



Notice of Regular Meeting Oceano Community Services District - Board of Directors Agenda

WEDNESDAY, March 27, 2019 – 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.

All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the General Manager prior to the start of the meeting. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. Persons wishing to speak on more than one item shall limit his/her remarks to a total of SIX (6) minutes. This time may be allocated between items in one-minute increments up to three minutes. Time limits may not be yielded to or shared with other speakers.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **FLAG SALUTE**
4. **AGENDA REVIEW**
5. **CLOSED SESSION:**

A. **Pursuant to Government Code 54956.8(a):** Conference with legal counsel regarding lease of real property by or for the local agency to grant authority to its negotiator regarding the price and terms of payment for the purchase, sale, exchange, or lease.

6. **PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA: (NOT BEGINNING BEFORE 6:00 PM)**

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. STAFF REPORTS:

- i. Operations - Field Supervisor Tony Marraccino
- ii. FCFA Operations - Chief Steve Lieberman
- iii. OCSD General Manager – Paavo Ogren
- iv. Sheriff's South Station - Commander Stuart MacDonald

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

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

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Agenda Item #7 – Special Presentations and Reports. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

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

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

8. CONSENT AGENDA ITEMS:

Public comment Members of the public wishing to speak on consent agenda items may do so when recognized by the Presiding Officer. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Review and Approval of Minutes for February 12, 2019
- B. Review and Approval of Minutes for February 27, 2019
- C. Review and Approval of Cash Disbursements

9. BUSINESS ITEMS:

Public comment Members of the public wishing to speak on public hearing items may do so when recognized by the Presiding Officer. To facilitate public comment, we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Consideration of a recommendation to approve edits to the District Bylaws to compensate committee alternates for attending committee meetings and to approve a related Director stipend of \$50.
- B. Consideration of a recommendations to include estimates in the preliminary 2019/20 budget for the cost of live streaming services for Board meetings, to obtain design-build proposals to upgrade audio visual equipment and receive an update from the social media ad-hoc committee.
- C. Status update on amending the Five Cities Fire Authority Joint Powers Agreement and Board direction as deemed appropriate.
- D. Approval of Recommendations for General, Auto and other Liability Insurance Coverage for 2019 and authorize payment in an amount not to exceed \$23,727.

10. HEARING ITEMS:

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS: District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Cienaga Seabreeze Park, Inc. Continued, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, State Park impact to OCSD, The Place.

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:



Oceano Community Services District
Summary Minutes
Regular Meeting Wednesday, February 13, 2019 – 6:00 P.M.
Oceano Community Services District Board Room
1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 6:00 p.m. by President Austin
2. **FLAG SALUTE:** led by President Austin
3. **ROLL CALL:** All Board members present: President Austin, Vice President White, Director Villa, Director Gibson and Director Replogle. Also present, General Manager Paavo Ogren, Business and Accounting Manager Carey Casciola, Legal Counsel Jeff Minnery and Board Secretary Celia Ruiz.
4. **AGENDA REVIEW:** Item 8D was revised to add \$ 590.10 to the warrants to increase total cash disbursement to \$88,259.40 and Item 8E updated the conflict of interest waiver with a motion was to approve agenda as modified from Vice President White, a second from Director Villa and a roll call vote 5-0.
5. **CLOSED SESSION: Continued until next Regular Meeting**
 - A. 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.,
 - B. Pursuant to Government Code 54957: Public Employment – General Manager; District Engineer/ Assistant General Manager
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
 Public comment was received by Lucia Casalnuovo, Jeff Pienack, Jeff Edwards, Charles Varni, Mary Lucey, Julie Tacker and Steve Adoni.
7. **SPECIAL PRESENTATIONS & REPORTS: Tabled till next Regular Meeting**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino – Continued
 - ii. FCFA - Chief Steve Lieberman – Continued
 - iii. OCSD General Manager – Continued
 - iv. Sheriff's South Station – Commander Stuart MacDonald – Continued
 - b. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
 - i. Director Villa– Continued
 - ii. Director Gibson– Continued
 - iii. Vice President White – Continued
 - iv. President Austin – Continued
 - v. Director Replogle – Continued
 - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**
 No public Comment

8 CONSENT AGENDA	
Director Replogle requested that Item 8E be pulled for separate consideration.	
8 CONSENT AGENDA:	ACTION:
a. Review and Approval of Minutes for January 09, 2019	After an opportunity for public comment and brief Board discussion, staff recommendations were approved as amended in Item 8d with the addition of \$ 590.10 to the warrants increasing the total cash disbursements to \$88,259.40 with a motion from Vice President White, and a second from Director Gibson and a 5-0 roll call vote. Public comment was received by Julie Tacker.
b. Review and Approval of Minutes for January 23, 2019	
c. N/A	
d. Review and Approval of Cash Disbursements	

<p>8 CONSENT AGENDA:</p> <p>e. Consideration of recommendations to approve a proposal from the San Luis Obispo County Air Pollution Control District to install temporary air quality monitoring equipment on District property as part of the Community Air Protection Program</p>	<p>ACTION:</p> <p>After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Director Gibson, and a second from Vice President White and a 5-0 roll call vote. Public comment was received by Julie Tacker.</p>
<p>9A BUSINESS ITEM:</p> <p>Update on the Water Resource Reliability Program</p>	<p>ACTION:</p> <p>A presentation was given by Melanie Mills. After an opportunity for public comment and Board discussion, no action taken. Public comment was received by Jim Coalwell, Jeff Edwards, Jeff Pinnack, Julie Tacker and Mary Lucey.</p>
<p>9B BUSINESS ITEM:</p> <ol style="list-style-type: none"> 1. Receive and discuss a general presentation on Central Coast Blue preliminary efforts. 2. Review the District's Advocacy Platform adopted on January 11, 2017, and provide general direction on updating and replacing it, including the following: <ol style="list-style-type: none"> a. That the District continues to support inter-agency regional project development efforts for Central Coast Blue with the South San Luis Obispo County Sanitation District and the cities of Arroyo Grande, Grover Beach and Pismo Beach. b. That the District's community specific goals associated with the project include the following: <ol style="list-style-type: none"> i. The District supports project efforts promoting groundwater sustainability. ii. The District's public outreach efforts will focus on impartial information. iii. The District will seek public input in a timely manner to help ensure that the Board of Directors' decisions are in the best interests of community residents, property owners and businesses while considering and balancing project needs, benefits, environmental issues and fiscal impacts. 	<p>ACTION:</p> <p>A presentation was given by General Manager Ogren. After an opportunity for public comment and Board discussion, staff recommendations were approved with a revision to 2(b)iii to include social, economic and industrial burdens and with the addition of co-equal analysis of site alternatives be included in the EIR or EIS with a motion from Director Villa, a second from Vice President White and a 5-0 roll call vote. Public comment was received by Jim Coalwell, Brad Snook, Lucia Casalnuovo, Jeff Edwards, Julie Tacker and Mary Lucey.</p>

<p style="text-align: center;">iv. Varying opinions on the project will be considered by the District in a respectful and courteous manner.</p> <p>c. That the General Manager is directed to prepare a draft update to replace the District's existing Advocacy Platform and to review it with the Board's project liaisons prior to placing it on a subsequent agenda for the Board to consider for formal approval.</p> <p>3. Direct the Board appointees to the South San Luis Obispo County Sanitation District (SSLOCSD) to request that discussion items be placed on the SSLOCSD agenda, <i>at an appropriate time in the future</i>, to review and consider options on potential roles that SSLOCSD might undertake for the project including but not limited to resource commitments, operations, implementation, environmental, funding and governance.</p>	
--	--

Board recessed from 8:39 to 8:52pm

A motion to extend the meeting past 9pm to consider 9B and 9C was motioned by Vice President White, a second from Director Gibson and a 5-0 roll call vote.

9C BUSINESS ITEM:	ACTION:
<p>Continuance of Agenda Item #6(C) from the Board's Special Meeting on January 30, 2019 regarding Reconsideration and/or modification of 2019 Committee Assignments and Appointments</p>	<p>After an opportunity for public comment and Board discussion, a motion was made to put the Central Coast Blue committee on hold until there is a need to reactive the committee, either by action by Central Coast Blue or action at the South San Luis Obispo County Sanitation District that the District would need to consider with a motion from Vice President White, a second from Director Gibson and a 4-1 roll call vote with Director Replogle dissenting.</p> <p>Public comment was received by Lucia Casalnuovo, Julie Tacker, Jeanie Class, Mary Lucey, Charles Varni, Jim Coalwell, Kris Victory, and Brad Snook.</p>

10. HEARING ITEMS: None

11. RECEIVED WRITTEN COMMUNICATIONS: None

12. LATE RECEIVED WRITTEN COMMUNICATIONS: None

13. FUTURE AGENDA ITEMS: District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Cienaga Seabreeze Mobile Home Park Continued, 2019 Goals and Priorities, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, Brown Act training, Committee Appointments, Oath of Office, State Park impact to OCSD.

A motion was made to extend the meeting to consider future agenda items by Director Replogle with a second by Vice President White and a 5-0 roll call.

14. FUTURE HEARING ITEMS: Director Replogle requested to prepare comments to State Parks EIR

15. ADJOURNMENT: at approximately 10:10 pm



Oceano Community Services District

Summary Minutes

Regular Meeting Wednesday, February 27, 2019 – 6:00 P.M.

Oceano Community Services District Board Room

1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 6:00 p.m. by Vice President White
2. **FLAG SALUTE:** led by Vice President White
3. **ROLL CALL:** Board members present: Vice President White, Director Villa, Director Gibson and Director Replogle. Board member absent: President Austin. Also present, General Manager Paavo Ogren, Business and Accounting Manager Carey Casciola, Legal Counsel Jeff Minnery and Board Secretary Celia Ruiz.
4. **AGENDA REVIEW:** Agenda Item 5 will be moved to end of meeting with a motion as modified from Director Gibson, a second from Director Replogle and a roll call vote 4-0,1 absent.
5. **CLOSED SESSION:** was entered at approximately 7:35pm. Open session was resumed at approximate 8:30pm
 - A. **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 action taken.
 - B. **Pursuant to Government Code 54957:** Public Employment – General Manager; District Engineer/
Assistant General Manager
No action Taken.
 - C. **Pursuant to Government Code §54956.9 (d)(2):** Conference with District Counsel regarding anticipated litigation. Number of cases: one (1)
No action taken.
No public comment
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**
No public comment
7. **SPECIAL PRESENTATIONS & REPORTS:**
 - a. **STAFF REPORTS:**
 - i. Operations - Field Supervisor Tony Marraccino –reported on 16 USA's, 23 work orders, 5 after hour call outs, 21 customer service calls. Lopez currently 48.8% full, 0 SSO's for January, 9 work orders from the Ready 311 App for month of January, Honolulu line break, 2300 Cienaga line break, 20th St line break, valve turning, power outage at the lift station, assisted State Parks with water color complaint.
 - ii. FCFA - Chief Steve Lieberman – President White gave a report on the Arroyo Grande city council meeting that covered FCFA.
 - iii. OCSD General Manager – General Manager Ogren reported on the meeting with The Place and Supervisor Compton, working with the District Engineer to finish the bid documents for the utilities relocation for the Drainage Project, Cannon low impact development project, IRMG Grant application due in March, the Ready 311app efforts, March 2020 Election deadline to place measures on ballot is October 22, 2019.
 - iv. Sheriff's South Station – Commander Stuart MacDonald – Sergeant Nichols reported on incidents from January 2019: 14 family disturbances resulted in 1 arrest, 22 pedestrian stops resulted in 6 arrests, 114 vehicle stops resulted in 14 arrests, trespassing incidents, 10 incidents vandalism, mail thefts, identity thefts, 10 vehicle thefts, 6 burglaries, no robberies, 0

juvenile reports, 2 public intoxications, 0 sexual assaults, 1 homicide, gave update on transit/homeless population.

b. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. Director Villa– reported on FCFA
- ii. Director Gibson– None
- iii. Vice President White – reported on FCFA
- iv. President Austin – Absent
- v. Director Replogle – reported on RWMG, WRAC, and OAC

c. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

No public Comment.

