \$413,635 | \$20,865 |
| BENEFITS | | | | | | |
| 01-5-4100-061 | PERS Contribution | 54,000 | 29,727 | 55% | 59,453 | (5,453) |
| 01-5-4100-062 | PERS UAL Payment | 49,500 | 47,727 | 96% | 47,727 | 1,773 |
| 01-5-4100-070 | SUI | 2,170 | 0 | 0% | 2,170 | 0 |
| 01-5-4100-071 | Medicare | 6,200 | 3,301 | 53% | 6,603 | (403) |
| 01-5-4100-072 | FICA | 1,725 | 815 | 47% | 1,629 | 96 |
| 01-5-4100-075 | Compensation Insurance | 5,225 | 2,630 | 50% | 5,259 | (34) |
| 01-5-4100-090 | Insurance | 70,800 | 37,730 | 53% | 75,461 | (4,661) |
| 01-5-4100-097 | Cell Phone Allowance | 900 | 450 | 50% | 900 | 0 |
| | Total Benefits | \$190,520 | \$122,380 | 64% | \$199,202 | (\$8,682) |
| | Total Personnel Services | \$625,020 | \$329,197 | 53% | \$612,837 | \$12,183 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
ADMINISTRATIVE DEPARTMENT - GENERAL FUND - 01**

| ACCOUNT NO. | GENERAL FUND (GF) ADMINISTRATIVE DEPARTMENT - 01 | FINAL BUDGET FY 2020/21 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|--|---|----------------------------|-------------------------|------------|----------------------|------------------------------------|
| SERVICES & SUPPLIES | | | | | | |
| 01-5-4100-110 | Communications & Dispatch | 10,375 | 5,448 | 53% | 10,895 | (520) |
| 01-5-4100-150 | Insurance | 24,720 | 19,250 | 78% | 24,720 | 0 |
| 01-5-4100-170 | Maintenance: Equipment | 3,810 | 0 | 0% | 0 | 3,810 |
| 01-5-4100-173 | Maint: Structures/ Improvements | 10,815 | 2,055 | 19% | 4,110 | 6,705 |
| 01-5-4100-180 | Memberships | 7,010 | 7,253 | 103% | 7,253 | (243) |
| 01-5-4100-191 | Over and Short | 0 | (38) | | (38) | 38 |
| 01-5-4100-193 | Bank Fees | 4,790 | 1,884 | 39% | 3,769 | 1,021 |
| 01-5-4100-200 | Office Expense | 7,175 | 1,663 | 23% | 3,325 | 3,850 |
| 01-5-4100-210 | Postage | 2,575 | 82 | 3% | 165 | 2,410 |
| 01-5-4100-218 | Audit | 19,875 | 13,050 | 66% | 19,875 | 0 |
| 01-5-4100-220 | Professional Services | 29,000 | 2,679 | 9% | 5,358 | 23,642 |
| 01-5-4100-221 | Information Technology | 10,300 | 2,334 | 23% | 4,667 | 5,633 |
| 01-5-4100-223 | Legal Services | 96,000 | 34,545 | 36% | 69,090 | 26,910 |
| 01-5-4100-225 | Board Stipends | 12,000 | 2,900 | 24% | 5,800 | 6,200 |
| 01-5-4100-226 | Annual Software Maintenance | 16,565 | 15,581 | 94% | 16,565 | 0 |
| 01-5-4100-230 | Required Legal Notice | 2,655 | 92 | 3% | 184 | 2,471 |
| 01-5-4100-235 | Books/ Journals/ Subscriptions/ Software | 1,590 | 0 | 0% | 0 | 1,590 |
| 01-5-4100-241 | Rents/ Lease: Equipment | 3,185 | 0 | 0% | 0 | 3,185 |
| 01-5-4100-247 | LAFCO Annual Charge | 12,480 | 10,861 | 87% | 10,861 | 1,619 |
| 01-5-4100-248 | Permits, Fees, Lincenses | 1,065 | 532 | 50% | 1,064 | 1 |
| 01-5-4100-260 | Election Expense | 5,500 | 0 | 0% | 5,500 | 0 |
| 01-5-4100-280 | Private Vehicle/ Milage Expense | 530 | 0 | 0% | 0 | 530 |
| 01-5-4100-285 | Classes/ Seminars/ Training Fee | 5,835 | 0 | 0% | 0 | 5,835 |
| 01-5-4100-286 | Board Member Travel | 2,125 | 0 | 0% | 0 | 2,125 |
| 01-5-4100-290 | Utilities | 10,610 | 4,415 | 42% | 8,830 | 1,780 |
| 01-5-4100-297 | Pass-thur: Delinquent Garbage/ Tax Roll | 0 | 1,803 | | 1,803 | (1,803) |
| Total Services & Supplies | | \$300,585 | \$126,389 | 42% | \$203,796 | \$96,789 |
| Operating Crew Benefits & Direct Labor Cost Allocations | | | | | | |
| | Leave time | 54,500 | 23,354 | 43% | 46,707 | 7,793 |
| | Salaries & Wages (Admin) | 7,450 | 0 | 0% | 7,450 | 0 |
| | PERS Contribution | 43,000 | 16,388 | 38% | 32,777 | 10,223 |
| | Medicare | 5,500 | 1,848 | 34% | 3,696 | 1,804 |
| | P/R Fed & State Taxes | 4,275 | 0 | 0% | 4,275 | 0 |
| | SUI | 1,750 | 0 | 0% | 1,750 | 0 |
| | Insurance | 83,400 | 29,363 | 35% | 58,725 | 24,675 |
| | Boot Allowance | 1,250 | 1,000 | 80% | 1,000 | 250 |
| | Clothing | 7,210 | 3,455 | 48% | 6,910 | 300 |
| | Standby | 13,650 | 6,900 | 51% | 13,800 | (150) |
| Total Operating Crew Benefits | | \$221,985 | \$82,307 | 37% | \$177,089 | \$44,895 |
| Total Expenditures | | \$1,147,589 | \$537,893 | 47% | \$993,722 | \$153,867 |
| OPERATING SURPLUS/(DEFICIT) | | \$1,097,221 | \$668,291 | | \$1,108,567 | \$11,346 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In - Facilitateis Fund | 123,738 | 0 | | 123,738 | 0 |
| | (Transfers Out) - Fire and Lighting | (1,230,467) | (901,185) | | (1,216,435) | (14,032) |
| | Encumbrances - Sources of Funding | 0 | 0 | | 0 | 0 |
| | Encumbrances - (Designated LHMP Funds) | 0 | 0 | | 0 | 0 |
| NET TRANSFERS & ENCUMBRANCES | | (\$1,106,729) | (\$901,185) | | (\$1,092,697) | (\$14,032) |



