



Notice of Regular Meeting
Oceano Community Services District - Board of Directors Agenda
WEDNESDAY, SEPTEMBER 18, 2024 – 6:00 P.M.
Oceano Community Services District Board Room
1655 Front Street Oceano, CA

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

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

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

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

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

6. **SPECIAL PRESENTATIONS & REPORTS:**

A. Presentation by the Science Discovery and the Integrated Waste Management Authority– Mike di Milo

B. STAFF REPORTS:

- i. Sheriff's South Station – Commander Ian Doughty
- ii. FCFA Operations – Fire Chief Scott Hallett
- iii. Operations – Utility System Manager Tony Marraccino
- iv. OCSD - General Manager Peter Brown

C. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. President Varni (Regional Water Mgt Group, State Water Subcontractors, Airport Land Use)
- ii. Vice President Joyce-Sunesson (Parks & Recreation Advisory Committee, Finance & Budget Committee, CA Special District's Association)
 1. Information: Review of the Minutes for the Oceano Parks and Recreation Meeting held on June 4, 2024 and August 6, 2024 [Page 3](#)
- iii. Director Austin (South San Luis Obispo County Sanitation District, Zone 1/1A)
- iv. Director Gibson (Zone 3, Regional Water Quality Control Board)
- v. Director Villa (Water Resource Advisory Committee, Local Agency Formation Commission)

D. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

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

7. CONSENT AGENDA ITEMS:

Public comment Items appearing on the Consent Items are considered routine and may be approved by one motion. Any member of the Board may request to have an item removed from the Consent Items. If an item is pulled, the President has the sole discretion to determine when the item will be heard. Members of the public wishing to speak on Consent items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.

- A. Action: Review and Approve the Minutes for the Special Meeting held on August 28, 2024 [Page 7](#)
- B. Action: Review and Approve the Minutes for the Regular Meeting held on August 28, 2024 [Page 8](#)
- C. Information: Review of Cash Disbursements [Page 11](#)

8. BUSINESS ITEMS:

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

- A. Action: Review and Approval of a Resolution adopting the Property Tax Exchange Agreement and the Assignment and Amendment of the District's Ongoing CalPERS Liabilities and Responsibilities Following the Withdrawal from the Five Cities Fire Authority Joint Exercise of Powers Agreement for the Divestiture of the District's Fire Protection Services [Page 22](#)
- B. Action: Review details of the Oceano Community Services District applying for the San Luis Obispo County Community Project Grant Application for the Community Celebration of the Oceano Plaza [Page 37](#)
- C. Information: Review and discussion of the District's participation in water transfers as a State Water Subcontractor within San Luis Obispo County [Page 44](#)
- D. Information: Review and discussion of the District's Internal Controls and the Rural Community Assistance Corporation's training program from July 17, 2024 [Page 68](#)

9. HEARING ITEMS:

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

- A. Action: Consideration of an appeal by Ro Palius regarding a late fee and provide staff direction as deemed appropriate [Page 123](#)

10. RECEIVED WRITTEN COMMUNICATIONS:

11. FUTURE AGENDA ITEMS:

12. ADJOURNMENT:

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

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



Oceano Parks and Recreation Committee Meeting

Summary Minutes for
 Tuesday, June 4, 2024 – 1:30 P.M.
 Oceano Community Services District

1. **Call To Order:** Member Varni called the meeting to order at 1:36 PM.

2. **Roll Call:**

Present: Charles Varni, Board President OCSD Wanda Monson, Safe Routes to School Chair Ray Monson, Member at Large Jeannie Harper, Habitat for Humanity Nicole Miller, Account Administrator OCSD	Absent: Beverly Joyce-Sunesson, OPARC Chair Andy Stenson, Director of Facilities, LMUSD Jasmine Dexter, Boys & Girls Club Bruce Hilton, Co of SLO Parks Commissioner
--	--

3. **Agenda Review:** Accepted as presented.

4. **Public Comment on Matters not on the Agenda:** None

5A Consent Agenda	Discussion/Action:
Review and Approval of Minutes for the Oceano Parks and Recreation Committee Meeting of June 4, 2024	The minutes were accepted as presented, with a motion from Member Varni, a second from Member W. Monson, and a 3-0 member vote. Public Comment: None

6A Business Items	Discussion/Action:
Review and discussion of alternatives for non-profit, tax-deductible fundraising options and developing recommendations to the Board of Directors as deemed appropriate.	Committee discussion: •Member Varni advised the application for Ecologistics has been submitted and that there were concerns from members of the OCSD Board of Directors about Ecologistics using the 6% fees received for environmental advocacy. •Member Varni recommended moving fundraising in-house to OCSD staff due to the proposed 2024-2024 budget adjustment increase to OPARC's administrative line item. Member W. Monson motioned to approve moving fundraising from Ecologistics to OCSD with a second from Member R. Monson and a 3-0 member vote. Public Comment: Kerry Langford – Asked if any other outsourcing options were available and asked a clarifying budget question.

6B (1A-B) Business Items	Discussion/Action:
<p>Updates, review, and discussion:</p> <ol style="list-style-type: none"> 1) Grants <ol style="list-style-type: none"> a) State Parks b) CDBG 	<p>Committee discussion:</p> <ul style="list-style-type: none"> •Member W. Monson provided an update stating that the field trips that concluded were successful and that the overall process was very smooth. •A mid-year report is being submitted in July after surveys from teachers and photos are in. •A planning meeting with the Oceano Elementary School principal is scheduled with Member W. Monson and Member Varni to review the program and schedule remaining field trips for Aug-Dec 2024. <p>•Member Varni noted a response regarding the CDBG grant in mid-July is due. OPARC applied for 50K in funds for the walking/jogging track. The estimated track cost is to be determined; the highest cost aspect of construction will be the concrete perimeter (curb) around the track.</p> <p>Public Comment: Kerry Langford – Questions regarding the proposed “Champions for Oceano” tiers for fundraising</p>

6B (2A-B) Business Items	Discussion/Action:
<p>Marketing:</p> <ol style="list-style-type: none"> 2) Grants <ol style="list-style-type: none"> a) OPARC logo and logo items (EZ up, etc.) b) District website page for OPARC and social media 	<p>Committee discussion:</p> <ul style="list-style-type: none"> •LMUSD digital media arts students created logos for OPARC and the track fundraising for the OPARC committee to review. Member Varni asked the committee to choose their top 3 for compilation and review at the next OPARC meeting. •Mrs. Miller noted that the committee would need to secure a separate website for OPARC and fundraising (donate button). <p>Public Comment: None</p>

6B (3A) Business Items	Discussion/Action:
<p>Event Updates:</p> <ol style="list-style-type: none"> 3) Events <ol style="list-style-type: none"> a) Day of the Child event on June 23, 2024 	<p>Committee discussion:</p> <ul style="list-style-type: none"> •Member Varni noted that Chair Joyce-Suneson will have a table at the event. •Member W. Monson is coordinating event notification via Parent Square and the Oceano Elementary School website. <p>Public Comment: None</p>

6B (4) Business Items	Discussion/Action:
<p>OPARC/OES Track & Fundraiser discussion and update</p>	<p>Committee discussion:</p> <ul style="list-style-type: none"> •Discussed in item 6A <p>Public Comment: None</p>

7. **Items for Next Agenda:** Logo design selection; Outreach brochure

8. **Adjournment** at 2:19 PM.



Oceano Parks and Recreation Committee Meeting

Summary Minutes for
 Tuesday, August 6, 2024 – 1:30 P.M.
 Oceano Community Services District

1. **Call To Order:** Meeting called to order by Chair Joyce-Suneson

2. **Roll Call:**

Present: Charles Varni, Board President OCSD Beverly Joyce-Suneson, OPARC Chair Carey Casciola, Business & Accounting Manager, OCSD	Absent: Andy Stenson, Director of Facilities, LMUSD Jasmine Dexter, Boys & Girls Club Wanda Monson, Safe Routes to School Chair Ray Monson, Member at Large Jeannie Harper, Habitat for Humanity Bruce Hilton, Co of SLO Parks Commissioner
---	---

3. **Agenda Review:** There are not enough attendees to meet the quorum, so the meeting will be rescheduled.

4. **Public Comment on Matters not on the Agenda:**

5A Consent Agenda	Discussion/Action:
Review and Approval of Minutes for the Oceano Parks and Recreation Committee Meeting of June 4, 2024	

6A (1-2) Business Items	Discussion/Action:
Updates, review, and discussion of Grants <ol style="list-style-type: none"> State Parks (Field Trips) - mid-year grant budget report CDBG Preventative Health Grant – status of grant receipt; use of initial funds for design and engineering; branding project. 	

6B (1) Business Items	Discussion/Action:
OPARC/OES Track & Fundraiser discussion: <ol style="list-style-type: none"> Review and discuss alternatives for non-profit, tax-deductible fundraising options and develop recommendations for the OCSD Board of Directors as deemed appropriate. 	

6C (1-3) Business Items	Discussion/Action:
Marketing <ol style="list-style-type: none"> OPARC logo discussion EZ up purchase for events OPARC landing page review and discussion: https://ocsd.specialdistrict.org/oceano-parks-recreation-committee-oparc 	

6D Business Items	Discussion/Action:
Event updates: 1. Day of the Child on June 23, 2024 2. Future events	

7. **Items for Next Agenda:**

8. **Adjournment: 1:41 PM**



Oceano Community Services District
Summary Minutes – Special Board Meeting
Wednesday, August 28, 2024 – 5:00 PM
OCSD BOARD ROOM

1. **CALL TO ORDER:** Called to order at approximately 5:07 PM.
2. **ROLL CALL:** Board members present: President Varni, Director Austin, and Director Villa.
Absent: Director Gibson and Vice President Joyce-Suneson.
Staff present: Peter Brown, General Manager, Carey Casciola, Business & Accounting Manager, and Robert Schultz, Legal Counsel.
3. **FLAG SALUTE:** Led by President Varni.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **PUBLIC COMMENT FOR ITEMS ON THE AGENDA:** None
6. **CLOSED SESSION:**
 - A. A PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel

President Varni adjourned the Board to closed session at 5:07 PM.

Director Gibson arrived at 5:15 PM.

Vice President Joyce-Suneson arrived at 5:25 PM.

The report out of the closed session was done in item 5 of the Regular Board Meeting at 6 PM on August 28, 2024:
No reportable action was taken under the Brown Act that requires reporting.

7. **ADJOURNMENT:** President Varni adjourned the meeting at 5:45 PM.



Oceano Community Services District
Summary Minutes – Regular Board Meeting
Wednesday, August 28, 2024 – 6:00 P.M.
OCSD BOARD ROOM

1. **CALL TO ORDER:** Called at approximately 6:00 p.m. by President Varni
2. **ROLL CALL:** Board members present: Director Gibson, Director Austin, Director Villa, Vice President Joyce-Sunesson, and President Varni.
 Staff present: Peter Brown, General Manager; Carey Casciola, Business & Accounting Manager; and Rob Schultz, Legal Counsel.
3. **FLAG SALUTE:** Led by President Varni
4. **AGENDA REVIEW:** Accepted as presented
5. **REPORT OUT OF CLOSED SESSION FROM THE SPECIAL MEETING OF AUGUST 28, 2024**
 - A. PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel
 No reportable action was taken under the Brown Act that requires reporting.

6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:**

Julie Tacker	In support of public comment; In opposition to Central Coast Blue
Pamela Storton	In support of public comment; In opposition to Central Coast Blue;

7. **SPECIAL PRESENTATIONS & REPORTS**

A. STAFF REPORTS:

- i. **Sheriff's South Station** – Commander Ian Doughty - Absent
- ii. **Five Cities Fire Authority** – FCFA Chief Hallet - Absent
- iii. **Operations** - Utility Systems Manager - Tony Marraccino
 Continuing with rounds, samples, meter replacements, trash pick-up (3 Ready311 tickets in July), and continuing with water service line inventory
 6 work orders / 9 USAs / 5 customer service calls / 4 after-hours callouts
 Two operators attended a water treatment class
 Completed paving on Wilmar, Paso Robles, and 19th post repairs
 Completed lock-offs for nonpayment
 Reminded the community to not touch the District's water meters in an emergency unless you have a customer shut-off valve. If the angle stop is broken on the customer's side, the customer may be liable for the repair
- iv. **General Manager** – Peter Brown
 - Met with Pismo Beach Public Works Dept to discuss NCMA consultant services, annual reporting, groundwater data, collaboration on RFP postings, and bid portals.
 - Met with MKN Engineers regarding the Halcyon/Ken Mar Garden consolidation projects.
 - NCMA Technical Group held an annual meeting with some of the local Ag representatives to discuss latest data related to groundwater usage, recharge, and recent monitoring.
 - Attended the quarterly countywide Disaster Planning Advisory Committee meeting.
 - Two addendums to our RFP for the Sanitary Sewer CIP were posted to the website.
 - Preliminary analysis of work needed to rehabilitate the 1M gallon tank received, working with DDW per the Sanitary Survey to respond to their 60-day deadline.
 - The District was issued a consolidated Coastal Development Permit for our Waterline Improvement Project CIP.
 - A solid waste rate application has been submitted by South County Sanitary Service.
 - Recap of recent seminars attended: attended an all-day water sampling class and internal controls class by RCAC. Attended the CASA Annual conference to learn about grant funding opportunities for the sewer system, among other topics like the future of clean water.

PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS (STAFF REPORTS):

Pamela Storton	Inquired about a Sheriff's report about a post on Nextdoor.
----------------	---

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

- i. **President Varni:** Regional Water Mgt Group, State Water Subcontractors, Airport Land Use – No reports
- ii. **Vice President Joyce-Suneson:** Parks & Recreation Advisory Committee, Finance & Budget Committee, CA Special District's Association – No reports
- iii. **Director Austin:** South San Luis Obispo County Sanitation District, Zone 1/1A – No reports
- iv. **Director Gibson:** Zone 3, Regional Water Quality Control Board – No reports
- v. **Director Villa:** Water Resource Advisory Committee, Local Agency Formation Commission – No reports

PUBLIC COMMENT ON BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS: None

8. CONSENT AGENDA:	ACTION:
<ul style="list-style-type: none"> a) Review and Approve the Minutes of the Special Meeting held on August 14, 2024 b) Review and Approve the Minutes of the Regular Board Meeting held on August 14, 2024 c) Review of Cash Disbursements d) Adoption of a Resolution for District Support for Assembly Constitutional Amendment No. 1 related to District Infrastructure, including FCFA Fire Station #3 rehabilitation e) Adoption of the Notice of Completion (NOC) for the Water Storage Tank Rehabilitation Project (Contract No. 2023-03) 	<p>After an opportunity for public comment and Board and staff discussion, a motion was made by Director Gibson to approve the consent agenda as presented with a second from Director Austin with a 5-0 roll call vote.</p> <p>Public Comment: April Dury – Asked a clarifying question regarding 8C. Julie Tacker – Asked a clarifying question regarding 8C.</p>

9A. BUSINESS ITEMS:	ACTION:
<p>Action: Consideration of a Recommendation to Approve the Final FY 2024-25 Budget.</p>	<p>After a presentation by Carey Casciola the Business & Accounting manager, an opportunity for public comment, and Board and staff discussion, Director Austin motioned to approve the Final FY 2024-25 Budget, with a second from Vice President Joyce-Suneson and a 5-0 roll call vote.</p> <p>Public Comment: Julie Tacker – Asked a clarifying question regarding training costs.</p>

9B. BUSINESS ITEMS:	ACTION:
<p>Information: Update on Per- and polyfluoroalkyl substances (PFAS) Regulations for Drinking Water and Wastewater Systems.</p>	<p>This information item was received and filed by the Board of Directors.</p> <p>Public Comment: None</p>

9C. BUSINESS ITEMS:	ACTION:
<p>Information: Review and discussion of the July 3, 2024, Sanitary Survey Inspection Report completed by the State Water Resources Control Board Division of Drinking Water.</p>	<p>This information item was received and filed by the Board of Directors.</p> <p>Public Comment: None</p>

9D. BUSINESS ITEMS:	ACTION:
Action: Approve Grant Writing Consultant Services for the Small Community Funding Program by Drinking Water State Revolving Fund and other grant writing services.	After an opportunity for public comment and Board and staff discussion, a motion was made by Director Villa to approve grant writing consultant services by Rick Engineering for \$25,000 for task 1, the Small Community Funding Program by Drinking Water State Revolving Fund and \$7,000 for task 2 for other grant writing services with a second from President Varni with a 5-0 roll call vote. Public Comment: None

9E. BUSINESS ITEMS:	ACTION:
Action: Consider and discuss the 2024 Committee Assignments.	After an opportunity for public comment and Board and staff discussion, a motion was made by Vice President Joyce-Suneson to nominate Director Villa as an alternate to the Parks and Recreation Advisory Committee (OPARC) with a second from Director Gibson with a 5-0 roll call vote. Public Comment: Julie Tacker – In support of a Central Coast Blue committee.