8 CONSENT AGENDA:	ACTION:
a. Review and Approval of Minutes for January 30, 2019 b. Review and Approval of Cash Disbursements	After an opportunity for public comment and Board discussion, staff recommendations were approved with a motion from Director Gibson, and a second from Director Villa and a 4-0 roll call vote, 1 absent. No public comment.
9A BUSINESS ITEM:	ACTION:
Consideration of Recommendations to Approve a grant agreement for Phase 2 of the Water Resource Reliability Program (WRRP) and direct the Board President to execute, and to approve a related budget adjustment in the amount of \$177,750	After an opportunity for public comment and Board discussion, staff recommendations were approved with a motion from Vice President White, and a second from Director Villa and a 4-0 roll call vote, 1 absent. No public comment.
9B BUSINESS ITEM:	ACTION:
Consideration of recommendations to authorize the General Manager to solicit bids to replace the watermain on Norswing and Pershing in accordance with District Ordinance 2016-01 contract documents, and the attached encroachment permit issued by the County of San Luis Obispo, and to file a Notice of Exemption pursuant to the California Environmental Quality Act with the San Luis Obispo County Recorder	After an opportunity for public comment and Board discussion, staff recommendations were approved with a motion from Director Gibson, and a second from Director Replogle and a 4-0 roll call vote, 1 absent. No public comment.
9C BUSINESS ITEM:	ACTION:
Submittal of a Sewer System Management Plan (SSMP) 2019 Internal Audit covering Calendar Years 2017 & 2018	After an opportunity for public comment and Board discussion with minor edits to the attachment, the internal audit was received and filed. No public comment.
9D BUSINESS ITEM:	ACTION:
Consideration of a Recommendation to review the 2019-20 Proposed Zone 3 Budget and provide the Zone 3 committee representative with direction as deemed appropriate	After an opportunity for public comment and Board discussion, no action taken. No public comment.
9E BUSINESS ITEM:	ACTION:
Receive and file the June 30, 2018 Audited Financial Statements and Independent Auditors Report prepared by Moss, Levy and Hartzheim, LLP	After an opportunity for public comment and Board discussion, receive and file. No public comment.

10. HEARING ITEMS: None

11. RECEIVED WRITTEN COMMUNICATIONS: None

12. LATE RECEIVED WRITTEN COMMUNICATIONS: None

13. FUTURE AGENDA ITEMS: District Policies Continued, Roles and Responsibilities with Related Agencies; Construction Documents (Norswing/Pershing & Highway One waterline replacement projects), Five Cities Fire Authority, District Rules and Regulations, Cienega Seabreeze Mobile Home Park Continued, 2019 Goals and Priorities, 13th St/ HWY One Drainage Project, Deferred Infrastructure Program, Lopez Lake LRRP & Contract Amendments, Central Coast Blue, Landscape maintenance, Wastewater CIP, Recreation RFP, Brown Act training, Committee Appointments, Oath of Office, State Park impact to OCSD, The Place.

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT: at approximately 8:30pm



Oceano Community Services District

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

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

Date: March 27, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: Agenda Item #8(C): Recommendation to Approve Cash Disbursements

Recommendation

It is recommended that your Board approve the attached cash disbursements.

Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence	Amounts
	57571-57609	
Disbursements Requiring Board Approval prior to Payment:		
Regular Payable Register – paid 03/27/2019	57577 - 57609	\$292,173.03
Subtotal:		\$292,173.03
Reoccurring Payments for Board Review (authorized by Resolution 2018-11):		
Payroll Disbursements – PPE 3/2/2019	N/A	\$30,915.79
Payroll Disbursements – PPE 3/16/2019	N/A	\$29,405.17
Reoccurring Utility Disbursements – paid 02/27/2019	57571 - 57573	\$9,292.72
Reoccurring Health Disbursements – paid 02/27/2019	57574 - 57575	\$6,920.01
Subtotal:		\$76,533.69
Grand Total:		\$368,706.72

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.

3/21/2019 5:01 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

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: 057577 THRU 057609

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1-1001-000	3/21/2019	CHECK	057577	CANNON	10,047.93CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057578	AUTOSYS, INC.	135.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057579	WHITE, KAREN M.	250.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057580	SLO CO CLERK RECORDER	549.31CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057581	FASTENAL COMPANY	388.31CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057582	DIVERSIFIED PROJECT SERVICES I	3,980.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057583	BURDINE PRINTING & GRAPHICS	1,283.42CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057584	CORIX WATER PRODUCTS (US) INC.	3,232.19CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057585	JUSTIFACTS CREDENTIAL VERIFICA	152.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057586	ARAMARK	406.70CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057587	CENTRAL COAST TECHNOLOGY CONSU	316.06CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057588	GSI WATER SOLUTIONS, INC.	1,990.83CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057589	INTEGRA CHEMICAL COMPANY	952.55CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057590	EVERYWHERE RIGHT NOW, INC.	410.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057591	ONE COOL EARTH	3,000.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057592	SHRED-IT USA JV LLC	131.58CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057593	CYNTHIA REPLOGLE	400.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057594	FAMCON PIPE & SUPPLY, INC.	134.06CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057595	PACIFIC CENTRAL COAST HEALTH C	130.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057596	CITY OF ARROYO GRANDE	2,093.08CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057597	CLINICAL LAB OF SAN BERNARDINO	400.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057598	RABOBANK VISA CARD	98.67CR	OUTSTND	A	0/00/0000

3/21/2019 5:01 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 2
 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: 057577 THRU 057609

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	3/21/2019	CHECK	057599	J.B. DEWAR, INC.	683.43CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057600	FIVE CITIES FIRE AUTHORITY	246,840.50CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057601	MIER BROS.	210.11CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057602	MINER'S ACE HARDWARE, INC.	237.22CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057603	NOBLE SAW, INC	13.15CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057604	QUILL CORPORATION	112.36CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057605	PRO-TECH LANDSCAPE MANAGEMENT,	410.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057606	WALLACE GROUP A CALIFORNIA COR	1,241.24CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057607	MOSS, LEVY & HARTZHEIM	11,150.00CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057608	AQUA-METRIC	293.33CR	OUTSTND	A	0/00/0000
1-1001-000	3/21/2019	CHECK	057609	LIEBERT CASSIDY WHITMORE	500.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	292,173.03CR		
				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:	292,173.03CR		
				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 March 27, 2019

	(*)		
<u>Gross Wages</u>	2/16/2019	3/2/2019	3/16/2019
Regular	\$22,910.17	\$24,969.49	\$24,537.16
Overtime Wages	\$1,682.01	\$2,085.82	\$1,198.04
Stand By	\$700.00	\$700.00	\$700.00
Gross Wages	<u>\$25,292.18</u>	<u>\$27,755.31</u>	<u>\$26,435.20</u>
 <u>Disbursements</u>			
Net Wages	\$19,588.84	\$21,156.53	\$20,319.66
State and Federal Agencies	\$3,990.62	\$4,860.92	\$4,280.88
CalPERS - Normal	\$4,347.99	\$4,741.23	\$4,647.52
SEIU - Union Fees	\$154.01	\$157.11	\$157.11
Total Disbursements processed with Payroll	<u>\$28,081.46</u>	<u>\$30,915.79</u>	<u>\$29,405.17</u>
Health (Disbursed with reoccurring bills)	\$4,014.07	\$4,014.07	\$4,746.95
Total District Payroll Related Costs	<u>\$32,095.53</u>	<u>\$34,929.86</u>	<u>\$34,152.12</u>

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

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

CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 057571 THRU 057573

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	2/27/2019	CHECK	057571	DE LAGE LANDEN FINANCIAL SERVI	150.15CR	OUTSTND	A	0/00/0000
1-1001-000	2/27/2019	CHECK	057572	PACIFIC GAS & ELECTRIC	8,802.96CR	OUTSTND	A	0/00/0000
1-1001-000	2/27/2019	CHECK	057573	COASTAL COPY, INC.	339.61CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	9,292.72CR		
				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:	9,292.72CR		
				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: 057574 THRU 057575

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	2/27/2019	CHECK	057574	BLUE SHIELD OF CALIFORNIA	5,878.81CR	OUTSTND	A	0/00/0000
1-1001-000	2/27/2019	CHECK	057575	PRINCIPAL LIFE INSURANCE COMPA	1,041.20CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	6,920.01CR		
				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:	6,920.01CR		
				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: March 27, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Via: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(A):** Consideration of a recommendation to approve edits to the District Bylaws to compensate committee alternates for attending committee meetings and to approve a related Director stipend of \$50.

Recommendation

It is recommended that your Board:

1. Approve edits to the District Bylaws to compensate alternates for attending committee meetings
2. Approve a \$50 stipend to Director Replogle for attending a committee meeting as an alternate

Discussion

Section 8.1 of the District Bylaws authorizes compensation for Board Members for each regular, special and committee meeting they attend. This section does not expressly address compensation if an alternate is also in attendance. In the past, the District has compensated alternates, but only if they are attending a meeting in place of the designated Board member. It is in the best interest of the District for alternates to also attend to be informed of the current committee issues in the event the designated Board member is absent. The attached redline strikeout has included the alternates attendance to section 8.1 addressing "Director Compensation."

A second item for future consideration relating to the bylaws are the two regularly scheduled meetings per month. If OCS D was to go to one meeting per month, it would eliminate up to 10 meetings per year (historically the District only has one meeting in November and one in December due to the holiday season).

Staff is recommending a Board discussion on the possibility of holding one Board meeting a month for the following reasons:

- Cost savings are estimated at approximately \$23,000 per year (or \$2,300 per meeting).
- Cost savings can be utilized to pay the costs associated with live streaming Board meetings, which adds \$200 per meeting to the \$585 per meeting charge currently paid to AGP video.
- Net savings would be approximately \$20,600 per year.



- Assuming that holding one regular meeting per month may result in three extra special meetings per month, the net cost savings would be reduced to approximately \$13,000.

Holding a single meeting per month would result in other changes, including the following:

- More items on the consent agenda to ensure that the one meeting a month doesn't run too long – staff does not envision a problem with this since items are often placed as a business item that warrant little to no discussion.
- Authorization of cash disbursements would need to be modified so invoices could be processed in a timely manner to avoid late payments. Similar to current processes, Board members would continue to sign checks, which staff does not currently do. A resolution on a future agenda would need to be approved to expand staffs' authorization for processing of accounts payable but would still require Board approval of payments on construction contracts and payments made to consultants.

Another Agency Involvement

Members of the Board represent the District at various meetings locally in San Luis Obispo County and statewide.

Financial Considerations

The cost for the District will increase to \$50 per meeting for an alternate to attend committee meetings.

Cost savings to transition to one regular meeting per month are based on costs associated with board stipends, staff overtime, AGP Video recording & live streaming, legal counsel, and general staff time involved with preparation of the agenda.

Results

Revisions to the Bylaws, when and where prudent provides for a well governed community.

Attachment: Redline of current Bylaws

**OCEANO COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS — BYLAWS**

1. OFFICERS OF THE BOARD OF DIRECTORS.

1.1. The officers of the Board are the President and Vice President.

1.2. The President and Vice President shall be elected annually during the first regular meeting in December, after any newly elected Board members are seated (Government Code Section 61043). The term of office for the President and Vice-President of the Board shall commence immediately after the election.

1.3. The President of the Board shall serve as presiding officer at all Board meetings. The President shall have the same rights as the other members of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.

1.4. In the absence of the President, the Vice-President of the Board shall serve as presiding officer over all meetings of the Board. If the President and Vice-President of the Board are both absent, the remaining members present shall select one of themselves to act as presiding officer of the meeting.

1.5. The Board may at any time determine, by majority vote of all members, that the President has demonstrated an inability to serve. Upon such determination, the Vice President shall preside instead of the President.

1.6. The Board may at any time determine, by majority vote of all members, that the Vice President, when acting as the presiding officer pursuant to Section 1.5 above, has demonstrated an inability to serve. Upon such determination, the Board shall, by majority vote, elect another member to be the presiding officer.

2. MEETINGS.

2.1. Regular meetings of the Board of Directors (the Board) shall commence at ~~6:30 p.m.~~ on the second and fourth Wednesday of each calendar month in the Board room at the District Office currently located at 1655 Front Street, Oceano, CA, 93475. Regular meeting times shall be set annually pursuant to the current Director's schedules and/or preference with the consideration to the public's right to participate.

Changes approved at 1/30/2019 Board Meeting with a motion.
--

2.2. Members of the Board shall attend all regular and special meetings of the Board unless there is good cause for absence.

2.3. The General Manager, in cooperation with the Board at the prior meeting shall prepare an agenda for each regular and special meeting of the Board. Any Director, before or during a regular meeting, may request that the General Manager place an item on the agenda. The General Manager may also put emergent District business on the agenda. Items being placed on any agenda are subject to Brown Act regulations.

2.4. No action or discussion may be taken on an item not on the posted agenda. However, matters deemed to be emergencies or of an urgent nature may be added to the agenda of a

regular meeting under the procedures of the Brown Act. Pursuant to the Brown Act and at regular meetings:

- a) Board Members may briefly respond to statements or questions from the public; and
- b) Board Members may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting; and
- c) The President or a majority of the Board itself may direct staff to place a matter on a future agenda.

2.5. The presiding officer shall conduct all meetings in a manner consistent with the policies of the District and the Brown Act. He/she shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/she shall announce the Board's final decision on all subjects. He/she shall vote on all questions; and on roll call his/her name shall be called last.

2.6. A majority of the Board shall constitute a quorum for the transaction of business. While a majority of the Board is sufficient to do business, motions must be passed unanimously if only three Board members are present. Only those Board members present at a meeting may vote on business conducted at that meeting.

2.7. If a quorum does not arrive within fifteen (15) minutes of the time the meeting has been scheduled, it shall be determined that a quorum is not present. When there is no quorum for a regular meeting, the President, Vice President, or any Board member shall adjourn such meeting or, if no Board member is present, the District secretary shall adjourn the meeting.