FIRE BUDGET





**OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
 FIRE DEPARTMENT - GENERAL FUND - 01**

| ACCOUNT NO. | GENERAL FUND (GF) FIRE DEPARTMENT - 01 | FINAL BUDGET FY 2020/21 | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------|---|----------------------------|-------------------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | |
| | Revenues | \$0 | \$0 | 0% | \$0 |
| | Other Sources of Funds | \$0 | \$0 | 0% | \$0 |
| | Total Sources of Funds | \$0 | \$0 | 0% | \$0 |
| USES OF FUNDS | | | | | |
| | Salaries & Wages | \$1,000 | \$0 | 0% | \$1,000 |
| | Benefits | \$14,445 | \$13,291 | 92% | \$681 |
| | Personnel Services | \$15,445 | \$13,291 | 86% | \$1,681 |
| | Services & Supplies | \$1,143,648 | \$855,149 | 75% | \$2,423 |
| | Capital Overlay | \$0 | \$0 | | \$0 |
| | Administrative Cost Allocation | \$27,768 | \$13,668 | 49% | \$3,269 |
| | Total Expenditures | \$1,186,861 | \$882,108 | 74% | \$7,373 |
| | OPERATING SURPLUS/(DEFICIT) | (\$1,186,861) | (\$882,108) | | \$7,373 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
FIRE DEPARTMENT - GENERAL FUND - 01**

| ACCOUNT NO. | GENERAL FUND (GF) FIRE DEPARTMENT - 01 | FINAL BUDGET FY 2020/21 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---------------------------------------|---|----------------------------|-------------------------|------------|----------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| | | | | | | 0 |
| | Total Revenues | \$0 | \$0 | | \$0 | \$0 |
| OTHER SOURCES OF FUNDS | | | | | | |
| | | 0 | 0 | | 0 | 0 |
| | Total Other Sources of Funds | \$0 | \$0 | | \$0 | \$0 |
| | Total Sources of Funds | \$0 | \$0 | | \$0 | \$0 |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| 01-5-4200-010 | Salary & Wages | 1,000 | 0 | 0% | 0 | 1,000 |
| 01-5-4200-020 | Overtime | 0 | 0 | | 0 | 0 |
| | Total Salaries & Wages | \$1,000 | \$0 | 0% | \$0 | \$1,000 |
| BENEFITS | | | | | | |
| 01-5-4200-062 | PERS UAL Payment | 13,335 | 12,879 | 97% | 12,879 | 456 |
| | Operating Crew Benefits Allocation | 1,110 | 412 | 37% | 885 | 225 |
| | Total Benefits | \$14,445 | \$13,291 | 92% | \$13,764 | \$681 |
| | Total Personnel Services | \$15,445 | \$13,291 | 86% | \$13,764 | \$1,681 |
| SERVICES & SUPPLIES | | | | | | |
| 01-5-4200-077 | JPA - Quarterly Payments | 1,138,148 | 853,611 | 75% | 1,138,148 | 0 |
| 01-5-4200-290 | Utilities | 5,000 | 1,056 | 21% | 2,112 | 2,888 |
| 01-5-4200-291 | Sandbags | 500 | 483 | 97% | 965 | (465) |
| | Total Services & Supplies | \$1,143,648 | \$855,149 | 75% | \$1,141,225 | \$2,423 |
| CAPITAL OVERLAY | | | | | | |
| | | 0 | 0 | | 0 | 0 |
| | Total Capital Overlay | \$0 | \$0 | | \$0 | \$0 |
| ADMINISTRATIVE COST ALLOCATION | | | | | | |
| 01-5-4200-376 | Allocated Overhead - Admin | 27,768 | 13,668 | 49% | 24,499 | 3,269 |
| | Total Administrative Cost Allocation | \$27,768 | \$13,668 | 49% | \$24,499 | \$3,269 |
| | Total Expenditures | \$1,186,861 | \$882,108 | 74% | \$1,179,488 | \$7,373 |
| OPERATING SURPLUS/(DEFICIT) | | (\$1,186,861) | (\$882,108) | | (\$1,179,488) | \$7,373 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In - Property Taxes & Fac Fund | 1,186,861 | 882,108 | | 1,179,488 | (7,373) |
| | (Transfers Out) | 0 | 0 | | 0 | 0 |
| | Encumbrances - Sources of Funding | 0 | 0 | | 0 | 0 |
| | Encumbrances - (Designated Funds) | 0 | 0 | | 0 | 0 |
| | NET TRANSFERS & ENCUMBRANCES | \$1,186,861 | \$882,108 | | \$1,179,488 | (\$7,373) |



LIGHTING BUDGET





**OCEANO COMMUNITY SERVICES DISTRICT
 FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
 LIGHTING - GENERAL FUND - 01**

| ACCOUNT NO. | GENERAL FUND (GF) LIGHTING - 01 | FINAL FY 2020/2021 | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------|------------------------------------|-----------------------|-------------------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | |
| | Revenues | \$0 | \$0 | 0% | \$0 |
| | Other Sources of Funds | \$0 | \$0 | 0% | \$0 |
| | Total Sources of Funds | \$0 | \$0 | 0% | \$0 |
| USES OF FUNDS | | | | | |
| | Salaries & Wages | \$1,000 | \$1,235 | 123% | \$1,500 |
| | Benefits | \$1,110 | \$412 | 37% | \$885 |
| | Personnel Services | \$2,110 | \$1,646 | 78% | \$2,385 |
| | Services & Supplies | \$31,595 | \$12,875 | 41% | \$25,750 |
| | Capital Outlay | \$0 | \$0 | 0% | \$0 |
| | Administrative Cost | \$9,256 | \$4,556 | 49% | \$8,166 |
| | Total Expenditures | \$42,961 | \$19,077 | 44% | \$36,302 |
| | OPERATING SURPLUS/(DEFICIT) | (\$42,961) | (\$19,077) | | \$6,659 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
LIGHTING - GENERAL FUND - FUND 01**

| ACCOUNT NO. | GENERAL FUND (GF) LIGHTING - 01 | FINAL FY 2020/2021 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---|------------------------------------|-----------------------|-------------------------|-------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| Total Revenues | | \$0 | \$0 | | \$0 | \$0 |
| OTHER SOURCES OF FUNDS | | | | | | |
| Total Other Sources of Funds | | \$0 | \$0 | | \$0 | \$0 |
| Total Sources of Funds | | \$0 | \$0 | | \$0 | \$0 |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| 01-5-4195-010 | Salaries & Wages | 1,000 | 1,235 | 123% | 1,500 | (500) |
| 01-5-4195-020 | Overtime Wages | 0 | 0 | | 0 | 0 |
| Total Salaries & Wages | | \$1,000 | \$1,235 | 123% | \$1,500 | (\$500) |
| BENEFITS | | | | | | |
| Operating Crew Benefits Allocation | | 1,110 | 412 | 37% | 885 | 225 |
| Total Benefits | | \$1,110 | \$412 | 37% | \$885 | \$225 |
| Total Personnel Services | | \$2,110 | \$1,646 | 78% | \$2,385 | (\$275) |
| SERVICES & SUPPLIES | | | | | | |
| 01-5-4195-175 | Operating Supplies | 1,595 | 297 | 19% | 594 | 1,001 |
| 01-5-4195-295 | Street Lighting | 30,000 | 12,578 | 42% | 25,156 | 4,844 |
| Total Services & Supplies | | \$31,595 | \$12,875 | 41% | \$25,750 | \$5,845 |
| CAPITAL OUTLAY | | | | | | |
| CAPITAL OUTLAY | | 0 | 0 | | 0 | 0 |
| Total Capital Outlay | | \$0 | \$0 | | \$0 | \$0 |
| ADMINISTRATIVE COST ALLOCATION | | | | | | |
| 01-5-4195-376 | Administrative Cost Allocation | 9,256 | 4,556 | 49% | 8,166 | 1,090 |
| Total Administrative Cost Allocation | | \$9,256 | \$4,556 | 49% | \$8,166 | \$1,090 |
| Total Expenditures | | \$42,961 | \$19,077 | 44% | \$36,302 | \$6,659 |
| OPERATING SURPLUS/(DEFICIT) | | (\$42,961) | (\$19,077) | | (\$36,302) | \$6,659 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| Transfers In - Property Taxes | | 43,606 | 19,077 | | 36,947 | (6,659) |
| (Transfers Out) | | 0 | 0 | | 0 | 0 |
| Encumbrances - Sources of Funding | | 0 | 0 | | 0 | 0 |
| Encumbrances - (Designated) | | (645) | 0 | | (645) | 0 |
| NET TRANSFERS & ENCUMBRANCES | | \$42,961 | \$19,077 | | \$36,302 | (\$6,659) |