9F. BUSINESS ITEMS:	ACTION:
Information: Review Lucia Mar Unified School District (LMUSD) as the fiscal sponsor for fundraising and donations related to the Oceano Parks and Recreation Committee (OPARC) projects.	This information item was received and filed by the Board of Directors. Public Comment: None

9G. BUSINESS ITEMS:	ACTION:
Action: Review and consideration of the Oceano Community Services District applying for the San Luis Obispo County Community Project Grant Application for the Community Celebration of the Oceano Plaza.	After an opportunity for public comment and Board and staff discussion, a motion was made by President Varni to approve the OCSD applying for a San Luis Obispo County project grant application for a community celebration of the Oceano Plaza at a date to be determined, with a second from Vice President Joyce-Suneson with a 5-0 roll call vote. Public Comment: Kim Rose – Asked a clarifying question regarding the management/ use of the Plaza. April Dury – In opposition of requesting funds for a celebration at this time. Asked clarifying questions regarding the staff report and property jurisdiction. Julie Tacker – In opposition of the District managing the Plaza for the County. In support of the District having a celebration if the County issues the funds for the celebration.

10. **HEARING ITEMS:** None

11. **RECEIVED WRITTEN COMMUNICATION:** correspondence from Karen White for Agenda Item 9G.

12. **FUTURE AGENDA ITEMS:** Community celebration; media policy, next meeting will be September 18, 2024.

13. **ADJOURNMENT:** President Varni adjourned the meeting at approximately 8:01 PM.



Oceano Community Services District

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

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

Date: September 18, 2024

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

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

Recommendation

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

Discussion

The following is a summary of the attached cash disbursements. The table captures the payments from last meeting to this meeting.

Description	Check Sequence	Amounts
	* 61122 - 61146	
Disbursements:		
Regular Payable Register - paid 08/28/2024	61125 - 61134	\$ 6,752.09
Regular Payable Register - paid 08/28/2024	61135 - 61136	\$ 34,093.69
Regular Payable Register - paid 09/05/2024	61137 - 61144	\$ 33,201.61
Subtotal:		\$ 74,047.39
Reoccurring Payments for Board Review (authorized by Resolution 2020-06):		
Payroll Disbursements - PPE 08/24/2024	N/A	\$ 35,882.27
Payroll Disbursements - PPE 09/07/2024	N/A	\$ 37,019.73
Board Member Stipends - 07/31/2024	N/A	\$ 753.55
Reoccurring Utility Disbursements - paid 08/28/2024	61122 - 61124	\$ 1,032.14
Reoccurring Utility Disbursements - paid 09/05/2024	61145 - 61146	\$ 354.01
Subtotal:		\$ 75,041.70
Grand Total:		\$ 149,089.09

* Void Check to CSDA, #61129, paid 8/28/2024, \$130.00. Replaced with check #61139, paid 9/05/2024, \$60.00.

Other Agency Involvement

N/A

Other Financial Considerations

Amounts are within the authorized Fund level budgets.

CANNON \$8,029.18, CIP-Prop 1 Stormwater Recap

R. BURKE CORPORATION \$26,064.51, CIP-Prop 1 Stormwater Recap

CROSNO CONSTRUCTION, INC \$29,393.50, CIP - Water Tank Rehab

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.

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:	-----							
1-1001-000	8/28/2024	CHECK	061125	BURDINE PRINTING	2,278.63CR	OUTSTND	A	0/00/0000 02 5-4400-205 OUTSIDE UB MAIL SERVICE 1139.32 03 5-4500-205 OUTSIDE UB MAIL SERVICE 1139.31
1-1001-000	8/28/2024	CHECK	061126	CALPORTLAND CONSTRUCTION	564.21CR	OUTSTND	A	0/00/0000 02 5-4400-164 Paving 282.11 03 5-4500-163 MAINT: SEWER STRUCTURES/ 282.10
1-1001-000	8/28/2024	CHECK	061127	CLINICAL LAB OF SAN BERNARDINO	1,050.00CR	OUTSTND	A	0/00/0000 02 5-4400-220 PROFESSIONAL/SPECIAL SER
1-1001-000	8/28/2024	CHECK	061128	CORE & MAIN LP	853.72CR	OUTSTND	A	0/00/0000 02 5-4400-175 SYSTEM PARTS/OPERATING S 27.89 02 5-4400-176 WATER METERS 825.83
1-1001-000	8/28/2024	CHECK	061129	CSDA	130.00CR	OUTSTND	A	0/00/0000 NOTE: CHECK VOIDED
1-1001-000	8/28/2024	CHECK	061130	FERGUSON ENTERPRISES, INC #135	1,387.81CR	OUTSTND	A	0/00/0000 02 5-4400-176 WATER METERS
1-1001-000	8/28/2024	CHECK	061131	MINER'S ACE HARDWARE, INC.	128.58CR	OUTSTND	A	0/00/0000 SEE BELOW
1-1001-000	8/28/2024	CHECK	061132	SWRCB/ DRINKING WATER OP CERT	65.00CR	OUTSTND	A	0/00/0000 03 5-4500-285 CLASSES/SEMINARS/TRAININ
1-1001-000	8/28/2024	CHECK	061133	HD SUPPLY, INC. DBA USABLUENBOO	100.90CR	OUTSTND	A	0/00/0000 03 5-4500-177 SAFETY EXPENSE 64.13 02 5-4400-175 SYSTEM PARTS/OPERATING S 36.77
1-1001-000	8/28/2024	CHECK	061134	VESTIS GROUP, INC. DBA VESTIS	193.24CR	OUTSTND	A	0/00/0000 01 5-4100-100 CLOTHING

TOTALS FOR ACCOUNT 1-1001-0	CHECK	TOTAL:	6,752.09CR	
	DEPOSIT	TOTAL:	0.00	
	INTEREST	TOTAL:	0.00	
	MISCELLANEOUS	TOTAL:	0.00	
	SERVICE CHARGE	TOTAL:	0.00	MINER'S ACE HARDWARE, INC. \$128.58
	EFT	TOTAL:	0.00	12 5-4350-172 FUEL 30.44
	BANK-DRAFT	TOTAL:	0.00	02 5-4400-175 SYSTEM PARTS/OPERATING S 39.11
				03 5-4500-175 SYSTEM PARTS/OPERATING S 59.03

TOTALS FOR POOLED CASH FUND	CHECK	TOTAL:	6,752.09CR	
	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: 061135 THRU 061136

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	8/28/2024	CHECK	061135	CANNON	8,029.18CR	OUTSTND	A	0/00/0000 02 5-4400-361 CIP - PROP1: STORMWATER
1-1001-000	8/28/2024	CHECK	061136	R. BURKE CORPORATION	26,064.51CR	OUTSTND	A	0/00/0000 02 5-4400-361 CIP - PROP1: STORMWATER
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	34,093.69CR		
				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:	34,093.69CR		
				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		

9/05/2024 2:00 PM
 COMPANY: 99 - POOLED CASH FUND
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING
 TYPE: All
 STATUS: All
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 1
 CHECK DATE: 0/00/0000 THRU 99/99/9999
 CLEAR DATE: 0/00/0000 THRU 99/99/9999
 STATEMENT: 0/00/0000 THRU 99/99/9999
 VOIDED DATE: 0/00/0000 THRU 99/99/9999
 AMOUNT: 0.00 THRU 999,999,999.99
 CHECK NUMBER: 061137 THRU 061144

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	9/05/2024	CHECK	061137	BRENT SARKISON DBA CALTEC COMP	30.00CR	OUTSTND	A	0/00/0000 01 5-4100-221 INFORMATION TECHNOLOGY
1-1001-000	9/05/2024	CHECK	061138	CROSNO CONSTRUCTION, INC	29,393.50CR	OUTSTND	A	0/00/0000 02 5-4400-437 CIP - WATER TANK REHAB P
1-1001-000	9/05/2024	CHECK	061139	CSDA	60.00CR	OUTSTND	A	0/00/0000 01 5-4100-285 CLASSES/SEMINARS/TRAININ
1-1001-000	9/05/2024	CHECK	061140	DIVERSIFIED PROJECT SERVICES I	1,225.00CR	OUTSTND	A	0/00/0000 02 5-4400-226 ENGINEERING & OTHER REIM
1-1001-000	9/05/2024	CHECK	061141	J.B. DEWAR, INC.	217.20CR	OUTSTND	A	0/00/0000 12 5-4350-172 FUEL
1-1001-000	9/05/2024	CHECK	061142	NOBLE SAW, INC	400.32CR	OUTSTND	A	0/00/0000 02 5-4400-170 MAINTENANCE: EQUIPMENT 200.17 03 5-4500-170 MAINTENANCE: EQUIPMENT 200.15
1-1001-000	9/05/2024	CHECK	061143	VESTIS GROUP, INC. DBA VESTIS	100.59CR	OUTSTND	A	0/00/0000 01 5-4100-100 CLOTHING
1-1001-000	9/05/2024	CHECK	061144	ZENITH INSURANCE COMPANY	1,775.00CR	OUTSTND	A	0/00/0000 01 5-4100-075 COMPENSATION INSURANCE
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	33,201.61CR		
				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:	33,201.61CR		
				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 September 18, 2024

	(*)		
Gross Wages	8/10/2024	8/24/2024	9/7/2024
Regular	\$30,784.77	\$30,999.86	\$30,989.98
Overtime Wages	\$771.45	\$195.30	\$660.85
Stand By	\$840.00	\$420.00	\$840.00
	<u>\$32,396.22</u>	<u>\$31,615.16</u>	<u>\$32,490.83</u>
Cell Phone Allowance	\$62.50	\$0.00	\$62.50
Health Pay-Out	\$272.50	\$0.00	\$272.50
Total Wages	<u>\$32,731.22</u>	<u>\$31,615.16</u>	<u>\$32,825.83</u>
<u>Disbursements</u>			
Net Wages	\$24,132.54	\$23,238.70	\$24,246.39
State and Federal Agencies	\$6,492.98	\$6,407.65	\$6,537.42
CalPERS - Normal	\$6,118.12	\$6,068.12	\$6,068.12
SEIU - Union Fees	\$167.80	\$167.80	\$167.80
Total Disbursements processed with Payroll	<u>\$36,911.44</u>	<u>\$35,882.27</u>	<u>\$37,019.73</u>
Health (Disbursed with reoccurring bills)	\$5,948.22	\$0.00	\$5,948.22
Total District Payroll Related Costs	<u>\$42,859.66</u>	<u>\$35,882.27</u>	<u>\$42,967.95</u>

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

**Board Member Stipend Summary Report
Board of Directors - Agenda Date August 28, 2024**

	(*)	
Gross Stipends	6/30/2024	7/31/2024
Board Member Stipends	\$850.00	\$700.00
Gross Stipends	\$850.00	\$700.00
Disbursements		
Net Stipends	\$784.97	\$646.45
State and Federal Agencies	\$130.06	\$107.10
Total Disbursements processed with Stipends	\$915.03	\$753.55

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

RECEIVED
JUL 11 2024



BOARD OF DIRECTOR'S
REGULAR & SPECIAL MEETING COMPENSATION FORM
BOARD MEETING: JULY 10, 2024

DIRECTORS	SIGNATURE	DATE	COMPENSATION
PRESIDENT <u>VARNI</u>	<i>[Signature]</i>		\$100.00
VICE PRESIDENT <u>JOYCE-SUNESON</u>	<i>[Signature]</i>	7-10-24	\$100.00
DIRECTOR <u>AUSTIN</u>	<i>[Signature]</i>	7-10-24	\$100.00
DIRECTOR <u>GIBSON</u>	<i>[Signature]</i>		\$100.00
DIRECTOR <u>VILLA</u>	<i>[Signature]</i>	7-10-2024	\$100.00

Oceano Community Services District - BYLAW's

Section 8.1: Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each Regular or Special Meeting.

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

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



BOARD OF DIRECTOR'S
REGULAR & SPECIAL MEETING COMPENSATION FORM
BOARD MEETING: JULY 24, 2024

DIRECTORS	SIGNATURE	DATE	COMPENSATION
PRESIDENT <u>VARNI</u>	ABSENT		\$100.00
VICE PRESIDENT <u>JOYCE-SUNESON</u>	<i>Beverly Joyce - Suneson</i>	7-24-24	\$100.00
DIRECTOR <u>AUSTIN</u>	<i>Linda M Austin</i>		\$100.00
DIRECTOR <u>GIBSON</u>			\$100.00
DIRECTOR <u>VILLA</u>	<i>[Signature]</i>	7/24/24	\$100.00

Oceano Community Services District - BYLAW's

Section 8.1: Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each Regular or Special Meeting.

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

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

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	8/28/2024	CHECK	061122	LIVE, LLC DBA ADVANTAGE ANSWER	355.40CR	OUTSTND	A	0/00/0000 01 5-4100-110 COMMUNICATIONS
1-1001-000	8/28/2024	CHECK	061123	CHARTER COMMUNICATIONS	150.00CR	OUTSTND	A	0/00/0000 01 5-4100-110 COMMUNICATIONS
1-1001-000	8/28/2024	CHECK	061124	COASTAL COPY, INC.	526.74CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES 260.37 02 5-4400-205 OUTSIDE UB MAIL SERVICE 133.19 03 5-4500-205 OUTSIDE UB MAIL SERVICE 133.18
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	1,032.14CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	1,032.14CR		
				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		

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	9/05/2024	CHECK	061145	SO CAL GAS	64.01CR	OUTSTND	A	0/00/0000 01 5-4100-290 UTILITIES
1-1001-000	9/05/2024	CHECK	061146	VERIZON WIRELESS	290.00CR	OUTSTND	A	0/00/0000 02 5-4400-110 COMMUNICATIONS 190.69 03 5-4500-110 COMMUNICATIONS 30.99 06 5-4900-110 COMMUNICATIONS 14.30 10 5-4300-110 COMMUNICATIONS 2.38 01 5-4100-110 COMMUNICATIONS 51.64
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	354.01CR		
				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:	354.01CR		
				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		

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: 061129 THRU 061129

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	8/28/2024	CHECK	061129	CSDA	VOIDED	130.00CR	VOIDED	A 8/28/2024
MISCELLANEOUS: -----								
1-1001-000	8/28/2024	MISC.	061129	CSDA	VOIDED	130.00	VOIDED	A 8/28/2024
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	130.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	130.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	130.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	130.00		
				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: September 18, 2024

To: Board of Directors

From: Peter Brown, General Manager
Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item 8(A): Review and Approval of a Resolution adopting the Property Tax Exchange Agreement and the Assignment and Amendment of the District's Ongoing CalPERS Liabilities and Responsibilities Following the Withdrawal from the Five Cities Fire Authority Joint Exercise of Powers Agreement for the Divestiture of the District's Fire Protection Services**

Recommendation

It is recommended that the Oceano Community Services Board adopt the attached Resolution approving both #1 and #2:

1. Property Tax Exchange Agreement for the Divestiture of Fire Protection Services
2. Assignment and Amendment of the District's Ongoing CalPERS Liabilities and Responsibilities Following the Withdrawal from the Five Cities Fire Authority Joint Exercise of Powers Agreement for the Divestiture of the District's Fire Protection Services

Discussion

Measure A-20 and A-22 were placed on the 2020 and 2022 elections which gave Oceano voters the choice to approve a special tax to increase funding for emergency medical and fire protection services and both measures fell short of the required 66.7% voter approval. Through December 2024 the Oceano Community Services District's (District) currently provides services through an extension of the 2023 Contract with Five Cities Fire Authority (FCFA).