2.8. ~~A roll call vote shall be taken upon the passage of all ordinances, resolutions, and other matters established by Board policy or state law that require solicitation of bids, and all matters involving more than a seven thousand five hundred dollar (\$7,500.00) expenditure by the District. Roll call shall be taken on the passage of all business items before the Board.~~ The roll call vote shall be entered in the minutes of the Board meeting showing those Board members voting aye, those voting no, and those not voting or absent. ~~A roll call vote shall be taken and recorded on any vote not passed unanimously by the Board.~~ Unless a Board member states that he or she is not voting on an item because of a conflict of interest, his or her silence or abstention shall be deemed and recorded as an affirmative vote.

Changes approved at 1/30/2019 Board Meeting with a motion.
--

2.9. Any person attending a meeting of the Board may record the proceedings with an audio or video tape recorder or a still or motion picture camera unless the recording causes unreasonable noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings or would impair the ability of the public to observe the proceedings. All video tape recorders, still, and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speakers' podium once the meeting begins.

2.10. During each meeting, time shall be set aside to receive public comment in accordance with the Brown Act and District policy. Public comment shall be directed to the Board as a whole and not to any member individually or to the public.

2.11. If an individual or group willfully interrupts a meeting, fails to adhere to the District's policies pertaining to public comment, or otherwise creates an unreasonable disruption to the proceedings, the meeting may be stopped and the room may be cleared. In such circumstances, members of the media must be allowed to remain and only matters on the agenda can be discussed.

~~2.11.2.12.~~ No regular meeting will be conducted past 9:30p.m. At that time the meeting will be continued, to a time and place acceptable to a majority of the Board Members present, to consider any items where action is necessary prior to the next regular Board meeting. If a second meeting is held and continues until 9:30p.m., then the meeting will be adjourned and remaining agenda items continued to the next regular Board meeting. Adjournment at 9:30p.m. may be disregarded by means of a motion to suspend the rules, if seconded and approved by a vote of two-thirds of the Board Members present.

This change was approved on 9/25/2013 by Resolution 2013-25 but was not included in prior published versions of the bylaws.

3. COMMITTEES.

3.1. The Board may create Committees that are reflective of the District's business and its enumerated powers at its discretion. Committees shall be advisory committees to the Board and shall not commit the District to any policy, act or expenditure. The duties of the committees shall be outlined at the time of creation.

3.2. All committee meetings shall be conducted as public meetings in accordance with the Brown Act.

3.3. No committee shall include in its membership more than two (2) Board members.

3.4. An alternate member may be assigned by the Board in advance for those meetings where a regular member is unable to attend.

3.5. Committee assignments and District appointments will be coordinated with the election of the District officers annually. Upon a motion and a majority vote, committee assignments and appointments may be reconsidered at any time during the calendar year.

Changes approved at 01/30/2019 Board Meeting with a motion.

4. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES.

4.1. The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file created for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheadings. However, the District Secretary shall be required to make a record only of such business as was actually passed upon by a vote of the Board and, except as provided in Section 4.2 below, shall not be required to record any remarks of Board Members or any other person. The Minutes shall record all of the votes taken for the passage of all ordinances, resolutions or motions.

4.2. Any Director may request that brief comments pertinent to an agenda item be included in the minutes, but only at the meeting in which the item is discussed.

4.3. The District Secretary shall attempt to record the names and place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.

4.4. Whenever the Board acts in a quasi-judicial proceeding, such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

4.5. Any audio or visual recording of a District meeting made for whatever purpose at the direction of the District shall be subject to inspection pursuant to the California Public Records Act. Audio and/or visual recordings will be posted on the District's website for 30 days before being taken down. Physical copies of the audio/visual recordings will be retained in the District archive for five (5) years and may be destroyed thereafter.

4.6. Nothing herein shall be deemed to create a requirement that minutes from the meeting be taken, or tape or film recordings be made, of any closed sessions of the Board.

4.7. All correspondence should have Name and Address of record to be entered in the minutes.

5. MEMBERS OF THE BOARD OF DIRECTORS.

5.1. Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.

5.2. Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and options, but in a respectful manner.

5.3. Once the Board takes action, Directors should commit to supporting the action and should not obstruct implementation of the action.

5.4. Any vacancy in the office of a member elected to the Board shall be filled pursuant to Government Code Section 1780.

6. AUTHORITY OF DIRECTORS.

6.1. The full Board of Directors, in actions taken pursuant to The Brown Act, retain absolute power to set policy, direct staff, and conduct the business of the District.

6.2. The Board is the unit of authority within the District. Apart from their normal functions as a part of the Board, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

6.3. Directors do not represent any fractional segment of the community. Rather, they are part of the body which represents and acts for the community as a whole.

6.4. The primary responsibility of the Board is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are the responsibility of the professional staff members of the District. Directors should not obstruct the professional staff in the performance of their duties.

6.5. The Board at a regular or special meeting may authorize a Director or staff to speak or communicate on behalf of the District or represent the District at a meeting or related function, Otherwise, Board members attending such events as described above shall make it clear that they are speaking on their own behalf and not representing the District or its Board of Directors.

7. DIRECTOR GUIDELINES.

7.1. It is the intent of the Board of Directors to:

- a) Maintain control and direction of the District by action of the Board of Directors taken pursuant to the Brown Act;
- b) Allow Board Members access to information relative to the running of the District;
- c) Protect staff from undue influence, threats, harassment, and/or pressure from individual Board Members or members of the public; and
- d) Allow staff to execute priorities given by the Board of Directors and management without fear of reprisal.

7.2. Individual Board members, by making a request to the General Manager shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as a basis for certain actions of staff or as justification for staff recommendations. Board Members shall receive the cooperation and candor of the General Manager in being provided with the requested information. If the General Manager cannot timely provide the requested information because it is not presently available or its production would cause an interruption in work schedules or workloads, then the General Manager shall inform the Board member why the information is not available or cannot be made available in a timely manner, and when it may be made available.

7.3. If the information still cannot be provided the General Manager shall, or the Board Members shall direct the General Manager to, place an item on the Board agenda for direction as to the Board's desire and method of providing the information.

7.4. In handling complaints from residents, property owners within the District or other constituents, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and appropriate response.

7.5. Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programs, should refer said concerns directly to the General Manager.

7.6. When approached by District personnel concerning specific District policy, Directors should direct inquiries to the General Manager.

7.7. Directors and the General Manager should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.

7.8. When responding to constituent requests and concerns, Directors should respond to individuals in a positive manner and route their questions to the General Manager.

7.9. Sitting Directors should not enter into Litigation against the District. Should a Director enter into litigation against the District, it will be presumed that said Director has a conflict of interest on all matters presented to the Board for discussion and action.

8. DIRECTOR COMPENSATION.

8.1. Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular or special meeting of the Board and fifty dollars (\$50.00) for each committee meeting attended by him or her as the appointed Board representative or as the alternate.

Proposed edit
for March 27,
2019

8.2. In no event shall Director compensation exceed one hundred dollars (\$100.00) per day.

8.3. Director compensation shall not exceed six hundred (\$600.00) in any one (1) calendar month.

9. EXPENSE REIMBURSEMENT.

9.1. Each Board Member is entitled to reimbursement for their actual and necessary traveling and incidental expenses incurred in the performance of the duties required and authorized by the Board. Personal phone calls are not reimbursed.

a) It is the policy of the District to exercise prudence with respect to hotel or motel accommodations. It is also the policy of the District for Board members and staff to stay at the hotel or motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.

b) Any Director traveling on District business shall receive transportation and lodging expenses, and ordinary expenses such as meals and tips. If a Director is called upon to personally pay District business expenses during travel, the Director shall maintain all receipts from any such District business trips. Such receipts will be used to calculate the amount of reimbursement.

c) Mileage reimbursement for use of privately owned vehicles used for District business shall be as established by the Internal Revenue Service.

10. CORRESPONDENCE DISTRIBUTION POLICY.

10.1. The following letters and other documents shall be accumulated and delivered to the Board on Friday of each week.

a) All letters approved by the Board and/or signed by the President on behalf of the District.

- b) All correspondence received by the District that are of District-wide concern as reasonably determined by the General Manager.

11. CONFLICTS OF INTEREST AND RELATED POLICY.

11.1. State laws exist which attempt to eliminate any action by a Board Member or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with the Fair Political Practices Commission (the "FPPC") at (916) 322-5660, prior to the day of the meeting if they have a question about a particular agenda item.

11.2. Each Director is encouraged to review the District's Conflicts of Interest Code on a regular basis. The general rule is that an official may not participate in making a governmental decision if it is reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. If real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is deemed to be directly involved in the decision. Additionally, FPPC rules generally require a disqualified Board member to leave the room during the discussion of the matter.

11.3. The prohibitions of Government Code Section 1090 provide that the District may not contract with any business in which a Board member has a financial interest.

11.4. The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment of either public office, the discharge of the duties of the two offices by one person is incompatible with the affected office and the official must step down from one of the offices.

12. EVALUATION OF CONSULTANTS.

The District Consultants, including the District's Legal Counsel and Consulting Engineer, shall be evaluated annually during the months of May or June.

13. CONTINUING EDUCATION.

13.1. Board Members are required to attend training on ethics and sexual harassment every other year on an alternating schedule. Board members are also required to attend training on the National Incident Management System (NIMS).

13.2. Members of the Board and the General Manager are encouraged to attend educational conferences and professional meetings to improve District operation, such as Special District Administration, Finance and Governance, and other programs that emphasize employee relationships.

13.3. Subject to budgetary constraints, there is no limit on the number of Directors attending a particular conference or seminar when their attendance is beneficial to the District and in compliance with the Brown Act.

14. RELATIONSHIP AND CONDUCT BETWEEN BOARD MEMBERS AND STAFF.

14.1. The Board of Directors recognizes that the primary function of staff is to execute Board policy and to keep the Board of Directors informed.

14.2. Members of the Board of Directors shall not attempt to pressure and/or influence staff decisions, recommendations, workloads, schedules, and priorities.

14.3. Staff shall take guidance and direction only from action taken by the Board of Directors or from appropriate management supervisors as may be the case. Staff shall reject any attempts by an individual Board Member to influence or otherwise pressure them into making, changing or otherwise affecting staff decisions or recommendations, or changing work schedules and priorities. Staff shall report such attempts, without fear of reprisal, to the General Manager, or to the President or the Vice President of the Board of Directors, who shall take appropriate action.

14.4. In the event that an employee has been the subject of any unlawful conduct from a Board Member, the employee shall report such conduct in writing and without fear of reprisal to the President or the Vice President of the Board of Directors, or to the Grand Jury directly, who shall investigate the complaint and take further necessary action.

15. FIDUCIARY RESPONSIBILITY.

15.1. No member of the Board of Directors shall serve as the District treasurer.

15.2. The General Manager shall be responsible for supervision of the District's finances.

15.3. The Board of Directors shall adopt by resolution a system of accounting and auditing that shall completely and at all times show the District's financial condition. The system of accounting shall adhere to generally accepted accounting principles (Government Code Section 61053).

15.4. Any portion of the District's money may be deposited in the county treasury of San Luis Obispo County or the treasury of the State of California. The Board shall, by resolution, designate a bank as the depository of all District money not deposited with the County or State Treasury.

15.5. The General Manager shall make quarterly or more frequent written reports to the Board of Directors, as the Board shall determine, regarding the receipts and disbursements and balances in the accounts of the District.

15.6. The Board will review and approve the District Investment Policy on an annual basis.

15.7. The budget shall be prepared annually for Board approval by the following procedures:

- a) On or before June 1st of each year, the Board of Directors should adopt a preliminary budget that conforms to generally accepted accounting procedures applicable to special districts. The preliminary budget shall be prepared by the General Manager.

b) On or before July 1st of each year, the Board of Directors shall publish a notice in a newspaper of general circulation stating the date, time, and place when the Board will meet to adopt the final budget, and that the preliminary budget is available for inspection at the District office.

c) On or before September 1st of each year, the Board of Directors shall adopt a final budget that conforms to generally accepted accounting procedures applicable to special districts.

d) The procedures for adopting a budget shall comply with Government Code Section 61110.

15.8. Audits shall be conducted as soon after the end of the Fiscal Year as possible, preferably within 120 days.

16. PUBLICATION OF POLICY.

16.1. Copies of this Policy shall be distributed to:

a) All current District employees and new employees at the time of hire.

b) All current Directors of the District and new Directors at the time they take office.

c) Staff will provide orientation for new Directors.

16.2. The General Manager shall be available to answer questions of District employees regarding the District Policy on relationship and conduct between Board Members and staff.

17. RESTRICTIONS ON BYLAWS.

These Bylaws shall govern the Board in all cases to which they are applicable and not otherwise inconsistent with State and Federal laws.



Oceano Community Services District

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

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

Date: March 27, 2019

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(B):** Consideration of a recommendations to include estimates in the preliminary 2019/20 budget for the cost of live streaming services for Board meetings, to obtain design-build proposals to upgrade audio visual equipment and receive an update from the social media ad-hoc committee.

Recommendation

It is recommended that your Board:

1. Consider the attached proposal from AGP Video Inc. and direct staff to include the costs in the estimates for the preliminary 2019/20 budget.
2. Authorize the General Manager to solicit proposals for upgrading the audio-visual equipment at a cost not to exceed \$60,000.
3. Receive an update from the social media ad-hoc committee.

