



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, FEBRUARY 28, 2024 – 6:00 P.M.
Oceano Community Services District Board Room
1655 Front Street Oceano, CA

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.

The Oceano Community Services District strongly encourages your active participation in the public process, which is the cornerstone of democracy. All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the Board Secretary prior to the start of the meeting. If you wish to speak to an item NOT on the agenda, you may do so during the "Public Comment On Matters Not on the Agenda" period. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. The time limits allocated to speakers may change to facilitate the Board meeting better. Time limits may not be yielded to or shared with other speakers.

The purpose of the Board meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Oceano Community Services District asks that you follow the Board meeting guidelines while attending Board meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and Board policy. Disruptive conduct is not tolerated, including but not limited to addressing the Board without first being recognized; interrupting speakers, Board members, or staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. FLAG SALUTE**
- 4. AGENDA REVIEW**
- 5. CLOSED SESSION REPORT FROM THE SPECIAL MEETING OF FEBRUARY 28, 2024**
- 6. 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.

7. SPECIAL PRESENTATIONS & REPORTS:

- A.** Submittal of a Sewer System Management Plan (SSMP) 2024 Internal Audit covering Calendar Years 2022 & 2023

B. STAFF REPORTS:

- i. Sheriff's South Station – Commander Ian Doughty
- ii. FCFA Operations – FCFA Staff
- iii. Operations – Utility System Manager Tony Marraccino
- iv. OCSD Interim General Manager – Paavo Ogren

C. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Oceano Parks and Recreation Committee Minutes for the meeting held on January 9, 2024 and correspondence on Caltrans Improvements along Highway One and the railroad overpass between 4th Street and Pershing Drive
- ii. President Varni (Regional Water Mgt Group, State Water Subcontractors, Airport Land Use)
- iii. Vice President Joyce-Suneson (Parks & Recreation Advisory Committee, Budget & Finance Committee, CA Special District's Association)

- iv. Director Austin (South San Luis Obispo County Sanitation District, Zone 1/1A)
- v. Director Gibson (Zone 3, Regional Water Quality Control Board)
- vi. Director Villa (Water Resource Advisory Committee, Local Agency Formation Commission)

D. 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.

8. CONSENT AGENDA ITEMS:

Public comment Items appearing on the Consent Items are considered routine and may be approved by one motion. Any member of the Board may request to have an item removed from the Consent Items. If an item is pulled, the President has the sole discretion to determine when the item will be heard. Members of the public wishing to speak on Consent 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 of the Minutes for the Special Meeting held on February 14, 2024
- B. Review of the Minutes for the Regular Meeting held on February 14, 2024
- C. Review of Cash Disbursements

9. 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 on each of the following items.

- A. Approval of a recommendation to adopt a resolution Designating the General Manager as the authorized representative to file an application and execute agreements for the Ken Mar Gardens and Halcyon Water System Improvements Project through the State Revolving Fund Financing Program
- B. Consider the Informed Consent For Waiver of Potential Conflict of Interest for the law firm of Adamski, Moroski, Madden, Cumberland, Green, LLC to Provide Legal Representation of Central Coast Blue Regional Recycled Water Authority
- C. Preview on Developing a Strategic Plan for the District with Board Direction as Deemed Appropriate

10. HEARING ITEMS:

Public comment Members of the public wishing to speak on hearing 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 on each of the following items.

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS:

14. FUTURE HEARING ITEMS:

15. CLOSED SESSION:

16. ADJOURNMENT:

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The 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

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

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

Date: February 28, 2024

To: Board of Directors

From: Tony Marraccino, Operations Manager

Subject: **Agenda Item #7(A): Submittal of a Sewer System Management Plan (SSMP) 2024 Internal Audit covering Calendar Years 2022 & 2023**

Recommendation

It is recommended that your Board receive and file the SSMP 2022 & 2023 Internal Audit.

Discussion

In February 2020, the Board of Directors approved the 2020 Update to the Sewer System Management Plan (SSMP) in accordance with regulatory requirements established by the State Water Board and administered by the Regional Water Board. The overlying purpose of the SSMP regulations is to ensure that sewer system overflows are either eliminated or minimized. This report summarizes the results of the audit, which is attached.

Overall, the District complied with regulatory reporting requirements and the SSMP requirements to prevent/minimize overflow events. The regulatory requirements include a variety of maintenance and rehabilitation requirements, documentation, and monitoring. The following are the elements included in an SSMP:

1. Agency Goals
2. Agency Organization
3. Legal Authority
4. Operations and Maintenance
5. Design and Performance Provisions
6. Overflow Emergency Response Plan
7. Fats, Oils, and Grease (FOG) Control Program
8. Capacity Management
9. Monitoring, Measurement, and Program Modifications
10. Sewer System Management Plan Audit
11. Communication Program

The SSMP must be updated every five years and is due again in 2025. The attached internal audit has been completed by District staff. Overall, the District had 2 Sewer System Overflows (SSO); (1) in 2022 and (1) in 2023. The first SSO was at a customer's clean out where 1 gallon was spilled, and 0 gallons were recovered and the second was at a manhole where 225 gallons spilled and 150 gallons were recovered. The District had zero incidences of discharges into water bodies caused by failure of District facilities.



Other Agency Involvement

The Regional Water Board is responsible for regulating the District's SSMP implementation. In the past the South San Luis Obispo County Sanitation District was under contract with the District for implementing the Fats-Oil-Grease (FOG) program through 2017. A private firm provided program services in 2018 and provided training and since then the District has implemented the current internal FOG program successfully.

Other Financial Considerations

An updated evaluation of the wastewater system infrastructure will coincide with the system's capital improvement planning and a wastewater rates and charges analysis anticipated in Fiscal Year 2024-25.

Results

Maintaining a Sewer System Management Plan and performing bi-annual audits promotes a safe, healthy, and well-governed community.

Attachments: 2024 SSMP Internal Audit for 2022 & 2024

Oceano Community Services District Sewer System Management Plan - Internal Audit Program 2024 Audit (for Calendar Years 2022 and 2023)

The audit program includes excerpts from State Water Board Order wqo2006_0003, Section D.13, which is the basis for “evaluating the effectiveness of the SSMP and the Enrollee’s compliance with the SSMP requirements” pursuant to Section D.13(x) entitled SSMP Program Audits.

This audit program was adopted by the Oceano Community Services District (OCSD) Board of Directors on January 28, 2015. It is incorporated as Appendix “G” in the 2020 OCSD Sewer System Management Plan.

Eleven Elements of the Sewer System Management Plan (SSMP)

SSMPs include the following eleven elements unless the enrollee can justify why an element is not applicable. The 2020 SSMP Update adopted by the OCSD Board of Directors on February 26, 2020, included all eleven elements.

- (i) Goals
- (ii) Organization
- (iii) Legal Authority
- (iv) Operation and Maintenance Program
- (v) Design and Performance Provisions
- (vi) Overflow Emergency Response Plan
- (vii) FOG Control Program
- (viii) System Evaluation and Capacity Assurance Plan
- (ix) Monitoring, Measurement, and Program Modifications
- (x) SSMP Program Audits
- (xi) Communication Program

Each element is audited by 1) evaluating the implementation of prior audit findings, and 2) evaluating the District’s implementation efforts during the audit period in comparison to the adopted SSMP. A narrative is provided for each element, including a discussion on audit steps, findings, and a schedule to implement recommendations, if any.

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (i) – Goals

SSMP Requirement: Establishing Goals	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
The goal of the SSMP is to provide a plan and schedule to properly manage, operate, and maintain all parts of the sanitary sewer system. This will help reduce and prevent SSOs, as well as mitigate any SSOs that do occur.	Y	R

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

Goals were established and included in the 2020 SSMP update and approved by the Board of Directors on February 26, 2020.

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Are the goals stated in the SSMP still appropriate and accurate?

The goals are still appropriate, and no changes are recommended.

The 2020 SSMP Update includes goals and objective performance measurements. The following are the stated goals and audit findings:

To be available and responsive to the needs of the public in reference to the public sewer system	Goal was achieved.
To work cooperatively with local, state, and federal agencies to reduce, mitigate and properly report SSOs	Goal was achieved. Updated and submitted the SSMP in 2020 and ongoing reporting is being met.
To properly manage and maintain the District public sewer system lines to minimize SSOs	Goal was achieved.
To meet all applicable regulatory notification and reporting requirements	Goal was achieved.

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

The following table compares the objective performance measurements stated in the SSMP versus actual results during the audit period:

100% of monthly CIWQS reports are submitted accurately and on time.	Objective met: 100% of reports were submitted accurately and on time.
100% of work orders are completed, documented, and filed in accordance with the SSMP.	Objective met: Before 2019, FOG permits were maintained at the South San Luis Obispo County Sanitation District. The OCSD brought the program in-house, and the files are maintained at the District office.
100% of any reportable spills are submitted in accordance with the reporting requirements.	Objective met: 100% of reportable spills were submitted in accordance with reporting requirements.
100% of FOG inspections are completed on time.	Objective met: 36 out of 36 inspections were completed for 2022. 33 out of 34 inspections will be completed in 2023.
100% of jetting and maintenance is completed, including for High Maintenance Areas.	Objective met: 100% of jetting and maintenance was completed, including the High Maintenance Areas.
An audit report is placed on the Board of Directors agenda every other year, no later than February 28 th , that provides the statistics on these goals for the prior calendar year.	Objective met: In 2020 the Board adopted the updated SSMP report. This is the second and last two-year audit of the 2020 SSMP before it is updated in 2025. The Utility System Manager provides a verbal report to the Board of Directors after each spill during his operations report and they are recorded in the meeting minutes.

2(b): Findings:
 FOG inspections were 99% completed. One inspection was missed because a facility closed during 2023 due to a fire.

2(c): Schedule to Implement Recommendations, if any.
 Administrative files in the District office are maintained and updated after each inspection.

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (ii) – Organization

SSMP Requirement: The SSMP must identify individuals and chains of communication.	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
(a) The name of the responsible or authorized representative as described in Section J of this Order.	Y	C
(b) The names and telephone numbers for management, administrative, and maintenance positions responsible for implementing specific measures in the SSMP program. The SSMP must identify lines of authority through an organization chart or similar document with a narrative explanation	Y	C
(c) The chain of communication for reporting SSOs, from receipt of a complaint or other information, including the person responsible for reporting SSOs to the State and Regional Water Board and other agencies if applicable (such as County Health Officer, County Environmental Health Agency, Regional Water Board, and/or State Office of Emergency Services (OES))	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

N/A

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Is the SSMP up to date with agency organization and staffing contact information?

The organizational chart is current.

- ii. Are procedures established to comply with the SMMP?

The two-year audit and adoption of the 2020 SSMP reflect necessary procedures. Staff updates, including phone numbers and individual names, are updated as needed.