The District approved [Resolution 2023-03](#) initiating the proceedings through the Local Agency Formation Commission (LAFCO) for divestiture of Fire Protection Services on January 11, 2023. By initiating the transfer of services to the County of San Luis Obispo (County) Plan for Service was developed with the District and included very specific assets and liabilities and was adopted with [Resolution 2024-11](#).

The resolution before the Board would approve and authorize signature of the Property Tax Exchange Agreement between OCSD and the County of San Luis Obispo and the assignment of the District's ongoing CalPERS liabilities and responsibilities following the District's withdrawal from the Five Cities Fire Authority joint powers agreement. OCSD staff, legal counsel, and County staff have reviewed the draft agreements and the agreements are satisfactory.



Other Agency Involvement

The District engaged with several agencies regarding the Plan for Service for emergency medical and fire services for the community including LAFCO, the County

of San Luis Obispo, the Five Cities Fire Authority, the Cities of Arroyo Grande and Grover Beach.

Financial Considerations

The CalPERs plan from the Oceano Fire Department will be maintained and paid off by the District in FY 2024-25 with the close out of the plan's valuation.

Results

Providing a resolution endorsing the Plan for Services and noticing the residents and property owners are both required steps in the LAFCO hearing for protest proceedings. At the October 9th meeting the Board will consider the Sheriff Substation lease agreement, the OCSD office lease agreement, and the property transfer agreement.

Attachments:

- Draft Resolution
- Transfer of Revenue to SLO County
- District Ongoing CalPERs Liability

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO: 2024 - ____**

A RESOLUTION BY THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT APPROVING THE AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO REGARDING TRANSFER OF REVENUE IN CONNECTION WITH DIVESTITURE OF THE OCEANO COMMUNITY SERVICES DISTRICT FIRE SERVICES AND THE ASSIGNMENT AND AMENDMENT OF THE OCEANO COMMUNITY SERVICES DISTRICT ONGOING CALPERS LIABILITIES AND RESPONSIBILITIES FOLLOWING THE WITHDRAWAL FROM THE FIVE CITIES FIRE AUTHORITY JOINT EXERCISE OF POWERS AGREEMENT

WHEREAS, the Oceano Community Services District was formed in 1981 by a reorganization dissolving County Service Area No. 13, Oceano Lighting District, Oceano Beach Lighting District, Oceano Sanitary District, Oceano Fire Protection District; and

WHEREAS, the Oceano Community Services District Board of Directors initiated proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for divestiture of Fire Protection Services on January 11, 2023 via Resolution of Application 2023-3 and submitted an application to the Local Agency Formation Commission on February 26, 2023; and

WHEREAS, since March 2023, the Oceano Community Services District and the County of San Luis Obispo have worked collaboratively to develop the Plan for Service attached hereto that was approved by the Board of Directors on July 24, 2024; and

WHEREAS, the Oceano Community Services District is in agreement with the provisions outlined in the Plan for Services approved by the Board of Supervisors on June 18, 2024 attached hereto; and

WHEREAS, as outlined in the Plan for Service, fire protection services will be transferred to the County of San Luis Obispo with services provide by the County through a contract with Five Cities Fire Authority, upon approval of the divestiture by LAFCO; and

WHEREAS, the same share of the existing property tax currently used to fund fire services for the District will be transferred to and used by the County to offset the costs of providing fires services to the Community of Oceano; and

WHEREAS, as language included in the Plan for Service approved by the Board of Supervisors on June 18 and endorsed by the District on July 24, 2024 by Resolution 2024-11 that the District will retain 3.85% of current property tax revenue for the continuance of operation of the community's lighting service and the remaining 96.15% property tax revenue shall be transferred to the County; and

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that the amount of property tax revenue to be exchanged, if any, and the amount of annual tax increment to be exchanged among the affected local agencies shall be determined by negotiation; and

WHEREAS, no later than the date on which the certificate of completion of the jurisdictional change is recorded with the County Recorder, the Executive Officer shall notify the County Auditor of the exchange of property tax revenues by transmitting a copy of said resolutions to him and the County Auditor shall thereafter make the appropriate adjustments as required by law; and

WHEREAS, the negotiations have taken place concerning the transfer of property tax revenues and annual tax increment between the County and the District pursuant to Section 99(b)(5) for the transfer of fire protection services from the District to the County; and

WHEREAS, it is in the public interest that such negotiated exchange of property tax revenues and annual tax increment be consummated.

WHEREAS, the Oceano Community Services District approves the attached agreement between the County of San Luis Obispo and the Oceano Community Services District regarding transfer of revenue in connection with divestiture of the Oceano Community Services District Fire Service; and

WHEREAS, the Oceano Community Services District approves the attached assignment and amendment of Oceano Community Services District's ongoing CalPERS liabilities and responsibilities following withdrawal from the Five Cities Fire Authority Joint Exercise of Power Agreement; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Oceano Community Services District that:

1. The foregoing recitals are true and correct.
2. The Oceano Community Services District can no longer meet the escalating costs, needs and requirements for the purpose of providing Fire Protection Services.
3. That the Oceano Community Services District agrees to accept the following negotiated exchange of base property tax revenues and annual tax increments if the divestiture of fire protection services to the County is approved by the Local Agency Formation Commission (LAFCO):

(a) The Oceano Community Service District shall retain 3.85% of current base property tax revenue, and any future property tax increment associated with that percentage, after transfers to the Educational Revenue Augmentation Fund (ERAF) fund and the remaining 96.15% base property tax revenue, and any future property tax increment associated with that percentage, shall be transferred to the County.

4. That the County Clerk is authorized and directed to transmit a copy of the resolution to the

Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies in the manner prescribed by law.

5. This Resolution approves the attached agreement between the County of San Luis Obispo and the Oceano Community Services District regarding transfer of revenue in connection with divestiture of the Oceano Community Services District Fire Service.
6. This Resolution approves the attached assignment and amendment of Oceano Community Services District's ongoing CalPERS liabilities and responsibilities following withdrawal from the Five Cities Fire Authority Joint Exercise of Power Agreement.

PASSED AND ADOPTED by the Board of Directors of the Oceano Community Services District on September 18, 2024, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

President, Board of Directors
of the Oceano Community Services District

ATTEST:

Board Secretary of the
Oceano Community Services District

APPROVED AS TO FORM:

Robert Schultz, District Counsel

**AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND
THE OCEANO COMMUNITY SERVICES DISTRICT REGARDING TRANSFER OF
REVENUE IN CONNECTION WITH DIVESTITURE OF THE OCEANO
COMMUNITY SERVICES DISTRICT FIRE SERVICES**

THIS AGREEMENT is made and entered into this ___ day of September 2024, (“Effective Date”) by and between the County of San Luis Obispo (“County”), a public entity organized and operating under the laws of State of California and the Oceano Community Services District (the “District”), a County of San Luis Obispo Community Services District.

RECITALS

WHEREAS, the District is an unincorporated community in San Luis Obispo County with a Community Services District with various responsibilities including providing Fire Services to the community; and

WHEREAS, the District submitted a request to the Local Area Formation Commission (LAFCO) in January 2023 for divestiture of Fire Services with LAFCO action on this request expected by December 2024 at which point, the County, as a successor agency, would be responsible for providing Fire Services to the community of Oceano; and

WHEREAS, in the case of a jurisdictional change other than a city incorporation or district formation which will alter the service area or responsibility of a local agency, Revenue and Taxation Code Section 99(a)(1) requires that a property tax exchange agreement be approved; and

WHEREAS, pursuant to Revenue and Taxation Code Section 99(b)(5), when a special district is involved, the board of supervisors of the county shall, on behalf of the district, negotiate any exchange of property tax revenues; and

WHEREAS, County and the District, after negotiations, have agreed to a tax exchange in accordance with California Revenue and Taxation Code in connection with the divestiture of the District’s fire services and the County assumption thereof; and

NOW THEREFORE, County and the District now desire to enter into a Property Tax Transfer Agreement pursuant to Section 99 of the California Revenue and Taxation Code to set forth the details of the exchange of property tax revenues.

AGREEMENT

County and the District hereby agree as follows:

1. Property Tax Revenue. “Property Tax Revenue” shall mean revenue from “ad valorem real property taxes on real property”, as said term is used in Section 1 of Article 13A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, that is collected from within the District.
2. Exchange of Property Tax Revenue.
 - a. On and after the date divestiture of the District’s fire services is approved by the Local Agency Formation Commission, District shall remit to County 96.15% of the Property Tax Revenue collected by the District between July 1, 2024, and the date the updated tax roll becomes effective, estimated July 1, 2025. Of the amount remitted to the County, the District shall retain \$142,166 for each month beginning July 1, 2024, through the month in which the District’s fire authority is divested, expected to be December 2024, to fund the District’s current fire service contract with Five Cities Fire Authority. If divestiture is finalized on any day other than the last day in the month, the property tax retained by the District for the final month shall be prorated at a rate of \$142,166 divided by the number of days in the month.
3. Exchange of General Fund Revenue
 - a. On and after the date divestiture of the District’s fire services is approved by the Local Agency Formation Commission, District shall remit to County 100% of Fireworks Permit revenue, Interest Income, Rental Income and Public Facility Fees collected by the District between July 1, 2024, and the date the updated tax roll becomes effective, July 1, 2025.
4. Exchange of General Fund Reserves
 - a. On and after the date divestiture of the District’s fire services is approved by the Local Agency Formation Commission, District shall remit FY 2023-24 Budgeted Sheriff Substation Maintenance in the amount of \$90,000, Fireworks Permit revenue, Interest Income, and Public Facility Fee reserves currently at \$251,302. The County shall place transferred Public Facility Fees into Public Facility Fees Designated FB-County Fire.

5. Exchange by County Auditor. County and the District further agree that all the exchanges of property taxes required by this Agreement shall be made by the County Auditor.
6. Indemnification. To the fullest extent permitted by law, the County and the District shall indemnify, defend, and hold harmless each other and their officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of this Agreement to the extent caused by the negligent performance or attempted performance or the provisions hereof, including any willful or negligent act or omission to act on the part of the Contractor or his agents or employees or independent contractors. This indemnity will not extend to any claims or losses arising out of the negligence or willful misconduct of the County.
7. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the divestiture of the District's provision of fire services and does not constitute either a master tax sharing agreement or an agreement on property tax exchanges which may be required for any other purpose.
8. Modification. The provision of this Agreement and all of the covenants and conditions set forth herein may be modified or amended only by a writing duly authorized and executed by both the County and the District.
9. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

To the County:
County of San Luis Obispo
Attn: Administrative Office
1055 Monterey Street, STE D430
San Luis Obispo, Ca 93408

To the District:
Oceano Community Services District
1655 Front Street
Oceano, CA 93445

10. Entire Agreement. With respect to the subject matter hereof only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings of any nature whatsoever between County and the District except as otherwise provided herein.

COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson of the Board of Supervisors

Dated: _____

ATTEST:

Matthew P. Pontes
Ex-Officio Clerk of the Board of Supervisors

By: _____
Deputy Clerk
[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____
Deputy County Counsel

Dated: _____

OCEANO COMMUNITY SERVICES DISTRICT

By: _____
President

Dated: _____

ATTEST:

By: _____
District Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
District Counsel

Dated: _____

**ASSIGNMENT AND AMENDMENT OF OCEANO COMMUNITY SERVICE
DISTRICT'S ONGOING CALPERS LIABILITIES AND RESPONSIBILITIES
FOLLOWING WITHDRAWAL FROM THE FIVE CITIES FIRE AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT**

THIS Assignment of Agreement is made and entered into this ____ day of September 2024, ("Effective Date") by and between the County of San Luis Obispo ("County"), a public entity organized and operating under the laws of State of California, Five Cities Fire Authority ("FCFA"), and the Oceano Community Services District (the "District"), a County of San Luis Obispo Community Services District (collectively "the parties").

RECITALS

WHEREAS, the District is an unincorporated community in San Luis Obispo County with a Community Services District with various responsibilities including providing Fire Services to the community; and

WHEREAS, the District submitted a request to the Local Area Formation Commission (LAFCO) in January 2023 for divestiture of Fire Services with LAFCO action on this request expected by December 2024 at which point the County, as a successor agency, would be responsible for providing Fire Services to the community of Oceano; and

WHEREAS, On June 7, 2010, the cities of Arroyo Grande and Grover Beach, and Oceano, desirous of improving the quality and level of fire suppression and emergency medical service delivery within their communities through the sharing of resources and expertise, entered into a Joint Powers Authority Agreement (the "JPA") and have operated as Five Cities Fire Authority ("FCFA") pursuant to the terms and conditions in that agreement since that time; AND

WHEREAS, the JPA and its amendments outline the obligations and liabilities of the parties to the JPA; and

WHEREAS, on June 14, 2023, FCFA and the District entered in an agreement titled "Oceano Community Service District's Ongoing Cal Pers Liabilities and Responsibilities Following Withdrawal from the Five Cities Fire Authority Joint Exercise of Powers Agreement", (the "Agreement"); and

WHEREAS, Section 3.4 of the Agreement identifies Exhibit "A" as setting forth the funding formula, identifying each member agencies proportionate share of costs; and

WHEREAS, the parties wish to amend the Agreement to specify each parties' proportionate share of the financial obligations outlined in the Agreement; and

WHEREAS, the parties also desire to assign all liabilities and responsibilities under the Agreement to the County.