Discussion

The proposal from AGP for live streaming services will cost \$200 per meeting with a one-time set up fee of \$250. The benefits include the ability of the community to watch meetings live on the internet and the ability to retrieve meetings from <http://www.slo-span.org/> at later dates. Currently, only audio recordings of Board meetings can be retrieved. Audio-visual recordings are maintained by the District on computer discs (DVD's).

Upgrading the audio-visual equipment used to record Board meetings can be reimbursed from Public-Education-Government (PEG) funds maintained by the County of San Luis Obispo. Installation costs are, however, not reimbursable. Based on discussions with AGP Video and the ad-hoc social media committee, the cost to upgrade should be well within the \$60,000 amount, which is the maximum allowed under the public contracts code for construction or installation related proposals. Projects greater than \$60,000 require either informal or formal bid packages.



Other Agency Involvement

The County of San Luis Obispo provides funds for upgrading audio-visual equipment.

Financial Considerations

The cost of streaming services from AGP Video can be paid from savings if the Board chooses as part of a separate agenda item to reduce the number of regular Board meetings to one per month. Otherwise, the cost would be \$4,400 annually (based on 22 regular meetings per year) plus a one-time set up fee of \$250.

The cost of the audio-visual equipment would not exceed \$60,000, of which approximately 50% would be reimbursed from County PEG funds and would result in \$30,000 in net costs, or less, to the District. This cost would also need to be included in the 2019/20 preliminary budget estimates

Results

Enhancing streaming service and the audio-visual equipment will improve public outreach and support a well governed community.

Attachments:

- Proposal from APG Video Inc. for live streaming services.

From: [Nancy Castle](#)
To: paavo@oceanocsd.org; "Nicole Miller"
Cc: [Trina Dougherty](#); [Bob Lloyd](#)
Subject: Streaming and archiving on www.slo-span.org
Date: Monday, February 25, 2019 3:44:21 PM

Paavo and Nicole,

Our rate for providing the streaming and archiving services, including the Key Point Indexing is \$200 per meeting. I'm glad to hear you are considering contracting for this service.

There is a one-time set-up fee of \$250 to prepare the viewing page.

If you would like to send a draft of the staff report to me prior to presenting it to the Board, I'd be glad to vet it. We would continue to present the meetings on Charter Channel 21, this would just be another way for the community to follow the Board process.

Regards,

Nancy Castle, CFO
AGP Video, Inc.
390 Preston Lane
Morro Bay, CA 93442
805 772-2715

Everyday is Thanksgiving Day in Morro Bay



Oceano Community Services District

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

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

Date: March 27, 2019

To: Board of Directors

From: Paavo Ogren, General Manager

Subject: **Agenda Item # 9(C):** Status update on amending the Five Cities Fire Authority Joint Powers Agreement and Board direction as deemed appropriate.

Recommendation

It is recommended that your Board receive and discuss a status update on amending the Five Cities Fire Authority Joint Powers Agreement and provide direction to staff as deemed appropriate.

Discussion

On September 22, 2017, the Five Cities Fire Authority (FCFA) adopted a Five-Year strategic plan. The plan includes several important elements including transitioning the reserve firefighter program to full-time personnel. Since its adoption, the FCFA, OCSD and its partner agencies (the cities of Arroyo Grande and Grover Beach) have held several meetings to address funding and other aspects of implementing the Strategic Plan.

On May 23, 2018 your Board approved a Memorandum of Agreement (MOA) amending the Joint Powers of Authority Agreement (JPA), which established the Five Cities Fire Authority in 2010. The executed MOA is attached and was developed in coordination with the cities of Arroyo Grande and Grover Beach.

The MOA includes the following key components:

- Allows the initial implementation of the Strategic Plan in fiscal year 2018/19.
- Provides for "Good faith" negotiations to consider amendments to the JPA, including the funding formula and other amendments to ensure long-term implementation of the Strategic Plan.
- Stipulates that if an amended JPA is not agreed upon by April 1, 2019, then any member agency may withdraw under terms provided in the MOA.
- If more than one member cannot agree to amendments by April 1, 2019, the Five Cities Fire Authority will be terminated by December 31, 2019.
- Allows for an extension of up to six-months.



Oceano Community Services District

Board of Directors Meeting

The six-month extension has been approved and the deadline for JPA amendments is now October 1, 2019. Significant progress has been made. Attached is the report and PowerPoint presented to the FCFA Board of Directors on February 7, 2019. Based on recent discussions, the FCFA Board will receive an updated review of the Strategic Plan so that final direction on plan implementation can be considered while staff is finalizing recommendations for JPA amendments.

The following table identifies the dates and agenda items that your Board has considered since the FCFA Board adopted the Strategic Plan. The table will be updated as additional District meetings occur to provide a chronology for public information.

September 22, 2017 – Five Cities Fire Authority	Five Cities Fire Authority Adopts the Five-Year Strategic Plan
November 18, 2017 – Five Cities Fire Authority	Five Cities Fire Authority Direction on phased transition of Reserve Firefighters to full time employees.
December 6, 2017	Discussion of the Five Cities Fire Authority Five-Year Strategic Plan and the November 17, 2017 agenda item on the Reserve Firefighter Program with Board direction as deemed appropriate.
January 10, 2018	Consideration of a report entitled “A Twenty Eighteen (2018) Outlook on the Fire Cities Fire Authority” and a recommendation to create an ad-hoc committee for inter-agency collaboration and related efforts.
February 13, 2018	Discussion of Five Cities Fire Authority including recent meetings with representatives of other agencies, upcoming Authority meetings, and Board direction as deemed appropriate. (No staff report)
March 28, 2018	Review, discuss and provide direction as deemed appropriate by your Board regarding the agenda item considered by the Five Cities Fire Authority at their meeting on March 16, 2018 proposing two preliminary budgets to develop the FY 2018-19 Budget.
April 25, 2018	Consideration of a Recommendation to approve a resolution Directing Approval of the Five Cities Fire Authority Budget for Fiscal year 2018/19, and discussion of related issues.
May 23, 2018	Consideration of a Recommendation to Approve a Memorandum of Agreement Amending the Five Cities Fire Authority Joint Powers of Authority Agreement with the Cities of Arroyo Grande and Grover Beach.
September 26, 2018	Update on the Five Cities Fire Authority Joint Powers of Authority Agreement and the County/Cal Fire Strategic Plan efforts and provide Board Direction as Deemed Appropriate.



Oceano Community Services District

Board of Directors Meeting

As efforts on JPA amendments continue, parallel efforts for a special tax election need to be initiated. The deadline for approving an item to place on the March 2020 ballot is October 22, 2019. The following is a list of next steps:

- A review by legal counsel with the Board on applicable legal issues relating to elections.
- Procuring the services of a consultant to survey community preferences prior to calling for an election item.
- Updated review of the Strategic Plan by the FCFA Board of Directors with modifications as may be deemed appropriate.
- Multi-year updated cost estimates for the OCS D share of FCFA costs.
- Review of the County report on fire and emergency services provided by special districts.
- Identification of community options for fire and emergency services.
- Review of statutory requirements for divestiture of services and a presentation by the Executive Director of the San Luis Obispo County Local Agency Formation Commission (LAFCo).
- Review of options for special tax formulas.
- Tax analysis.
- Preparation of public information.
- Formal actions that must be adopted by your Board to place an item on the March 2020 ballot.

Other Agency Involvement

The cities of Arroyo Grande and Grover Beach are the District's partnering agencies that formed and receive fire and emergency services from the Five Cities Fire Authority.

Financial Considerations

None at this time.

Results

Continuing collaborative efforts with the cities of Arroyo Grande and Grover Beach on implementing the Five Cities Fire Strategic Plan promotes the health, well-being and safety of the community.

Attachments:

- A. February 7, 2019 Report presented to the FCFA Board of Directors
- B. February 7, 2019 PowerPoint presented to the FCFA Board of Directors
- C. Memorandum of Agreement approved May 23, 2018



STAFF REPORT

TO: Chair and Board Members **MEETING DATE:** February 7, 2019

FROM: Stephen C. Lieberman, Fire Chief / Executive Officer

SUBJECT: Five Cities Fire Authority / Member Communities Memorandum of Agreement – Status Update

RECOMMENDATION

Receive and file staff report and presentation.

BACKGROUND

The Five Cities Fire Authority (FCFA) was formed June 7, 2010 based upon a Joint Exercise of Powers Agreement (JPA) entered into by the cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District (OCSD). The FCFA is a consolidation of three individual fire departments, operating out of the three existing member community fire stations.

In February 2016, the Fire Chief presented potential JPA revisions to the FCFA Board of Directors (which included review of the existing funding formula model), but consensus did not exist at that time to move forward with any changes to the agreement. Proposed revisions to the JPA document require unanimous approval of the three member communities.

A five-year Strategic Plan was adopted by the FCFA Board of Directors in 2017, and has provided a foundation for needed investment to replace obsolete capital equipment including fire engines and self-contained breathing apparatus, along with critically needed staffing. The Reserve Firefighter position remains the last vestige of the volunteer fire departments; recruitment and retention has been a continuing challenge, and the cost of turnover is significant. The current fiscal year budget provided for the initial transition to Career Firefighters who are currently assigned to the Arroyo Grande fire station. The projected Fiscal Year 2019/2020 budget includes funding to continue this transition at the Grover Beach fire station. This needed investment has created strain on the funding capabilities of the member communities.

Due to both the need to reevaluate the JPA provisions and the potential increased investment in the fire department, the member communities approved the current Memorandum of Agreement (MOA) amending the FCFA JPA in May 2018. This agreement has clearly identified deadlines related to the negotiation process. Section 3 of the MOA states,

“During Fiscal Year 2018/2019, the Parties shall act in good faith to meet and confer for the purpose of considering amendments to the JPA including, but not limited to, modifications to the funding formula contained in Exhibit B of the JPA Agreement (“Funding Formula”), the provisions regarding member withdrawal, and future staffing levels beyond Fiscal Year 2018/2019, so that the JPA may be amended to meet the needs of each of the Parties. If the Parties cannot agree upon amendments and a restructured JPA by April 1, 2019, then any member agency may withdraw pursuant to the terms of this Amendment. **If the Parties cannot agree upon amendments and a restructured JPA by April 1, 2019**, then any member agency may withdraw pursuant to the terms of the Amendment. Notwithstanding the potential withdrawal of a member agency, **if the remaining Parties cannot agree upon amendments and a restructured JPA by April 1, 2019, the JPA shall be terminated as of December 31, 2019** and assets and liabilities shall be distributed by and among the Parties pursuant to Sections 4 and 5 below.”

Section 6 of the MOA allows for a potential six-month extension “upon mutual agreement of the City Manager of Grover Beach, the City Manager of Arroyo Grande, and the General Manager of the Oceano CSD...” This period of time would provide an opportunity to address other potential revisions to the JPA Agreement.

ANALYSIS OF ISSUES

Funding Formula

Since the execution of the MOA, the managers of the three communities have been meeting regularly with the Fire Chief and Treasurer to conduct the good faith negotiations as required by the document. The work program acknowledged that a balance had to exist between these two factors:

- The minimum investment required to fund a full-time professional fire department
- The maximum investment a community would fund before the JPA was no longer a viable option

The managers have analyzed multiple versions of a revised cost allocation/funding formula and while they acknowledge that the “perfect” funding formula likely does not exist; they have been reviewing a model which could potentially result in the following reallocation of costs:

- Arroyo Grande contribution decrease 3.3%
- Grover Beach contribution decrease 0.7%
- Oceano CSD contribution increase 4.0%

The following table illustrates a comparison of the current funding formula included in the 2010 JPA with the conceptual 2019 funding formula that is being reviewed by the managers:

	2010 JPA Funding Formula	2019 Conceptual Funding Formula (End State)
Population	25.00%	33.33%
Calls for Service	25.00%	33.33%
Station Levels	25.00%	33.33%
Assessed Valuation	25.00%	N/A

If the new funding formula and projected FCFA budget for FY 2019/2020 were to be adopted, the most significant issue in completing the JPA negotiations will be the need for OCSD to hold a special election in the March 2020 primary election in order to generate the additional revenues needed to fund their cost allocation. If OCSD was unsuccessful, they would likely have to leave the JPA.

Related to the timing between the April 1 2019 MOA deadline and the outcome of a March 2020 special election, OCSD will require a transitional approach to the implementation of the revised funding formula. This approach will require a phased implementation of the formula (cost allocation percentages will change over two budget cycles), along with a one-year deferral of identified investment (Firefighter transition, Acting Battalion Chief program).

Ultimately, any change in the funding formula or other components of the JPA will require unanimous approval of the three member agencies.