FACILITIES FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
FACILITIES - FUND 10**

| ACCOUNT NO. | GENERAL FUND (GF) FACILITIES - 10 | FINAL BUDGET FY 2020/2021 | 2020/21 APPROVED ADJUSTMENTS | 2018/19 CURRENT BUDGET | ACTUAL AT 12/31/2020 | | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------|---|------------------------------|------------------------------------|------------------------------|-------------------------|------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | | | |
| | Revenues | \$157,486 | \$0 | \$157,486 | \$72,763 | 46% | \$156,848 | (\$638) |
| | Other Sources of Funds | \$0 | \$0 | \$0 | \$0 | 0% | \$0 | \$0 |
| | Total Sources of Funds | \$157,486 | \$0 | \$157,486 | \$72,763 | 46% | \$156,848 | (\$638) |
| USES OF FUNDS | | | | | | | | |
| | Salaries & Wages | \$3,725 | \$0 | \$3,725 | \$236 | 6% | \$473 | \$3,252 |
| | Benefits | \$2,220 | \$0 | \$2,220 | \$823 | 37% | \$1,771 | \$449 |
| | Personnel Services | \$5,945 | \$0 | \$5,945 | \$1,059 | 18% | \$2,243 | \$3,702 |
| | Services & Supplies | \$8,670 | \$10,900 | \$19,570 | \$15,398 | 79% | \$18,410 | \$1,160 |
| | Capital Outlay | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Administrative Cost | \$18,512 | \$0 | \$18,512 | \$9,112 | 49% | \$16,333 | \$2,179 |
| | Total Expenditures | \$33,127 | \$10,900 | \$44,027 | \$25,569 | 58% | \$36,986 | \$7,041 |
| | OPERATING SURPLUS/(DEFICIT) | \$124,359 | (\$10,900) | \$113,459 | \$47,194 | | \$119,862 | \$6,403 |
| | TRANSFERS & ENCUMBRANCES | | | | | | | |
| | Transfers In - From General Fund | 31,500 | 0 | 31,500 | 0 | | 31,500 | 0 |
| | (Transfers Out) | (237,678) | 0 | (237,678) | 0 | | (237,678) | 0 |
| | Encumbrances - Sources of Funding | 0 | 0 | 0 | 0 | | 0 | 0 |
| | Encumbrances - (Designated Funds) | 0 | 0 | 0 | 0 | | 0 | 0 |
| | NET TRANSFERS & ENCUMBRANCES | (\$206,178) | \$0 | (\$206,178) | \$0 | | (\$206,178) | \$0 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
FACILITIES - FUND 10**

| ACCOUNT NO. | GENERAL FUND (GF) FACILITIES - 10 | FINAL BUDGET FY 2020/2021 | 2020/21 APPROVED ADJUSTMENTS | 2020/21 CURRENT BUDGET | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---------------------------------------|---|------------------------------|------------------------------------|------------------------------|-------------------------|------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | | | |
| REVENUES | | | | | | | | |
| 10-4-3257-000 | Utility Reimbursement | 1,846 | | 1,846 | 604 | 33% | 1,208 | (638) |
| 10-4-3258-000 | Old Fire Station Rent | 11,700 | | 11,700 | 5,850 | 50% | 11,700 | 0 |
| 10-4-3259-000 | Fire Rent | 15,000 | | 15,000 | 7,500 | 50% | 15,000 | 0 |
| 10-4-3260-000 | Lease - Sheriff Facility | 113,940 | | 113,940 | 56,970 | 50% | 113,940 | 0 |
| | Public Facilities Fees | 15,000 | | 15,000 | 1,839 | 12% | 15,000 | 0 |
| | Total Revenues | \$157,486 | \$0 | \$157,486 | \$72,763 | 46% | \$156,848 | (\$638) |
| OTHER SOURCES OF FUNDS | | | | | | | | |
| | Total Other Sources of Funds | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| | Total Sources of Funds | \$157,486 | \$0 | \$157,486 | \$72,763 | 46% | \$156,848 | (\$638) |
| USES OF FUNDS | | | | | | | | |
| SALARIES & WAGES | | | | | | | | |
| 10-5-4300-010 | Salary & Wages | 3,725 | | 3,725 | 236 | 6% | 473 | 3,252 |
| 10-5-4300-010 | Overtime | 0 | | 0 | 0 | | 0 | 0 |
| | Total Salaries & Wages | \$3,725 | \$0 | \$3,725 | \$236 | 6% | \$473 | \$3,252 |
| BENEFITS | | | | | | | | |
| | Operating Crew Overhead | 2,220 | | 2,220 | 823 | 37% | 1,771 | 449 |
| | Total Benefits | \$2,220 | \$0 | \$2,220 | \$823 | 37% | \$1,771 | \$449 |
| | Total Personnel Services | \$5,945 | \$0 | \$5,945 | \$1,059 | 18% | \$2,243 | \$3,702 |
| SERVICES & SUPPLIES | | | | | | | | |
| 10-5-4300-110 | Communication | 0 | | 0 | 14 | | 28 | (28) |
| 10-5-4300-163 | Budget Adjustment - 11/11/2020 - Maint: Structure/ Imprv - Fumigation | 5,000 | 6,563 | 11,563 | 9,805 | 85% | 11,563 | 0 |
| 10-5-4300-173 | So: Maint. Structures/ Improvements | 2,125 | | 2,125 | 1,241 | 58% | 2,482 | (357) |
| 10-5-4300-220 | Professional Services | 1,545 | | 1,545 | 0 | 0% | 0 | 1,545 |
| 10-5-4300-366 | Budget Adjustment - 11/11/2020 - Emergency Generator Project | 0 | 4,337 | 4,337 | 4,337 | | 4,337 | (0) |
| | Total Services & Supplies | \$8,670 | \$10,900 | \$19,570 | \$15,398 | 79% | \$18,410 | \$1,160 |
| CAPITAL OUTLAY | | | | | | | | |
| 10-5-4300-320 | Fixed Assets | 0 | | 0 | 0 | | 0 | 0 |
| | Total Capital Outlay | \$0 | \$0 | \$0 | \$0 | | \$0 | \$0 |
| ADMINISTRATIVE COST ALLOCATION | | | | | | | | |
| 10-5-4300-376 | Admin Allocation | 18,512 | | 18,512 | 9,112 | 49% | 16,333 | 2,179 |
| | Total Administrative Cost Allocation | \$18,512 | \$0 | \$18,512 | \$9,112 | 49% | \$16,333 | \$2,179 |
| | Total Expenditures | \$33,127 | \$10,900 | \$44,027 | \$25,569 | 58% | \$36,986 | \$7,041 |
| | OPERATING SURPLUS/(DEFICIT) | \$124,359 | (\$10,900) | \$113,459 | \$47,194 | | \$119,862 | \$6,403 |
| TRANSFERS & ENCUMBRANCES | | | | | | | | |
| | Transfers In - From Water Fund | 31,500 | | 31,500 | 0 | | 31,500 | 0 |
| | (Transfers Out) - To General & Sewer | (237,678) | | (237,678) | 0 | | (237,678) | 0 |
| | Encumbrances - Sources of Funding | 0 | | 0 | 0 | | 0 | 0 |
| | Encumbrances - (Designated Funds) | 0 | | 0 | 0 | | 0 | 0 |
| | NET TRANSFERS & ENCUMBRANCES | (\$206,178) | \$0 | (\$206,178) | \$0 | | (\$206,178) | \$0 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
ENTERPRISE FUNDS**