NOW, THEREFORE, in consideration of the mutual covenants and conditions

contained herein, it is agreed by and between the parties hereto that:

1. Assignment.
 - a. In accordance with section 6.5. Successors and Assigns of the Agreement, the District assigns its entire interest and all its obligations and liabilities under the Agreement to the County.
 - b. The County accepts the District's assignment and agrees to be bound by all of the terms of the Agreement and to assume all the District's obligations and liabilities under the Agreement.
 - c. FCFA consents to the District's assignment to the County.
2. Amendment. The Agreement shall be amended as follows:
 - a. All references in the Agreement, including all amendments, to "funding formula" or "proportionate share" shall mean that the City of Arroyo Grande is responsible for 45.69%, the City of Grover Beach is responsible for 34.58%, and the Oceano Community Services District is responsible for 19.73%.
 - b. All other provisions shall remain unchanged and in full force and effect.
3. Indemnification. To the fullest extent permitted by law, and in accordance with California Civil Code §2782.8, the parties shall indemnify, defend, and hold harmless the each other and their officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation), of every nature arising out of this Agreement, to the extent caused by the negligent performance or attempted performance or the provisions hereof, including any willful or negligent act or omission to act on the part of the District or his agents or employees or independent contractors. This indemnity will not extend to any claims or losses arising out of the negligence or willful misconduct of the any third party.
4. Enforceability. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.
5. Agreement Binding. All provisions of this Agreement shall be binding on the parties and their heirs, assigns and successors in interest.
6. Waivers. County's waiver or breach of any one term, covenant or other provision of this Agreement shall not be a waiver of a subsequent breach of the same term, covenant or provision of this Agreement or of the breach of any other term, covenant or provision of this Agreement.
7. Notices. All notices, requests, certifications or other correspondence required to be provided by the parties to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective parties at the following addresses:

To the County:
County of San Luis Obispo
Attn: Administrative Office
1055 Monterey Street, STE D430
San Luis Obispo, Ca 93408

To the District:

Oceano Community Services District
1655 Front Street
Oceano, CA 93445

To FCFA:

Five Cities Fire Authority
140 Traffic Way
Arroyo Grande, CA 93420

- 8. Entire Agreement and Modification. This Agreement sets forth the full and entire understanding of the parties regarding the matter set forth herein, and any other prior or existing understandings or agreements by the parties, whether formal or informal, regarding any matters are hereby superseded or terminated in their entirety. No changes, amendments, or alterations shall be effective unless in writing and signed by all parties hereto. The District specifically acknowledges that in entering into and executing this Agreement the OCSD relies solely upon the provisions contained in this Agreement and no others.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF SAN LUIS OBISPO

By: _____
Chairperson of the Board of Supervisors

Dated: _____

ATTEST:

Matthew P. Pontes
Ex-Officio Clerk of the Board of Supervisors

By: _____
Deputy Clerk

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

RITA L. NEAL
County Counsel

By: _____
Deputy County Counsel

Dated: _____

OCEANO COMMUNITY SERVICES DISTRICT

By: _____
President

Dated: _____

ATTEST:

By: _____
District Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

By: _____
District Counsel

Dated: _____

FIRE CITIES FIRE AUTHORITY

By: _____
Authority Chair

Dated: _____

ATTEST:

By: _____
Authority Clerk

APPROVED AS TO FORM:

By: _____
Authority Attorney
District Counsel



Oceano Community Services District

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

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

Date: September 18, 2024
To: Board of Directors
From: Peter Brown, General Manager

Subject: Agenda Item #8(B): Review details of the Oceano Community Services District applying for the San Luis Obispo County Community Project Grant Application for the Community Celebration of the Oceano Plaza.

Recommendation

It is recommended that the Oceano Community Services Board provide staff direction move forward with either option 1, 2 or 3:

1. That the Oceano Community Services District Board consider community and OPARC recommendations and finalize details needed to apply for the San Luis Obispo County Community Project Grant project in the amount of \$2,500 for the Community Celebration of the Oceano Plaza.
2. Request that OPARC hold future meetings to gather and refine event planning details and return to the Board at its October 9, 2024, meeting.
3. Request that staff hold future community meetings to gather and refine event planning details and return to OPARC and the Board at its October 9, 2024, meeting.

Discussion

The County of San Luis Obispo provides the Community Project Funds Policy (Attachment A). Community project grants fund one-time public projects deemed beneficial to residents of the County of San Luis Obispo by the County Board of Supervisors. The County funds may be used for events of a community services district or other qualified public agency, including a County agency or department that will achieve a certain goal that is beneficial to the County.

With the Oceano Plaza improvements created with the County of San Luis Obispo right-of-way completed by Caltrans, the California Department of Transportation held the Oceano Plaza ribbon-cutting celebration on September 12, 2024, at 11 a.m. At its September 3, 2024, meeting, OPARC members discussed playing a role in helping to gather community input as to how a community grand opening event would take place, including date, time, participants, organizers, and event details. OPARC is holding a special meeting on September 17, 2024, to begin discussing event options and consider recommendations to the Board on the details of the event. At the time of the publication of this staff report, the results of that OPARC meeting are yet unknown.



Oceano Community Services District

Board of Directors Meeting

At the August 28th OCSD Board meeting, the Board voted 5-0 to approve the submittal of the community project grant seeking \$2,500 from County District 4 to support the grand opening of the Oceano Plaza. The Board also expressed interest in broad community input on how and when that grand opening occurs.

Other Agency Involvement

The County of San Luis Obispo is the granting agency.

Financial Considerations

If the grant is awarded, part of the costs will cover the encroachment permit requirements, including insurance and traffic control. Other costs could go towards event planning, implementation, and community benefits. Some staff time would be needed to assist in planning and implementation, which may impact other workload priorities.

Attachments:

- A. County of SLO Board of Supervisors District Community Project Funds Policy
- B. Community Project Grant Application



County of San Luis Obispo

Katcho Achadjian Government Center, RM. D430 • San Luis Obispo, California 93408 • (805) 781-5011

COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS DISTRICT COMMUNITY PROJECT FUNDS POLICY

- 1) The purpose of community project grants is to fund one-time public projects deemed to be of benefit to the County of San Luis Obispo by the County Board of Supervisors. County funds may be used for the specific purpose of funding a particular project and/or event of a non-profit organization, city, school district, Board recognized advisory body and/or commission, community services district, or other qualified public agency including a County agency or department that will achieve a certain goal which is beneficial to the County. The County may not, however, make donations, pay for past events, past good works or "match funds" raised by a certain group because such donations are considered a gift of public funds and are specifically prohibited by state law.
- 2) Organizations must either have non-profit designation at time of grant application submission or be a public agencies such as a city, school district, Board recognized advisory body and/or commission, community services district, or County agency or department.
- 3) The project which the County is funding may actually be only part of a project currently being carried out by a group or organization. For example, community project funds may pay for 300 meals for seniors, with additional meals being provided through a different funding source. The County's project would be the 300 meals and one "service unit" would be each meal or each senior that is served.
- 4) Although the cost of insurance, salaries and equipment may be a part of the project (i.e. necessary to carry out the project); community project grant funding should not be used solely to pay for insurance, salaries, or equipment to run the program. The project description should concentrate on the final outcome or benefit that the event or program will provide to the community and what will be achieved with the grant funding.
- 5) It is important that the project description be very specific, as it may be audited for verification that it has been carried out in accordance with the terms of the agreement with the County. Thus, for example, carrying out the "good work" of the county band is not an acceptable project. The project must be defined in terms of the number of band performances, time and dates of the performance, number of people who will benefit from the performance, cost per performance, etc. and how County residents will benefit from the project.

- 6) Each applicant must complete an application for community project funds. One (1) copy of the application, including a project/program budget, should be submitted to the Board of Supervisors. The Board of Supervisors will then review all grant applications and will authorize a specific level of contribution, if any, for the project. Once a funding level is determined, a contract specifying the terms and conditions for funding of the project will be sent to each agency or organization for signature.
- 7) Grant applications for events with specific dates must be submitted, at a minimum, 30 days in advance of the date of the event. As noted in #1 above, County funds cannot be granted for events that have already occurred. However, the Board, at its discretion, may consider, on a case by case basis, an application submitted past the 30 day deadline.
- 8) After a signed agreement is returned by the applicant, County Counsel will review and sign the agreement as to form and legal effect. Final approval and processing of the agreement will be done according to the following guidelines:
 - 1) For funding amounts of \$3,000 (per supervisor) or less:
 - a) Signature by the County Administrative Officer, or designee, on behalf of the County;
 - b) At a Board member's direction, placement of the agreement on the Board of Supervisors' agenda for approval
 - 2) For funding amounts of over \$3,000 (per supervisor):
 - a) Placement on the Board of Supervisors' agenda for Board approval.

Monies to fund the project will be issued by the Auditor-Controller following approval of the agreement by either the County Administrative Officer, (or designee), or by the Board of Supervisors.
- 9) In situations where the funds being requested are to pay a County Fee (e.g. rental of a County Park or building), the organization or agency requesting project funds must also complete the standard application. Following approval of the application and authorization of specific funding, monies will be transferred, via journal entry, to the appropriate department in accordance with County accounting procedures.
- 10) Programs or projects that receive County funds in the annual budgetary process, are not eligible to apply for district community project funds in the same fiscal year in which funds are received for the project. However, the Board, at its discretion, may consider, on a case by case basis, funding such a project from district community project funds, if an organization can demonstrate an emergency need.

APPLICATION FOR SAN LUIS OBISPO COUNTY
COMMUNITY PROJECT GRANT APPLICATION

Grant applications for events with specific dates must be submitted at least 30 days in advance of the date of the event. Per policy, County funds cannot be granted for events that have already occurred.

All questions are required to be answered. If not applicable, please indicate N/A.

Completed application should be sent to the Board of Supervisors can be emailed to Boardofsups@co.slo.ca.us or mailed to/dropped off at 1055 Monterey Street, D430, San Luis Obispo CA 93408.

DATE OF EVENT: _____

Amount of funding requested: _____

(A project/program budget is required to be included with the grant application.)

1. Organization Information:

Agency name: _____

Address: _____

Phone number: _____

Contact person: _____

E-mail address: _____

2. What is the mission/purpose of your organization?

3. **Specifically** describe what County funds will be used for (in other words – what are the County funds paying for?). Describe the proposed project's goal(s) and objectives in **meaningful, measurable terms** (e.g. number of band performances, time and date of performances, number of children attending performances at no cost). Discuss the needs not met for which County funds will be used and include a description of the target population. A budget with a breakdown of expenses and income for the project is required.

4. List all communities that will be affected by the proposed project.

5. Is your organization a first-time applicant? _____; if not, please list total amount of community project grant funds received for the past three years:

YEAR	AMOUNT
_____	_____
_____	_____
_____	_____

6. For this project request, if applicable, please list **all funding received from County sources other than community project grant funds:**

7. How does the project contribute to the County's goals of a safe, healthy, livable, prosperous and well-governed community?

8. Discuss the ways in which your agency works in coordination with other agencies in San Luis Obispo County and identify those "key" agencies.

9. Please include a copy of Articles of Incorporation for your organization, roster of Board members and Internal Revenue Service Tax Exempt Status Letter.

APPLICANT'S STATEMENT

I have reviewed the foregoing application submitted by _____ (insert name of organization here) proposing a contractual project to the County of San Luis Obispo. I understand that the contract which the County will enter into with the organization requires that the organization be responsible for any damage claims or other liabilities arising out of the performance of the contract. Applicant is able to provide proof of insurance to the County of San Luis Obispo, with the County of San Luis Obispo named as an additional insured on the policy for the project. Additionally, the applicant understands that he/she is entering into a contract with the County of San Luis Obispo for the performance of service for the County and that the County is not making a charitable gift to the applicant. I have reviewed this application on behalf of the organization named hereinabove. I am informed and believe that the applicant organization can and will carry out the project as described.

I declare under penalty of perjury that the foregoing is true and correct. Executed at, _____, California, on this _____ day of _____, 20__.

By (Signature): _____

Print Name: _____

Title: _____

cpf application 1-4-24
community proj file



Oceano Community Services District

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

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

Date: September 18, 2024

To: Board of Directors

From: Peter Brown, General Manager

Subject: **Agenda Item #8(C): Review and discussion of the District's participation in water transfers as a State Water Subcontractor within San Luis Obispo County.**

Recommendation

It is recommended that the Board of the Oceano Community Services District review and discuss the San Luis Obispo Flood Control and Water Conservation District (SLOFC&WCD) and Board of Supervisors recent August 20, 2024, decision to participate in a one-time water transfer of excess State Water.

Discussion

Since November 2022, the San Luis Obispo Flood Control and Water Conservation District (SLOFC&WCD) Board policy directive to County staff has been to maximize the SWP water supply contract to increase water resiliency for the County and all of its subcontractors, which includes OCSD. After a historic water year in 2023, the SLOFC&WCD has a surplus of State Water Project (SWP) water in storage at San Luis Reservoir. The 2024 State Water allocation far exceeds local demand from SWP Subcontractors, as shown in the State Water Delivery Report for the first half of this year (Attachment 1). Maximum delivery amounts and capacity are shown in Attachment 2. For OCSD, this amounts to 1500 AF, although the District has never approached using or requiring that much total water annually, let alone from State Water. Furthermore, OCSD projects to only use Lopez water and groundwater for the remainder of 2024 due to costs, availability, and complications with storing surface water.

A combination of other conditions places the SLOFC&WCD State Water Project supply at risk of spilling at San Luis Reservoir (SLR) if San Luis Obispo County were to take no action this year. The most reasonable and timely option to mitigate this risk of loss of purchased State Water is to utilize the new "water management tools" supply management provisions under the SWP's 2021 Water Management Amendment #4. The goal was to find a buyer interested in purchasing excess regional State Water supply that will not be used and cannot be delivered to the County or its subcontractors this year. A suitable buyer was found in the form of the "Westside Districts," and a version of the purchase contract is included in Attachment 3 of the Water Resources Advisory Committee June 25th meeting.

County staff, with support from subcontractor technical advisors, which included the OCSD General Manager, found a SWP contractor (Westside Districts) who would take delivery of a portion of the SLOFC&WCD's available excess water under a temporary water transfer in 2024. The amount of SWP water the SLOFC&WCD can store in San Luis Reservoir is limited, and that water is subject to loss (artificial "spill" events) when the reservoir fills with current year/higher priority water. Since 2007, the San Luis Obispo County Flood Control and Water



Conservation District and its subcontractors have lost 94,191 acre-feet (AF) of SWP water due to the inherent limitations of using San Luis Reservoir for storage (see Table 1 in Attachment 5, the County staff report).

County staff projections estimate that the SLOFC&WCD will have about 18,500 AF of stored water in SLR going into 2025, which equates to five to six years of total County supply/usage of SWP water. Based on DWR projections, SWP storage at SLR is likely to be full by the end of 2024, and that significantly elevates the possibility of some or all of San Luis Obispo County's stored water spilling during the wet season in early 2025. If the stored water spills in 2025 under the current projections, the loss to the SLOFC&WCD would be approximately \$3.3 million in value since the water would be purchased and paid for (assuming \$180/AF, based on current District SWP costs).

The State Water Subcontractors Advisory Committee met on June 7, 2024, and again in July 2024 to review and discuss the issue, see Attachment 4. The technical committee and the entire committee voted to support the one-time transfer.

Other Agency Involvement

San Luis Obispo Flood Control and Water Conservation District (SLOFC&WCD), State Water Subcontractors, and Board of Supervisors.

Financial Considerations

The District and all State Water users are at a 40% allocation this year. Forty percent of OCSD's total allocation of 1,500 acre feet (750 Table A, 750 drought buffer) is 600 AF. Of that 600, OCSD has used 357.5 AF, leaving 242.5 AF of unused water. Therefore, the current estimate if all OCSD unused water is sold to the Westside Districts at \$440/AF, OCSD is apt to receive approximately \$106,700 in future State Water credits. Future credits would offset District costs related to securing State Water in future years or costs associated with the Delta Conveyance Project if the District decides to participate.

Results

Creative, proactive solutions and regional collaborations in the realm of one-time water transfers protect the District's investments in water supply, convert potentially spilled water to future credits that can be used to purchase State Water and save OCSD ratepayers money with no risk to the water supply.

Attachments

- Attachment 1 – State Water Subcontractors delivery report January-July 2024, and projections through 2024
- Attachment 2 - State Water Subcontractors total maximum allocations table
- Attachment 3 – WRAC Agenda Packet from June 25, 2024, and Westside Districts Water Transfer Purchase Contract
- Attachment 4 – State Water Subcontractors Advisory Committee Report June 7, 2024



Oceano Community Services District

Board of Directors Meeting

- Attachment 5 - County Board of Supervisors Staff report from August 20, 2024, where the County approved the transfer

2024 STATE WATER DELIVERY REPORT (DRAFT)

Subcontractor Deliveries for Jan-Jul 2024.

Schedule Requests as of 6/27/24.

Updated by WT, 8/28/24.