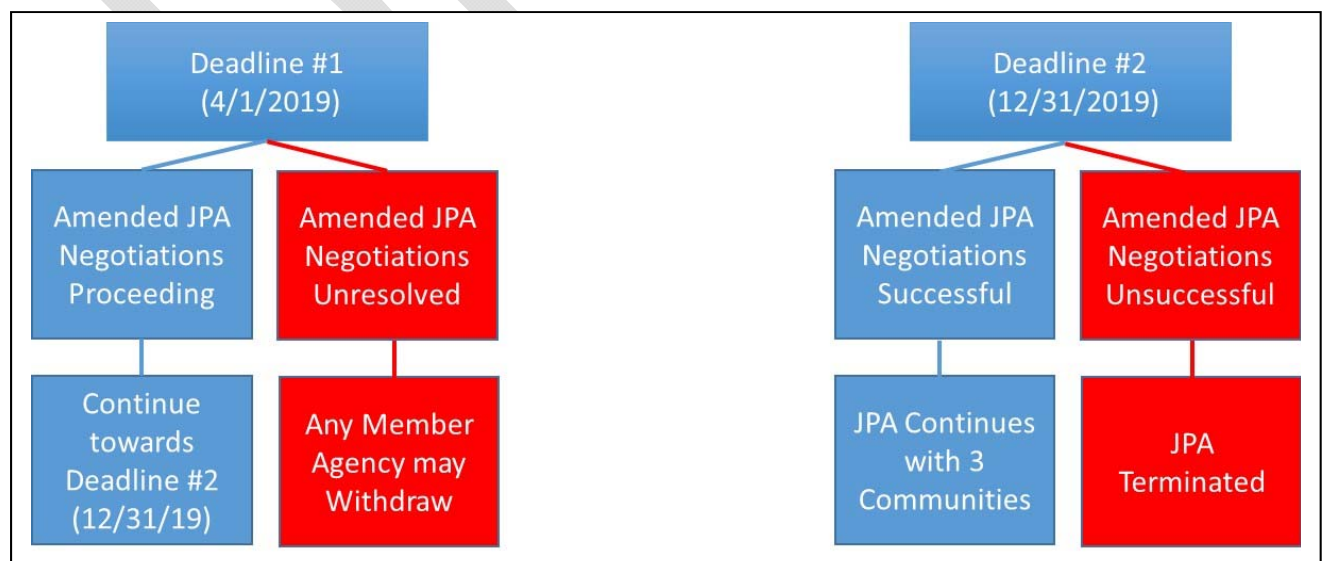
Special Districts Fire Protection Study for San Luis Obispo County

Concurrent with the FCFA MOA process, the County of San Luis Obispo Board of Supervisors received a report on January 15, 2019 focused on the state of several Community Service District (CSD) or Fire (Santa Margarita) District fire departments throughout the County. The overall findings of the “Special Districts Fire Protection Study for San Luis Obispo County” confirmed that the majority of CSD fire departments have significant constraints in generating the needed revenues to fund a full-time fire department. Exceptions include the Cambria and Los Osos as these communities have voter approved tax measures which provide the additional funding required to sustain a consistent service level.

Findings of the report specific to the Oceano CSD confirm the same funding challenges that are prevalent for most of the fire departments serving the unincorporated communities. While the report confirms Oceano’s preference to remain a member of the FCFA, if one or more of the other member communities were to withdraw from the JPA, Oceano would likely face divestiture of its fire and emergency services through an established process with the County Local Agency Formation Commission (LAFCo). The report states that if Oceano were unable to remain a member of FCFA, the Oceano Fire Station would need to be staffed by the County based on the distance from existing County fire stations and the “urban” density of the community.

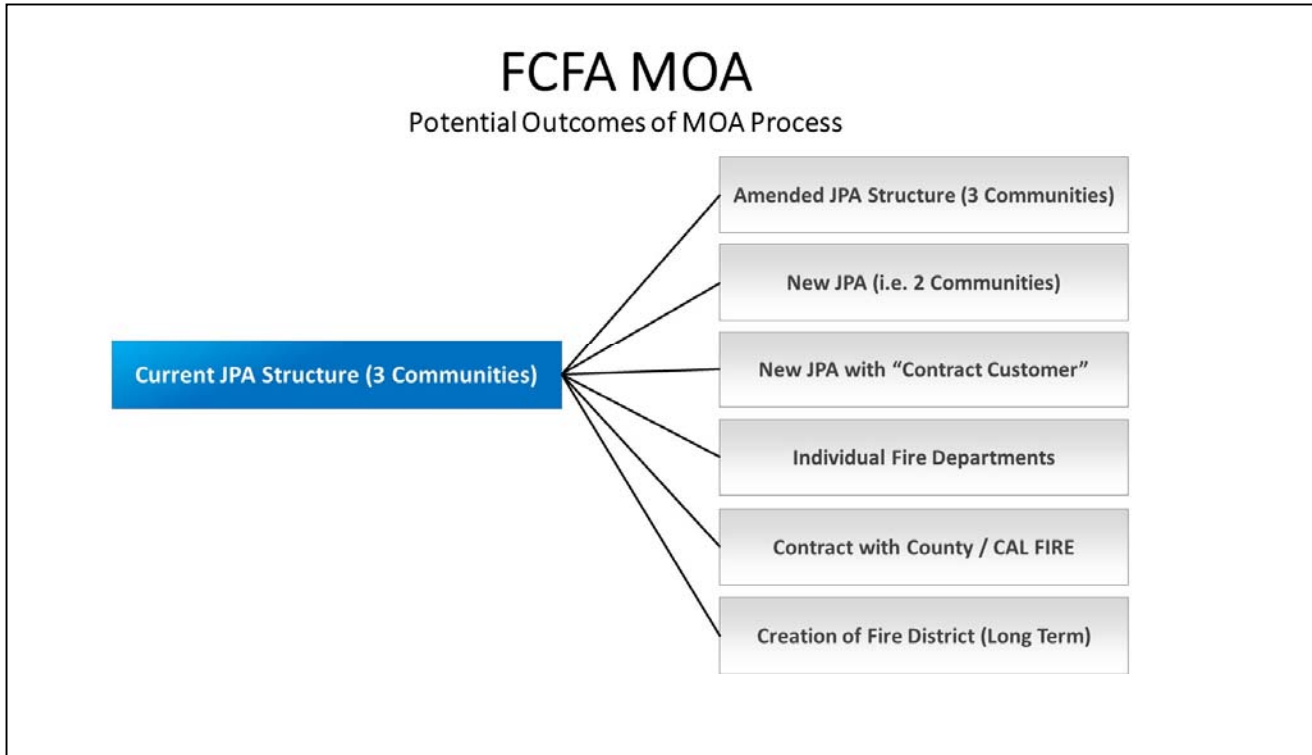
MOA Decisions

Ultimately, the member communities must unanimously approve any proposed amendment to the existing JPA, with the April 1, 2019 being the first “date of action.” The following table presents a general overview of the decision making process. The JPA does include language that allows the City/District Managers to extend the deadlines by six months if progress is being made and the managers collectively agree to the one-time extension.



Potential Outcomes of MOA Process

FCFA Staff has evaluated potential options to deliver fire and emergency services to the member communities. Ultimately, each community will determine the delivery model that works best for their constituents.



Next Steps

The City/District Managers will be scheduling this topic with their City Councils/District Board prior to the April 1, 2019 deadline. Adoption of a revised funding formula would be considered a new amendment to the JPA document and require unanimous approval of the communities.

FISCAL IMPACT

None associated with this staff report.

ALTERNATIVES

The following alternatives are provided for the Board's consideration:

1. Provide feedback to staff report and presentation.
2. Receive and file report.
3. Provide other direction.

ATTACHMENTS

FCFA JPA Agreement
FCFA Memorandum of Agreement

PREPARED BY

Stephen C. Lieberman, Fire Chief
(with assistance from:)

Jim Bergman, City Manager – City of Arroyo Grande
Matt Bronson, City Manager – City of Grover Beach
Paavo Ogren, General Manager – Oceano Community Services District

DRAFT

FCFA Memorandum of Agreement

Status Update – February 2019



FCFA Road Map

- 2004** Arroyo Grande and Grover Beach agree to share Fire Chief (AG) and Training Captain (GB).
- 2007** Arroyo Grande and Grover Beach agree to share apparatus, equipment and Reserve Firefighters. Training Captain reclassified to Battalion Chief.
- 2008** Oceano becomes a party to utilize Chief Officer coverage and share Reserve Firefighters.
- 2009** Three communities approve consolidation and formation of a Joint Powers Authority (JPA).
- 2010** Five Cities Fire Authority established July 9, 2010.



FCFA Road Map

2016 Fire Chief presents potential JPA revisions to FCFA Board of Directors. Process tabled without unanimous support of member agencies.

2017 FCFA Board of Directors adopts Five-Year Strategic Plan. Prioritized plan elements serve as basis of budget projections.

2018 FY 2018/2019 Budget includes initial transition to phase out non-sustainable Reserve Firefighter program with hire of the first three Career Firefighters.

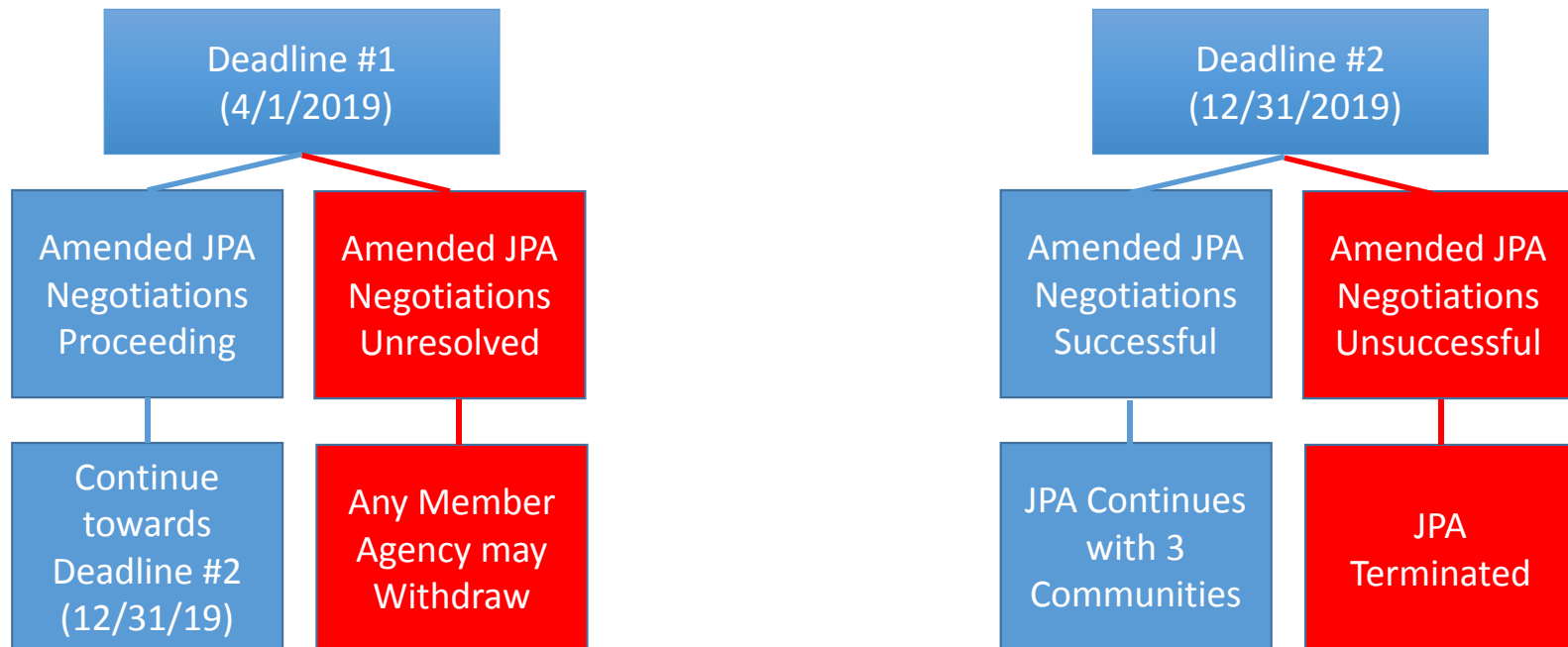
Member Communities approve Memorandum of Agreement (MOA).