2(b): Findings: None

2(c): Schedule to Implement Recommendations, if any. None

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (iii) - Legal Authority

SSMP Requirement: Each Enrollee must demonstrate, through sanitary sewer system use ordinances, service agreements, or other legally binding procedures, that it possesses the necessary legal authority to implement the SSMP	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
(a) Prevent illicit discharges into its sanitary sewer system (examples may include I/I, stormwater, chemical dumping, unauthorized debris and cut roots, etc.)	Y	C
(b) Require that sewers and connections be properly designed and constructed	Y	C
(c) Ensure access for maintenance, inspection, or repairs for portions of the lateral owned or maintained by the Public Agency	Y	C
(d) Limit the discharge of fats, oils, grease, and other debris that may cause blockages	Y	C
(e) Enforce any violation of its sewer ordinances	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

N/A

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Does the SSMP contain up-to-date information about your agency's legal authority?
Yes
- ii. Does your agency have sufficient legal authority to control sewer use and maintenance as required?
Yes

2(b): Findings:

2(c): Schedule to Implement Recommendations, if any. None

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (iv) – Operation and Maintenance Program

SSMP Requirement: The SSMP must include those elements listed.	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
(a) Maintain an up-to-date map of the sanitary sewer system, showing all gravity line segments and manholes, pumping facilities, pressure pipes and valves, and applicable storm-water conveyance facilities	Y	C
(b) Describe routine preventive operation and maintenance activities by staff and contractors, including a system for scheduling regular maintenance and cleaning of the sanitary sewer system with more frequent cleaning and maintenance targeted at known problem areas. The Preventative Maintenance (PM) program should have a system to document scheduled and conducted activities, such as work orders	Y	C
(c) Develop a rehabilitation and replacement plan to identify and prioritize system deficiencies and implement short-term and long-term rehabilitation actions to address each deficiency. The program should include regular visual and TV inspections of manholes and sewer pipes and a system for ranking the condition of sewer pipes and scheduling rehabilitation. Rehabilitation and replacement should focus on sewer pipes that are at risk of collapse or prone to more frequent blockages due to pipe defects. Finally, the rehabilitation and replacement plan should include a capital improvement plan that addresses proper management and protection of the infrastructure assets. The plan shall include a time schedule for implementing the short- and long-term plans, plus a schedule for developing the funds needed for the capital improvement plan	Y	R
(d) Provide training on a regular basis for staff in sanitary sewer system operations and maintenance, and require contractors to be appropriately trained	Y	C
(e) Provide equipment and replacement part inventories, including identification of critical replacement parts	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Oceano Community Services District Sewer System Management Plan - Internal Audit Program 2024 Audit (for Calendar Years 2022 and 2023)

Part One: Implementation of Prior Audit Findings:

District staff has developed a “hot spot” list where the system is vulnerable and maintains those areas more frequently. A Wastewater System Capital Improvement Program needs to be developed similar to the plan in the water system. Short term, the FY 2023-24 wastewater budget included funds for one of the “hot spots” to be replaced.

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

Are the District’s collection system maps complete, up-to-date, and sufficiently detailed?	Yes
Is the District’s preventive maintenance program up-to-date and documented?	Yes
Is the District’s preventative maintenance program sufficient and effective in reducing and preventing SSOs and blockages?	Yes
Are your agency’s inspections and condition assessments up-to-date and documented?	Yes
Are the District’s scheduled inspections and condition assessment system effective in locating, identifying, and addressing deficiencies?	Yes
Is the District’s training program sufficient and documented?	Yes In 2019 District Staff took over the permitting, inspection, and compliance requirements of the program. The District uses an online program called Vector Solutions (formally known as Target Solutions) to take ongoing training courses virtually.

Oceano Community Services District
Sewer System Management Plan - Internal Audit Program
2024 Audit (for Calendar Years 2022 and 2023)

Are the District's equipment and part inventory sufficient and documented?	Yes Updates are done annually on June 30 th , and due to the limited nature of the inventory, a more frequent update is not necessary.
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2(b): Findings:

The District complied with Operations and Maintenance requirements. Upgrading maps and record-keeping into electronic format is ongoing.

2(c): Schedule to Implement Recommendations, if any. None

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (v) - Design and Performance Provisions

SSMP Requirement	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
(a) Design and construction standards and specifications for the installation of new sanitary sewer systems, pump stations, and other appurtenances; and for the rehabilitation and repair of existing sanitary sewer systems	Y	C
(b) Procedures and standards for inspecting and testing the installation of new sewers, pumps, and other appurtenances and for rehabilitation and repair projects	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

N/A

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Are design and construction standards, as well as standards for inspection and testing of new and rehabilitated facilities, sufficiently comprehensive and up to date?

Yes

- ii. Are the District's conditions on new development sufficient and up to date when modifications to the District's system are needed to provide service to the development?

Yes

2(b): Findings:

The District's standards and conditions for new development are up-to-date and sufficient.

2(c): Schedule to Implement Recommendations, if any.

None

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (vi) - Overflow Emergency Response Plan

SSMP Requirement: Each Enrollee shall develop and implement an overflow emergency response plan that identifies measures to protect public health and the environment.	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
(a) Proper notification procedures so that the primary responders and regulatory agencies are informed of all SSOs in a timely manner	Y	C
(b) A program to ensure an appropriate response to all overflows	Y	C
(c) Procedures to ensure prompt notification to appropriate regulatory agencies and other potentially affected entities (e.g., health agencies, Regional Water Boards, water suppliers, etc.) of all SSOs that potentially affect public health or reach the waters of the State in accordance with the MRP. All SSOs shall be reported in accordance with this MRP, the California Water Code, other State Laws, and other applicable Regional Water Board WDRs or NPDES permit requirements. The SSMP should identify the officials who will receive immediate notification	Y	C
(d) Procedures to ensure that appropriate staff and contractor personnel are aware of and follow the Emergency Response Plan and are appropriately trained	Y	C
(e) Procedures to address emergency operations, such as traffic and crowd control and other necessary response activities	Y	C
(f) A program to ensure that all reasonable steps are taken to contain and prevent the discharge of untreated and partially treated wastewater to waters of the United States and to minimize or correct any adverse impact on the environment resulting from the SSOs, including such accelerated or additional monitoring as may be necessary to determine the nature and impact of the discharge	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

N/A

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Does the District maintain up-to-date information on its Overflow Emergency Response Plan?

Yes

Oceano Community Services District
Sewer System Management Plan - Internal Audit Program
2024 Audit (for Calendar Years 2022 and 2023)

- ii. Considering the District's information, is the Overflow Emergency Response Plan effective in handling SSOs?

Yes

2(b): Findings:

The operating staff follows response procedures, is knowledgeable of their response requirements, and utilizes industry guidelines.

2(c): Schedule to Implement Recommendations, if any. None

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (vii) - FOG Control Program

SSMP Requirement: The Enrollee must prepare and implement a FOG source control program to reduce the amount of these substances discharged to the sanitary sewer system	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
(a) An implementation plan and schedule for a public education outreach program that promotes proper disposal of FOG	Y	C
(b) A plan and schedule for the disposal of FOG generated within the sanitary sewer system service area. This may include a list of acceptable disposal facilities and/or additional facilities needed to adequately dispose of FOG generated within a sanitary sewer system service area	Y	C
(c) The legal authority to prohibit discharges to the system and identify measures to prevent SSOs and blockages caused by FOG	Y	C
(d) Requirements to install grease removal devices (such as traps or interceptors), design standards for the removal devices, maintenance requirements, BMP requirements, record keeping and reporting requirements	Y	C
(e) Authority to inspect grease-producing facilities, enforcement authorities, and whether the Enrollee has sufficient staff to inspect and enforce the FOG ordinance	Y	C
(f) An identification of sanitary sewer system sections subject to FOG blockages and establishment of a cleaning maintenance schedule for each section	Y	C
(g) Development and implementation of source control measures for all sources of FOG discharged to the sanitary sewer system for each section identified above	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings: N/A

Oceano Community Services District
Sewer System Management Plan - Internal Audit Program
2024 Audit (for Calendar Years 2022 and 2023)

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Does the District maintain up-to-date information on its FOG control program?

Yes. All files are maintained at the District office.

- ii. Is the FOG control program effective?

Yes. Only one violation in 2022 due to a grease trap not properly cleaned and an unsecured lid.

2(b): Findings: None

2(c): Schedule to Implement Recommendations, if any. N/A

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (viii) - System Evaluation and Capacity Assurance Plan

SSMP Requirement: The Enrollee shall prepare and implement a capital improvement plan (CIP) that will provide hydraulic capacity of key sanitary sewer system elements for dry weather peak flow conditions, as well as the appropriate design storm or wet weather event.	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
<p>(a) Evaluation: Actions needed to evaluate those portions of the sanitary sewer system that are experiencing or contributing to an SSO discharge caused by hydraulic deficiency. The evaluation must provide estimates of peak flows (including flows from SSOs that escape from the system) associated with conditions similar to those causing overflow events, estimates of the capacity of key system components, hydraulic deficiencies (including components of the system with limiting capacity) and the major sources that contribute to the peak flows associated with overflow events</p>	<p>Y</p>	<p>C</p>
<p>(b) Design Criteria: Where design criteria do not exist or are deficient, undertake the evaluation identified in (a) above to establish appropriate design criteria</p>	<p>Y</p>	<p>C</p>
<p>(c) Capacity Enhancement Measures: The steps needed to establish a short- and long-term CIP to address identified hydraulic deficiencies, including prioritization, alternatives analysis, and schedules. The CIP may include increases in pipe size, I/I reduction programs, increases and redundancy in pumping capacity, and storage facilities. The CIP shall include an implementation schedule and shall identify sources of funding</p>	<p>Y</p>	<p>R</p>
<p>(d) Schedule: The Enrollee shall develop a schedule of completion dates for all portions of the capital improvement program developed in (a)-(c) above. This schedule shall be reviewed and updated consistent with the SSMP review and update requirements as described in Section D. 14</p>	<p>Y</p>	<p>R</p>

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings: [See findings under 2b.](#)

Oceano Community Services District
Sewer System Management Plan - Internal Audit Program
2024 Audit (for Calendar Years 2022 and 2023)

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

- i. Does the District maintain up-to-date information about its capacity assessment? [Yes, see below.](#)
- ii. Has the District completed a capacity assessment and identified and addressed any hydraulic deficiencies in the system? [Yes, no hydraulic deficiencies were identified.](#)

2(b): Findings:

[These audit findings are consistent with the 2022 audit, where in the SSMP, a “Technical Memorandum Wastewater Collection System Study” dated September 16, 2009, is included as an attachment. In that technical memorandum, it states, “At this time, there are no identified system capacity concerns and therefore no capital improvement projects are recommended.” The District continues to rely upon this Technical Memorandum. An update of the Technical Memorandum will coincide with the District’s capital improvement plan. Being able to secure funds similar to the grant funds obtained for the water system is less likely in the wastewater fund since funding agencies tend to provide more grant opportunities to water systems. Once funding is established a request for proposal \(RFP\) will be issued to update the evaluation and a capital improvement plan.](#)

2(c): Schedule to Implement Recommendations, if any.

[Within the next audit period, the system capacity analysis and CIP plan should be updated.](#)

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (ix) - Monitoring, Measurement, and Program Modifications

SSMP Requirement	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
Maintain relevant information that can be used to establish and prioritize appropriate SSMP activities	Y	C
Monitor the implementation and, where appropriate, measure the effectiveness of each element of the SSMP	Y	C
Assess the success of the preventative maintenance program	Y	C
Update program elements, as appropriate, based on monitoring or performance evaluations	Y	C
Identify and illustrate SSO trends, including frequency, location, and volume	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings: N/A

Part Two: Comparison to Current SSMP

- 2(a): Audit Steps:
 - i. Does the District maintain up-to-date information about its data collection and organization? Yes
 - ii. Is the District’s data collection and organization sufficient to evaluate the effectiveness of your SSMP? Yes
- 2(b): Findings: None
- 2(c): Schedule to Implement Recommendations, if any. N/A

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (x) - SSMP Program Audits

SSMP Requirement	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
The Enrollee shall conduct periodic internal audits, appropriate to the size of the system and the number of SSOs. At a minimum, these audits must occur every two years, and a report must be prepared and kept on file. This audit shall focus on evaluating the effectiveness of the SSMP and the Enrollee’s compliance with the SSMP requirements identified in this subsection (D.13), including identification of any deficiencies in the SSMP and steps to correct them.	Y	C

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

Implementation of prior audit findings was included in the 2020 update. Each element of this audit identifies which items continue to be work in progress.

Since it is appropriate to conduct the audits and related SSMP activities based on the size of the system and the number of SSOs, the various recommendations included in the audit often exceed the basic regulatory requirements. Nevertheless, continuous enhancements support effective program implementation and will be continued.

Part Two: Comparison to Current SSMP

2(a): Audit Steps:

Are the District’s audits being completed in a timely manner with sufficient detail and findings to ensure that the SSMP is updated in a timely manner and that any changes to the District’s policies, procedures and practices are implemented in a timely manner?

Yes

Will this SSMP Audit be submitted with the Annual Report to the Regional Water Board by March 15?

Yes

Oceano Community Services District
Sewer System Management Plan - Internal Audit Program
2024 Audit (for Calendar Years 2022 and 2023)

2(b): Findings:

Although continuous improvements are recommended, the District is complying with SSMP requirements, SSO response requirements, and the overall requirements of the SSMP.