District's Stored Carryover Water (C/O) at SLR, 1/1/2024 =	12,500	AF of C/O
Current SWP "Table A" (TBLA) allocation (per DWR, as of 4/23/2024) =	40%	
The District's 25,000 AF "Table A" contract at current allocation =	10,000	AF of TBLA
*Reserved for Transfer (8,500 AF of the 2024 "Table A"), per BOS 8/20/2024 =	8,500	AF of TBLA
Total SWP Water Available (2024), minus the Transfer Reserve =	14,000	AF

DELIVERIES TO SUBCONTRACTORS (2024)³

														Total as			
AGENCY	SCHEDULED	TLBA	C/O	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% of Request ⁴
SHANDON TO	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0	0	0.0	--
CHORRO V. TO	396	320	76	18.4	17.8	22.6	18.7	24.1	22.4	24.9	0	0	0	0	0	148.9	64%
County Ops	420	340	80	19.5	18.8	24.0	19.9	25.5	23.8	26.5	0	0	0	0	0	157.9	64%
Cuesta	192	160	32	8.9	8.6	11.0	9.1	11.7	10.9	12.1	0	0	0	0	0	72.2	64%
City of Morro Bay	1180	1441	0	76.2	63.8	79.5	76.3	91.7	96.9	106.5	0	0	0	0	0	591.0	86%
LOPEZ TO	412	992	-580	90.6	84.2	102.1	0.0	0.0	103.0	0.0	0	0	0	0	0	380.0	92%
Oceano CSD	357.5	600	-243	42.4	38.9	45.0	43.3	51.9	59.5	0.0	0	0	0	0	0	281.0	79%
San Miguelito MWC	90	220	0	4.4	7.8	3.1	1.2	5.1	5.7	6.1	0	0	0	0	0	33.4	62%
Avila Beach CSD	70	80	0	4.4	4.6	6.0	6.0	6.0	6.0	6.0	0	0	0	0	0	38.9	97%
Avila Valley MWC	20.0	32	0	0.9	0.7	1.0	1.1	2.0	2.0	2.0	0	0	0	0	0	9.8	89%
San Luis Coastal USD	6.0	5.6	0.4	0.17	0.29	0.31	0.50	0.4	0.5	0.5	0	0	0	0	0	2.65	76%
TOTAL	3144	4231	-634	265.8	245.5	294.5	176.1	218	331	185	0	0	0	0	0	1715.7	80%

- Notes:**
- Deliveries based on CCWA monthly delivery reporting and subcontractor request.
 - All delivery values reported are in volumetric units of acre-feet (AF).
 - Deliveries to Lopez during March were increased to supplement during the tank replacement project at the Lopez WTP.
 - Total as a percent of the request for the period of the water delivery year completed.

SUBCONTRACTOR DELIVERY SCHEDULED (2024)^{1,2,3}

														Total as			
AGENCY	CONTRACT	DB	Mx.TBLA	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	% of Contract
SHANDON TO	100	0	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
CHORRO V. TO	400	400	320	33	33	33	33	33	33	33	33	33	33	33	33	396	99%
County Ops	425	425	340	35	35	35	35	35	35	35	35	35	35	35	35	420	99%
Cuesta	200	200	160	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	192	96%
City of Morro Bay	1313	2290	1441	90	90	100	100	100	105	105	105	105	100	90	90	1180	90%
LOPEZ TO	1240	1240	992	103.0	103.0	103.0	0	0	103	0	0	0	0	0	0	412.0	33%
Oceano CSD	750	750	600	62.5	62.5	62.5	50	60	60	0	0	0	0	0	0	357.5	48%
San Miguelito MWC	275	275	220	7	7	8	8	8	8	8	8	7	7	7	7	90	33%
Avila Beach CSD	100	100	80	5	5	6	6	6	6	6	7	6	6	6	5	70	70%
Avila Valley MWC	20	60	32	1.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0	20	100%
San Luis Coastal USD	7	7	6	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	6	86%
TOTAL	4830	5747	4231	353	353	365	251	261	369	206	207	205	200	189	189	3144	65%

- Notes:**
- Assumes District can supply 100% of requested delivery, to meet requests that exceed current DWR allocation.
 - Updated schedule reflects mid-year revisions requested by Pismo and OCSD; changes effective 6/27/2024.
 - Mx.TBLA = Max Table A available to Subcontractor under current allocation.

Subcontractor Delivery Contracts

9/29/2023 (REV), WT

SUBCONTRACTOR		Annual Water Service Contracted (AF)	Max. Monthly Delivery Contracted (AF)	Max. Flowrate Contracted (at Turnout) (cfs)	Drought Buffer Contracted (AF)	Water Service + Drought Buffer (AF)
<u>DISTRICT TURNOUT</u>						
<i>SHANDON**</i> CSA 16 (Shandon)		100	8.33	0.14	0	100
Subtotal		100	8	0.14	0	100
<i>CHORRO VALLEY (CV Pipeline)</i> CMC		400	33.33	0.56	400	800
County (Ops Center)		425	35.42	0.60	425	850
Cuesta College		200	16.67	0.28	200	400
City of Morro Bay		1,313	109.41	1.84	2,290	3,603
Subtotal		2,338	195	3.28	3,315	5,653
<i>LOPEZ (District Zone 3)</i> City of Pismo Beach		1,240	103.33	1.74	1,240	2,480
Oceano CSD		750	62.50	1.05	750	1,500
San Miguelito MWC		275	22.92	0.38	275	550
Avila Beach CSD		100	8.33	0.14	100	200
Avila Valley MWC		20	1.67	0.03	60	80
San Luis Coastal USD		7	0.58	0.01	7	14
Subtotal		2,392	199	3.35	2,432	4,824
Total Contracted*		4,830	402.49	6.77	5,747	10,577

* Contracted Capacity to Chorro Valley Turnout (AFY) 4,830

* Contracted Capacity to Lopez Turnout (AFY) 2,392

<<<<

**District has contracted capacity in Coastal Branch for Shandon's 100 AF all the way to the CV Turnout.

District's "Table A" Allocation (AF) **25,000**

Total "Table A" Subcontracted (AF) **10,577**

Unsubscribed (Excess) "Table A" Allocation (AF) **14,423**

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
WATER RESOURCES ADVISORY COMMITTEE (WRAC)

Veterans Memorial Building (SLO Vets Hall)
801 Grand Avenue, San Luis Obispo, CA 93401

Tuesday, June 25, 2024
11:00 am

Please note, this meeting is in-person only and will not have a broadcast option.

WRAC Special Meeting Agenda

1.	Introductions & Welcome	11:00am
2.	Receive Update from County Staff regarding Proposed 2024 State Water Transfer and Consider Actions	11:05am
3.	Public Comment for Items not on the Agenda	11:25am
4.	Adjourn Meeting	11:30am

This agenda packet and attachments are available online at www.slocounty.ca.gov/wrac

Next Regular Meeting: September 4, 2024, 1:30 pm
 SLO City/County Library Community Room
 995 Palm Street, San Luis Obispo CA

Please contact WRAC Secretary, Brendan Clark, with any questions. bclark@co.slo.ca.us

Purpose of the Committee:

To advise the County Board of Supervisors concerning all policy decisions relating to the water resources of the San Luis Obispo County Flood Control and Water Conservation District. To recommend to the Board of Supervisors specific water resource and water conservation programs with recognition of the economic and environmental values of the programs. To recommend methods of financing water resource programs.

Excerpts from WRAC By-Laws dated January 23, 2024

SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT
WATER RESOURCES ADVISORY COMMITTEE (WRAC)

THIS PAGE IS INTENTIONALLY BLANK

TO: Water Resources Advisory Committee

FROM: Wes Thomson, Supervising Water Utilities Engineer

DATE: June 25, 2024

SUBJECT: Agenda Item #2: Receive Update from County Staff regarding Proposed 2024 State Water Transfer and Consider Actions

Recommendations

Receive Update from County Staff regarding Proposed 2024 State Water Transfer and Consider Actions.

[Staff recommended action is for the Water Resources Advisory Committee (WRAC) to endorse the District's policy direction to staff to put all of the SWP water available to beneficial use and recover the costs of maximizing the Table A allocation benefit to the fullest extent possible.]

Summary

The endorsement by the WRAC is an opportunity to communicate support for the existing policy direction, for District consideration when it evaluates a proposed water transfer option which staff are preparing to bring to the Board on August 13. This policy direction, the 2003 policy on use of the excess entitlement (Attachment 1), and the 2021 Water Management Amendment, serve as the basis for the proposed water transfer discussed below.

District staff plan to request Board approval on an agreement with the Westside Districts¹ (Westside) based on the attached Draft Water Transfer Term Sheet (Attachment 2) for a short-term transfer² in 2024 of up to 13,500 AF of the District's surplus water – a combination of Table A water (8,500 AF) and Article 56c water (5,000 AF) stored in San Luis Reservoir (SLR) – to recover costs, reduce the risk of incurring losses at SLR, and minimize the amount of unused Table A water that would otherwise be “left on the table” at the end of the year.

Discussion

The amount of water the District can store in SLR is limited and lost (“spills”) when the reservoir fills with current year/higher priority water. Table 1 shows that since 2007, the District has lost 94,191 AF due to the inherent limitations of using SLR for storage. Staff

¹ The Westside Districts are a collaboration between five water agencies in the San Joaquin Valley – in southern Kings County and in western Kern County: Dudley Ridge Water District (SWP Contractor), plus four “member units” of another SWP Contractor, the Kern County Water Agency, consisting of Belridge Water Storage District, Berrenda Mesa Water District, Lost Hills Water District, and Wheeler Ridge–Maricopa Water Storage District.

² Per Water Code Section 1729, short-term/temporary transfers are exempt under CEQA (California Environmental Quality Act).

estimates the District will have 18,500 AF of stored water in SLR going into 2025. At \$180/AF (using the drought buffer rate as a cost basis for the stored water), this would amount to an approximately \$3.3 million loss if spilled.

Table 1. State Water Lost to Spill/Storage Limits at San Luis Reservoir

Year	Annual Allocation %	Stored Water Lost to Spill (AF)	Water Lost Due to Storage Limits (AF)	Total Water Lost to Spill or Storage Limits (AF)
2007	60	12,500	None	12,500
2010	50	No Spill	2,201	2,201
2011	80	6,009	4,160	10,169
2012	65	No Spill	3,139	3,139
2016	60	No Spill	2,051	2,051
2017	85	15,267	6,487	21,754
2018	35	No Spill	1,734	1,734
2019	85	18,639	3,719	22,358
2023	100	8,064	10,221	18,285
TOTAL		60,479	33,712	94,191

The 2021 Water Management Amendment introduced new provisions for SWP Contractors that enable greater cost recovery through water transfers at market rates, enhanced flexibility to negotiate arrangements that help maximize the Table A benefit and minimize loss of stored water, and now allow the use of SLR as a transfer site.

Staff sought and found an opportunity to transfer up to 8,500 AF (at \$450/AF) of the District’s surplus 2024 Table A water to potentially recover up to \$3.7 million, credited to,
 (1) the District’s State Water Tax Fund (estimated credit = up to \$2.5-3.3 million), and
 (2) the District’s SWP Subcontractors (estimated credit = up to \$0.38-1.2 million),
 based on their unused share of 2024 Table A water under the 2024 allocation.

The 8,500 AF Table A transfer would leave the District with at least 10,000 AF remaining in storage at SLR for water supply resiliency, which is two to three years of supply for the District. The term sheet includes an option for the District to make an additional 5,000 AF of stored water available from SLR later in 2024, if the District determines there is a high risk of a spill event in 2025. This option could recover up to \$1.75 million in additional costs, reduce the risk of additional losses, and maintain 5,000 AF for emergency use (about 18 months of supply).

Results

Endorsement of the District policy direction to staff supports the District’s stated goals of maximizing the SWP contract benefit and recovery of those costs (to the fullest extent possible) and aligns with the intent of the proposed transfer.

Attachments:

1. Excess Entitlement Policy
2. Draft Term Sheet

State Water Project
Excess Entitlement Policies
Approved by Board of Supervisors January 14, 2003

Excess Entitlement - Definition

The District State Water Project “Excess” Entitlement is the portion of the District’s total entitlement that is not contracted to others for their deliverable or drought buffer uses.

Priority of Use

1. Prior to transferring the excess entitlement for any other use, contractors of state water entitlement with capacity in Phase II of the Coastal Aqueduct shall have the first right to utilize the excess entitlement for “drought buffer” (reliability) purposes under the terms of a drought buffer agreement.
2. Preference shall be given to local agencies and water purveyors regardless of whether a transfer is on an annual, multi-year, or a permanent basis.
3. No permanent transfer of the excess entitlement for use outside District boundaries shall be made prior to a final update of the District’s Master Water Plan adopted by the Board of Supervisors, and then only if the transfer is consistent with the then adopted Master Plan. (See ‘Note’ below)
4. No multi-year transfer for use outside District boundaries shall be made with a term in excess of five years prior to a final update to the District’s Master Water Plan adopted by the Board of Supervisors, and then out of District transfers can only take place if the transfer is consistent with the adopted Master Plan.
5. On any out -of-District transfer, preference shall be given to those that provide: a) revenues that recover current costs and some or all of the District’s past costs, b)

maintain the District's right to use the water in the future, or c) which are used for environmental mitigation.

6. The Public Works Director is authorized to determine the annual amount of the excess entitlement to transfer to the State Water Project "Turnback Pools" established under the existing terms of State Water Agreements. In making that determination, the Public Works Director shall first consider local needs and how the use of the Turnback Pool might impact other potential transfers.

Note:

These policies were adopted by the Board of Supervisors "with the understanding there will be no permanent sales outside the District."

TERM SHEET FOR WATER PURCHASE BETWEEN SLOCFCWCD¹ AND THE WESTSIDE DISTRICTS²

- 1. General:** A transfer of SWP water between SLOCFCWCD and Westside Districts. SLOCFCWCD has up to 13,500 acre-feet (AF) that could be delivered under this transfer.

- 2. Term:** A transfer of a portion of SLOCFCWCD's 2024 Table A and/or Article 56(c) water to Westside Districts in 2024, based on the point of delivery (POD).
 - a. 8,500 AF of 2024 Table A at \$450/AF, POD: Reach 1 (Banks)
 - b. 5,000 AF of Art 56(c) at \$350/AF, POD: San Luis Reservoir

- 3. Conveyance to Westside Districts:**
 - a. SLOCFCWCD is responsible for all charges associated with the conveyance of transferred water to the POD.
 - b. POD for Table A will be Reach 1 (Banks) of the California Aqueduct.
 - c. POD for Art. 56(c) will be San Luis Reservoir.
 - d. Conveyance of SLOCFCWCD transferred water is subject to any capacity limitations imposed by DWR.
 - e. Capacity for the delivery of SLOCFCWCD transferred water to the Westside Districts is on an "as available" basis, subject to higher priority deliveries of the Westside Districts. Higher priorities include SWP water (Table A, Article 21, & Local Supplies) allocated to the Westside Districts and other transfers/exchanges to the Westside Districts with more favorable terms than the SLOCFCWCD water.
 - f. Westside Districts shall determine amongst themselves the allocation of the transferred water.

¹ SLOCFCWCD- San Luis Obispo County Flood Control and Water Conservation District

² Westside Districts consist of Dudley Ridge Water District and four member units of the Kern County Water Agency (Belridge Water Storage District, Berranda Mesa Water District, Lost Hills Water District, and Wheeler Ridge – Maricopa Water Storage District)

4. Payment:

- a. SLOCFCWCD shall make available for transfer to Kern County Water Agency and Dudley Ridge for the benefit of the Westside Districts up to 13,500 AF, with the 8,500 AF of Table A available upon execution of the agreement (coordinated per section 5.a), and the 5,000 AF of Art 56(c) conditionally available, subject to confirmation by SLOCFCWCD notifying DWR on or before December 1, 2024 (with coordination, per section 5.a).
- b. Once the final volumes of transferred water are known and reconciled, SLOCFCWCD will invoice Westside Districts for the transferred water that was delivered to the agreed delivery location. It should be noted that, while this Term Sheet identifies the *maximum* transferable volume as 13,500 AF, delivery of the transferred water is subject to those higher priority deliveries as outlined in section 3.e, and the Westside Districts make no guarantees that any or all the transferrable volume will be delivered to the delivery locations. Westside Districts will not be responsible for any transferable volume not confirmed delivered to the delivery locations.
- c. Westside Districts shall pay a rate of \$450 per AF for all 2024 Table A and \$350 per AF for all Art 56(c) of transferred water delivered to the POD. All SLOCFCWCD invoices will be due and payable within 45 days upon receipt.