| ACCOUNT NO. | ENTERPRISE FUNDS | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE | |
|-------------------------------------|---|---------------------------|----------------------|------------------|------------------------------|-------------------|
| SOURCES OF FUNDS | | | | | | |
| | Water | \$2,712,689 | \$1,384,671 | 51% | \$2,697,329 | (\$15,360) |
| | Wastewater | \$403,800 | \$199,681 | 49% | \$404,500 | \$700 |
| | Garbage | \$59,693 | \$37,150 | 62% | \$65,800 | \$6,107 |
| | Equipment | \$30,023 | \$7,020 | 23% | \$10,017 | (\$20,006) |
| | Total Sources of Funds | \$3,206,205 | \$1,628,522 | 51% | \$3,177,647 | (\$28,558) |
| USES OF FUNDS | | | | | | |
| | Water | \$2,881,438 | \$1,957,365 | 68% | \$2,436,812 | \$444,626 |
| | Wastewater | \$486,964 | \$222,502 | 46% | \$398,643 | \$88,321 |
| | Garbage | \$111,779 | \$35,125 | 31% | \$72,256 | \$39,523 |
| | Equipment | \$26,000 | \$2,997 | 12% | \$5,994 | \$20,006 |
| | Total Expenditures | \$3,506,180 | \$2,217,989 | 63% | \$2,913,705 | \$592,475 |
| OPERATING SURPLUS/(DEFICIT) | | | | | | |
| | Water | (\$168,749) | (\$572,694) | | \$260,517 | \$429,265 |
| | Wastewater | (\$83,164) | (\$22,821) | | \$5,857 | \$89,021 |
| | Garbage | (\$52,086) | \$2,025 | | (\$6,455) | \$45,631 |
| | Equipment | \$4,023 | \$4,023 | | \$4,023 | \$0 |
| | OPERATING SURPLUS/(DEFICIT) | (\$299,975) | (\$589,467) | | \$263,942 | \$563,917 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In | 121,440 | 0 | | 0 | 0 |
| | (Transfers Out) | (56,075) | (3,993) | | (44,697) | 11,378 |
| | Encumbrances - Sources of Funding | 124,055 | 0 | | 124,055 | 0 |
| | Encumbrances - (Designated Funds) | (154,544) | (138,788) | | (154,544) | 0 |
| | NET TRANSFERS & ENCUMBRANCES | \$34,876 | (\$142,780) | | (\$75,186) | \$11,378 |

\$3,677,302



WATER FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
WATER FUND - 02**

| ACCOUNT NO. | WATER FUND WATER DEPARTMENT - 02 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE | |
|-------------------------------------|---|------------------------------|-------------------------|---------------------|------------------------------------|-------------------|
| SOURCES OF FUNDS | | | | | | |
| | Revenues | \$2,712,689 | \$1,384,671 | 51% | \$2,697,329 | (\$15,360) |
| | Other Sources of Funds | \$0 | \$0 | 0% | \$0 | \$0 |
| | Total Sources of Funds | \$2,712,689 | \$1,384,671 | 51% | \$2,697,329 | (\$15,360) |
| USES OF FUNDS | | | | | | |
| | Salaries & Wages | \$201,000 | \$85,027 | 42% | \$170,055 | \$30,945 |
| | Benefits | \$148,858 | \$56,093 | 38% | \$120,169 | \$28,688 |
| | Personnel Services | \$349,858 | \$141,120 | 40% | \$290,224 | \$59,634 |
| | Services & Supplies | \$1,936,217 | \$1,512,894 | 78% | \$1,591,408 | \$344,809 |
| | Capital Outlay | \$40,000 | \$30,000 | 75% | \$65,200 | (\$25,200) |
| | Administrative Cost | \$555,363 | \$273,351 | 49% | \$489,980 | \$65,383 |
| | Total Expenditures | \$2,881,438 | \$1,957,365 | 68% | \$2,436,812 | \$444,626 |
| OPERATING SURPLUS/(DEFICIT) | | (\$168,749) | (\$572,694) | | \$260,517 | \$429,265 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In | 0 | 0 | | 0 | 0 |
| | (Transfers Out) | (56,075) | (3,993) | | (44,697) | 11,378 |
| | Encumbrances - Sources of Funding | 124,055 | 0 | | 124,055 | 0 |
| | Encumbrances - (Designated Funds) | (154,544) | (138,788) | | (154,544) | 0 |
| | NET TRANSFERS & ENCUMBRANCES | (\$86,564) | (\$142,780) | | (\$75,186) | \$11,378 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
WATER FUND - 02**