2(c): Schedule to Implement Recommendations, if any.

No audit related recommendations.

Oceano Community Services District
 Sewer System Management Plan - Internal Audit Program
 2024 Audit (for Calendar Years 2022 and 2023)

Element (xi) - Communication Program

SSMP Requirement	Were Prior Audit Findings Implemented? (y/n)	Current Findings (C/NC/R)
The Enrollee shall communicate on a regular basis with the public on the development, implementation, and performance of its SSMP. The communication system shall provide the public the opportunity to provide input to the Enrollee as the program is developed and implemented	Y	C
The Enrollee shall also create a plan of communication with systems that are tributary and/or satellite to the Enrollee’s sanitary sewer system	Y	R

Findings: C = Compliant NC = Non-Compliant R = Recommendations

Part One: Implementation of Prior Audit Findings:

The 2020 update to the SSMP was presented at the February 26, 2020, Regular Board meeting and is on the District website: <https://ocsd.specialdistrict.org/plans-studies>

Part Two: Comparison to Current SSMP

- 2(a): Audit Steps:
 - i. Does the District maintain up-to-date information about its public outreach activities?
 Yes – Information is provided to food service establishments and any overflows from private property.
 - ii. Does the District maintain up-to-date information about its communications with satellite and tributary agencies?
 Yes - The FOG program and emergency events are coordinated with the County of San Luis Obispo.
 - iii. Does the District effectively communicate with the public and other agencies about the SSMP, and address feedback?
 Yes - SSMP updates and audits are provided to the Regional Board.

2(b): Findings: None

2(c): Schedule to Implement Recommendations, if any. None

GENERAL MANAGER REPORT OCEANO COMMUNITY SERVICES DISTRICT

Weeks of February 12-16 & 19-23

- Weekly meetings with Board members
- Board meeting 2/14/24
- NCMA with legal counsel
- CCB meetings
- Site visit and follow up with CalTrans on Highway One overpass
- Caught a bug – sick leave without pay
- Fire Divestiture
- Preliminary Strategic Planning efforts
- Agenda preparation of 2/28/24 meeting



Oceano Community Services District

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

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

Date: February 28, 2024

To: Board of Directors

From: Oceano Parks and Recreation Committee

Via: Paavo Ogren, Interim General Manager

Subject: Agenda Item # 7C(i): Oceano Parks and Recreation Committee (OPARC) Minutes for the meeting held on January 9, 2024, and correspondence on Caltrans Improvements along Highway One and the railroad overpass between 4th Street and Pershing Drive

The following two items are attached as OPARC updates:

1. Approved minutes from the OPARC meeting held on January 9, 2024
2. Correspondence with Caltrans associated with the preliminary research on the improvements along Highway One and the railroad overpass between 4th Street and Pershing Drive



Oceano Parks and Recreation Committee Meeting

Summary Minutes

Tuesday, January 9, 2024 – 1:00 P.M.
 Oceano Community Services District

1. **Call To Order:** The meeting was called to order by Mr. Varni at 1:00 PM.
2. **Roll Call:** Attendees present - Charles Varni, Beverly Joyce-Suneson, Ray Monson, Wanda Monson, Jeannie Harper (Habitat for Humanity) and Dawn Smith (Habitat for Humanity)
3. **Agenda Review:** Accepted as presented
4. **Public Comment on Matters Not On the Agenda:** None

Consent Agenda	Discussion/Action
5A: Review and Approval of Minutes for the Oceano Parks and Recreation Committee Meeting of December 5, 2023	Minutes accepted as presented

Business Items	Discussion/Action
6A: OPARC/OES Track Fundraiser	<p>Discussion included:</p> <ul style="list-style-type: none"> •Fundraising through the OCSD, the County of SLO Parks & Recreation Department, Lucia Mar Unified School District (LMUSD), and sourcing the community for support •Form or partner with a 501(c)(3) or another CSD's Parks & Recreation •Habitat for Humanity indicated they were available to help provide skilled labor and will research other avenues of support •Grants are being researched (health and wellness, etc.) • A rough cost estimate is pending

Business Items	Discussion/Action
6B: OPARC Foundation	Discussion of forming a non-profit 501(c)(3) section to OCSD's parks and recreation program or partnering with another agency with a non-profit status for parks and recreation. OCSD's legal counsel is researching more information.

Business Items	Discussion/Action
6C: Safe Route to Beach Project	<p>Discussion regarding asking Caltrans for 900 ft of sidewalk and/or guardrail on HWY 1 to have a complete safe route to the beach. Mr. Varni will be meeting with Supervisor Paulding to discuss this further and working to get a cost estimate.</p> <p>Wanda Monson made a motion to recommend the OCSD Board of Directors provide direction to OCSD staff to move forward in researching funding for the Oceano Safe Route to Beach Project with a second from Beverly Joyce-Suneson.</p> <p>Public Comment: None</p>

Business Items	Discussion/Action
<p>6D: Fieldtrip Grant from State Parks Organization</p>	<p>Mr. Varni and Mrs. Monson applied for and were awarded \$16,000 for 2024 to provide field trips to a minimum of 385 students at Oceano Elementary School. The students will be going on 985 visits to various parks.</p> <p>For example, first graders will go to the Butterfly Grove, and third graders will be able to go to five different parks. A family field trip to La Purisima Mission is planned and four events will be provided for disabled students to visit the Oceano Lagoon.</p>

7. **Items for Next Agenda:** 6A-D (Business Items) will be revisited on the next agenda.
8. **Adjournment** at 1:46 PM.

Carey Casciola

From: Paavo Ogren
Sent: Friday, February 23, 2024 9:58 AM
To: Hendrix, Peter A@DOT; President Varni
Cc: Carey Casciola
Subject: Re: Pedestrian safety on SR 1 in Oceano

Hi Peter,

Thank you for your follow-up email. Do you have a boilerplate maintenance agreement? The one thing I don't want to forget addressing upfront is traffic control requirements and any related notices.

Paavo

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

From: Hendrix, Peter A@DOT <peter.hendrix@dot.ca.gov>
Sent: Tuesday, February 20, 2024 12:25:16 PM
To: President Varni <presidentvarni@oceanocsd.org>
Cc: Paavo Ogren <paavo@oceanocsd.org>
Subject: RE: Pedestrian safety on SR 1 in Oceano

Good afternoon Charles- I appreciate the meeting with you and Paavo. In terms of the channelizers being placed down by Caltrans, that is a possibility I am looking into. This would come with some strings. They would be something like,

1. The CSD or County applies for a permit (no fee) to accept ownership of the channelizers;
2. Or, the maintenance agreement (assuming there is one) would be updated to reflect the installation of these devices

The project will be putting down new pavement markings on the easterly side of Hwy 1 with a buffered bike lane. The westerly side where you're wanting to post these channelizers does not have the buffered bike lane as there needs to be a shared use- ped/bike/vehicle.

I'll keep you posted and come back with some more clear options. Sound good?

Best,

District 5 Division Chief- Traffic
Peter Hendrix, PE
50 Higuera Street
San Luis Obispo, CA 93401

Ph: (805) 748-1309

From: President Varni <presidentvarni@oceanocsd.org>
Sent: Friday, February 16, 2024 9:28 AM

To: Hendrix, Peter A@DOT <peter.hendrix@dot.ca.gov>

Subject: Pedestrian safety on SR 1 in Oceano

EXTERNAL EMAIL. Links/attachments may not be safe.

Good morning Peter,

Thank you very much for your visit to Oceano yesterday and our discussion of community concerns and needs regarding a safe route to the beach. The fact that Caltrans is aware of the issue and wants to address it with a permanent fix when Complete Streets funds become available is very encouraging and appreciated. Your knowledge, experience, and perspective were very informative and I learned a lot.

Your idea of a temporary "fix" using channelizers to define a pedestrian route along those 900 feet of roadway shoulder is a great one. It would be a huge safety improvement in an area which has been lacking it for many decades. Paavo and I did some google research on material costs and found that 90 glue down, flexible, 3' posts (one every 10') to be around \$4,000. Does Caltrans have specifications for channelizers?

Do you think Peter that Caltrans would be willing to "add-on" this relatively inexpensive safety measure to the current project? Is there contingency money available that could be utilized? This is a priority concern and need in our community and a "safe route to the beach" does provide an organizational nexus for OCSD through our Parks and Recreation authority. Our problem is that the Parks and Recreation budget is small and financing this project would pretty much take most of what we have. This project will have very high visibility and symbolic value in the community. OCSD appreciates you considering this request.

Be assured that we also stand ready to work with you in moving forward with the channelizer project to better improve pedestrian safety in the community and appreciate Caltrans' partnership and support over the years.

Best wishes,

Charles



Oceano Community Services District
Summary Minutes
Special Meeting Wednesday, February 14, 2024 – 5:00 P.M.
Location: OCSD BOARD ROOM

1. **CALL TO ORDER:** Called to order at approximately 5:00 P.M.
2. **ROLL CALL:** Board members present: Director Austin, Director Villa, Vice President Joyce-Suneson, and President Varni. Absent: Director Gibson
Staff present: Carey Casciola, Business & Accounting Manager, and Robert Schultz, Legal Counsel.
3. **FLAG SALUTE:** Led by President Varni
4. **PUBLIC COMMENT FOR ITEMS ON THE AGENDA:**

Daniel Cheung	In support of the District approving a conflict advisement for AMMCG to represent Central Coast Blue.
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Director Austin motioned to adjourn to closed session with a second from Vice President Joyce-Suneson and a 5-0 roll call vote at 5:10 P.M.

5. **CLOSED SESSION:**
 - A. Conference with Real Property Negotiator (Gov. Code §54956.8) It is the intention of the Board to meet in closed session to have a conference with its Real Property Negotiators concerning the following: Property Descriptions: APN 062-271-023:024; 062-051-021; 022, 062-271-006, 062-271-026, 062-271-001; 003; 027, and 062-261-022; 080. Agency Negotiators: Oceano Community Services District, Paavo Ogren, President Varni, and Director Austin. Parties with whom Negotiating: County of San Luis Obispo. Instructions to County Negotiator: Price, Terms, and Conditions.
 - B. PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: General Manager
 - C. PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel
 - D. Conference with Legal Counsel-Liability Claims (Government Code §54956.9(d)(2),(e)(3))
 1. Claimant: R. Burke Construction; Agency claimed against: OCSD
 2. Claimant: R. Burke Construction; Agency claimed against: OCSD
 - E. Pursuant to Government Code 54956.9(a): Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,

The report out of closed session was done after item 5 of the Regular Board Meeting on February 14, 2024.

6. **ADJOURNMENT:** The Regular Board Meeting was called to order at 6:00 p.m.



Oceano Community Services District

Summary Minutes

Regular Meeting Wednesday, February 14, 2024 – 6:00 P.M.

Location: OCSD BOARD ROOM

1. **CALL TO ORDER:** Called at approximately 6:00 p.m. by President Varni.
2. **ROLL CALL:** Board members present: President Varni, Vice President Joyce-Suneson, Director Villa, Director Austin, and Director Gibson
Staff present: Paavo Ogren, Interim General Manager, Carey Casciola, Business & Accounting Manager; and Robert Schultz, Legal Counsel
3. **FLAG SALUTE:** Led by President Varni
4. **AGENDA REVIEW:** Accepted as presented
5. **CLOSED SESSION REPORT FROM THE SPECIAL MEETING OF FEBRUARY 14, 2024:**
 - A. Conference with Real Property Negotiator (Gov. Code §54956.8) It is the intention of the Board to meet in closed session to have a conference with its Real Property Negotiators concerning the following: Property Descriptions: APN 062-271-023:024; 062-051-021; 022, 062-271-006, 062-271-026, 062-271-001; 003; 027, and 062-261-022; 080. Agency Negotiators: Oceano Community Services District, Paavo Ogren, President Varni, and Director Austin. Parties with whom Negotiating: County of San Luis Obispo. Instructions to County Negotiator: Price, Terms, and Conditions.
 - B. PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: General Manager
 - C. PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel
 - D. Conference with Legal Counsel-Liability Claims (Government Code §54956.9(d)(2),(e)(3))
 1. Claimant: R. Burke Construction; Agency claimed against: OCSD
 2. Claimant: R. Burke Construction; Agency claimed against: OCSD
 - E. Pursuant to Government Code 54956.9(a): Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,

No reportable action was taken on items 5 A-E.

6. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:

Debra Early	In support of more public outreach regarding the Central Coast Blue (CCB) project and consideration of conflicts of interest.
Victor Early	In support of a public outreach meeting that includes the technical staff regarding the CCB project.
Pamela Storton	In support of public outreach regarding the CCB project. Requested that the OCSD logos be removed from the CCB website.
Daniel Cheung	Requested to add a conflict advisory to the next agenda regarding the CCB project.
Julie Tacker	In opposition to the CCB project and the impacts to Oceano. In support of a public forum and consideration of conflicts of interest.

7. SPECIAL PRESENTATIONS & REPORTS

A. STAFF REPORTS:

- i. **Sheriff's South Station** – Commander Ian Doughty
January 2024 – Oceano Stats
353 Calls for service (379 prior year)
10 Assault & Battery / 17 Disturbances / 2 Residential Burglaries / 5 Thefts / 1 Vandalism
32 AOA (Assist Other Agencies) / 8 Suspicious Circumstances / 73 Enforcement Stops
20 Arrests
- ii. **Five Cities Fire Authority** – FCFA Staff – Absent

- iii. **Operations** - Utility Systems Manager - Tony Marraccino
 Lopez is 100.3% full (49,545 AF) and spilling
 State water 42 AF / 0 Lopez / 0 pumping
 13 work orders / 11 USAs / 10 customer service calls / 3 after hours call outs
 3 Ready311 tickets
 1 SSO for January at a private lateral and cleanout
 Continuing with monthly and weekly samples / equipment runs
 Completed repairs on the chlorine shed and jetter
 Completed 1st of the year dead-end flushing and FOG inspections
 Power surges due to weather
 Replaced service line on 17th Street
 Replaced two 4" water meters at the booster station
 Replaced Air-Vac
 The new service truck has arrived and is being tooled and prepped for service
- iv. **OCS D Interim General Manager** – Paavo Ogren
 Presentation on the CSDA Special District Leadership Academy conference
 Update on General Manager recruitment and District strategic planning
District Legal Counsel – Robert W. Schultz
 Trip and fall claim against the District – claim rejected
 Central Coast Blue project - research

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. **President Varni** (Regional Water Mgt Group, State Water Subcontractors, Airport Land Use) – None
- ii. **Vice President Joyce-Sunesson** (Parks & Recreation Advisory Committee, Budget & Finance Committee, CA Special District’s Association) – Reported on the 2/13/2024 OPARC meeting.
- iii. **Director Austin** (South San Luis Obispo County Sanitation District, Zone 1/1A) – reported on the 2/7/2024 SSLOCSD Board meeting.
- iv. **Director Gibson** (Zone 3, Regional Water Quality Control Board) – None
- v. **Director Villa** (Water Resource Advisory Committee, Local Agency Formation Commission) – None

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

Julie Tacker	Inquired about the SSLOCSD meeting and the CCB project.
April Dury	In support of the Board, staff, and public civility.

8. CONSENT AGENDA:	ACTION:
a) Review of the Minutes for the Special Meeting held on January 24, 2024 b) Review of the Minutes for the Regular Meeting held on January 24, 2024 c) Review of Cash Disbursements d) Submittal of the District’s Fiscal Year 2023-24 Quarter 2 Investment Report ending December 31, 2023	After an opportunity for public comment and Board and staff discussion, a motion was made by Director Gibson to approve the consent agenda as presented with a second from Director Austin with a 5-0 roll call vote. Public Comment: April Dury – Asked clarification questions to item 8C. Julie Tacker – Asked clarification questions to item 8C.

9A. BUSINESS ITEMS:	ACTION:
Discussion and consideration of 1) a resolution approving the Budget and Finance Committee By-Laws, including duties, governing policies and procedures, and committee membership, and 2) an ordinance amending Ordinance 2006-01 to provide Committee review of financial appeals.	After an opportunity for public comment, Board and staff discussion Director Austin made a motion to approve the agenda item as presented, with a second from Director Villa with a 5-0 roll call vote. Public Comment: None

9B. BUSINESS ITEMS:	ACTION:
Discussion and consideration of a resolution to revise the Fiscal Year 2023-24 Plan of Payment and Compensation Salary Schedule for the General Manager position.	After an opportunity for public comment and Board and staff discussion, Vice President Joyce-Suneson made a motion to approve the agenda item as presented, with a second from Director Villa with a 5-0 roll call vote. Public Comment: Julie Tacker – Provided information regarding LOCSD.

10. **HEARING ITEMS:** None

11. **RECEIVED WRITTEN COMMUNICATION:** None

12. **LATE RECEIVED WRITTEN COMMUNICATIONS:** None

13. **FUTURE AGENDA ITEMS:** Presentation by SLOCOG at the Regular meeting on March 13, 2024.

14. **FUTURE HEARING ITEMS:** None

15. **CLOSED SESSION:** None

16. **ADJOURNMENT:** Director Austin motioned to adjourn the meeting at 7:30p.m. with a second from Director Gibson 5-0 consensus vote.



Oceano Community Services District

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

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

Date: February 28, 2024

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(C): 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
	60726 - 60751	
Disbursements:		
Regular Payable Register - paid 02/14/2024	60726 - 60737	\$ 148,612.48
Regular Payable Register - paid 02/22/2024	60738 - 60745	\$ 2,872.03
Subtotal:		\$ 151,484.51
Reoccurring Payments for Board Review (authorized by Resolution 2020-06):		
Payroll Disbursements - PPE 02/10/2024	N/A	\$ 30,762.64
Five Star Bank Mastercard Online Payment - paid 2/14/2024	N/A	\$ 2,845.21
Reoccurring Utility Disbursements - paid 02/22/2024	60746 - 60747	\$ 5,135.31
Reoccurring Health Disbursements - paid 02/22/2024	60748 - 60751	\$ 9,683.38
Subtotal:		\$ 48,426.54
Grand Total:		\$ 199,911.05

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: 060726 THRU 060737

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	2/14/2024	CHECK	060726	AQUA-METRIC	2,631.94CR	OUTSTND	A	0/00/0000 02 5-4400-176 WATER METERS
1-1001-000	2/14/2024	CHECK	060727	ARAMARK	102.52CR	OUTSTND	A	0/00/0000 01 5-4100-100 CLOTHING
1-1001-000	2/14/2024	CHECK	060728	BLAINE PAIGE, DBA LINE-X OF SA	1,600.00CR	OUTSTND	A	0/00/0000 02 5-4400-320 FIXED ASSETS: EQUIPMENT 1,025.00 12 5-4350-320 EQUIPMENT LEASE 575.00
1-1001-000	2/14/2024	CHECK	060729	BURDINE PRINTING	1,744.96CR	OUTSTND	A	0/00/0000 02 5-4400-205 OUTSIDE UB MAIL SERVICE 872.48 03 5-4500-205 OUTSIDE UB MAIL SERVICE 872.48
1-1001-000	2/14/2024	CHECK	060730	CANNON	24,729.50CR	OUTSTND	A	0/00/0000 02 5-4400-361 CIP - PROP1: STORMWATER
1-1001-000	2/14/2024	CHECK	060731	GROUNDWATER SOLUTIONS INC, DBA	8,585.23CR	OUTSTND	A	0/00/0000 02 5-4400-380 NCMA TEC
1-1001-000	2/14/2024	CHECK	060732	MINER'S ACE HARDWARE, INC.	223.44CR	OUTSTND	A	0/00/0000 03 5-4500-175 SYSTEM PARTS/OPERATING S 28.89 02 5-4400-175 SYSTEM PARTS/OPERATING S 194.55
1-1001-000	2/14/2024	CHECK	060733	OPTIMIZED INVESTMENT PARTNERS	496.71CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES
1-1001-000	2/14/2024	CHECK	060734	PRO-TECH LANDSCAPE MANAGEMENT,	410.00CR	OUTSTND	A	0/00/0000 01 5-4100-173 MAINT:STRUCTURES/IMPROVE 205.00 10 5-4300-173 SO: MAINT. STRUCTURES/IM 205.00
1-1001-000	2/14/2024	CHECK	060735	QUILL CORPORATION	142.99CR	OUTSTND	A	0/00/0000 01 5-4100-200 OFFICE EXPENSE
1-1001-000	2/14/2024	CHECK	060736	R. BURKE CORPORATION	107,757.55CR	OUTSTND	A	0/00/0000 02 5-4400-361 CIP - PROP1: STORMWATER
1-1001-000	2/14/2024	CHECK	060737	HD SUPPLY, INC. DBA USABLUEBOO	187.64CR	OUTSTND	A	0/00/0000 02 5-4400-175 SYSTEM PARTS/OPERATING S
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	148,612.48CR		
				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		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	148,612.48CR		
				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: 060738 THRU 060745

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	2/22/2024	CHECK	060738	ARAMARK	293.08CR	OUTSTND	A	0/00/0000 01 5-4100-100 CLOTHING
1-1001-000	2/22/2024	CHECK	060739	CENTRAL NETWORK RETAIL GROUP,	614.46CR	OUTSTND	A	0/00/0000 02 5-4400-320 FIXED ASSETS: EQUIPMENT
1-1001-000	2/22/2024	CHECK	060740	FAMCON PIPE & SUPPLY, INC.	48.26CR	OUTSTND	A	0/00/0000 02 5-4400-175 SYSTEM PARTS/OPERATING S
1-1001-000	2/22/2024	CHECK	060741	J.B. DEWAR, INC.	600.83CR	OUTSTND	A	0/00/0000 12 5-4350-172 FUEL
1-1001-000	2/22/2024	CHECK	060742	MINER'S ACE HARDWARE, INC.	166.30CR	OUTSTND	A	0/00/0000 02 5-4400-175 SYSTEM PARTS/OPERATING S 10.86 02 5-4400-320 FIXED ASSETS: EQUIPMENT 155.44
1-1001-000	2/22/2024	CHECK	060743	MUNICIPAL MAINTENANCE EQUIPMEN	259.47CR	OUTSTND	A	0/00/0000 03 5-4500-175 SYSTEM PARTS/OPERATING S
1-1001-000	2/22/2024	CHECK	060744	PETTY CASH	8.73CR	OUTSTND	A	0/00/0000 01 5-4100-210 POSTAGE
1-1001-000	2/22/2024	CHECK	060745	SLO CO PUBLIC HEALTH DEPT.	880.90CR	OUTSTND	A	0/00/0000 02 5-4400-220 PROFESSIONAL/SPECIAL SER
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	2,872.03CR		
				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:	2,872.03CR		
				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 February 28, 2024

	(*)	
Gross Wages	1/27/2024	2/10/2024
Regular	\$26,367.14	\$27,360.60
Overtime Wages	\$494.49	\$506.92
Stand By	\$840.00	\$420.00
Total Wages	\$27,701.63	\$28,287.52
Disbursements		
Net Wages	\$20,719.46	\$21,204.30
State and Federal Agencies	\$5,668.11	\$5,970.66
CalPERS - Normal	\$3,430.95	\$3,430.95
SEIU - Union Fees	\$156.73	\$156.73
Total Disbursements processed with Payroll	\$29,975.25	\$30,762.64
Health (Disbursed with reoccurring bills)	\$5,908.71	\$5,908.71
Total District Payroll Related Costs	\$35,883.96	\$36,671.35