2019 MOA Deadlines in April and December.



Memorandum of Agreement

- Amendment to the JPA
- Requires good faith negotiations with identified “dates certain”



Status of Current Negotiations

Work Program

The City and District Managers have been meeting on a regular basis. The current work program is focused on maintaining a balance between:

- The minimum investment required to fund a full-time professional fire department
- The maximum investment a community would fund before the JPA was no longer a viable option



Status of Current Negotiations

Funding Formula

Several options to the existing cost allocation (“the funding formula”) methodology have been explored with the working group. The group is reviewing one potential replacement formula that could potentially result in a reallocation with these results:

- Arroyo Grande contribution decrease 3.3%
- Grover Beach contribution decrease 0.7%
- Oceano CSD contribution increase 4.0%



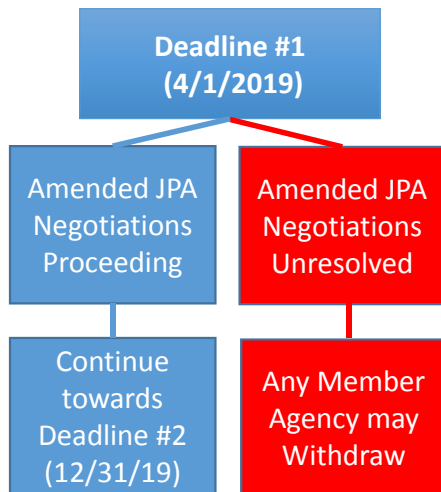
Status of Current Negotiations

- Funding Formula Example

	<u>2010 JPA Funding Formula</u>	<u>2019 Conceptual Funding Formula (End State)</u>
Population	25.00%	33.33%
Calls for Service	25.00%	33.33%
Station Levels	25.00%	33.33%
Assessed Valuation	25.00%	N/A

FCFA MOA

Considerations for April 1, 2019 Deadline



- Amended funding formula will require Oceano to pursue March 2020 revenue measure
- Oceano will require a transitional approach to phasing in the new funding formula, which will include a 12-month deferral of planned implementation of Full-Time Firefighter and other positions
- Any member withdrawal could trigger a reconstituted JPA or dissolution
- MOA Requirements
 - Establish a distribution of assets
 - Establish the debt obligations of the members (Engine 2, Engine 3, future pension/PERS)

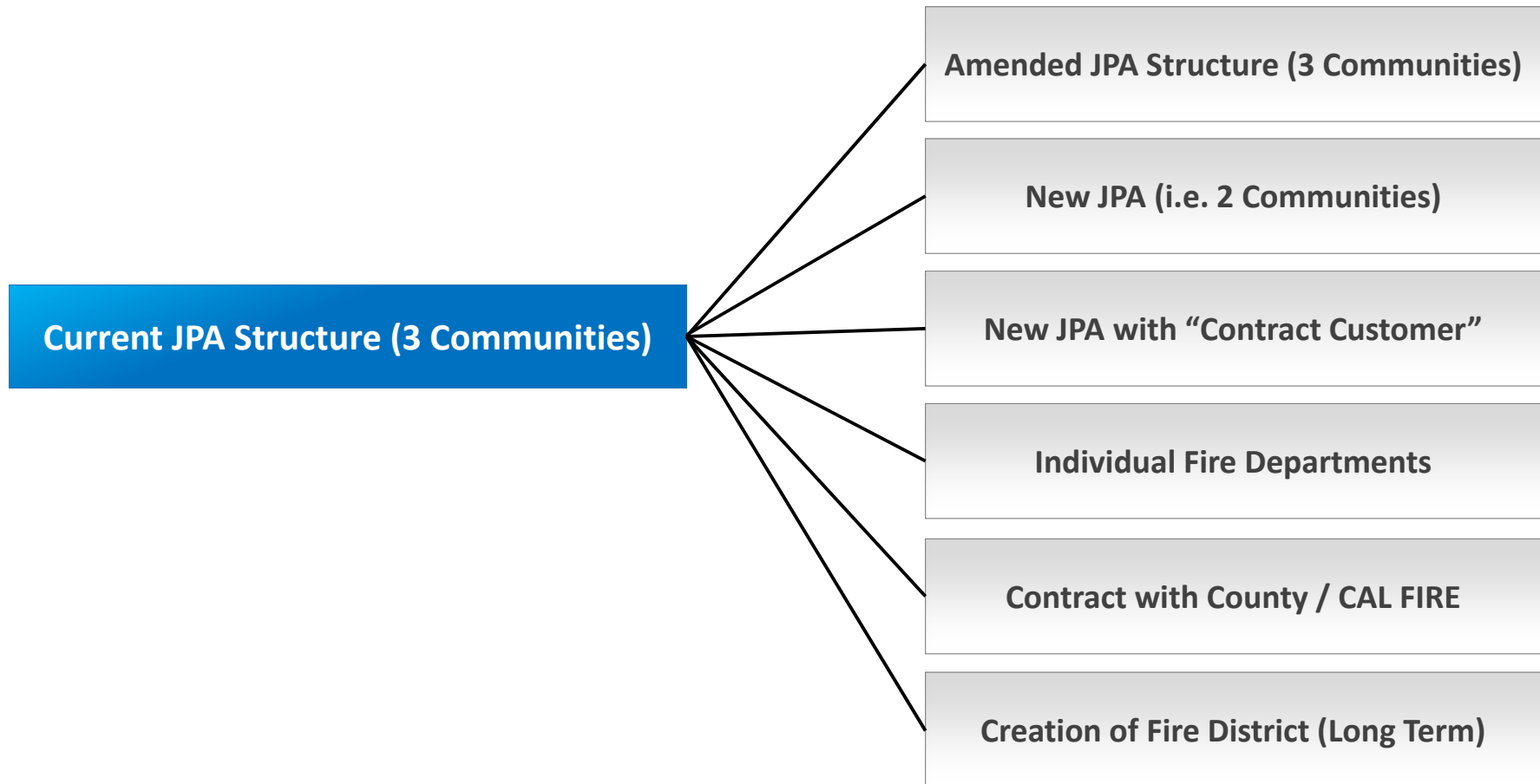
Special Districts Fire Protection Study

- Presented to the Board of Supervisors January 15, 2019
- Report focused on district fire departments throughout the County
- Majority of the fire departments have funding constraints
 - Exceptions – Cambria and Los Osos (existing “fire tax” revenues)
- Oceano Findings
 - If Oceano were unable to remain with FCFA, the station would need to be staffed by the County
 - Geographic distance from existing stations
 - Urban density of community



FCFA MOA

Potential Outcomes of MOA Process



Questions?



Memorandum of Agreement (MOA)
Amending the
Five Cities Fire Authority
Joint Exercise of Powers Agreement

This agreement is entered into by the Cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District, which are hereinafter referred to as the Parties. This amendment to the Joint Exercise of Powers Agreement, dated June 7, 2010 (“Amendment”), includes the following terms and provisions relating to the operations of the Five Cities Fire Authority (“FCFA”), which operations shall continue as provided in the Joint Exercise of Powers Agreement (“JPA” or “JPA Agreement”).

1. Each Parties’ contributions for funding the Fiscal Year 2018/19 FCFA budget shall be:

- | | | |
|----|------------------------------------|--------------|
| a. | City of Arroyo Grande | \$ 2,523,661 |
| b. | City of Grover Beach | \$ 1,798,108 |
| c. | Oceano Community Services District | \$ 987,362 |

2. For Fiscal Year 2018/19, staffing shortages shall be operationally managed by the Fire Chief with updates provided to the Board of Directors. Such staffing shortages may result in temporary closure or reduced staffing at fire stations.

3. During Fiscal Year 2018/19, the Parties shall act in good faith to meet and confer for the purpose of considering amendments to the JPA including, but not limited to, modifications to the funding formula contained in Exhibit B of the JPA Agreement (“Funding Formula”), the provisions regarding member withdrawal, and future staffing levels beyond Fiscal Year 2018/19, so that the JPA may be amended to meet the needs of each of the Parties. If the Parties cannot agree upon amendments and a restructured JPA by April 1, 2019, then any member agency may withdraw pursuant to the terms of this Amendment. Notwithstanding the potential withdrawal of a member agency, if the remaining Parties cannot agree upon amendments and a restructured JPA by April 1, 2019, the JPA shall be terminated as of December 31, 2019, and assets and liabilities shall be distributed by and among the Parties pursuant to Sections 4 and 5 below.

4. During Fiscal Year 2018/19, the Parties shall also act in good faith to meet and confer in order to do the following by April 1, 2019, in preparation for the potential withdrawal of a member agency and/or termination of the JPA:

- a. Establish a distribution of assets currently owned and/or in the possession of the JPA, including, but not limited to major pieces of apparatus and capital

equipment, which will allow all three Parties to maintain sufficient apparatus and capital equipment to establish an independent fire service; and

b. Establish the obligations of the Parties to pay future obligations that were incurred by the FCFA prior to July 1, 2019, including, but not limited to, those future obligations related to lease payments on Engine 2 and 3 and future pension/PERS obligations.

c. Notwithstanding the forgoing, the Parties mutually agree and understand that as a result of the withdrawal of a member agency or the termination of the JPA, no Party shall be obligated to future payment lease obligations for any Engine that does not remain in the custody, control, and possession of that agency.

5. If the Parties are unable to agree upon amendments and a restructured JPA by April 1, 2019, then the Parties shall act in good faith to meet and confer to finalize the distribution of all assets currently owned and/or in the possession of the JPA not established for distribution in accordance with Section 4.a above, such as additional tools, machines, parts, supplies, communication devices, computers, office equipment supplies and furnishings, by December 31, 2019.

6. Upon mutual agreement of the City Manager of Grover Beach, the City Manager of Arroyo Grande, and the General Manager of Oceano CSD that the Parties are making progress towards JPA amendments and working in good faith, the April 1 deadlines contained within this Amendment will be extended for a period not to exceed six (6) months and will result in a corresponding extension of time of the December 31, 2019 deadline so as to always allow an eight month wind down for distribution of assets and establishment of new services. This extension may be handled administratively with no requirement of board approval from any of the Parties.

7. Upon termination of the JPA or the withdrawal of an agency, any two agencies subject to the JPA Agreement may agree, without consent of the third agency, to continue operating under the FCFA name and branding and/or reestablish the FCFA under a new agreement and operate under the FCFA name and branding.

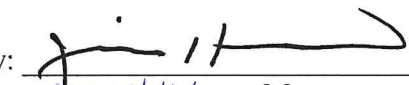
8. The Parties understand and acknowledge that consistent with the Joint Exercise of Powers Agreement and the conflict waivers contained therein, dated June 7, 2010 and the signed waiver agreement, dated May 18, 2018, between the FCFA Board, the City Council of the City of Grover Beach, the City Council of the City of Arroyo Grande and Board of Directors of the Oceano Community Services District, the Grover Beach City Attorney, David Hale is representing the Five Cities Fire Authority as General Counsel and the City of Grover Beach as City Attorney in regards to the performance of the tasks identified in this Amendment. To the

extent said representation may result in a potential or actual conflict of interest pursuant to Section 4. E. (7) of the JPA Agreement, the Parties hereby waive the requirement that Mr. Hale withdraw from representing either Party and agree to sign the conflict waiver agreement, attached as Exhibit "A", manifesting the subject waiver to the JPA Agreement Section 4. E. (7) and that the signing by the parties herein of the subject conflict waiver agreement is a representation by the parties the subject conflict waiver is in compliance with the California Rules of Professional Conduct, section 3-310 and has adequately advised them of the potential conflicts contained within the subject representation. Moreover, the City of Arroyo Grande and Oceano Community Services District are represented by independent legal counsel which has reviewed the conflict waiver and advised them regarding said agreement.

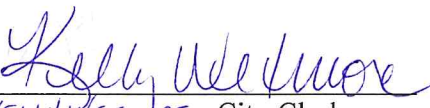
9. To the extent there is inconsistency between this Amendment and the JPA, the terms of this Amendment shall control, including but not limited to JPA Sections 4.E.(7), 6.B, 8.B.(3), and Section 17.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their proper officers hereunto duly authorized, and their official seals to be hereto affixed, as of the day and year first above written.

CITY OF ARROYO GRANDE

By: 
JIM HILL, Mayor

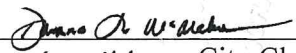
Attest:


KELLY WETMORE, City Clerk

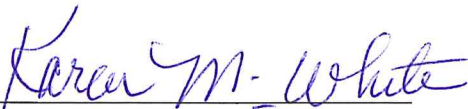
CITY OF GROVER BEACH

By: 
John P. Shoals, Mayor

Attest:

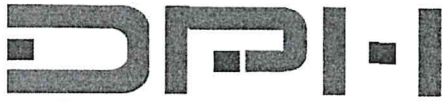

Donna C. McMan, City Clerk

OCEANO COMMUNITY SERVICES DISTRICT

By: 
KAREN M. WHITE, President

Attest:


CAREY CASLOW, Board Secretary



May 11, 2018

Five Cities Fire Authority
Board of Directors
And Member Agencies
Fire Chief
140 Traffic Way
Arroyo Grande, California 93420

Attention: Honorable Chair and Members of the Board of Five Cities Fire Authority, City Council for City of Grover Beach, City Council for City of Arroyo Grande and Members of the Board for Oceano Community Services District

Re: Conflict Waiver

Dear Boards and Respective Councils:

In 2010, when the Five Cities Fire Authority, ("Authority") was established, the member agencies entered into a Joint Exercise of Powers Agreement ("Agreement"), dated June 7, 2010. This Agreement established a Government Code section 6500 Joint Powers Authority, for the establishment and implementation of fire suppression and emergency medical services for the three member agencies consisting of the City of Grover Beach, the City of Arroyo Grande and Oceano Community Facilities District ("Member Agencies").

The Authority was structured for the purposes of maximizing efficiencies and to accomplish that objective, delegated numerous operational functions to different member agencies. The function of the Authority's General Counsel was delegated by Section 4, E. (7) and subsection 2, of Exhibit "A" of the Agreement to the Grover Beach City Attorney. The Member Agencies recognized at that time there was the potential for a conflict of interest between the role of the City Attorney for Grover Beach representing the City and the role of representing the Authority at the same time. As a consequence, the Member Agencies agreed to waive the conflict and acknowledged that waiver in Section 4, E. (7) of the Agreement.