| ACCOUNT NO. | WATER FUND WATER DEPARTMENT - 02 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------------|-------------------------------------|------------------------------|-------------------------|------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| 02-4-3200-000 | Sales: Residential | 1,828,000 | 1,049,425 | 57% | 1,828,000 | 0 |
| 02-4-3204-000 | Sales: Lopez | 502,000 | 309,663 | 62% | 502,000 | 0 |
| 02-4-3206-000 | Front Footage Fees | 16,320 | 0 | 0% | 16,320 | 0 |
| 02-4-3207-000 | Sales: U/B Courtesy Notice | 4,500 | 2,156 | 48% | 4,311 | (189) |
| 02-4-3208-000 | Delinquent U/B Acct Fees | 27,000 | 120 | 0% | 240 | (26,760) |
| 02-4-3209-000 | Capacity Charages | 25,919 | 0 | 0% | 25,919 | 0 |
| 02-4-3210-00 | Meter Fees | 5,400 | 40 | 1% | 5,400 | 0 |
| 02-4-3211-000 | Lopez Connection Fees | 4,000 | 0 | 0% | 4,000 | 0 |
| 02-4-3212-000 | New Account Setup Fee | 3,240 | 4,406 | 136% | 8,812 | 5,572 |
| 02-4-3217-297 | Wheeling/Fire Protection | 25,000 | 12,744 | 51% | 25,000 | 0 |
| 02-4-3230-000 | Sales: Miscellaneous | 0 | 2,741 | | 2,741 | 2,741 |
| 02-4-3260-350 | Reimbursement - New Development | 11,150 | 0 | 0% | 11,150 | 0 |
| 02-4-3900-490 | Claims & Settlements | 0 | 3,376 | | 3,376 | 3,376 |
| | Water Rate Increase - Prop 218 | 259,960 | 0 | 0% | 259,960 | 0 |
| | Total Revenues | \$2,712,689 | \$1,384,671 | 51% | \$2,697,329 | (\$15,360) |
| OTHER SOURCES OF FUNDS | | | | | | |
| | Total Other Sources of Funds | \$0 | \$0 | | \$0 | \$0 |
| | Total Sources of Funds | \$2,712,689 | \$1,384,671 | 51% | \$2,697,329 | (\$15,360) |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| 02-5-4400-010 | Salaries and Wages | 170,000 | 81,012 | 48% | 162,023 | 7,977 |
| 02-5-4400-020 | Overtime | 31,000 | 4,016 | 13% | 8,032 | 22,968 |
| | Total Salaries & Wages | \$201,000 | \$85,027 | 42% | \$170,055 | \$30,945 |
| BENEFITS | | | | | | |
| 02-5-4400-075 | Workers Compensation Insurance | 6,788 | 3,416 | 50% | 6,832 | (44) |
| | Operating Crew Benefits Allocation | 142,070 | 52,677 | 37% | 113,337 | 28,733 |
| | Total Benefits | \$148,858 | \$56,093 | 38% | \$120,169 | \$28,688 |
| | Total Personnel Services | \$349,858 | \$141,120 | 40% | \$290,224 | \$59,634 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
WATER FUND - 02**

| ACCOUNT NO. | WATER FUND WATER DEPARTMENT - 02 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---|--|------------------------------|-------------------------|------------|---------------------|------------------------------------|
| SERVICES & SUPPLIES | | | | | | |
| 02-5-4400-110 | Communications | 3,500 | 1,372 | 39% | 2,743 | 757 |
| 02-5-4400-163 | Maint: Structures/ Improvements | 8,900 | 2,563 | 29% | 5,125 | 3,775 |
| 02-5-4400-164 | Paving | 1,300 | 1,233 | 95% | 2,466 | (1,166) |
| 02-5-4400-170 | Maintenance - Equipment | 5,665 | 1,777 | 31% | 3,554 | 2,111 |
| 02-5-4400-173 | Maint: Shared Structures/ Improvements | 10,815 | 0 | 0% | 0 | 10,815 |
| 02-5-4400-175 | System Parts/ Operating Supplies | 17,510 | 5,947 | 34% | 11,893 | 5,617 |
| 02-5-4400-176 | Water Meters | 21,630 | 19,738 | 91% | 21,630 | 0 |
| 02-5-4400-177 | Safety Expense | 570 | 0 | 0% | 0 | 570 |
| 02-5-4400-178 | Chemicals | 3,800 | 0 | 0% | 0 | 3,800 |
| 02-5-4400-180 | Membership | 2,700 | 2,542 | 94% | 5,085 | (2,385) |
| 02-5-4400-200 | Office Expense | 620 | 35 | 6% | 71 | 549 |
| 02-5-4400-205 | Outside UB Mail Service | 9,000 | 5,025 | 56% | 7,590 | 1,410 |
| 02-5-4400-220 | Professional Services | 18,025 | 6,006 | 33% | 12,012 | 6,013 |
| 02-5-4400-221 | Information Technology | 575 | 192 | 33% | 384 | 191 |
| 02-5-4400-222 | Contracted Engineering | 5,665 | 3,430 | 61% | 6,860 | (1,195) |
| 02-5-4400-226 | Engineering & Other Reimbursements | 10,815 | 3,918 | 36% | 7,837 | 2,978 |
| 02-5-4400-230 | Legal Notices | 1,145 | 892 | 78% | 1,784 | (639) |
| 02-5-4400-231 | Bad Debt Expense | 545 | 0 | 0% | 0 | 545 |
| 02-5-4400-241 | Rents/ Leases - Equipment | 2,115 | 0 | 0% | 0 | 2,115 |
| 02-5-4400-248 | Permits, Fees, Licenses | 13,085 | 141 | 1% | 141 | 12,944 |
| 02-5-4400-250 | Small Tools and Instruments | 2,575 | 0 | 0% | 0 | 2,575 |
| 02-5-4400-285 | Classes/ Seminars | 2,900 | 0 | 0% | 0 | 2,900 |
| 02-5-4400-261 | Water Supply - Lopez | 499,997 | 499,934 | 101% | 499,934 | (5,937) |
| 02-5-4400-262 | Water Supply - State Water | 1,151,000 | 913,511 | 79% | 913,511 | 237,489 |
| 02-5-4400-290 | Utilities | 20,000 | 5,967 | 30% | 11,934 | 8,066 |
| 02-5-4400-297 | Pass-Thru: Crest/Christie/AG | 26,265 | 12,744 | 49% | 25,000 | 1,265 |
| 02-5-4400-362 | Litigation: SMGB | 50,000 | 7,202 | 14% | 14,404 | 35,596 |
| 02-5-4400-380 | NCMA Tec | 44,000 | 18,725 | 43% | 37,449 | 6,551 |
| Total Services & Supplies | | \$1,936,217 | \$1,512,894 | 78% | \$1,591,408 | \$344,809 |
| CAPITAL OUTLAY | | | | | | |
| 02-5-4400-447 | CIP - Overlay | 0 | 25,200 | | 25,200 | (25,200) |
| 02-5-4400-336 | CIP - Water Tank Renovation | 40,000 | 4,800 | 12% | 40,000 | 0 |
| Total Capital Outlay | | \$40,000 | \$30,000 | 75% | \$65,200 | (\$25,200) |
| ADMINISTRATIVE COST ALLOCATION | | | | | | |
| 02-5-4400-376 | Administrative Cost Allocation | 555,363 | 273,351 | 49% | 489,980 | 65,383 |
| Total Administrative Cost Allocation | | \$555,363 | \$273,351 | 49% | \$489,980 | \$65,383 |
| Total Expenditures | | \$2,881,438 | \$1,957,365 | 68% | \$2,436,812 | \$444,626 |
| OPERATING SURPLUS/(DEFICIT) | | (\$168,749) | (\$572,694) | | \$260,517 | \$429,265 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In | 0 | 0 | | | 0 |
| | (Transfers Out) - To General, Garbage, Equipment | (56,075) | (3,993) | | (44,697) | 11,378 |
| | Encumbrances - Sources of Funding | 124,055 | 0 | | 124,055 | 0 |
| | Encumbrances - (Designated Funds) | (154,544) | (138,788) | | (154,544) | 0 |
| NET TRANSFERS & ENCUMBRANCES | | (\$86,564) | (\$142,780) | | (\$75,186) | \$11,378 |