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

Oceano Community Services District
Five Star Bank Mastercard

A/P Mastercard Credit Card Disbursement

Date	Name	Amount	Description	GL Account #
01/17/2024	INTUIT *QBOOKS ONLINE CL.INTUIT.COMCA	\$60.00	PERMITS, FEES LICENSES	01-5-4100-248
01/17/2024	SQ *CSDA SAN LUIS OBIS GOSQ.COM CA	\$70.00	CLASSES/SEMINARS/TRAINING FEES - LA,SG	01-5-4100-285
01/17/2024	SQ *CSDA SAN LUIS OBIS GOSQ.COM CA	\$35.00	CLASSES/SEMINARS/TRAINING FEES - AV	01-5-4100-285
01/11/2024	SP CHECKDEPOT SPRING HILL TN	\$112.62	OFFICE EXPENSE	01-5-4100-200
01/10/2024	CALIFORNIA SPECIAL DIS SACRAMENTO CA	\$2,520.00	CLASSES/SEMINARS/TRAINING FEES - SG,BJ,AV,LA,CV,CC,PO	01-5-4100-285
01/02/2024	ZOOM.US 888-799-9666 SAN JOSE CA	\$47.59	OFFICE EXPENSE	01-5-4100-200

Total ACH - 02/14/2024 \$2,845.21

02/28/2024 Board Meeting - Five Star Bank Mastercard Online Payment - paid 02/14/2024	\$2,845.21
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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: 060746 THRU 060747

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1-1001-000	2/22/2024	CHECK	060746	DE LAGE LANDEN FINANCIAL SERVI	213.43CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES
1-1001-000	2/22/2024	CHECK	060747	PACIFIC GAS & ELECTRIC	4,921.88CR	OUTSTND	A	0/00/0000 PACIFIC GAS & ELECTRIC 4,921.88
TOTALS FOR ACCOUNT 1-1001-0				CHECK TOTAL:	5,135.31CR			01 5-4195-295 STREET LIGHTING 3,054.69
				DEPOSIT TOTAL:	0.00			02 5-4400-290 UTILITIES 907.42
				INTEREST TOTAL:	0.00			03 5-4500-290 UTILITIES 96.64
				MISCELLANEOUS TOTAL:	0.00			01 5-4100-290 UTILITIES 92.66
				SERVICE CHARGE TOTAL:	0.00			01 5-4200-290 UTILITIES 9.53
				EFT TOTAL:	0.00			01 5-4200-290 UTILITIES 118.85
				BANK-DRAFT TOTAL:	0.00			01 5-4100-290 UTILITIES 475.42
TOTALS FOR POOLED CASH FUND				CHECK TOTAL:	5,135.31CR			01 5-4100-200 OFFICE EXPENSE 166.67
				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: 060748 THRU 060751

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE	
CHECK:	-----								
1-1001-000	2/22/2024	CHECK	060748	COLONIAL LIFE AND ACCIDENT	170.98CR	OUTSTND	A	0/00/0000	01-2-2166-005 INS: VOLUNTARY
1-1001-000	2/22/2024	CHECK	060749	FRMS CALIFORNIA BANK & TRUST F	8,432.32CR	OUTSTND	A	0/00/0000	01-5-4100-090 INS: GROUP HEALTH/LIFE \$4450.63 01-5-4100-603 UTILITY CREW-EMP INS \$3981.69
1-1001-000	2/22/2024	CHECK	060750	HUMANA INSURANCE CO.	724.54CR	OUTSTND	A	0/00/0000	01-5-4100-090 INS: GROUP HEALTH/LIFE \$380.95 01-5-4100-603 UTILITY CREW-EMP INS \$343.59
1-1001-000	2/22/2024	CHECK	060751	PRINCIPAL LIFE INSURANCE COMPA	355.54CR	OUTSTND	A	0/00/0000	01-5-4100-090 INS: GROUP HEALTH/LIFE \$179.64 01-5-4100-603 UTILITY CREW-EMP INS \$175.90
TOTALS FOR ACCOUNT 1-1001-0				CHECK TOTAL:	9,683.38CR				
				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:	9,683.38CR				
				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				



Oceano Community Services District

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

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

Date: February 28, 2024

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(A): Approval of a recommendation to adopt a resolution Designating the General Manager as the authorized representative to file an application and execute agreements for the Ken Mar Gardens and Halcyon Water System Improvements Project through the State Revolving Fund Financing Program**

Recommendation

It is recommended that your Board adopt a resolution Designating the General Manager as the authorized representative to file an application and execute agreements for the Ken Mar Gardens and Halcyon Water System Improvements Project through the State Revolving Fund Financing Program.

Discussion

Over the past few years, the Rural Community Assistance Corporation (RCAC) has been assisting the District with the development of the Ken Mar Gardens and Halcyon Water System Improvements Project. The goal of this project is to consolidate two small water systems into the District's larger system to ensure safe and sustainable drinking water. The program will be funded by the Drinking Water State Revolving Fund (DWSRF), which is a financial assistance program to help water systems finance the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the Safe Drinking Water Act.

Both Halcyon and Ken Mar Gardens mobile parks use groundwater wells located inside the District's boundaries to provide water to their customers. In recent years, their wells have tested high in selenium and manganese, moving this consolidation project to a priority project in the State Water Board's funding plan.

The preliminary plans include 51 additional meters to the District's water system. The community of Halcyon would maintain their onsite well for irrigation use, requiring backflow devices at each residence. The estimated increase in the District's demand would be 14,020 gallons per day or 15.7 AFY. The projected usage in the future would be 19,875 gallons per day or 22.3 AFY. Based on the District's water supply of Lopez Water (303 AFY), State Water (750 AFY), and Groundwater (900 AFY) for a total of 1,953 AFY and the District's last 5-year average usage of 690 AFY, there is sufficient water supply for the projected usage.



Oceano Community Services District

Board of Directors Meeting

Other Agency Involvement

The California State Water Board is the funding agency. MKN & Associates is preparing the preliminary engineering report and design. The Justice Clinic at the University of California at Davis is preparing the consolidation and water service agreements.

Other Financial Considerations

Based on the Median Household Income and number of connections for each system, there would be no matching fund required for this project.

Results

Pursuing financing and project implementation supports a well-governed, healthy, and livable community.

Attachments:

Resolution

AUTHORIZING RESOLUTION/ORDINANCE

RESOLUTION NO: 2024 - _____

WHEREAS we agree to apply to the State Water Resources Control Board for Safe Drinking Water Revolving Fund for Planning the Ken Mar Gardens and Halcyon Water System Improvement Project.

RESOLVED BY THE Board of Directors OF THE (insert name of Governing Board of the Entity) Oceano Community Services District (the "Entity"), AS FOLLOWS:
(insert Entity name)

The General Manager (the "Authorized Representative") or designee is (insert Title of Authorized Representative) hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of The Ken Mar Gardens and Halcyon Water System Improvement Project (the "Project").
(insert Project Name)

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors held (insert name of Governing Board of the Entity) on February 28, 2024.
(Date)

(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)



Oceano Community Services District

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

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

www.oceanocsd.org

Date: February 28, 2024

To: Board of Directors

From: Robert Schlutz, Interim District Legal Counsel

Subject: Agenda Item #9(B). Consider the Informed Consent For Waiver of Potential Conflict of Interest From the Law Firm of Adamski, Moroski, Madden, Cumberland, Green, LLC to Provide Legal Representation for Central Coast Blue Regional Recycled Water Authority

Recommendation

It is recommended the Board deny the Law Firm of Adamski, Moroski, Madden, Cumberland, Green, LLC (AMMCG) request to execute the Informed Consent For Waiver of Potential Conflict of Interest to Provide Legal Representation for Central Coast Blue Regional Recycled Water Authority.

Background

Since 2013, the Law Firm Adamski, Moroski, Madden, Cumberland, Green, LLC (AMMCG) has represented the Oceano Community Services District through various attorneys, including Chase Martin and Dan Chueng.

A major litigation matter that AMMCG represented and provided legal advice and analysis to OCSD was in regard to the water rights to the Santa Maria Groundwater Basin (SMGB). The Santa Maria Groundwater Basin litigation is the subject of a Court action that assigned groundwater rights to various parties in the basin, including OCSD, Grover Beach, Pismo Beach, and Arroyo Grande. Part of this litigation established three management areas, including the Northern Cities Management Area (NCMA), the Nipomo Mesa Management Area (NMMA), and the Santa Maria Valley Management Area (SMVMA). This litigation has required AMMGC to provide constant monitoring and legal analysis regarding water supply and demand conditions on behalf of OCSD.

In addition, as legal counsel for OCSD, AMMCG participated in legal, feasibility, and exploratory studies regarding the Central Coast Blue Project. The Central Coast Blue project was originally developed as a Regional Groundwater Sustainability Project (RGSP), a collaborative project between the City of Pismo Beach and the Cities of Arroyo Grande and Grover Beach, the Oceano Community Services District (OCSD), and the South San Luis Obispo County Sanitation District (District). The RGSP project would eventually become the Central Coast Blue RRWA (CCB), a joint powers authority created in Fall 2022 between the cities of Arroyo Grande, Grover Beach, and Pismo Beach. The Project has been described as a multi-agency effort to construct a regional recycled water project that will enhance supply reliability



by injecting advanced purified water into the Santa Maria Groundwater Basin. The South San Luis Obispo County Sanitation District will be involved in this project in Phase II after completion of the facility's construction. which would create approximately 1,000 additional acre-feet of water annually. If additional supplemental water is needed by the participating agencies or other nearby uses such as farming, an additional phase (Phase 2) would allow the project to purify and inject wastewater from the South San Luis Obispo County Sanitation District's WWTP to create additional available groundwater supply. The Final EIR and the Addendum for the CCB project identified significant and unavoidable impacts associated with nighttime construction noise and land use conflicts. The Addendum also identified significant impacts to air quality, biological resources, cultural resources, energy, environmental justice, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, operational noise, vibration, and transportation.

The development of the CCB project certainly entails complex issues that include legal, technical, financial, environmental, and other details. The needs, benefits, and risks for the project vary for each of the JPA communities and OCSD. Likewise, its impacts will be different for each community. Existing and foreseeable legal issues bring additional complexities to the project. Just a few of the key statements made by CCB and the participating agencies about the CCB project as it relates to the impacts on OCSD include:

1. The water available from CCB allows us to safely pump more of our judicially established entitlement to groundwater from the basin, without added risk of seawater intrusion.
2. This project will not only protect the groundwater supply the City of Grover Beach currently relies upon but will also provide an estimated additional 324-360 AF per year of reliable groundwater for the City of Grover Beach, based on the City's 36% allocation.
3. If Oceano is not willing to sign this agreement, then the option would be to relocate the injection wells inland so that they don't see a benefit from the project. We will need to work with that agency or other entities to make sure that the agency can only pump what it's currently pumping.
4. The Oceano area has a prior history of liquefaction-related deformation and damage...and the portion of the pipeline within the Oceano area is considered potentially liquefiable.

A cursory review of AMMCG's legal invoices for only the past few years establishes that AMMCG has provided substantial legal advice regarding OCSD's existing water supplies and the risks associated with those supplies related to the Santa Maria Litigation and CCB. AMMAG has researched and provided legal analysis for the OCSD on the advantages and disadvantages, the benefits and impacts, and the risks



associated with the CCB. The following is only a small sample of the legal services entries on AAMGC invoices related to CCB and NCMA:

1. Telephone calls with General Manager regarding pending strategy and issues related to Central Coast Blue.
2. Review term sheet from Pismo, Grover, Arroyo Grande, and South San Luis Obispo County Sanitation District regarding implementation of Central Coast Blue; follow up with General Manager regarding same; analysis of cost sharing agreement proposed.
3. Telephone call with General Manager regarding follow up with Pismo Beach City Manager and Central Coast Blue.
4. Telephone call regarding Central Coast Blue MOU, funding and OCSO contribution, and request to limit pumping to safe yield during Phase 1.
5. Follow-up discussion with General Manager regarding Central Coast Blue.
6. Telephone call with General Manager and strategy related to groundwater litigation and Central Coast Blue.
7. Telephone discussion with General Manager regarding OCSO construction water for Central Coast Blue bid documents; review emails regarding same.
8. Review emails between Director of Board and General Manager regarding Central Coast Blue.
9. Review draft agreement from Pismo agenda regarding Central Coast Blue; follow up with General Manager.
10. Analysis of pending motions related to Technical Advisor and potential implications of Central Coast Blue.
11. Follow up regarding concerns of Central Coast Blue and potential impact on Santa Maria Litigation.
12. Regarding Central Coast Blue; review notes from Pismo City Counsel meeting; follow up discussion with consultant regarding same.
13. Telephone call regarding issues related to water strategy and Central Coast Blue impacts.
14. Analysis of issues as relates to District water issues; follow up telephone calls regarding same; review email from member of the public related to Central Coast Blue approach.
15. Telephone call regarding status and strategy with neighboring agencies related to Central Coast Blue; analysis of status of discussions.
16. Telephone call with General Manager regarding pending groundwater strategy.
17. Review transcript of Pismo Beach City Council meeting related to Central Coast Blue and pumping rights; follow up discussion with General Manager.
18. Review documents related to CCB test injection well appeal; telephone call with P. Ogren regarding same.