There are currently discussions between the Member Agencies with how the Authority should proceed which is reflected in the proposed Memorandum of Agreement ("MOA") of which this Conflict Waiver is attached as Exhibit "A". The MOA contemplates a number of phases of negotiations including but not limited to potential restructuring of the Authority, redrafting the provisions of the Agreement, distribution of major assets and equipment, the potential withdrawal of a member of the Authority or a complete termination of the Authority. Therefore, it is the intent of the Authority and the Member Agencies to allow the City Attorney for Grover Beach to participate in the subject negotiations and to continue to represent both

the City of Grover Beach and the Authority notwithstanding the conflicts that may arise due to this representation.

The following are the pertinent Rules of Professional Conduct related to this engagement:

RULES OF PROFESSIONAL CONDUCT

Rule 3-310 of the California Rules of Professional Conduct provides in pertinent part:

- (C) A member [of the Bar] shall not, without the informed written consent of each client:
 - (1) Accept representation of more than one client in a matter in which the interests of the clients potentially conflict; or
 - (2) Accept or continue representation of more than one client in a matter in which the interests of the clients actually conflict; or
 - (3) Represent a client in a matter and at the same time in a separate matter accept as a client a person or entity whose interest in the first matter is adverse to the client in the first matter.
- (D) A member who represents two or more clients shall not enter into an aggregate settlement of the claims of or against the clients without the informed written consent of each client.

Mr. Hale's REPRESENTATION

In this matter, I will continue to represent the Authority consistent with the Agreement while continuing to maintain the position of City Attorney and represent the City of Grover Beach as a Member Agency of the Authority. This has been previously agreed to by the Member Agencies as indicated above, and by execution of this Agreement will continue to be approved and authorized by the Member Agencies consistent with this letter.

This considers and the Member Agencies acknowledge this will include, but not be limited to, me giving advice to the Authority and the City of Grover Beach related to the negotiations concerning the restructuring of the Authority, redrafting of any provisions of the Agreement, the potentially defining and negotiating the distribution of major assets or equipment of the Authority, the potential withdrawal of a Member Agency or the termination of the Authority. The Member Agencies are advised and acknowledge that at any stage of the various negotiations or actions defined within the MOA, the following adverse consequences could arise. Moreover, in the event the Parties herein cannot come to an agreement on any phase(s) of negotiation related to the MOA, then Mr. Hale shall withdraw from representation of the Authority and City of Grover Beach and special counsel shall be engaged.

ADVERSE CONSEQUENCES

I am obliged to inform you of any actual or reasonably foreseeable adverse effects of this representation that could arise as part of any phase or portion of the MOA negotiations. It is possible that:

- I may be tempted to favor the interests of one client over the other.
- I may not be able to present the appropriate position, claims or defenses for a client in order to avoid taking adverse positions to the other client.
- I may be restricted from forcefully advocating a client's position for fear of alienating the other client.
- I may be forced to withdraw from representing either or both clients because of disputes or further conflicts of interest which could increase either or both clients' attorney's fees and costs.
- There may be an appearance of impropriety in my representation of both clients simultaneously.

YOUR CONSENT

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

I believe that you are familiar with the factual background in this matter, and 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.

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

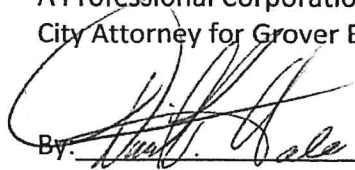
The Member Agencies acknowledge they are represented by independent legal counsel and that by signing this Conflict Waiver represent they have sought legal advice related to the proposed conflict represented by this waiver and based upon that advice is fully informed and agrees to sign this Conflict Waiver to allow the City Attorney for Grover Beach to continue to represent the Authority and the City of Grover Beach during the negotiations related to the subject MOA.

Your execution of this consent form will constitute an acknowledgment of full disclosure in compliance with the requirements of Section 3-310 of the California Rules of Professional Conduct previously quoted in this letter.

A copy of this letter is enclosed for your files. If you have any questions, please do not hesitate to call.

Very truly yours,

David P. Hale
A Professional Corporation
City Attorney for Grover Beach


By: _____
David P. Hale

Accepted:
Five Cities Fire Authority
Board of Directors

Chair, Board of Directors

Date: _____

City of Grover Beach
City Council

Mayor

Date: _____

City of Arroyo Grande
City Council

Mayor

Date: _____

Oceano Community Services District
Board of Directors

Chair, Board of Directors

Date: _____



Oceano Community Services District

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

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

Date: March 27, 2019

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #9(D): Approval of Recommendations for General, Auto and other Liability Insurance Coverage for 2019 and authorize payment in an amount not to exceed \$23,727**

Recommendation

It is recommended that your Board:

- A. Consider and approve the attached insurance proposals for the renewal of the general, auto and other liability coverage and approve the proposal from the Joint Powers Risk and Insurance Management Authority (JPRIMA) in the annual amount of \$23,727.
- B. Authorize the General Manager to alternatively select a policy with the Special Districts Risk Management Authority (SDRMA) if their insurance proposal is less expensive for comparable coverage.
- C. Direct General Manager to execute insurance documents.
- D. Authorize a check disbursement not to exceed \$23,727 for insurance coverage.

Discussion

The District's liability insurance broker has been Tolman & Wiker, Insurance Services, LLC since approximately 2001. They have recently completed their review of liability insurance options for the District and have submitted cost proposals that are included in the attachments.

The renewal of District's liability insurance for 2019 will total \$23,727, which is an increase of \$1,495 (7%) in comparison to the District's 2018 cost of \$22,232. In 2017 the District saved 8.6% by moving from the WaterPlus Program to JPRIMA.

The following is a summary of liability insurance costs for each of the past eleven years, and for 2001 when Tolman & Wiker became the District's liability insurance broker. The current quote is 59% of the 2013 cost of insurance, which was \$40,201.



Oceano Community Services District

Board of Directors Meeting

<u>Year</u>	<u>Cost</u>	<u>Insurance Company</u>
2019	\$23,727	JPRIMA (Quote)
2018	\$22,232	JPRIMA
2017	\$20,967	JPRIMA
2016	\$22,941	Alteris
2015	\$22,307	Alteris
2014	\$22,914	Alteris
2013	\$40,201	Philadelphia
2012	\$37,456	Philadelphia
2011	\$37,427	Philadelphia
2010	\$37,325	Philadelphia
2009	\$26,079	Rural Special District (Alteris is the re-creation)

Staff is also seeking a proposal from the Special District Risk Management Authority. If a proposal is obtained prior to the final date to bind the 2019 policy with JPRIMA, at a lower cost for comparable coverage, then the lower cost policy will be executed by the General Manager.

Other Agency Involvement

N/A

Other Financial Considerations

N/A

Results

Approval of liability insurance is necessary for District operations, and to protect the community from financial risks associated with operations and administration of District facilities and equipment.

Attachment: Insurance Proposal by JPRIMA



**CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES
JOINT POWERS RISK AND INSURANCE MANAGEMENT AUTHORITY (JPRIMA)**

**COVERAGE PROPOSAL
Oceano Community Services District**

**COVERAGE PERIOD
4/1/2019 - 4/1/2020**

**PRESENTED BY:
Tolman & Wiker Insurance Services LLC**



**Insurance Administrator
www.alliedpublicrisk.com
Allied Community Insurance Services, LLC
CA License Number: 0L01269
National Producer Number: 17536322**



PREMIUM SUMMARY

NOTE: This proposal is prepared from information supplied to us on the application submitted by you or insurance broker. It may or may not contain all terms requested on the application. Coverage is provided by the JPRIMA Memorandum of Coverage (MOC) and subject to its terms, exclusions, conditions and limitations. A specimen MOC is available for your review, as is the JPRIMA Member Agreement. Enrollment in the JPRIMA requires execution of the JPRIMA Member Agreement as well as membership in the California Association of Mutual Water Companies (Cal Mutuals).

PAGE	COVERAGE SECTION		PREMIUM
3-7	SECTION 1. PROPERTY (Property, Equipment Breakdown & Mobile Equipment)	\$	5,500.00
8	SECTION 2. COMMERCIAL CRIME	\$	500.00
9-10	SECTION 3. COMMERCIAL GENERAL LIABILITY	\$	5,529.00
11	SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY (Wrongful Acts, Employment Practices & Employee Benefits, Privacy and Network Risk)	\$	2,209.00
12	SECTION 5. BUSINESS AUTO	\$	3,867.00
13	SECTION 6. COMMERCIAL EXCESS LIABILITY	\$	3,886.00
		MEMBER CONTRIBUTION	\$ 21,491.00
		JPRIMA ADMINISTRATION FEES	\$ 2,246.00
		TOTAL AMOUNT DUE*	\$ 23,737.00
*Payment is due within thirty (30) days of binding.			

NOTES:

The JPRIMA MOC has a common anniversary date of April 1, 2019.

Terrorism coverage is automatically included for Property and General Liability.

Our terms do not include coverage for "Volunteer Program for cleaning up of alleys & parks for the district." This coverage will be afforded for an additional \$400 in premium (plus \$40 fees).

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 1. PROPERTY*

***PROPERTY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

LIMITS:

Blanket Property: (Real Property & Business Personal Property)	\$4,842,284
Blanket Coverage Extension: A separate blanket limit that applies to the following coverages: Business Income, Extended Business Income, Commandeered Property, Civil Authority, Extra Expense, Tenant Leasehold Interest, Electronic Data, Preservation of Property.	\$1,000,000
Equipment Breakdown / Boiler & Machinery:	Included
Mobile Equipment (scheduled):	\$206,131
Mobile Equipment (unscheduled, maximum \$10,000 any one item):	\$25,000
Mobile Equipment (borrowed, rented & leased):	N/A
Flood Zone X: (shaded/unshaded)	N/A

DEDUCTIBLES:

- \$1,000** Property
- \$1,000** Mobile Equipment
- \$1,000** Equipment Breakdown (aboveground & less than 50 feet belowground)
- \$2,500** Equipment Breakdown (greater than 50 feet belowground)
- N/A** Flood Zone X (per occurrence)

COVERAGE HIGHLIGHTS:

- Blanket Property Limits & Blanket Coverage Extension Limits
- No Coinsurance Penalty
- Equipment Breakdown
- Foundations as Covered Property

VALUATION:

- Replacement Cost: Real Property & Business Personal Property
- Actual Cash Value: Mobile Equipment
- Actual Loss Sustained: Loss of Income & Expenses
- Market Price: Fine Arts

KEY EXCLUSIONS:

- Earthquake & Earth Movement
- Flood (unless coverage is designated above, such coverage would be limited to locations in Zone X only)

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **New Locations or Newly Constructed Property:**
Pays up to \$1,000,000 for your new real property while being built on or off described premises as well as real property you acquire, lease or operate at locations other than the described premises; and business personal property located at new premises.
- **Utility Services – Direct Damage, Business Income & Expense:**
Pays up to \$250,000 for covered property damaged by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss and does not apply to loss or damage to electronic data, including destruction or corruption of electronic data. Separate limits apply to Direct Damage and Business Income/Expense.
- **Pollution Remediation Expenses:**
Pays up to \$100,000 or \$250,000 for remediation expenses resulting from a Covered Causes of Loss or Specified Cause of Loss occurring during the coverage period and reported within 180 days. Covered Causes of Loss means risks of direct physical loss unless the loss is excluded or limited by the Property Coverage Form. Specified Cause of Loss means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow; ice or sleet; water damage; and equipment breakdown.
- **SCADA Upgrades:**
Pays up to \$100,000 to upgrade your scheduled SCADA system after direct physical loss from a Covered Cause of Loss. The upgrade is in addition to its replacement cost. SCADA means the Supervisory Control and Data Acquisition system used in water and wastewater treatment and distribution to monitor leaks, waterflow, water analysis, and other measurable items necessary to maintain operations.
- **Contract Penalties:**
Pays up to \$100,000 for contract penalties you are required to pay due to your failure to deliver your product according to contract terms solely as a result of direct physical loss or damage by a Covered Cause of Loss to Covered Property.
- **Contamination:**
Pays up to \$250,000 for loss or damage to covered property because of contamination as a result of a Covered Cause of Loss. Contamination means direct damage to real property and business personal property caused by contact or mixture with ammonia, chlorine, or any chemical used in the water and / or wastewater treatment process.
- **Property In Transit:**
Pays up to \$100,000 for direct physical loss or damage to covered property while in transit more than 1000 feet from the described premises. Shipments by mail must be registered for covered to apply. Electronic data processing property and fine arts are excluded.
- **Unintentional Errors:**
Pays up to \$250,000 for any unintentional error or omission you make in determining or reporting values or in describing the covered property or covered locations.