SEWER FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
WASTEWATER DEPARTMENT - FUND - 03**

| ACCOUNT NO. | WASTEWATER FUND WASTEWATER DEPARTMENT - 03 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|-------------------------|---|------------------------------|-------------------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | |
| | Revenues | \$403,800 | \$199,681 | 49% | \$404,500 |
| | Other Sources of Funds | \$0 | \$0 | 0% | \$0 |
| | Total Sources of Funds | \$403,800 | \$199,681 | 49% | \$404,500 |
| USES OF FUNDS | | | | | |
| | Salaries & Wages | \$78,537 | \$32,469 | 41% | \$64,937 |
| | Benefits | \$57,038 | \$21,647 | 38% | \$46,288 |
| | Personnel Services | \$135,575 | \$54,115 | 40% | \$111,225 |
| | Services & Supplies | \$73,708 | \$15,211 | 21% | \$25,928 |
| | Capital Outlay | \$0 | \$16,500 | 0% | \$16,500 |
| | Administrative Cost | \$277,681 | \$136,676 | 49% | \$244,990 |
| | Total Expenditures | \$486,964 | \$222,502 | 46% | \$398,643 |
| | OPERATING SURPLUS/(DEFICIT) | (\$83,164) | (\$22,821) | | \$5,857 |
| | TRANSFERS & ENCUMBRANCES | | | | |
| | Transfers In - From General Fund | 113,940 | 0 | | 113,940 |
| | (Transfers Out) | (11,915) | (2,786) | | (3,975) |
| | Encumbrances - Sources of Funding | 0 | 0 | | 0 |
| | Encumbrances - (Designated Funds) | 0 | 0 | | 0 |
| | NET TRANSFERS & ENCUMBRANCES | \$102,025 | (\$2,786) | | \$109,965 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
WASTEWATER DEPARTMENT - FUND 03**

| ACCOUNT NO. | WASTEWATER FUND WASTEWATER DEPARTMENT - 03 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---|---|------------------------------|-------------------------|------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| 03-4-3210-000 | Sales - Sewer | 400,000 | 197,231 | 49% | 400,000 | 0 |
| 03-4-3211-000 | Sewer Connections | 2,000 | 0 | 0% | 2,000 | 0 |
| 03-4-3255-000 | Inspection Fees | 100 | 50 | 50% | 100 | 0 |
| 03-4-3256-000 | FOG Program | 1,700 | 2,400 | 141% | 2,400 | 700 |
| Total Revenues | | \$403,800 | \$199,681 | 49% | \$404,500 | \$700 |
| OTHER SOURCES OF FUNDS | | | | | | |
| Total Other Sources of Funds | | \$0 | \$0 | | \$0 | \$0 |
| Total Sources of Funds | | \$403,800 | \$199,681 | 49% | \$404,500 | \$700 |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| 03-5-4500-010 | Salaries and Wages | 65,037 | 31,466 | 48% | 62,931 | 2,106 |
| 03-5-4500-020 | Overtime | 13,500 | 1,003 | 7% | 2,006 | 11,494 |
| Total Salaries & Wages | | \$78,537 | \$32,469 | 41% | \$64,937 | \$13,600 |
| BENEFITS | | | | | | |
| 03-5-4500-075 | Workers Compensation Insurance | 3,762 | 1,893 | 50% | 3,786 | (25) |
| | Operating Crew Benefits Allocation | 53,276 | 19,754 | 37% | 42,501 | 10,775 |
| Total Benefits | | \$57,038 | \$21,647 | 38% | \$46,288 | \$10,750 |
| Total Personnel Services | | \$135,575 | \$54,115 | 40% | \$111,225 | \$24,350 |
| SERVICES & SUPPLIES | | | | | | |
| 03-5-4500-110 | Communication | 515 | 181 | 35% | 363 | 152 |
| 03-5-4500-163 | Maint: Sewer Structures/ Improvements | 17,000 | 1,455 | 9% | 2,910 | 14,090 |
| 03-5-4500-170 | Maintenance: Equipment | 3,348 | 640 | 19% | 1,280 | 2,068 |
| 03-5-4500-171 | Maintenance: Vehicles | 3,500 | 0 | 0% | 0 | 3,500 |
| 03-5-4500-172 | Gas and Oil | 3,500 | 0 | 0% | 0 | 3,500 |
| 03-5-4500-173 | Maint: Structures/ Improvements | 5,135 | 435 | 8% | 870 | 4,265 |
| 03-5-4500-175 | System Parts/ Operating Supplies | 8,240 | 1,053 | 13% | 2,106 | 6,134 |
| 03-5-4500-177 | Safety Expense | 2,850 | 0 | 0% | 0 | 2,850 |
| 03-5-4500-180 | Memberships | 450 | 385 | 86% | 385 | 65 |
| 03-5-4500-200 | Office Expense | 515 | 0 | 0% | 0 | 515 |
| 03-5-4500-205 | Outside UB Mailing Expense | 9,000 | 4,966 | 55% | 9,932 | (932) |
| 03-5-4500-220 | Professional Services | 2,575 | 0 | 0% | 0 | 2,575 |
| 03-5-4500-222 | Contracted Engineering | 2,835 | 1,050 | 37% | 2,100 | 735 |
| 03-5-4500-241 | Rents & Leases/ Equipment | 2,575 | 245 | 10% | 490 | 2,085 |
| 03-5-4500-248 | Regulatory Permits & Fees | 4,020 | 4,064 | 101% | 4,020 | 0 |
| 03-5-4500-285 | Classes/ Seminars/ Training Fees | 2,800 | 0 | 0% | 0 | 2,800 |
| 03-5-4500-290 | Utilities | 2,600 | 736 | 28% | 1,472 | 1,128 |
| 03-5-4500-390 | Bad Debt Expense | 350 | 0 | 0% | 0 | 350 |
| 03-5-4500-499 | Claims & Settlements | 1,900 | 0 | 0% | 0 | 1,900 |
| Total Services & Supplies | | \$73,708 | \$15,211 | 21% | \$25,928 | \$47,780 |
| CAPITAL OUTLAY | | | | | | |
| 03-5-4500-447 | CIP - Overlay | 0 | 16,500 | | 16,500 | (16,500) |
| Total Capital Outlay | | \$0 | \$16,500 | | \$16,500 | (\$16,500) |
| ADMINISTRATIVE COST ALLOCATION | | | | | | |
| | Administrative Cost Allocation | 277,681 | 136,676 | 49% | 244,990 | 32,691 |
| Total Administrative Cost Allocation | | \$277,681 | \$136,676 | 49% | \$244,990 | \$32,691 |
| Total Expenditures | | \$486,964 | \$222,502 | 46% | \$398,643 | \$88,321 |
| OPERATING SURPLUS/(DEFICIT) | | (\$83,164) | (\$22,821) | | \$5,857 | \$89,021 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In - From General Fund | 113,940 | 0 | | 113,940 | 0 |
| | (Transfers Out) - Equipment Fund | (11,915) | (2,786) | | (3,975) | 7,940 |
| | Encumbrances - Sources of Funding | | | | | 0 |
| | Encumbrances - (Designated Funds) | | | | | 0 |
| NET TRANSFERS & ENCUMBRANCES | | \$102,025 | (\$2,786) | | \$109,965 | \$7,940 |