19. Analysis of potential next moves on behalf of the District to coordinate with Central Coast Blue parties.
20. Review memorandum regarding Central Coast Blue cost sharing; exchange emails regarding same; analysis of potential of District regarding alternative participation and telephone calls regarding same
21. Review view and analysis of Central Coast Blue documents and potential impacts on stipulated judgment; follow up with consultant regarding discussion and OCSD participation.
22. Telephone call with consultant regarding Central Coast Blue and strategy.
23. Correspondence with staff regarding agenda including Central Coast Blue closed session.
24. Telephone call with General Manager regarding closed session and discussing Central Coast Blue in light of impacts on the Stipulated Judgement.
25. Follow up regarding NCMA meeting and approach to Central Coast Blue
26. Telephone call with consultant regarding strategy for Central Coast Blue
27. Follow up analysis of Central Coast Blue matters; telephone call with consultant regarding same
28. Review and analysis of talking points for closed session item on CCB and the Santa Maria litigation status; review notes from consultant on Central Coast Blue Operating Agreement and discussion points for Board Meeting.
29. Telephone call with consultant regarding water litigation and strategy on litigation efforts and Central Coast Blue.
30. Discussion with P. Ogren regarding Central Coast Blue.
31. Telephone call with General Manager and follow up on Central Coast Blue (CCB) issues and strategy.
32. Review emails related to location of wells for Central Coast Blue and analysis related thereto.
33. Multiple telephone calls regarding Central Coast Blue strategy;; follow up regarding potential bullet points for Board consideration related to Central Coast Blue; telephone call with General Manager
34. Telephone call regarding strategy for Central Coast Blue; strategic planning regarding presentation of issues related to water contribution in lieu of cash; follow up regarding same.
35. Analysis of stipulation in groundwater litigation Central Coast Blue; regarding history of CCB project and client's participation in same; conference with Mr. Clemens regarding draft stipulation among counsel for CCB project.

On October 13, 2023, AMMCG gave written notice to the District of its resignation effective upon the appointment of new legal counsel.



On October 30, 2023, while still legal counsel for OCSD, AMMCG submitted a proposal for attorney services to CCB. Chase Martin and Daniel Chueng are listed as the lead attorneys with AMMCG that would represent CCB. The proposal incorrectly states that OCSD is a former client. The proposal also states that AAMCG will endeavor to secure any required or requested conflict waivers.

In early December 2023, AMMCG was notified that it was selected as authority legal counsel for CCB even though CCB did not approve the selection in open session, and the CCB minutes from December 4, 2023, under closed session, state there was “no reportable action.”

On December 20, 2023, the OCSD board voted to appoint Robert Schultz as interim district legal counsel.

On December 28, 2023, AAMCG sent a disengagement letter confirming the conclusion of its representation of the OCSD.

On February 2, 2024, AMMCG sent a letter to OCSD requesting a Conflict Waiver. At no time prior to February 2, 2024, did AAMCG provide notice to OCSD of its legal representation of CCB or of the request for a conflict waiver. (Attachment 1).

On February 14, 2024, AAMCG sent a Memorandum to OCSD regarding their analysis related to their firm’s representation of Central Coast Blue after formerly serving as general counsel for OCSD. (Attachment 2).

Discussion

An attorney’s duty of confidentiality is a core aspect of the attorney-client relationship. The duty, well recognized as a “very high and stringent one,” imposes on the attorney an obligation to “maintain inviolate the confidence, and at every peril to himself or herself to preserve the secrets, of his or her client.” (Bus. & Prof. Code, § 6068, subd. (e)(1); *Flatt v. Super. Ct.* (1994) 9 Cal.4th 275, 289.) “Secrets” in this context include “information obtained by the lawyer during the professional relationship, or relating to the representation, which the client has requested to be inviolate or the disclosure of which might be embarrassing or detrimental to the client.” (State Bar Formal Opns. 1993-133, 1988-96, 1986-87, 1981-58 and 1980-52; L.A. County Bar Ass’n Formal Opn. Nos. 386 (1980), 436 (1985), 452 (1988) and 498 (1999); *Wutchurna Water Co. v. Bailey* (1932) 216 Cal. 564, 574 [lawyer may not “use against his former client knowledge or information acquired by virtue of the previous relationship”].)

The California Rules of Professional Conduct require informed written consent from an affected client under a number of different circumstances involving conflicts of interest. California Rules of Professional Conduct Rule 1.9 (Attachment 3) requires that a lawyer secure informed written consent



from a former client in order to represent another person in the same or a substantially related matter adverse to the interests of the former client. The successive representation of clients with adverse interests arises when the representation of a current client is adverse to the interests of a former client. Successive representation is prohibited if there is a substantial relationship between the current matter and the prior representation. *Flatt v. Superior Court*, 9 Cal. 4th 275 (1994).

The Rules of Professional Conduct Rule 1.9, Comment 3, specifies what constitutes “the same or a substantially related matter” as follows:

[3] Two matters are “the same or substantially related” for purposes of this rule if they involve a substantial risk of a violation of one of the two duties to a former client described above in Comment [1]. For example, this will occur: (i) if the matters involve the same transaction or legal dispute or other work performed by the lawyer for the former client; or (ii) if the lawyer normally would have obtained information in the prior representation that is protected by Business and Professions Code section 6068, subdivision (e) and rule 1.6, and the lawyer would be expected to use or disclose that information in the subsequent representation because it is material to the subsequent representation.

Based upon Rules of Professional Conduct Rule 1.9, Comment 3, and contrary to AMMCG Memorandum (Attachment 2), simply because “at no point has OCSD had any formal relationship with CCB” or that “OCSD has never been a member or affiliate of CCB” or that “There are no contractual relationships between OCSD and CCB” does not mean there is not a conflict of interest. The concern is not whether there was a formal or contractual relationship between OCSD and CCB but whether confidential information could be transmitted from OCSD to Central Coast Blue. Instead, the relevant inquiry is whether the lawyer possesses information gained from its prior relationship with OCSD that could be used to the disadvantage of OCSD.

In addition, AAMCG attempted to rely on the “playbook information” rule as a reason that there is not a conflict of interest because “while individual directors of the OCSD may, at various times inside and outside of district meetings, have expressed personal viewpoints regarding CCB and its policies and projects, the OCSD did not formally take any action with respect to the CCB” is misplaced. Although merely knowing of a former client's general business practices or litigation philosophy is an insufficient basis for disqualification based upon prior representation, the legal situation with AMMCG is quite different. While AMMCG was legal counsel for OCSD, AMMCG certainly obtained OCSD's general business practices or litigation philosophy, but it also obtained confidential information in OCSD's possession related specifically to CCB.



The sampling of AMMCG billing statement entries establishes a substantial relationship between the AAMCD legal services for OCSD and CCB. AMMCG billing statement entries establish that AMMCG has learned and obtained specific confidential secret information from OCSD and shaped OCSD's legal strategy in regard to CCB. This specific confidential, secret information obtained from OCSD is directly at issue or critically important to the CCB, which could be used to the OCSD's detriment. Therefore, a conflict of interest exists that should preclude the AMMCG from representing CCB, unless OCSD authorizes and executes a written formal consent waiver.

Conclusion

The important right to counsel of one's choice must yield to ethical considerations that affect the fundamental principles of our judicial process. *O'Gara Coach Co., LLC v. Ra*, supra, 30 Cal. App.5th 1115. A lawyer should consider if it would be fundamentally unfair to use what he or she learned from a former employer, and whether it is prudent to take on a case that would force the lawyer to defend his or her ethical obligations at all. The sampling of AMMCG Billing entries establishes the transmission of confidential information between OCSD and AMMCG. The confidential information gained and obtained by AMMCG from the prior relationship with OCSD could be used to the disadvantage of OCSD. Therefore, OCSD should not execute the Consent Waiver, and AMMCG should decline the representation of CCB.

Other Agency Involvement

N/A

Other Financial Considerations

N/A

Results

Preserve the Attorney/Client privileges by refusing to execute the conflict Waiver.

Attachment:

1. Consent Waiver
2. Memo from AMMCG
2. Rule 1.9.

**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*

February 2, 2024

Oceano Community Services District
Board of Directors
1655 Front Street
Oceano, CA 93445

Re: Conflict Waiver – Oceano Community Services District and Central Coast Blue Regional Recycled Water Authority

Dear Mr. Ogren and Directors of the Board:

As you are aware, our firm represented the Oceano Community Services District (“OCSD”) until December 2023, providing general legal counsel and litigation support as District Legal Counsel. This includes representation relating to the 1997 groundwater adjudication litigation filed by the Santa Maria Valley Water Conservation District (“Groundwater Litigation”) and subsequent stipulations, judgments, settlements, and orders, as well as infrequent representation at technical group meetings of the Northern Cities Management Area (“NCMA”), of which OCSD is a member.

In December 2023, our firm was notified by the Central Coast Blue Regional Recycled Water Authority (“CCB”) that they would be recommending our selection as general authority legal counsel. OCSD was previously a participating agency with CCB but is not currently. As CCB authority counsel, we will be expected to represent CCB in all matters, including some that may relate to OCSD or the NCMA.

The California Rules of Professional Conduct impose an ethical duty with respect to former clients that specifically prohibit: “(i) do[ing] anything that will injuriously affect the former client in any matter in which the lawyer represented the former client, or (ii) at any time us[ing] against the former client knowledge or information acquired by virtue of the previous relationship.” Again, even though we are not aware of the existence of any actual conflicts, there may be an appearance of conflict which we would rather address than avoid.

The following are the pertinent Rules of Professional Conduct related to this engagement (* denotes a term defined in Rule 1.0.1):

Rule 1.9 Duties to Former Clients

(a) A lawyer who has formerly represented a client in a matter shall not thereafter represent another person* in the same or a substantially related matter in which that person’s* interests are materially adverse to the interests of the former client unless the former client gives informed written consent.*

(b) A lawyer shall not knowingly* represent a person* in the same or a substantially related matter in which a firm* with which the lawyer formerly was associated had previously represented a client

(1) whose interests are materially adverse to that person;* and

(2) about whom the lawyer had acquired information protected by Business and Professions Code section 6068, subdivision (e) and rules 1.6 and 1.9(c) that is material to the matter;

unless the former client gives informed written consent.*

(c) A lawyer who has formerly represented a client in a matter or whose present or former firm* has formerly represented a client in a matter shall not thereafter:

(1) use information protected by Business and Professions Code section 6068, subdivision (e) and rule 1.6 acquired by virtue of the representation of the former client to the disadvantage of the former client except as these rules or the State Bar Act would permit with respect to a current client, or when the information has become generally known;* or

(2) reveal information protected by Business and Professions Code section 6068, subdivision (e) and rule 1.6 acquired by virtue of the representation of the former client except as these rules or the State Bar Act permit with respect to a current client.

I attest that we diligently represented OCSD as District Legal Counsel; however, it is foreseeable that OCSD could perceive my representation of CCB as a breach of loyalty and/or have concerns as to disclosure of confidential information. I can assure you that OCSD's attorney-client privilege has and will be maintained, and no disclosure of confidential information shall be disclosed and/or utilized with regard to our firm's representation of CCB.

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 related to my former representation of OCSD.