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

Page 4 of 13

KEY DEFINITIONS

■ **Real Property:**

The buildings, items or structures described in the Declarations that you own or that you have leased or rented from others in which you have an insurable interest. This includes:

- Aboveground piping;
- Aboveground and belowground penstock;
- Additions under construction;
- Alterations and repairs to the buildings or structures;
- Buildings;
- Business personal property owned by you that is used to maintain or service the real property or structure or its premises, including fire-extinguishing equipment; outdoor furniture, floor coverings and appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- Completed additions;
- Exterior signs, meaning neon, automatic, mechanical, electric or other signs either attached to the outside of a building or structure, or standing free in the open;
- Fixtures, including outdoor fixtures;
- Foundations;
- Glass which is part of a building or structure;
- Light standards;
- Materials, equipment, supplies and temporary structures you own or for which you are responsible, on the premises or in the open (including property inside vehicles) within 1000 feet of the premises, used for making additions, alterations or repairs to buildings or structures at the premises;
- Paved surfaces such as sidewalks, patios or parking lots;
- Permanently installed machinery and equipment;
- Permanent storage tanks;
- Solar panels;
- Submersible pumps, pump motors and engines;
- Underground piping located on or within 100 feet of premises described in the Declarations;
- Underground vaults and machinery.

■ **Business Personal Property:**

The property you own that is used in your business including:

- Furniture and fixtures;
- Machinery and equipment;
- Computer equipment;
- Communication equipment;
- Labor materials or services furnished or arranged by you on personal property of others;
- Stock;
- Your use interest as tenant in improvements and betterments.
- Leased personal property for which you have a contractual responsibility to insure.

■ **Pollution Conditions:**

The discharge, dispersal, release, seepage, migration, or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, minerals, chemical elements and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

KEY DEFINITIONS (continued)

■ **Remediation Expenses:**

Expenses incurred for or in connection with the investigation, monitoring, removal, disposal, treatment, or neutralization of pollution conditions to the extent required by: (1) Federal, state or local laws, regulations or statutes, or any subsequent amendments thereof enacted to address pollution conditions; and (2) a legally executed state voluntary program governing the cleanup of "pollution conditions."

■ **Outdoor Property:**

Fixed or permanent structures that are outside covered real property including but not limited to:

- Historical markers or flagpoles;
- Sirens, antennas, towers, satellite dishes, or similar structures and their associated equipment;
- Exterior signs not located at a premises;
- Fences or retaining walls;
- Storage sheds, garages, pavilions or other similar buildings or structures not located at a premises;
- Dumpsters, concrete trash containers, or permanent recycling bins; or
- Hydrants.

■ **Equipment Breakdown:**

Direct damage to mechanical, electrical or pressure systems as follows:

- Mechanical breakdown including rupture or bursting caused by centrifugal force;
- Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
- Explosion of steam boilers, steam piping, steam engines or steam turbines owned or leased by you, or operated under your control;
- Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or
- Loss or damage to hot water boilers or other water heating equipment;
- If covered electrical equipment requires drying out as a result of a flood, we will pay for the direct expenses for such drying out.
- None of the following are covered objects as respects to equipment breakdown:
 - a. Insulating or refractory material;
 - b. Buried vessel or piping;
 - c. Sewer piping, piping forming a part of a fire protection system or water piping other than:
 - (1) Feed water piping between any boiler and its feed pump or injector;
 - (2) Boiler condensate return piping; or
 - (3) Water piping forming a part of refrigerating and air conditioning vessels and piping used for cooling, humidifying or space heating purposes;
 - d. Structure, foundation, cabinet or compartment containing the object;
 - e. Power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube or well-casing;
 - f. Conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
 - g. Felt, wire, screen, die, extrusion, late, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch late, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.



PROPERTY SUBLIMITS:

Coverage			Limit		
Accounts Receivable	X	\$500,000	<input type="checkbox"/>	\$1,000,000	\$2,000,000
Valuable Papers and Records	X	\$500,000	<input type="checkbox"/>	\$1,000,000	\$2,000,000
Contamination	X	\$250,000			
Tools and Equipment Owned by Your Employees	X	\$5,000	<input type="checkbox"/>	\$10,000	\$25,000
Personal Effects and Property of Others	X	\$5,000	<input type="checkbox"/>	\$10,000	\$25,000
New Locations or Newly Constructed Property		\$1,000,000			
Business Personal Property at New Locations		\$1,000,000			
Backup/Overflow of Water from Sewer, Drain, Sump		\$250,000			
Utility Services - Direct Damage		\$250,000			
Utility Services –		\$250,000			
Business Income and Extra Expense					
Dependent Business Premises		\$250,000			
Property at Other Locations		\$250,000			
Pollution Remediation Expense (specified cause of loss)		\$250,000			
Outdoor Property (unscheduled)		\$100,000			
Contract Penalties		\$100,000			
Pollution Remediation Expense (covered cause of loss)		\$100,000			
Property in Transit		\$100,000			
SCADA Upgrades		\$100,000			
Indoor and Outdoor Signs (unscheduled)		\$50,000			
Limited Coverage for “Fungus”, Wet Rot or Dry Rot		\$50,000			
Fine Arts		\$25,000			
Fire Department Service Charge		\$25,000			
Fire Protection Devices		\$25,000			
Key and Lock Replacement Expenses		\$25,000			
Trees, Shrubs & Plants (maximum \$1,000 any one item)		\$25,000			
Arson Reward		\$10,000			
Rental Reimbursement – Mobile Equipment		\$10,000			
Cost of Inventory or Adjustment		\$5,000			
Non-Owned Detached Trailers		\$5,000			
Water Contamination Notification Expenses		\$5,000			
Patterns, Dies, Molds, Forms		\$2,500			
Debris Removal		25% of scheduled limit plus \$250,000			
Ordinance or Law Provision		100% of scheduled limit plus 25%			

NOTES:

Contribution is calculated from attached property schedule; review property schedule for coverage and limit adequacy.

Flood and Earthquake coverages are excluded.

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 2. COMMERCIAL CRIME*

***COMMERCIAL CRIME IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

COVERAGE GROUP SELECTED	EMPLOYEE THEFT	FORGERY OR ALTERATION	INSIDE THE PREMISES Theft of Money and Securities	INSIDE THE PREMISES Robbery or Safe Burglary or Other Property	OUTSIDE THE PREMISES	COMPUTER FRAUD	FUNDS TRANSFER FRAUD	MONEY ORDERS & COUNTERFEIT PAPER CURRENCY
	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
X	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
	\$2,000,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000

DEDUCTIBLE:

\$1,000 each claim

DESIGNATED EMPLOYEE BENEFIT PLAN(S):

COVERAGE HIGHLIGHTS:

- Separate Limits Apply to Each Coverage
- Coverage Extended to Directors and Authorized Volunteers
- Faithful Performance

NOTES:

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 3. GENERAL LIABILITY*

***GENERAL LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Occurrence
- Defense Costs Outside the Limit
- Proprietary & Integrated

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Per Occurrence	\$ 1,000,000
General Aggregate	\$10,000,000
Products & Completed Operations Aggregate	\$10,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
Damage to Premises Rented to You	\$ 1,000,000
Medical Payments	\$ 10,000

DEDUCTIBLE:

N/A

COVERAGE HIGHLIGHTS:

- Duty to Defend
- Broad Definition of Enrolled Named Member
- Blanket Additional Enrolled Named Member
- Water & Wastewater Testing Errors & Omissions
- Expanded Pollution Liability
- Failure to Supply (no ISO limitation)
- Lead (potable water)
- Waterborne Asbestos (potable water)
- Product Recall
- Impaired Property
- Fungi & Bacteria

OPTIONAL COVERAGES:

- Hired & Non Owned Automobile Liability
- Employee Benefits Liability
- Dam, Levee & Dike Structural Failure

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

SPECIAL COVERAGES:

- **Water & Wastewater Testing Errors & Omissions:**
Coverage is provided for damages arising out of an act, error or omission which arises from your water or wastewater testing.
- **Failure To Supply:**
Coverage is provided for bodily injury or property damage arising out of the failure of any Enrolled Named Member to adequately supply water.
- **Waterborne Asbestos:**
Coverage is provided for bodily injury or property damage from waterborne asbestos arising out of potable water which is provided by you to others.
- **Contractual Liability - Railroads:**
Coverage is provided for any contract or agreement that indemnifies a railroad for bodily injury or property damage arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing.
- **Pollution:**
Coverage is provided for bodily injury or property damage which occurs or takes place as a result of your operations and arises out of the following:
 - Potable water which you supply to others;
 - Chemicals you use in your water or wastewater treatment process;
 - Natural gas or propane gas you use in your water or wastewater treatment process;
 - Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;
 - Your application of pesticide or herbicide chemicals if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government;
 - Smoke drift from controlled or prescribed burning that has been authorized and permitted by an appropriate regulatory agency.
 - Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of mobile equipment or its parts
 - Escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if property damage occurs away from land you own or lease.
 - Sudden and accidental events that are neither expected nor intended by an Enrolled Named Member. However, no coverage is provided under this exception for petroleum underground storage tanks.
- **Damage to Impaired Property or Property Not Physically Injured**
Coverage is provided for bodily injury or property damage arising from your potable water, nonpotable water, or wastewater as well as any loss of use of other property arising out of sudden and accidental physical injury to “your product” or “your work” after it has been put to its intended use.
- **Fungi or Bacteria**
Coverage is provided for bodily injury or property damage arising from any “fungi” or bacteria that are, are on, or are contained in a good or product intended for consumption; or to any injury or damage arising out of or caused by your water, irrigation, or wastewater intake, outtake, reclamation, treatment and distribution processes.
- **Recall of Products, Work or Impaired Property**
Coverage applies to any injury or damage arising out of or caused by your potable water, nonpotable water, or wastewater for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of: “Your product”; “Your work”; or “Impaired property”; if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

NOTES:

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.

Page 10 of 13



SECTION 4. PUBLIC OFFICIALS & MANAGEMENT LIABILITY*

***PUBLIC OFFICIALS & MANAGEMENT LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

RATING BASIS:

- On file with underwriter
- Non auditable

LIMITS:

Wrongful Acts	\$1,000,000 per act
Employment Practices (including third party discrimination)	\$1,000,000 per offense
Employee Benefit Plans	\$1,000,000 per act
Injunctive Relief	\$5,000 per act
	\$10,000,000 aggregate limit

PRIVACY LIABILITY AND NETWORK RISK¹:

Privacy & Network Security Wrongful Acts	N/A per act
Breach Consultation Services	N/A per offense
Breach Response Services	N/A per offense
Public Relations & Data Forensics	N/A per act

¹Coverage provided for Privacy Liability & Network Risk Coverage is issued on a claims made basis with defense inside the limit of liability. Privacy Retroactive Date:N/A. Privacy Deductible: None.
 *\$1,000,000 maximum annual aggregate applies per Enrolled Named Member, with a \$2,000,000 coverage form aggregate applicable to all participating Enrolled Named Members.

SPECIAL COVERAGE:

- Inverse Condemnation

RETROACTIVE DATE:

N/A

DEDUCTIBLE:

\$1,000 each claim including expenses

COVERAGE HIGHLIGHTS:

- Duty To Defend
- Broad Definition of Enrolled Named Member including Past and Future Employees
- Outside Directorship

NOTES:

COVERAGE PROPOSAL FOR MEMBER: Oceano Community Services District

EFFECTIVE DATE: 4/1/2019 - 4/1/2020

DISCLAIMER: Actual coverage is subject to the language of the MOC as issued.



SECTION 5. BUSINESS AUTO*

***BUSINESS AUTO IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Proprietary & Integrated
- Occurrence
- Defense Costs Outside the Limits

PORTFOLIO:

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident)	1	\$1,000,000
Hired Auto Liability	8	\$1,000,000
Non-Owned Auto Liability	9	\$1,000,000
Medical Payments	2	\$5,000
Uninsured / Underinsured Motorists	2	\$1,000,000
Hired Physical Damage	8	\$100,000
Owned Physical Damage – Comprehensive	2	ACV
Owned Physical Damage – Collision	2	ACV
Towing & Rental Car Reimbursement (covered accident)		\$75 per Day up to 30 Days
Fleet Automatic		Included

DEDUCTIBLE:

Liability: None
Comprehensive: \$500
Collision: \$500

NOTES:

Please refer to auto terms provided for per unit coverage.



SECTION 6. EXCESS LIABILITY*

***EXCESS LIABILITY IS INCLUDED IN THE PROPOSAL: Yes**

ISSUER:

- California Association of Mutual Water Companies
Joint Powers Risk and Insurance Management Authority (JPRIMA)
- No Joint and Several Liability for Members
- 100% Reinsured

REINSURER:

- Allied World Insurance Company or affiliate
- A XV (Excellent) A.M. Best Rating

FORM:

- Following Form
- Occurrence
- Defense Costs Outside the Limits

LIMITS:

\$5,000,000/\$5,000,000

SCHEDULED UNDERLYING POLICIES:

Commercial General Liability - Yes
 Hired and Non-Owned Auto Liability - Yes
 Owned Auto Liability - Yes
 Public Officials & Management Liability - Yes
 Wrongful Acts - Yes
 Employment Practices - Yes
 Employee Benefit Plans - Yes
 Employers' Liability: *(minimum underlying limit requirement of \$500,000 / \$500,000 / \$500,000)* - Yes
 Other:

NOTABLE EXCLUSION:

- Workers' Compensation
- Uninsured Motorists / Underinsured Motorists
- Underlying Limits < \$1,000,000 except for Employers' Liability

NOTES:

Employers' Liability subject to JPRIMA security requirements.