GARBAGE FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
GARBAGE FUND - 06**

| ACCOUNT NO. | GARBAGE FUND GARBAGE DEPARTMENT - 06 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE | |
|-------------------------------------|---|------------------------------|-------------------------|---------------------|------------------------------------|-----------------|
| SOURCES OF FUNDS | | | | | | |
| | Revenues | \$59,693 | \$37,150 | 62% | \$65,800 | \$6,107 |
| | Other Sources of Funds | \$0 | \$0 | 0% | \$0 | \$0 |
| | Total Sources of Funds | \$59,693 | \$37,150 | 62% | \$65,800 | \$6,107 |
| USES OF FUNDS | | | | | | |
| | Salaries & Wages | \$27,000 | \$3,891 | 14% | \$7,782 | \$19,218 |
| | Benefits | \$23,138 | \$8,704 | 38% | \$18,655 | \$4,483 |
| | Personnel Services | \$50,138 | \$12,595 | 25% | \$26,438 | \$23,701 |
| | Services & Supplies | \$24,616 | \$4,306 | 17% | \$13,152 | \$11,464 |
| | Capital Outlay | \$0 | \$0 | 0% | \$0 | \$0 |
| | Administrative Cost | \$37,024 | \$18,223 | 49% | \$32,665 | \$4,359 |
| | Total Expenditures | \$111,779 | \$35,125 | 31% | \$72,256 | \$39,523 |
| OPERATING SURPLUS/(DEFICIT) | | (\$52,086) | \$2,025 | | (\$6,455) | \$45,631 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| | Transfers In - From General Fund | 7,500 | 0 | | 7,500 | 0 |
| | (Transfers Out) | (1,033) | (242) | | (345) | 688 |
| | Encumbrances - Sources of Funding | 0 | 0 | | 0 | 0 |
| | Encumbrances - (Designated Funds) | 0 | 0 | | 0 | 0 |
| | NET TRANSFERS & ENCUMBRANCES | \$6,467 | (\$242) | | \$7,155 | \$688 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
GARBAGE FUND - 06**

| ACCOUNT NO. | GARBAGE FUND GARBAGE DEPARTMENT - 06 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---|---|------------------------------|-------------------------|------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| 06-4-3230-000 | Garbage: Misc Income | 0 | 113 | | 113 | 113 |
| 06-4-3501-000 | Franchise Fees | 51,018 | 28,651 | 56% | 57,302 | 6,284 |
| 06-4-3501-741 | Landfill Savings Payment | 8,675 | 8,386 | 97% | 8,386 | (289) |
| Total Revenues | | \$59,693 | \$37,150 | 62% | \$65,800 | \$6,107 |
| OTHER SOURCES OF FUNDS | | | | | | |
| | | 0 | 0 | | 0 | 0 |
| Total Other Sources of Funds | | \$0 | \$0 | | \$0 | \$0 |
| Total Sources of Funds | | \$59,693 | \$37,150 | 62% | \$65,800 | \$6,107 |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| 06-5-4900-010 | Salaries & Wages | 27,000 | 3,891 | 14% | 7,782 | 19,218 |
| 06-5-4900-020 | Overtime Wages | 0 | 0 | | 0 | 0 |
| Total Salaries & Wages | | \$27,000 | \$3,891 | 14% | \$7,782 | \$19,218 |
| BENEFITS | | | | | | |
| 06-5-4900-075 | Compensation Insurance | 940 | 473 | 50% | 947 | (6) |
| | Operating Crew Benefits Allocation | 22,198 | 8,231 | 37% | 17,709 | 4,489 |
| Total Benefits | | \$23,138 | \$8,704 | 38% | \$18,655 | \$4,483 |
| Total Personnel Services | | \$50,138 | \$12,595 | 25% | \$26,438 | \$23,701 |
| SERVICES & SUPPLIES | | | | | | |
| 06-5-4900-110 | Communication | 930 | 84 | 9% | 168 | 763 |
| 06-5-4900-171 | Maintenance - Vehicles | 530 | 0 | 0% | 0 | 530 |
| 06-5-4900-173 | Maint - Shared Structures/ Improvements | 490 | 40 | 8% | 80 | 410 |
| 06-5-4900-175 | Operating Supplies | 1,600 | 16 | 1% | 32 | 1,568 |
| 06-5-4900-200 | Office Expense | 1,065 | 0 | 0% | 0 | 1,065 |
| 06-5-4900-210 | Postage | 530 | 0 | 0% | 0 | 530 |
| 06-5-4900-220 | Professional Services | 8,940 | 1,436 | 16% | 2,873 | 6,067 |
| 06-5-4900-290 | Utilities | 530 | 0 | 0% | 0 | 530 |
| | School Outreach Programs | 10,000 | 2,730 | 27% | 10,000 | 0 |
| Total Services & Supplies | | \$24,616 | \$4,306 | 17% | \$13,152 | \$11,464 |
| CAPITAL OUTLAY | | | | | | |
| | | 0 | 0 | 0% | 0 | 0 |
| Total Capital Outlay | | \$0 | \$0 | 0% | \$0 | \$0 |
| ADMINISTRATIVE COST ALLOCATION | | | | | | |
| Administrative Cost Allocation | | 37,024 | 18,223 | 49% | 32,665 | 4,359 |
| Total Administrative Cost Allocation | | \$37,024 | \$18,223 | 49% | \$32,665 | \$4,359 |
| Total Expenditures | | \$111,779 | \$35,125 | 31% | \$72,256 | \$39,523 |
| OPERATING SURPLUS/(DEFICIT) | | (\$52,086) | \$2,025 | | (\$6,455) | \$45,631 |
| TRANSFERS & ENCUMBRANCES | | | | | | |
| Transfers In - From Water Fund | | 7,500 | 0 | | 7,500 | 0 |
| (Transfers Out) - Equipment Fund | | (1,033) | (242) | | (345) | 688 |
| Encumbrances - Sources of Funding | | | | | | 0 |
| Encumbrances - (Designated Funds) | | | | | | 0 |
| NET TRANSFERS & ENCUMBRANCES | | \$6,467 | (\$242) | | \$7,155 | \$688 |