5. Approvals:

- a. Westside Districts (through Dudley Ridge Water District and Kern County Water Agency (KCWA)) and SLOCFCWCD will work together to obtain approval for the exchange from DWR. As SLOCFCWCD's water is to be transferred, the request to DWR would come from SLOCFCWCD after coordination with DRWD and KCWA.
- b. It is anticipated that a Notice of Exemption would be required for compliance with CEQA. Again, the parties would work together to obtain CEQA compliance; SLOCFCWCD would be the lead agency and each of the Westside Districts, KCWA, and DWR would be responsible agencies.



TO: State Water Subcontractors Advisory Committee
FROM: Wes Thomson, Water Utilities Engineer
DATE: June 7, 2024
SUBJECT: 2024 Water Transfer

Recommendation

It is recommended that the State Water Subcontractors Advisory Committee support the transfer of the District’s surplus water to the Westside Districts.

The Westside Districts (Westside) are a collaboration between five water agencies in the San Joaquin Valley – in southern Kings County and in western Kern County: Dudley Ridge Water District (an SWP Contractor), plus four “member units” of another SWP Contractor, the Kern County Water Agency, consisting of Belridge Water Storage District, Berrenda Mesa Water District, Lost Hills Water District, and Wheeler Ridge–Maricopa Water Storage District.

District staff plan to submit an agreement based on the attached Draft Water Transfer Term Sheet (Attachment 1) to the District Board of Supervisors on August 13 for approval of a short-term transfer in 2024 of up to 8,500 AF of the District’s surplus water – a combination of Table A water and stored water in San Luis Reservoir (SLR) – to reduce the spill risk at SLR, maximize the 2024 storage allowance, and minimize the amount of unused 2024 Table A water that would otherwise be left on the table at the end of the year.

Discussion

The amount the District can store in SLR is limited and lost (“spills”) when the reservoir fills with current year/higher priority water. Table 1 shows that since 2007, the District has lost 94,191 AF due to the inherent limitations of using SLR for storage. Staff estimates the District will have 18,500 AF of stored water in SLR going into 2025. At \$180/AF (drought buffer est.), this would amount to an approximately \$3.3 million loss if spilled.

Table 1. State Water Lost to Spill/Storage Limits at San Luis Reservoir

Year	Annual Allocation %	Stored Water Lost to Spill (AF)	Water Lost Due to Storage Limits (AF)	Total Water Lost to Spill or Storage Limits (AF)
2007	60	12,500	None	12,500
2010	50	No Spill	2,201	2,201
2011	80	6,009	4,160	10,169
2012	65	No Spill	3,139	3,139
2016	60	No Spill	2,051	2,051

2017	85	15,267	6,487	21,754
2018	35	No Spill	1,734	1,734
2019	85	18,639	3,719	22,358
2023	100	8,064	10,221	18,285
TOTAL		60,479	33,712	94,191

The 2021 Water Management Amendment introduced new provisions that enable cost recovery through water transfers at market rates, enhanced flexibility to negotiate arrangements that help Contractors maximize the Table A benefit and minimize loss of stored water, and now allow the use of SLR as a transfer site.

Staff sought and found an opportunity to transfer up to 8,500 AF (at approx. \$350/AF) which could potentially recover about \$3 million that could be credited towards SWP costs for the District and Subcontractors. The Draft Term Sheet for the transfer to Westside is included as Attachment 1. The remaining 10,000 AF would be kept in storage at SLR for water supply resiliency, which equates to 2-3 years of water supply for our County.

If, at the end of the water year, there is an increased potential for a spill event, there could also be an option for the District to transfer an additional 5,000 AF to recover another \$1.75 million in costs and minimize losses but still preserve at least one year of water supply.

Financial Considerations

The District intends to put all of the SWP water available to beneficial use and recover the costs of maximizing the Table A allocation benefit to the fullest extent possible this year with this transfer opportunity.

To maximize the benefits this year, the District will determine the amount of subcontracted Table A water not needed to fulfill the requested 2024 delivery schedules and recover costs through the transfer. The estimated cost recovery potential for each Subcontractor is shown in Attachment 2, with the estimated minimum cost recovery (upper table) with the current delivery schedule, and the estimated maximum cost recovery (lower table) if the Subcontractors were to request zero deliveries for the rest of the year for this hypothetical change if it were to become effective in July.

Schedule revisions for 2024 cost recovery credit must be completed by July 31 (effective August 1) or by June 30 (effective July 1) and be current when the Board considers the transfer.

ATTACHMENTS

1. Draft Term Sheet
2. Estimated Cost Recovery

TERM SHEET FOR WATER PURCHASE BETWEEN SLOFCWCD¹ AND THE WESTSIDE DISTRICTS²

1. **General:** A transfer of SWP water between SLOFCWCD and Westside Districts. SLOFCWCD has up to X acre-feet (AF) that could be delivered under this transfer.
2. **Term:** A transfer of a portion of SLOFCWCD's 2024 Table A and/or Article 56(c) water to Westside Districts in 2024.
3. **Conveyance to Westside Districts:**
 - a. SLOFCWCD is responsible for all charges associated with the conveyance of transferred water to ~~Reaches 8D-17E, 31A of the California Aqueduct. Westside Districts will take possession of the transferred water in Reach 1 or any other location in the California Aqueduct as determined by the Westside Districts. San Luis Reservoir.~~
 - b. Conveyance of SLOFCWCD transferred water is subject to any capacity limitations imposed by DWR.
 - c. Capacity for the delivery of SLOFCWCD transferred water to the Westside Districts is on an "as available" basis, subject to higher priority deliveries of the Westside Districts. Higher priorities include SWP water (Table A, Article 21, & Local Supplies) allocated to the Westside Districts and other transfers/exchanges to the Westside Districts with more favorable terms than the SLOFCWCD water.
 - d. Westside Districts shall determine amongst themselves the allocation of the transferred water.

4. Payment:

¹ SLOFCWCD- San Luis Obispo County Flood Control and Water Conservation District

² Westside Districts consist of Dudley Ridge Water District and four member units of the Kern County Water Agency (Belridge Water Storage District, Berranda Mesa Water District, Lost Hills Water District, and Wheeler Ridge – Maricopa Water Storage District)

- a. SLOFCWCD shall make available for transfer to Kern County Water Agency and Dudley Ridge for the benefit of the the Westside Districts up to X AF.
- b. Once the final volumes of transferred water are known and reconciled, SLOFCWCD will invoice Westside Districts for the transferred water that was delivered to the agreed delivery location. It should be noted that, while this Term Sheet identifies the *maximum* transferable volume as X AF, delivery of the transferred water is subject to those higher priority deliveries as outlined in section 3.c. and the Westside Districts make no guarantees that any or all the transferrable volume will be delivered to the delivery locations. Westside Districts will not be responsible for any transferable volume not confirmed delivered to the delivery locations.
- ~~c.~~ Westside Districts shall pay a rate of \$350 per AF for all transferred water delivered to San Luis Reservoir Reaches 8D-17E, 31A of the California Aqueduct, or any other location in the California Aqueduct as determined by the Westside Districts.
- ~~d.c.~~ All SLOFCWCD invoices will be due and payable within 45 days upon receipt.

5. Approvals:

- a. Westside Districts (through Dudley Ridge Water District and Kern County Water Agency (KCWA)) and SLOFCWCD will work together to obtain approval for the exchange from DWR. As SLOFCWCD's water is to be transferred, the request to DWR would come from SLOFCWCD after coordination with DRWD and KCWA.
- b. It is anticipated that a Notice of Exemption would be required for compliance with CEQA. Again, the parties would work together to obtain CEQA compliance; SLOFCWCD would be the lead agency and each of the Westside Districts, KCWA, and DWR would be responsible agencies.

2024 STATE WATER: Estimated Cost Recovery
Under Proposed Water Transfer with WS5

Based on deliveries to Subcontractors (thru Apr 2024)

District's Stored Carryover Water (C/O) at SLR,1/1/2024 = 12,500 AF of C/O
 Current SWP "Table A" (TBLA) allocation (per DWR, as of 4/23/2024) = 40%
 The District's 25,000 AF "Table A" contract at current allocation = 10,000 AF of TBLA
 Total SWP Water Available for 2024 = 22,500 AF

District Table A >>	25,000	Year 2024
2024 "Table A" Contract Share		TBLA Alloc. (AF)
Excess >	14,423	0.57692
Subs >	10,577	0.42308
		4231

ESTIMATED MIN. COST RECOVERY - EXISTING SUBCONTRACTOR DELIVERY SCHEDULE (2024)³

AGENCY	SCHEDULED	TLBA	C/O	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Mx.TBLA	SUBS ~ \$350/AF	
																		UNUSED TBLA	\$ Cost Rec.
SHANDON TO CSA 16	0	0	0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0.0	40	40	\$ 14,000
CHORRO V. TO CMC	396	320	76	18.4	17.8	22.6	18.7	33	33	33	33	33	33	33	33	341.4	320	0	\$ -
County Ops	420	340	80	19.5	18.8	24.0	19.9	35	35	35	35	35	35	35	35	362.1	340	0	\$ -
Cuesta	192	160	32	8.9	8.6	11.0	9.1	16	16	16	16	16	16	16	16	165.6	160	0	\$ -
City of Morro Bay	1180	1441	0	76.2	63.8	79.5	76.3	100	105	105	105	105	100	90	90	1095.9	1441	345.3	\$ 120,870
LOPEZ TO City of Pismo Beach	1030	992	38	90.6	84.2	102.1	0.0	0	103	103	103	103	103	103	103	998.0	992	0	\$ -
Oceano CSD	693.5	600	94	42.4	38.9	45.0	43.3	60	60	62	62	62	55	45	50	625.6	600	0	\$ -
San Miguelito MWC	90	220	0	4.4	7.8	3.1	1.2	8	8	8	8	7	7	7	7	76.5	220	143.5	\$ 50,236
Avila Beach CSD	70	80	0	4.4	4.6	6.0	6.0	6	6	6	7	6	6	6	5	68.9	80	11.1	\$ 3,885
Avila Valley MWC	20.0	32	0	0.9	0.7	1.0	1.1	2	2	2	2	2	2	1	2	18.8	32	13.2	\$ 4,634
San Luis Coastal USD	6.0	5.6	0.4	0.17	0.29	0.31	0.50	1	1	1	1	1	1	1	1	5.27	5.6	0	\$ -
TOTAL	4098	4231	320	265.8	245.5	294.5	176.1	261	369	371	372	370	358	337	342	3757.9	4231	553	\$ 193,624

ESTIMATED MAX. COST RECOVERY - FOR SUBCONTRACTORS CONSIDERING A REVISED SCHEDULE (2024)³

AGENCY	SCHEDULED	TLBA	C/O	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL	Mx.TBLA	SUBS ~ \$350/AF	
																		UNUSED TBLA	\$ Cost Rec.
SHANDON TO CSA 16	0	0	0	0.0	0.0	0.0	0.0	0	0	0	0	0	0	0	0	0.0	40	40	\$ 14,000
CHORRO V. TO CMC	143	143	0	18.4	17.8	22.6	18.7	33	33	0	0	0	0	0	0	143.4	320	177	\$ 61,793
County Ops	152	152	0	19.5	18.8	24.0	19.9	35	35	0	0	0	0	0	0	152.1	340	188	\$ 65,750
Cuesta	70	70	0	8.9	8.6	11.0	9.1	16	16	0	0	0	0	0	0	69.6	160	90	\$ 31,657
City of Morro Bay	501	501	0	76.2	63.8	79.5	76.3	100	105	0	0	0	0	0	0	500.9	1441	940.3	\$ 329,120
LOPEZ TO City of Pismo Beach	380	380	0	90.6	84.2	102.1	0.0	0	103	0	0	0	0	0	0	380.0	992	612	\$ 214,214
Oceano CSD	290	290	0	42.4	38.9	45.0	43.3	60	60	0	0	0	0	0	0	289.6	600	310	\$ 108,654
San Miguelito MWC	32	32	0	4.4	7.8	3.1	1.2	8	8	0	0	0	0	0	0	32.5	220	187.5	\$ 65,636
Avila Beach CSD	33	33	0	4.4	4.6	6.0	6.0	6	6	0	0	0	0	0	0	32.9	80	47.1	\$ 16,485
Avila Valley MWC	8	8	0	0.9	0.7	1.0	1.1	2	2	0	0	0	0	0	0	7.8	32	24.2	\$ 8,484
San Luis Coastal USD	2.3	2.3	0.0	0.17	0.29	0.31	0.50	1	1	0	0	0	0	0	0	2.27	6	3	\$ 1,166
TOTAL	1611	0	0	265.8	245.5	294.5	176.1	261	369	0	0	0	0	0	0	1610.9	4231	2620	\$ 916,958

- Notes:**
1. Deliveries based on CCWA monthly delivery reporting and subcontractor request.
 2. All delivery values reported are in volumetric units of acre-feet (AF).
 3. Deliveries to Lopez during March were increased to supplement during the tank replacement project at the Lopez WTP.



**COUNTY OF SAN LUIS OBISPO
BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 8/20/2024	(3) CONTACT/PHONE Wes Thomson, Supervising Engineer (805) 788-2101	
(4) SUBJECT Submittal of a resolution 1) approving and authorizing the Director of Public Works to execute a letter agreement with the Westside Districts for the temporary transfer of 2024 State Water Project (SWP) water supplies; 2) authorizing the Director of Public Works to execute a corresponding agreement(s) with the California Department of Water Resources (DWR); and 3) finding the transfer exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), adopt a resolution: <ol style="list-style-type: none"> 1. Approving and authorizing the Director of Public Works to execute a letter agreement with the Westside Districts for the temporary transfer of 2024 State Water Project (SWP) water supplies; 2. Authorizing the Director of Public Works to execute a corresponding agreement(s) with the California Department of Water Resources, subject to approval as to form and effect by County Counsel; and 3. Finding the transfer exempt from CEQA pursuant to CEQA Guidelines Section 15301. 			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date _____	
(17) ADMINISTRATIVE OFFICE REVIEW Zachary A. Lute			
(18) SUPERVISOR DISTRICT(S)			

Reference: 24.098



COUNTY OF SAN LUIS OBISPO

TO: Board of Supervisors

FROM: Public Works

Wes Thomson, Supervising Engineer

VIA: Kate Ballantyne, Deputy Director

DATE: 8/20/2024

SUBJECT: Submittal of a resolution 1) approving and authorizing the Director of Public Works to execute a letter agreement with the Westside Districts for the temporary transfer of 2024 State Water Project (SWP) water supplies; 2) authorizing the Director of Public Works to execute a corresponding agreement(s) with the California Department of Water Resources (DWR); and 3) finding the transfer exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301.

RECOMMENDATION

It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), adopt a resolution:

1. Approving and authorizing the Director of Public Works to execute a letter agreement with the Westside Districts¹ for the temporary transfer of 2024 State Water Project (SWP) water supplies;
2. Authorizing the Director of Public Works to execute a corresponding agreement(s) with the California Department of Water Resources, subject to approval as to form and effect by County Counsel; and
3. Finding the transfer exempt from CEQA pursuant to CEQA Guidelines Section 15301.