I believe that this correspondence will make OCSD 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. You are advised of your right to seek independent legal advice related to the conflict represented by this waiver.

If 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 of CCB will be subject to the informed written consent of involved parties.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Rule 1.9 of the California Rules of Professional Conduct previously quoted in this letter.

Very truly yours,

ADAMSKI MOROSKI MADDEN
CUMBERLAND & GREEN LLP



CHASE W. MARTIN

OCEANO COMMUNITY SERVICES DISTRICT (“OCSD”)

By: _____ Date: _____
President, Board of Directors

Approval as to form:

By: _____ Date: _____
District Legal Counsel

MEMORANDUM

TO: Robert Schultz, Interim District Legal Counsel, Oceano CSD
FROM: Chase W. Martin
RE: Central Coast Blue and Oceano CSD
DATE: February 14, 2024

I. INTRODUCTION

This memorandum analyzes whether a legal conflict of interest exists for AMMCG (the “Firm”) under the California Rules of Professional Conduct between the Central Coast Blue Regional Recycled Water Authority (“CCB”) and the Oceano Community Services District (“OCSD”).

In summary, based on the present facts, beginning representation of CCB does not create any conflicts or violation of the Firm’s duties to OCSD as a former client. Therefore, a conflict-of-interest waiver is not required. However, because of the possibility that OCSD may participate in future projects of the CCB, and because all possible future conflicts are not discernable currently, the Firm seeks to advise OCSD of the following: 1) the absence of a conflict of interest currently; and 2) how any future conflict would be addressed.

II. RELEVANT FACTS

A. Representation of OCSD by the Firm

The Firm has represented the OCSD through various attorneys since 2013. On October 13, 2023, the Firm gave written notice to the District of its resignation effective upon appointment of new legal counsel. On December 20, 2023, the OCSD board voted to appoint Mr. Rob Schultz as interim district legal counsel. On December 28, 2023, the Firm sent a disengagement letter confirming the conclusion of its representation of the OCSD.

In early December 2023, the Firm was notified that it was selected as authority legal counsel for CCB. The CCB Board of Directors has not approved a legal services contract with the Firm, and the Firm does not currently represent CCB.

On February 2, 2024, the Firm sent a letter to OCSD requesting a signature on a conflict advisement letter regarding the Firm’s forthcoming representation of CCB (“Conflict Advisement”). The letter specifically noted the Firm’s engagement on OCSD’s behalf regarding the 1997 groundwater adjudication litigation filed by the Santa Maria Valley Water Conservation District (“Groundwater Litigation”) and at technical group meetings of the Northern Cities Management Area (“NCMA”). The letter further noted that, “Even though we are not aware of the existence of any actual conflicts, there may be an appearance of conflict which we would rather address than avoid.”

B. OCSD Engagement with CCB

The Central Coast Blue RRWA is a joint powers authority created in Fall 2022 between the cities of Arroyo Grande, Grover Beach, and Pismo Beach. The stated purpose of CCB is “to construct a

regional recycled water project that will enhance supply reliability by injecting advanced purified water into the Northern Cities Management Area of the Santa Maria Groundwater Basin.”

While the OCSD participated in feasibility and exploratory studies regarding the project that would eventually become CCB, at no point has OCSD had any formal relationship with CCB. CCB has never been a member or affiliate of CCB. There are no contractual relationships between OCSD and CCB. While OCSD was a potential partner early in the development process, including some informal discussion about joining an early phase of the CCB Project, the OCSD Board of Directors never authorized participation in the JPA or any CCB project.

III. DEFINING LEGAL CONFLICTS OF INTEREST

A. Principles for Ongoing Duty to Former Clients

Even after the termination of representation, an attorney continues to owe certain duties to a former client. These continuing duties exist “to preserve a client’s trust in the lawyer and to encourage the client’s candor in communications with the lawyer.”¹

“Protecting the confidentiality of communications between attorney and client is fundamental to our legal system. The attorney-client privilege is a hallmark of our jurisprudence that furthers the public policy of ensuring “the right of every person to freely and fully confer and confide in one having knowledge of the law, and skilled in its practice, in order that the former may have adequate advice and a proper defense.”²

Because the confidentiality of information is paramount to the duty owed to former clients, whether the rules are applicable to a given case must depend on the facts.³

B. Rules Governing Duties to Former Clients

With limited exception, the attorney may not use or reveal confidential client information.⁴ The attorney is also prohibited from taking on certain matters without the former client’s informed written consent. These duties are described in Rule 1.9 of the Cal. Rules of Prof. Conduct:

“A lawyer who has formerly represented a client in a matter shall not thereafter represent another person in the same or a substantially related matter in which that person’s interests are materially adverse to the interests of the former client unless the former client gives informed written consent.”⁵

Thus, there are two elements must be satisfied for a conflict to exist between a former client and a prospective one: (1) the representation must be “in the same or a substantially related matter,” and

¹ Cal. Rules of Prof. Conduct, rule 1.9, comment [1].

² *People ex rel. Dept. of Corporations v. Speedee Oil Change Systems, Inc.* (1999) 20 Cal.4th 1135, 1146 (citing *Mitchell v. Superior Court* (1984) 37 Cal. 3d 591, 599.)

³ See *Jacuzzi v. Jacuzzi Bros., Inc.* (1963) 218 Cal.App.2d 24, 26.

⁴ Cal. Rules of Prof. Conduct, rule 1.9(c).

⁵ Cal. Rules of Prof. Conduct, rule 1.9(a). Note that subparagraph (b) applies to a potential conflict resulting from “a firm with which the lawyer formerly was associated...” This provision does not apply because the Firm has represented OCSD continuously since 2013. The attorneys are still employed by the Firm and represented OCSD until termination of the representation in December 2023.

(2) are the potential client’s interests in that matter “materially adverse to the interests of the former client.” A matter is substantially related if: (1) it involves the same transaction or legal dispute, or (2) there is a substantial risk that confidential factual information obtained in the prior representation would materially advance the new client’s position in the subsequent matter.⁶

The Rules of Professional Conduct do not specify what constitutes a “materially adverse” representation. However, Formal Opinion 497 of ABA Standing Committee on Ethics and Professional Responsibility is instructive:

“...[w]hile material adverseness is present when a current client and former client are directly adverse, material adverseness also can be present where direct adverseness is not... In the absence of direct adverseness, generalized financial harm or a claimed detriment that is not accompanied by demonstrable harm to the former or prospective client’s interests does not constitute material adverseness [...] Material adverseness ... requires a conflict as to the legal right and duties of the clients, not merely conflicting or competing economic interests.”

“Adverse” in these contexts does not necessarily mean that there needs to be an actual dispute between the former and current client; clients that may be on opposite sides of a transaction, matter, or dispute can be considered potentially “adverse” and an attorney or firm may be required to obtain written informed consent and a waiver to begin or continue the representation. However, it is important to note that an attorney’s duty for *concurrent* representation – when a firm or attorney represents multiple parties in the same matter – is significantly higher than the duty to *former* clients because of the ongoing duty of loyalty to both clients for that matter.

Finally, California law *does not* recognize conflicts based on “playbook information.” That is, an attorney is not disqualified from a subsequent representation solely because the attorney obtained “...information regarding general business practices or litigation information concerning an adversary’s general business practices or litigation philosophy... during the attorney’s previous relationship with the adversary...”⁷ Critical to the analysis is whether, “the information acquired during the first representation [is] ‘material’ to the second; that is, it must be found to be directly at issue in, or have some critical importance to, the second representation.”⁸

⁶ See *Oasis West Realty, LLC v. Goldman* (2011) 51 Cal.4th 811; *Wutchumna Water Co. v. Bailey* (1932) 216 Cal. 564. See also Cal. Rules of Prof. Conduct, rule 1.9, comment [1].

⁷ *Wu v. O’Gara Coach Co., LLC* (2019) 38 Cal.App.5th 1069, 1083. (citing *Banning Ranch Conservancy v. Superior Court* (2011) 193 Cal.App.4th 903, 918; *Fremont Indemnity Co. v. Fremont General Corp.* (2006) 143 Cal.App.4th 50, 69; *Farris v. Fireman’s Fund Ins. Co.* (2004) 119 Cal.App.4th 671, 680.)

⁸ *Id.* See also *ABA Model Rules Prof. Conduct*, rule 1.9, com. [3] “[i]n the case of an organizational client, general knowledge of the client’s policies and practices ordinarily will not preclude a subsequent representation; on the other hand, knowledge of specific facts gained in a prior representation that are relevant to the matter in question ordinarily will preclude such a representation”; *Rest.3d Law Governing Lawyers*, § 132, com. d(iii), p. 382 [only when information concerning a former client’s policies and practices “will be directly in issue or of unusual value in the subsequent matter will it be independently relevant in assessing a substantial relationship”].)

C. *Related Duties to Current Client*

In addition to the duty to former clients in Rule 1.9, an attorney may not undertake a representation if the representation is materially limited by the attorney's duties to a former client.

Rule 1.7(b) provides that:

"A lawyer shall not, without informed written consent from each affected client... 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."

Comment [1] to rule 1.7 notes that, "...simultaneous representation in unrelated matters of clients whose interests are only economically adverse, such as representation of competing economic enterprises in unrelated litigation, does not ordinarily constitute a conflict of interest and thus may not require informed written consent of the respective clients." Comment [10] adds that, "A material change in circumstances relevant to application of this rule may trigger a requirement to make new disclosures and, where applicable, obtain new informed written consents."

IV. ANALYSIS AND DISCUSSION

As noted above, the attorney's duty of confidentiality to former clients, and the attorney's duty of loyalty and independent judgment to any current client necessitates analysis of any actual or potential conflicts before undertaking any representation. However, whether a conflict exists cannot be analyzed in the abstract – whether the rules are applicable depends on the facts.

1. *OCSD has never had a formal relationship with CCB*

While there were initial discussions about OCSD being a member of CCB, this relationship never materialized. As such, **we are not aware of any confidential information that would have been obtained by the Firm or its attorneys during any such negotiations.** There are no contractual agreements between the two entities that would have given the Firm access to confidential information relating to the District's position on this issue. For this reason, it is extremely unlikely that there is a "same transaction or legal dispute" over which the entities are or might be materially adverse.

2. *OCSD is not party to any litigation to which CCB is also a party*

An additional concern, which is disclosed in the Conflict Advisement, is that information relating to the Groundwater Litigation and NCMA were obtained by the Firm and its attorneys. Protecting the confidentiality of communications is paramount to the conflict rules discussed above. It is critical to note that CCB's role under the joint powers agreement is solely to construct, operate, and administer the proposed capital projects. CCB is not a party to the Groundwater Litigation; any potential conflicts of the member cities is not imputed to CCB, as each city is represented by independent legal counsel. CCB does not currently hold any groundwater rights, nor will it ever hold any groundwater rights even after the projects are operational. Thus, absent a future material change, CCB would not be an appropriate party to the Groundwater Litigation.

Even if there is a dispute *between* the members of the NCMA, CCB would not be party to that dispute. The members of the NCMA are the five rights-holders in the management area, which does not include CCB. Because CCB is not a holder of water rights in the Santa Maria Valley Groundwater Basin, CCB – as a separate legal entity from its member cities – would not be involved as a party to any dispute between the members of the NCMA. Finally, it is important to note that the member cities of CCB are also members of the NCMA Santa Maria Valley Groundwater Litigation. Most, if not all, of the information concerning that litigation learned by the Firm was also shared with the other member cities that make up CCB.

Finally, the project site for the Phase I facility was formerly owned by the City of Pismo Beach and is located within the City of Grover Beach. While it is possible that a future project site can be within OCSD boundaries, that fact alone would not constitute a legal conflict.

3. *OCSD’s policy disagreements do not constitute a legal conflict of interest with CCB*

Despite the lack of any formal relationship with OCSD, CCB has considered the OCSD as a community stakeholder in its capital projects. For this reason, CCB staff has made multiple presentations regarding its plans and capital projects to the OCSD Board of Directors over time. Questions and discussion of CCB was held in open session.