EQUIPMENT FUND





**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
EQUIPMENT FUND - 12**

| ACCOUNT NO. | EQUIPMENT FUND - 12 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/30/2020 | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|---|-----------------------------------|------------------------------|-------------------------|---------------------|------------------------------------|
| SOURCES OF FUNDS | | | | | |
| | Revenues | \$30,023 | \$7,020 | 23% | \$10,017 |
| | Other Sources of Funds | \$0 | \$0 | 0% | \$0 |
| | Total Sources of Funds | \$30,023 | \$7,020 | 23% | \$10,017 |
| USES OF FUNDS | | | | | |
| | Salaries & Wages | \$0 | \$0 | 0% | \$0 |
| | Benefits | \$0 | \$0 | 0% | \$0 |
| | Personnel Services | \$0 | \$0 | | \$0 |
| | Services & Supplies | \$16,000 | \$2,997 | 19% | \$5,994 |
| | Capital Outlay | \$0 | \$0 | 0% | \$0 |
| | Debt Service | \$10,000 | \$0 | 0% | \$10,000 |
| | Total Expenditures | \$26,000 | \$2,997 | 12% | \$5,994 |
| OPERATING SURPLUS/(DEFICIT) | | \$4,023 | \$4,023 | | \$4,023 |
| TRANSFERS & ENCUMBRANCES | | | | | |
| | Transfers In | 0 | 0 | | 0 |
| | (Transfers Out) | 0 | 0 | | 0 |
| | Encumbrances - Sources of Funding | 0 | 0 | | 0 |
| | Encumbrances - (Designated Funds) | 0 | 0 | | 0 |
| NET TRANSFERS & ENCUMBRANCES | | \$0 | \$0 | | \$0 |



**OCEANO COMMUNITY SERVICES DISTRICT
FUND LEVEL ANALYSIS - QUARTER 2 REVIEW
EQUIPMENT FUND - 12**

| ACCOUNT NO. | EQUIPMENT FUND - 12 | FINAL BUDGET FY 2020/2021 | ACTUAL AT 12/31/2020 | 50% | ESTIMATED ACTUAL | 2020/21 EST. BUDGET VARIANCE |
|--------------------------------------|----------------------------|---------------------------|----------------------|------------|------------------|------------------------------|
| SOURCES OF FUNDS | | | | | | |
| REVENUES | | | | | | |
| 12-4-3800-001 | Lease Revenue from Water | 17,075 | 3,993 | 23% | 5,697 | (11,378) |
| 12-4-3800-002 | Lease Revenue from Sewer | 11,915 | 2,786 | 23% | 3,975 | (7,940) |
| 12-4-3800-005 | Lease Revenue from Garbage | 1,033 | 242 | 23% | 345 | (688) |
| Total Revenues | | \$30,023 | \$7,020 | 23% | \$10,017 | (\$20,006) |
| OTHER SOURCES OF FUNDS | | | | | | |
| | | 0 | 0 | | 0 | 0 |
| Total Other Sources of Funds | | \$0 | \$0 | | \$0 | \$0 |
| Total Sources of Funds | | \$30,023 | \$7,020 | 23% | \$10,017 | (\$20,006) |
| USES OF FUNDS | | | | | | |
| SALARIES & WAGES | | | | | | |
| | | 0 | 0 | | 0 | 0 |
| Total Salaries & Wages | | \$0 | \$0 | | \$0 | \$0 |
| BENEFITS | | | | | | |
| | | 0 | 0 | | 0 | 0 |
| Total Benefits | | \$0 | \$0 | | \$0 | \$0 |
| Total Personnel Services | | \$0 | \$0 | | \$0 | \$0 |
| SERVICES & SUPPLIES | | | | | | |
| 12-5-4350-171 | Maintenance - Vehicles | 6,500 | 356 | 5% | 712 | 5,788 |
| 12-5-4350-172 | Fuel | 9,500 | 2,641 | 28% | 5,282 | 4,218 |
| Total Services & Supplies | | \$16,000 | \$2,997 | 19% | \$5,994 | \$10,006 |
| CAPITAL OUTLAY | | | | | | |
| 12-5-4350-320 | Fixed Assets | 0 | 0 | | 0 | 0 |
| Total Capital Outlay | | \$0 | \$0 | | \$0 | \$0 |
| DEBT SERVICE | | | | | | |
| 12-5-4350-320 | Equipment Lease | 10,000 | 0 | 0% | 0 | 10,000 |
| Total Debt Service | | \$10,000 | \$0 | 0% | \$0 | \$10,000 |
| Total Expenditures | | \$26,000 | \$2,997 | 12% | \$5,994 | \$20,006 |
| OPERATING SURPLUS/(DEFICIT) | | \$4,023 | \$4,023 | | \$4,023 | \$0 |

Oceano Community Services District

Revenue Comparisons - Target to Actual

Billing Periods Ending in:

Fiscal Years 2015/16, 2016/17, 2017/18, 2018/19, 2019/20, 2020/21

| | 15/16 Target | 15/16 Actual | 16/17 Target | 16/17 Actual | 17/18 Target | 17/18 Actual | 18/19 Target | 18/19 Actual | 19/20 Target | 19/20 Actual | 20/21 Target | 20/21 Actual |
|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| May - July | \$ 393,460 | \$ 336,187 | \$ 405,040 | \$ 390,467 | \$ 415,276 | \$ 411,935 | \$ 428,980 | \$ 398,540 | \$ 428,760 | \$ 402,499 | \$ 437,784 | \$ 463,594 |
| July - Sept. | \$ 380,230 | \$ 359,329 | \$ 391,420 | \$ 368,608 | \$ 401,313 | \$ 402,095 | \$ 414,556 | \$ 403,771 | \$ 434,388 | \$ 434,372 | \$ 435,635 | \$ 457,925 |
| Sept. - Nov. | \$ 348,369 | \$ 334,971 | \$ 358,621 | \$ 355,697 | \$ 367,685 | \$ 359,870 | \$ 379,819 | \$ 357,085 | \$ 384,162 | \$ 408,556 | \$ 390,174 | \$ 437,307 |
| Nov. - Jan. | \$ 290,136 | \$ 290,531 | \$ 298,675 | \$ 321,261 | \$ 306,223 | \$ 343,440 | \$ 316,328 | \$ 326,018 | \$ 350,739 | \$ 319,387 | \$ 360,300 | \$ - |
| Jan. - March | \$ 323,358 | \$ 300,986 | \$ 332,874 | \$ 296,186 | \$ 341,287 | \$ 308,550 | \$ 352,550 | \$ 286,146 | \$ 307,844 | \$ 347,461 | \$ 320,116 | \$ - |
| March - May | \$ 351,803 | \$ 344,349 | \$ 362,157 | \$ 335,738 | \$ 371,309 | \$ 350,089 | \$ 383,563 | \$ 358,893 | \$ 386,107 | \$ 353,371 | \$ 385,992 | \$ - |
| Totals | \$ 2,087,356 | \$ 1,966,353 | \$ 2,148,787 | \$ 2,067,956 | \$ 2,203,093 | \$ 2,175,978 | \$ 2,275,795 | \$ 2,130,454 | \$ 2,292,000 | \$ 2,265,646 | \$ 2,330,000 | \$ 1,358,826 |
| (Shortfall)/Overfall | | <u>\$ (121,003)</u> | | <u>\$ (80,831)</u> | | <u>\$ (27,115)</u> | | <u>\$ (145,341)</u> | | <u>\$ (26,354)</u> | | <u>\$ 95,234</u> |

Cumulative Revenue Shortfall: \$ (184,407)