¹ The Westside Districts are a collaboration between five water agencies in the San Joaquin Valley – in southern Kings County and in western Kern County: Dudley Ridge Water District (SWP Contractor), plus four “member units” of another SWP Contractor, the Kern County Water Agency (KCWA), consisting of Belridge Water Storage District, Berrenda Mesa Water District, Lost Hills Water District, and Wheeler Ridge–Maricopa Water Storage District.

DISCUSSION

District staff is requesting the Board's approval of an agreement with the Westside Districts (Westside Districts Agreement) (Exhibit A to the Resolution) for a temporary transfer in calendar year 2024 of up to 13,500 acre-feet (AF) of the District's surplus SWP² water – a combination of "Table A" water (8,500 AF) and "Article 56(c)" water (5,000 AF, from storage in San Luis Reservoir (SLR)) – to recover costs, minimize the amount of water that would be lost due to storage limits at the end of 2024 or to spill in 2025, and maintain a more optimal level of supply in storage for County water resiliency.

Background

Since November 2022, the District Board policy directive to staff has been to maximize the SWP water supply contract to increase water resiliency for the County.

After a historic water year in 2023, the District has a surplus of SWP water in storage. The 2024 allocation far exceeds local demand from the SWP Subcontractors³ (Attachment 1), and a combination of other conditions puts the District's SWP supply at risk of being lost if the District doesn't take action now. The most reasonable and timely option to mitigate this risk is to utilize the new "water management tools" – supply management provisions under the SWP's 2021 Water Management Amendment⁴ – to find another SWP contractor who would take delivery of a portion of the District's available water under a temporary water transfer in 2024.

The amount of SWP water the District can store in SLR is limited, and that water is subject to loss (artificial "spill" events⁵) when the reservoir fills with current year/higher priority water. Since 2007, the District has lost 94,191 AF of SWP water due to the inherent limitations of using SLR for storage (see Table 1). Staff projections estimate that the District will have about 18,500 AF of stored water in SLR going into 2025 (five to six years of supply). Based on DWR projections, SWP storage at SLR is likely to be full by the end of 2024, and that significantly elevates the possibility of the District's stored water spilling during the wet season in early 2025. If the stored water spills in 2025 under the current projections, the loss to the District would be approximately \$3.3 million (assuming \$180/AF, based on current District SWP costs).

² Since 1963, the District has had a long-term SWP water supply contract with DWR for an annual maximum "Table A" water amount of up to 25,000 acre-feet (AF).

³ District SWP Subcontractors include CSA 16 (Shandon), City of Morro Bay, California Men's Colony, County of San Luis Obispo, Cuesta College, City of Pismo Beach, Oceano CSD, San Miguelito Mutual Water Co., Avila Beach CSD, Avila Valley Mutual Water Co., San Luis Coastal Unified School District.

⁴ The 2021 Water Management Amendment introduced new provisions for the District and other SWP Contractors that enable greater cost recovery through water transfers at market rates, enhanced flexibility to negotiate arrangements that help maximize the "Table A" contract benefit and minimize losses – including the use of SLR as a transfer site.

⁵ Spill events result in losses of the stored water, but the water is only lost by the contractor to the SWP system – there is not an actual physical spill of water from the reservoir. This event results in excess water in the system known as "Article 21" water, and it is conditionally available to the contactors at a steep discount for immediate delivery to those with capacity to take it.

Table 1. State Water Lost to Spill/Storage Limits at San Luis Reservoir

Year	Annual Allocation %	Stored Water Lost to Spill (AF)	Water Lost Due to Storage Limits (AF)	Total Water Lost to Spill or Storage Limits (AF)
2007	60	12,500	None	12,500
2010	50	No Spill	2,201	2,201
2011	80	6,009	4,160	10,169
2012	65	No Spill	3,139	3,139
2016	60	No Spill	2,051	2,051
2017	85	15,267	6,487	21,754
2018	35	No Spill	1,734	1,734
2019	85	18,639	3,719	22,358
2023	100	8,064	10,221	18,285
TOTAL		60,479	33,712	94,191

District staff sought transfer opportunities within the SWP network in coordination with the Subcontractor Water Management Working Group, a subcommittee of technical agency staff representatives from the local SWP Subcontractors. The terms of the Westside Districts offer are optimal for San Luis Obispo County. Given the existing SWP conveyance constraints, 2024 hydrology, and SWP allocation at 40%, the pricing was determined to be fair and reasonable relative to the current District costs, historic transfer pricing, and other recently published market data on south of Delta transfers.

Table A Water Transfer Component

If Westside Districts (Attachment 2) takes delivery of the full 8,500 AF of Table A water made available to them, the District will have at least 10,000 AF of water remaining in storage at SLR at the end of 2024 (based on current conditions), which is about two to three years of supply for the District.

Article 56(c) Water Transfer Component

With District Board approval of the Westside Districts Agreement, the Public Works Director would be delegated authority to exercise the option to make up to 5,000 AF of additional water available later in 2024, subject to the District’s determination that there is still a high risk of losing stored water at SLR to a spill event in 2025. This option allows the District to reduce the risk of additional losses and maintain at least 5,000-6,000 AF in storage at SLR for emergency use (about 18-24 months of supply).

Westside-SLO Transfer and Supporting Agreements

District staff developed the terms in partnership with Westside Districts staff, as shown in the proposed Westside Districts Agreement.

If the District approves the proposed transfer⁶ via resolution (Attachment 5), the next step is to secure DWR's approval of the transfer via letter agreement (DWR Agreement⁷, Attachment 4), which is a standard requirement for all SWP transfers.

For DWR to approve, it must (1) review the proposed transfer for compliance with CEQA, (2) confirm SWP delivery capability to complete the transfer, (3) review that it is consistent with each long-term SWP water supply contract (Water Supply Contract) it has with the District, DRWD, and KCWA, and (4) determine that the transfer will not adversely impact SWP operations, facilities or other SWP Contractors⁸.

As such, today's request is also for your Board to authorize the Director of Public Works to execute the DWR Agreement that permits the District to transfer the SWP water pursuant to the Westside Districts Agreement.

CEQA Determination

The Environmental Division Manager has reviewed the project and determined that it is exempt from the requirements of CEQA pursuant to CEQA Guidelines Section 15301 (existing facilities) (Exhibit B to the Resolution).

OTHER AGENCY INVOLVEMENT/IMPACT

The proposed temporary water transfer was reviewed with the District's State Water Subcontractors Advisory Committee and the Water Resources Advisory Committee (WRAC). Both were supportive, and the WRAC voted to endorse the District's policy directive to maximize the benefits of the SWP contract.

The attached resolution and Westside Districts Agreement have been reviewed by County Counsel and approved as to form and effect.

FINANCIAL CONSIDERATIONS

The proposed temporary transfer provides the District an opportunity for significant cost recovery and would have no impact on the District's ability to make all payments, including payments due under the District's Water Supply Contract with DWR.

Under the Westside Districts Agreement, up to 8,500 AF (at \$450/AF) of the District's surplus 2024 "Table A" water would be made available to the Westside Districts, and the District would potentially recover up to \$3.7 million, credited to:

- (1) the District's State Water Tax Fund (estimated credit = up to \$2.6-3.1 million), and
- (2) the District's SWP Subcontractors (estimated credit = up to \$0.6-1.1 million), based on their unused share of 2024 Table A water under the 2024 allocation.

⁶ The proposed temporary transfer is consistent with District policy on the use of the excess allocation (Attachment 3).

⁷ An initial DWR Agreement is required for the Table A water transfer component. If the option is exercised, an additional DWR Agreement would be required for the Article 56(c) water transfer component.

⁸ The District is one of 29 public water agencies (includes DRWD and KCWA) that have a Water Supply Contract with DWR; these agencies are collectively referred to as the SWP Contractors.

The option to make up to 5,000 AF of additional stored water available could result in up to \$1.75 million in additional cost recovery for the District.

Revenue generated from the transfer would actually reduce costs borne by the Countywide taxpayers by providing increased revenue for the District that could be used to help offset other DWR cost obligations (e.g., Delta Conveyance Project planning/design costs).

RESULTS

Approval of the temporary water transfer will meet your Board's priority to maximize the SWP water supply contract, putting to beneficial use all the water available and recovering the costs of maintaining the allocation to the fullest extent possible this year, thereby contributing to a well-governed community.

ATTACHMENTS

- 1 Map of State Water in San Luis Obispo County
- 2 Location of Westside Districts
- 3 2003 Policies on Use of the Excess Allocation
- 4 Sample Department of Water Resources Letter Agreement
- 5 Resolution Approving and Authorizing the Director of Public Works to Execute a Letter Agreement with the Westside Districts and a Corresponding Agreement with the Department of Water Resources and Finding the Project Exempt from CEQA

File: CF 950.140.01

Reference: 24.098

L:\Utilities\2024\August\BOS\SWP Water Transfer\24.098 brd ltr.docx



Oceano Community Services District

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

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

Date: September 18, 2024

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #8(D): Review and discussion of the District's Internal Controls and the Rural Community Assistance Corporation's training program from July 17, 2024.**

Recommendation

It is recommended that the Board of the Oceano Community Services District review and discuss the District's Internal Controls and the Rural Community Assistance Corporation's training program from July 17, 2024.

Discussion

Internal controls are accounting and auditing processes used in an agency's finance department that ensure the integrity of financial reporting and regulatory compliance. Effective internal controls help organizations comply with laws and regulations and prevent fraud. Internal controls are vital for protecting public resources, funds and assets. The objectives are to safeguard assets, provide reliable financial reporting, provide operational effectiveness and compliance. The District reviews the internal controls each year with the auditors to prevent, detect or correct any deficiencies in a timely matter. Staff recently attended the Rural Community Assistance Corporation (RCAC) training on Internal Controls where they reviewed different control activities to prevent deficiencies, and the training programs slides have been provided in Attachment B.

The presenter from RCAC, Abigail Seaman, discussed the importance of separating duties and how it can be difficult for small organizations solely from the number of staff supporting the functions of the organizations. There are ways to operate and include effective internal controls without increasing the number of staff members with cross training and involving other departments. This prevents a staff member from having the sole control over the lifespan of a transaction since no one person should be able to initiate, record, and authorize a transaction. An example of the District creating separation of duties is how it requires three staff members to finalize the District's deposit close outs and payroll processes.

The District's internal controls were improved in 2022 by installing second approvals in the utility billing software and payroll software provided by ERP Pro (previously known as Tyler Incode). This was the [corrective action plan](#) developed for these processes and has since been successful. Improvements have been made to other processes like accounts payable, deposit close outs, utility payment transactions, payroll and intent to serve application process as they evolve. For example, the District recently implemented online credit card payments and developed an additional process for credit card transactions in Attachment A.



Other Agency Involvement

RCAC provides environmental assistance to small municipal and nonprofit water systems, wastewater systems and solid waste management programs in 11 western states. They serve these rural communities through training, technical and financial assistance and advocacy.

Other Financial Considerations

The District's membership with RCAC comes with no costs to the District. RCAC is funded through State Programs which provides the District with free classes, technical assistance with Medium Household Income surveys, development of the District's Emergency Response Plan, and coordination of the Halcyon Ken Mar Consolidation program.

Results

Regular review of internal controls with staff, the auditors, and Board members is essential to maintain transparency and to protect public assets. Staff is committed to maintaining and improving internal controls and taking a "lessons learned" approach to both actual and hypothetical internal controls pitfalls.

Attachments

- Attachment A – Credit Card Process
- Attachment B – RCAC Internal Controls Slides

Internal Control Example

Daily Credit Card Processing – Tyler Incode

UTILITY PAYMENTS Summary this email details the payment and account number/address for each online payment made in a 24-hour period (9am – 9pm PST). Use this email for account number info.

ACH Transfer Summary email is the final email for that 24-hour period that will become your ACH batch in Tyler. Use this email to post and close your batch.

TYLER – OPERATOR PROCESS

- Open Tyler
- Click on Operator Process and enter the operator code, press tab > click ok.
- Click Enter Payments and select the batch ending XXXX-**CC0623XXXX**
- Enter any payments from the day before up until 8:59PM PST. *(These will be the payments reflected in the ACH Transfer Summary email – you want to note the total.)*
- Click Close Batch
- In the bottom “Closed Batches” section - click the box for the batch XXXX-**CC0623XXXX** and then click Register > OK.
- Check the register to ensure the batch total matches the ACH Transfer Summary email total.
- Make any adjustments, if needed.
- Click FILE > Save as PDF > Select Landscape > Click box above with three dots and save the file to T Drive > Accounting Budget & Finance > Accounting > Credit Cards > XXXX(Year) > Date 6 June XXXX (Year) > Date/File you wish to save to and click SAVE > Click SAVE
- Close out the register window
- In the Closed Batches section of Operator Process
 - Bring report to Supervisor.
 - Supervisor reviews and approves in Tyler < enter the batch total in Total Dollars Received > Tab > OK
 - (As long as the amounts match, you can proceed. If a typo has occurred, Tyler Incode will reject the packet and notify user to review entries).
 - Click UPDATE and you will see the batch is now removed from the selection options.

TYLER – END OF DAY PROCESS

- Open Tyler > Click on End of Day Process
- Click on Create Packet
 - Check packet name and date – which should be today’s date. However, you can edit the date if needed > click OK
 - Click the top arrow (make sure only the CC batch you are processing is listed and to not include any other batches) > Click OK
 - Click Register > Packet & Posting date should be today’s date > click OK
 - Click FILE > Save as PDF > Select Landscape > Click box above with three dots and save the file to T Drive > Accounting Budget & Finance > Accounting > Credit Cards > XXXX (Year) > 6 June XXXX (Year) > Date/File you wish to save to and click SAVE > Click SAVE

- Click File > Print > (Print landscape and double sided to the main printer) > Close report window.
- Provide report to the supervisor
- Supervisor reviews and clicks approve > OK and then Click Posting > OK > OK > Close window

ACH PACKETS

- Print to PDF the ACH Summary email:
 - Print a double-sided hard copy CC files.
 - Save a PDF version >T Drive > Accounting Budget & Finance > Accounting > Credit Cards > XXXX (Year) > 6 June XXXX(Year)> Date/File you wish to save to (rename to ACH Summary Email) and click SAVE.
- Complete the hard copy batch:
 - Complete the cover sheet
 - ACH Summary email
 - Receipts (in order of the ACH Summary email)
 - Tyler report
 - Staple in top left corner, 3-hole punch and file with FY XXXX-XX credit card files.



Internal Controls

July 17, 2024
Aptos, CA



WELCOME!

©2024. Funding for this project has been provided in full or in part under the Safe and Affordable Funding for Equity and Resiliency (SAFER) Drinking Water Program through an agreement with the State Water Resources Control Board. The contents of this document do not necessarily reflect the views and policies of the foregoing, nor does mention of trade names or commercial products constitute endorsement or recommendation for use.



Your Instructors Today...

Mary Fleming

Small Utility Consultant III

(916) 549-6338

mfleming@rcac.org

Abigail Seaman

Utility Financial

Consultant III

(541) 519-3204

aseaman@rcac.org

Cyril Barmore

Small Utility Consultant

(707) 770-8748

cbarmore@rcac.org



3

Housekeeping







- Cell phones = set to SILENT
- Participation = encouraged
- Restrooms
- Breaks
- Lunch
- Evaluations
- Certificates will be available for self printing within 10 business days



4



RCAC Programs

-  Affordable housing
-  Community facilities
-  Water and wastewater infrastructure financing (Loan Fund)
-  Classroom and online training
-  On-site technical assistance
-  Median Household Income (MHI) surveys

Performance Assessment Rating Tool (PART)

4 to 6 weeks from today

Email w/ today's workshop in subject line

3 questions – 3 minutes maximum

\$50 Amazon gift card (quarterly)

How did you use the information that was presented today?

Funders are looking for positive change

Help us continue these free workshops!