As noted above, California law does not recognize conflicts based on “playbook information.” That is, unless there is a showing that an attorney obtained specific confidential information from the former client that is directly at issue or critically important to a matter, a conflict is not presumed. A complicating factor is that both the OCSD and CCB are public entities – individual directors cannot act unilaterally to set policy for the entity. For this reason, while individual directors of the OCSD may, at various times inside and outside of district meetings, have expressed personal viewpoints regarding CCB and its policies and projects, the OCSD did not formally take any action with respect to the CCB.

4. *A future material change in circumstances may require separate analysis*

As noted above, because the duty to former clients requires written *informed* consent to waive a conflict, a subsequent material change in circumstances may trigger a new requirement to disclose and obtain a new written informed consent.⁹ A future conflict of interest may also require appointment of “conflict counsel,” a third-party attorney brought in for that specific matter, or withdrawal from representation by the Firm. While the Firm does not anticipate that this will be necessary, the Firm should be prepared to do so for transparency and compliance with the law.

5. *Because of the public nature of both representations, the Firm has chosen to disclose its new representation and advise OCSD of the same*

Despite the lack of any current or reasonably foreseeable conflicts between CCB and the OCSD, the Firm chose to disclose its new representation and obtain a signature on a potential conflict advisement document because both entities are public bodies. Conflict of interest waivers are not

⁹ Cal. Rules of Prof. Conduct, rule 1.9, comment [10].

uncommon, especially because of the smaller group of law firms serving most public entities in the state (and the Central Coast particularly).¹⁰

The purpose of a waiver in this case – and the stated purpose of the Conflict Waiver sent to the OCSD – is to disclose the new representation to both entities and to the public. In addition to the Firm’s general legal services to CCB, the waiver addresses specific areas for potential conflict regarding the Groundwater Litigation and NCMA.. The Conflict Advisement also describes the Firm’s continuing obligations to the OCSD as a former client.

There is no “conflict” to be waived at this time. The Conflict Advisement was sent only to let our former client know that we had been hired by CCB and to explain the potential appearance of a conflict.

¹⁰ See e.g., [City of Grover Beach](#) (June 2018); [Valley Clean Energy Alliance](#) (Sept. 2021); [Los Osos Community Services District](#) (August 2019); [Clear Creek Community Services District](#) (Feb. 2021);



The State Bar of California

California Rules of Professional Conduct

2023

RULES OF PROFESSIONAL CONDUCT

~~Rule 1.8.10 Sexual Relations with Current Client~~

~~(a) A lawyer shall not engage in sexual relations with a current client who is not the lawyer's spouse or registered domestic partner, unless a consensual sexual relationship existed between them when the lawyer-client relationship commenced.~~

~~(b) For purposes of this rule, "sexual relations" means sexual intercourse or the touching of an intimate part of another person* for the purpose of sexual arousal, gratification, or abuse.~~

~~(c) If a person* other than the client alleges a violation of this rule, no Notice of Disciplinary Charges may be filed by the State Bar against a lawyer under this rule until the State Bar has attempted to obtain the client's statement regarding, and has considered, whether the client would be unduly burdened by further investigation or a charge.~~

Comment

~~[1] Although this rule does not apply to a consensual sexual relationship that exists when a lawyer-client relationship commences, the lawyer nevertheless must comply with all other applicable rules. (See, e.g., rules 1.1, 1.7, and 2.1.)~~

~~[2] When the client is an organization, this rule applies to a lawyer for the organization (whether inside counsel or outside counsel) who has sexual relations with a constituent of the organization who supervises, directs or regularly consults with that lawyer concerning the organization's legal matters. (See rule 1.13.)~~

~~[3] Business and Professions Code section 6106.9, including the requirement that the complaint be verified, applies to charges under subdivision (a) of that section. This rule and the statute impose different obligations.~~

~~Rule 1.8.11 Imputation of Prohibitions Under Rules 1.8.1 to 1.8.9~~

~~While lawyers are associated in a law firm,* a prohibition in rules 1.8.1 through 1.8.9 that applies to any one of them shall apply to all of them.~~

Comment

~~A prohibition on conduct by an individual lawyer in rules 1.8.1 through 1.8.9 also applies to all lawyers associated in a law firm* with the personally prohibited lawyer. For example, one lawyer in a law firm* may not enter into a business transaction with a client of another lawyer associated in the law firm* without complying with rule 1.8.1, even if the first lawyer is not personally involved in the representation of the client. This rule does not apply to rule 1.8.10 since the prohibition in that rule is personal and is not applied to associated lawyers.~~

Rule 1.9 Duties to Former Clients

(a) A lawyer who has formerly represented a client in a matter shall not thereafter represent another person* in the same or a substantially related matter in which that person's* interests are materially adverse to the interests of the former client unless the former client gives informed written consent.*

(b) A lawyer shall not knowingly* represent a person* in the same or a substantially related matter in which a firm* with which the lawyer formerly was associated had previously represented a client

(1) whose interests are materially adverse to that person;* and

(2) about whom the lawyer had acquired information protected by Business and Professions Code section 6068, subdivision (e) and rules 1.6 and 1.9(c) that is material to the matter;

unless the former client gives informed written consent.*

(c) A lawyer who has formerly represented a client in a matter or whose present or former firm* has formerly represented a client in a matter shall not thereafter:

(1) use information protected by Business and Professions Code section 6068, subdivision (e) and rule 1.6 acquired by virtue of the representation of the former client to the disadvantage of the former client except as these rules or the State Bar Act would permit with respect to a current client, or when the information has become generally known;* or

RULES OF PROFESSIONAL CONDUCT

(2) reveal information protected by Business and Professions Code section 6068, subdivision (e) and rule 1.6 acquired by virtue of the representation of the former client except as these rules or the State Bar Act permit with respect to a current client.

Comment

[1] After termination of a lawyer-client relationship, the lawyer owes two duties to a former client. The lawyer may not (i) do anything that will injuriously affect the former client in any matter in which the lawyer represented the former client, or (ii) at any time use against the former client knowledge or information acquired by virtue of the previous relationship. (See *Oasis West Realty, LLC v. Goldman* (2011) 51 Cal.4th 811 [124 Cal.Rptr.3d 256]; *Wutchumna Water Co. v. Bailey* (1932) 216 Cal. 564 [15 P.2d 505].) For example, (i) a lawyer could not properly seek to rescind on behalf of a new client a contract drafted on behalf of the former client and (ii) a lawyer who has prosecuted an accused person* could not represent the accused in a subsequent civil action against the government concerning the same matter. (See also Bus. & Prof. Code, § 6131; 18 U.S.C. § 207(a).) These duties exist to preserve a client's trust in the lawyer and to encourage the client's candor in communications with the lawyer.

[2] For what constitutes a "matter" for purposes of this rule, see rule 1.7(e).

[3] Two matters are "the same or substantially related" for purposes of this rule if they involve a substantial* risk of a violation of one of the two duties to a former client described above in Comment [1]. For example, this will occur: (i) if the matters involve the same transaction or legal dispute or other work performed by the lawyer for the former client; or (ii) if the lawyer normally would have obtained information in the prior representation that is protected by Business and Professions Code section 6068, subdivision (e) and rule 1.6, and the lawyer would be expected to use or disclose that information in the subsequent representation because it is material to the subsequent representation.

[4] Paragraph (b) addresses a lawyer's duties to a client who has become a former client because the lawyer no longer is associated with the law firm* that represents or represented the client. In that situation, the lawyer has a conflict of interest only when the

lawyer involved has actual knowledge of information protected by Business and Professions Code section 6068, subdivision (e) and rules 1.6 and 1.9(c). Thus, if a lawyer while with one firm* acquired no knowledge or information relating to a particular client of the firm,* and that lawyer later joined another firm,* neither the lawyer individually nor lawyers in the second firm* would violate this rule by representing another client in the same or a related matter even though the interests of the two clients conflict. See rule 1.10(b) for the restrictions on lawyers in a firm* once a lawyer has terminated association with the firm.*

[5] The fact that information can be discovered in a public record does not, by itself, render that information generally known* under paragraph (c). (See, e.g., *In the Matter of Johnson* (Review Dept. 2000) 4 Cal. State Bar Ct. Rptr. 179.)

[6] With regard to the effectiveness of an advance consent, see rule 1.7, Comment [9]. With regard to imputation of conflicts to lawyers in a firm* with which a lawyer is or was formerly associated, see rule 1.10. Current and former government lawyers must comply with this rule to the extent required by rule 1.11.

~~Rule 1.10 Imputation of Conflicts of Interest: General Rule~~

~~(a) While lawyers are associated in a firm,* none of them shall knowingly* represent a client when any one of them practicing alone would be prohibited from doing so by rules 1.7 or 1.9, unless~~

~~(1) the prohibition is based on a personal interest of the prohibited lawyer and does not present a significant risk of materially limiting the representation of the client by the remaining lawyers in the firm;*~~ or

~~(2) the prohibition is based upon rule 1.9(a) or (b) and arises out of the prohibited lawyer's association with a prior firm,* and~~

~~(i) the prohibited lawyer did not substantially participate in the same or a substantially related matter;~~

~~(ii) the prohibited lawyer is timely screened* from any participation in the~~



Oceano Community Services District

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

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

Date: February 28, 2024

To: Board of Directors

From: Paavo Ogren, Interim General Manager

Subject: **Agenda Item #9(C): Preview on Developing a Strategic Plan for the District with Board Direction as Deemed Appropriate**

Recommendation

It is recommended that your Board consider the presentation on developing a strategic plan for the District and provide Board direction as you deem appropriate.

Discussion

At the Special District Leadership Conference attended by the Board on February 5-7, one of the five half-day sessions focused on strategic planning. Several topics were discussed, and at your meeting on February 14th, an overview of the conference was presented during the General Manager's report. Included in the topical discussions was the question of "how" to approach strategic planning because there is no "one-way" that ensures the successful development and implementation of strategic plans. Accordingly, this agenda item will initiate Board discussion on critical elements to consider in approaching strategic planning.

- Does the Board think that the District should develop a strategic plan?

If yes,

- How detail-oriented should the plan be?
 - Mission and Vision Statements?
 - Goals and Objectives?
 - Priorities, timing, and work plans?
 - District Committees?
 - Community Outreach & Involving the Public?
 - Inter-Agency relations?
 - Advocacy platforms?
 - Regulatory requirements?
 - Capital Improvement Planning?
 - Budgets and fiscal efforts?
 - Operational issues?
 - Human Resources?
 - Other?



Understandably, any strategic plan's final level of detail will depend on discussions and decisions during plan development. Nevertheless, a preliminary discussion by the Board will help with initial efforts in developing an approach, and it may be that your Board chooses “all of the above” plus more (i.e., “others”).

For example, including “regulatory requirements” in the strategic plan might have more details for new regulations and how to meet those requirements but fewer details on existing regulations covered by existing regulatory plans. The strategic plan might include “no” details and direct the development of a regulatory compliance page on the District website that provides links to regulatory requirements and the District’s compliance documents.

- When should the strategic plan be developed?
 - Consider the timing of hiring a permanent General Manager (GM).
 - The GM is responsible for implementing the strategic plan and should help establish timing and work plans, at a minimum.
 - The GM evaluation should, in part, be based on implementing the strategic plan.
 - The more the GM is engaged in its development, the more likely it will succeed – i.e., set the GM for success, not failure.
 - Provide time for the GM to collaborate with staff in advance to understand the District’s workload and challenges.
 - Provide time for the GM to get to know Board members and your individual priorities and preferences.
 - Can some efforts be initiated on a preliminary basis before hiring a GM?
 - Goals and objectives of committees?
 - Preparatory efforts by staff?
 - Hiring of a facilitator?

- What are the cost implications?

In summary, the following three questions will help with initiating strategic plan discussion:

- Does the Board wish to direct the development of a strategic plan for the District?
- What details might the Board wish to include?
- When should the plan be developed?



Oceano Community Services District

Board of Directors Meeting

Other Agency Involvement

N/A

Financial Considerations

N/A

Results

Developing and implementing a strategic plan promotes a safe, healthy, and well-governed community.