7

Where do I sign up for more trainings?

Visit: <https://bit.ly/RCAC-SWRCB>

Or scan the QR code!



8

Where is my Contact Hours Certificate?

Evaluations must be completed to receive a certificate.

Certificates for training hours can be downloaded and self-printed **within 10 business days** after the completion of the class.



Where To Find Answers...

Otto Tang, Water Resource Control Engineer

- Otto.Tang@waterboards.ca.gov
- (916) 319-8579

Division of Drinking Water District offices

- [Division of Drinking Water \(DDW\) District Offices \(ca.gov\)](#)

Your Local Primacy Agency (LPA)

- [Local Primacy Agency Contact Information](#)

SWRCB Drinking Water Program web site:

- [Drinking Water Programs | California State Water Resources Control Board](#)

Introductions

- Complete Name Tent
- Please tell us about yourself
 - System
 - Position
 - How long you've worked with water systems
 - Your experience/inexperience with internal controls for small water utilities
 - What you hope to learn today



11

Financial Management Training Series

1. Understanding Financial Statements
2. Internal Controls
3. Budgeting
4. Capital Improvement Planning
5. Rate Setting (Online – 5/30/24)
6. Public Meetings and CA. Prop. 218 (Online – 6/09/24)



12

The Safe Drinking Water Act

Promotes Financial Sustainability Through

Technical
Capacity

Managerial
Capacity

Financial
Capacity



Board and Management Responsibilities

Establish framework governing financial management system

Plan for system's financial future

Prepare and adopt annual budget

Monitor/oversight of financial performance

Ensure accountability/integrity of financial system



Internal Control – Today’s Agenda

- Define Internal Control
- Understand Why Internal Control is Vital to a Water Enterprise’s Financial Health
- Review the Four Types of Internal Control
- Identify the Five Key Elements of Internal Control
- Discuss Procedures to Strengthen Internal Control

Exercise #1 - Risks



Review each of the risks identified on the page provided. Working with others at your table, determine why they may be risks. We’ll discuss internal controls intended to mitigate the risks as we progress in this training.

Internal Control



Plan of the organization, methods and procedures, put in place by management to provide reasonable assurance regarding the achievement of its objectives.

Internal Control Objectives



- Safeguard Assets
- Reliable Financial Reporting
- Operational Effectiveness
- Compliance with Applicable Laws & Regulations

What is COSO?

Committee of Sponsoring Organizations

Joint Initiative of Five Private Sector Organizations

Provides guidance on business risk management, internal control and fraud deterrence



19

What is COSO?

Provides Guidance on:

- Enterprise Risk Management
- Internal Control
- Fraud Deterrence

Principles are applicable to both large and small companies



20

What is the GAO Green Book?

- Issued by the Governmental Accountability Office
- Standards for internal control for the federal government
- Often adopted by state, local and quasi-governmental entities as well as non-profits
- Standards used in conducting audits
- Mirrors COSO standards (some say)

Four Types of Internal Controls

- Preventative
- Detective
- Corrective
- Compensative

Why is Internal Control important?

Improve Accountability to Stakeholders

Achieve Performance and Budget Targets

Improve Reliability of Financial Reporting

Establish Clear Policies & Procedures for Completion of Tasks



23

Why is Internal Control important?

Ensure Compliance with Laws & Regulations

Prevent Loss of Resources & Public Assets

Preserve Public Trust



24

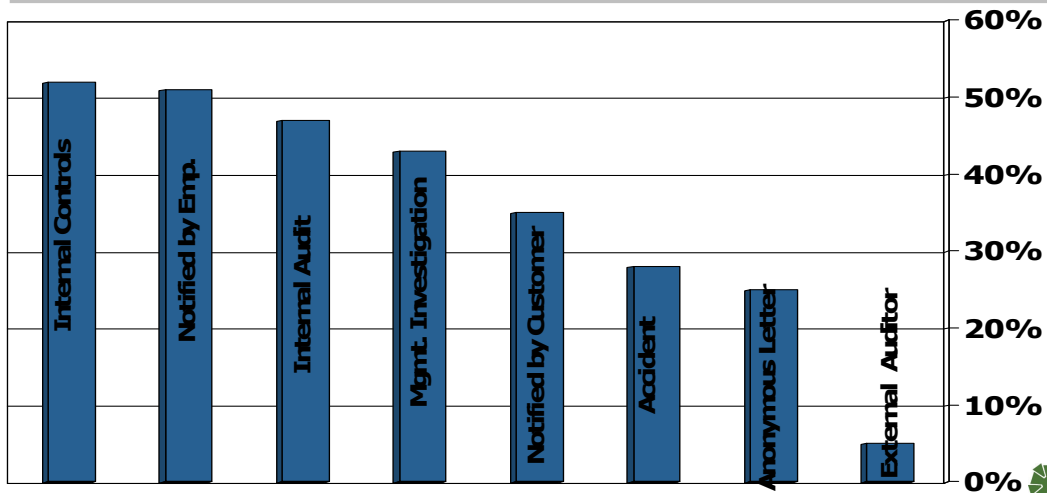
Exercise # 2 – Control Types



From the list of control activities on the worksheet provided, identify the type of each control.

- #1. Preventative
- #2. Detective
- #3. Corrective
- #4. Compensative

How is Fraud Discovered?



Elements of Internal Control



1. Control Environment

- Demonstrates commitment to integrity and ethical values
- Exercises oversight responsibilities
- Establishes structure, authority, and responsibility
- Demonstrates commitment to competence
- Enforces accountability

2. Risk Assessment

Inherent Risk

Control Risk

Residual Risk

Operational Risk

Compliance or Regulatory Risk

3. Control Activities

Separation of Duties

Definition of Responsibilities

Proper Education/Training of Staff

Approval Levels

Bonding of Employees

Documented Procedures

3. Control Activities

Reconciliations

Limit Access to Cash and Assets

Adequate Documentation

Performance Reviews

Observations of Mandatory Vacations/Employee Rotation

External Audits



31

3. Control Activities - Separation of Duties

No one person has sole control over the lifespan of a transaction.

Ideally, no one person should be able to initiate, record, authorize and reconcile a transaction.



32

3. Control Activities - Separation of Duties

Key Concept	Best Practice
May vary depending on each utility's size and structure	The level of risk associated with a transaction should come into play when determining the best method.
Should be able to be demonstrated to an outside party	Document processes and authorization levels to demonstrate a system of control that includes separation of duties.
Should be clearly defined, assigned and documented	Document and clearly communicate who will initiate, submit, process, authorize, review and/or reconcile each activity.
Management should increase the review and oversight function when it is difficult to sufficiently separate duties.	Assess the potential for mistakes or fraudulent transactions. If the separation of duties is not sufficient to eliminate or adequately reduce the risk of discovering errors, the level of review of management should be increased over the particular activity.



3. Control Activities - Accounting Software Controls

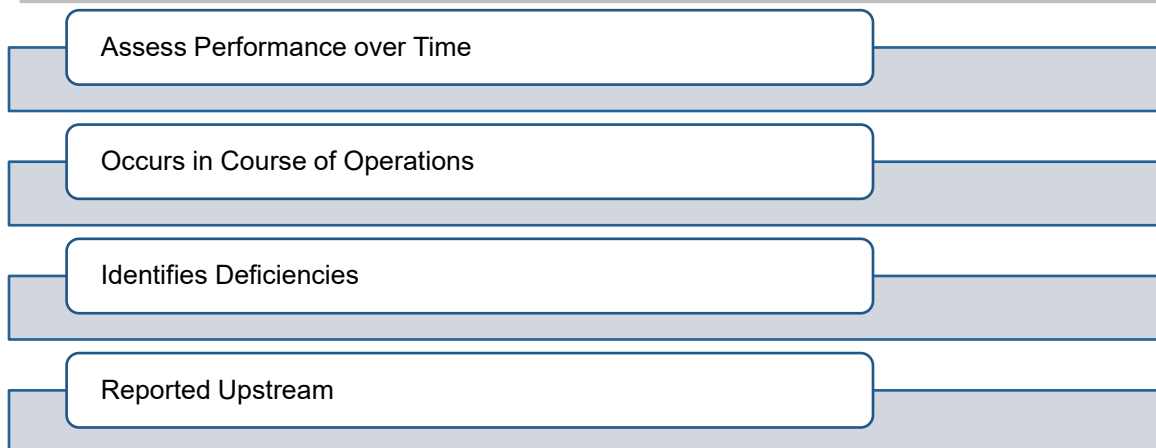
- Individual User Identities
- User Specific Passwords
- Periodic Change of Passwords
- Limited Access to Various Modules of Software
- System Back-Ups at both Onsite and Offsite Locations



4. Information and Communication



5. Monitoring Activities



Exercise #3 - Control Elements



From the list of definitions, identify the control element.

- #1. Control Environment
- #2. Risk Assessment
- #3. Control Activities
- #4. Information & Communication
- #5. Monitoring Activities

What Control Element(s) Would Apply?

First: Is there a problem with this?

Utility gets a good deal on cell phones if they order 6 cell phones. They only need 5 so General Manager takes one home for his daughter to use.

What Control Element(s) Would Apply?

First: Is there a problem with this?

Due to lack of sufficient revenue, governing body votes to discontinue employee retirement fund. The bookkeeper and staff are advised and the utility stops paying the provider.



39

What Control Element(s) Would Apply?

First: Is there a problem with this?

A detailed budget for the upcoming fiscal year is developed. The governing body approves it. The budget is filed for reference when the next year's budget is prepared.



40

What Control Element(s) Would Apply?

First: Is there a problem with this?

The bookkeeper enters new vendors in the accounting software, opens mail, enters vendor invoices, cuts checks and mails payments.



41

What Control Element(s) Would Apply?

First: Is there a problem with this?

The bookkeeper enters new vendors in the accounting software, opens mail, enters vendor invoices, cuts checks and mails payments.



42

What Control Element(s) Would Apply?

First: Is there a problem with this?

With the focus necessarily on providing clean, safe drinking water and complying with regulations, management and governing body have not had time to review operational practices.



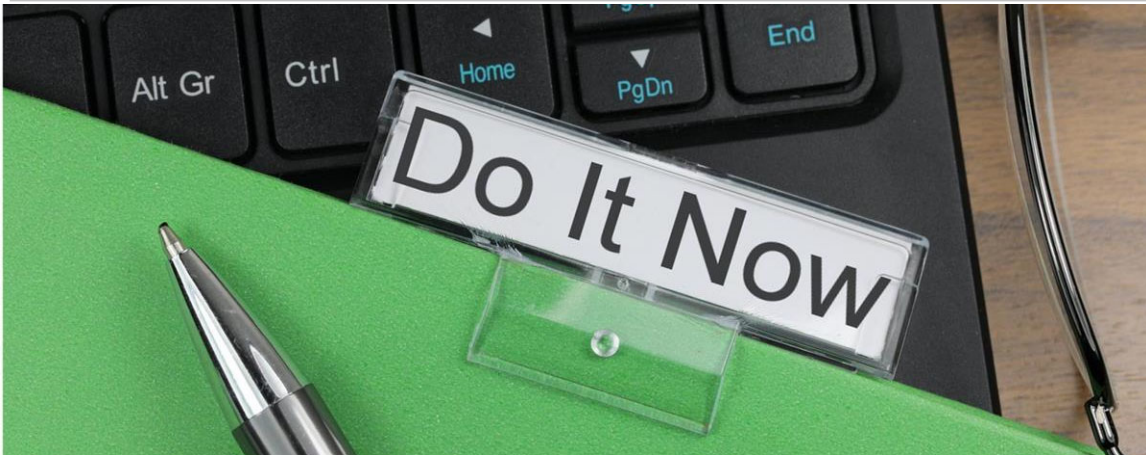
43

Lunch Time!



44

Internal Controls in Practice



Physical Assets

- Locks on premises
- Use of Security Cameras
- Employee Access Codes
- Maintain Asset List with Relevant Details of Each Asset
- Perform Regular Asset Audit
- Properly Insure

IT Systems and Data Security

Individual User Identities

User Specific Passwords

Periodic Change of Passwords

Install Firewalls, Anti-Virus Software

Develop Written Policy Guidelines on Personal Use of IT Equipment



47

Financial Data Integrity

Sequentially Numbered Business Forms

Regularly Perform Reconciliation of Accounts

Develop automated controls such as valid date ranges or dollar-value limits

Implement budget and cash-flow projection reports

Segregate the duties involved in financial transactions



48

Financial Data Integrity

Institute supervisor-level review of financial records

Build In Validation Checks to Processes

Carry Out Exception Routines

Develop Hierarchy of Spending Level Approval Authority

Rotate duties involved in financial transactions



49

Financial Data Integrity

Keep sufficient financial record details

Keep books and records up to date and balanced

Ensure employees with financial functions take their annual vacations

Develop a records-retention schedule



50

Payroll

Maintain security over payroll system passwords and change them regularly

Review bank account deposits to ensure that each pay goes to a different bank account

Separate payroll preparation, disbursement and distribution duties
Check payroll-budgeted figure against payroll-actual figure and invest

Check payroll-budgeted figure against payroll-actual figure and investigate variations



Payroll

Maintain accurate employee attendance records

Maintain complete and accurate payroll records for holiday and sick-leave entitlements and leave used

Use direct bank deposits for pays

Ensure that more than one person can process the payroll



Payroll

Separate the duties of personnel records management and payroll

Develop and document a policy on allowable payroll deductions and who can authorize them

Maintain security over attendance-recording systems

Periodically review the payroll register against actual employees



53

Water Billings

Develop and document rates schedules

Reconcile Billing Software Register Records with Related General Ledger Account

Have Customer Complaints Handled Independently of the Billing Clerk



54

Accounts Receivable

Develop Late and Non-Payment Policies

Review the A/R Aging Report Monthly

Reconcile trial balances with general ledger control accounts

Establish Policies/Approval Levels for Credits

Keep the duties involved in accounts receivable separate from cash receipting

Cross Check Customer Credits



55

Accounts Payable

Develop and document a purchasing and accounts payable procedure, including authorization levels and any price comparison requirements prior to purchase

Pay on original invoices only to avoid duplicate payment

Mark paid invoices to prevent resubmission or double payment

Set payment amount authorization permissions



56

Accounts Payable

Check invoices from suspect sources e.g. businesses with only a post office box address

Separate the duties of approving new suppliers from responsibility for payment of invoices

Check the record of supplier billing each month and investigate any suspicious activity, i.e., increasing purchases from one vendor



57

Accounts Payable

Carry out random checks of the invoices of individual suppliers

Investigate invoices for poorly defined services

Develop a process that brings together the purchasing order and receiving reports, along with the check for payment, for review before signature



58

Handling Cash & Checks

Keep checkbooks in secure storage

Use pre-numbered checks

Endorse checks received "for deposit only"

Enter check disbursements details in a way to prevent easy alteration

Maintain a check register and review checks against it regularly, but at varying (unpredictable) intervals



59

Handling Cash & Checks

Mutilate voided checks before filing them

Use pre-numbered, triplicate copy cash receipts to keep a record of cash sales

Balance cash daily or more regularly according to the amount of cash handled

Post cash receipts to appropriate journals promptly

Deposit cash receipts regularly to minimize the amount on hand



60

Handling Cash & Checks

Reconcile bank accounts monthly

Separate duties for cash disbursement and purchases from the approval process

Conduct audits on a varying (unpredictable) schedule and do not warn employees of the date



61

How could this have been prevented or detected?

Group Discussion

The bookkeeper opens a personal bank account under the name, "Valley Chemicals". He then creates a "phantom" vendor account in the utility books. Every month he mails an invoice to the utility, writes a check for the invoice and deposits the check in the personal account he opened under Valley Chemicals.



62

How could this have been prevented or detected?

Group Discussion

The operator is building a new bathroom in her personal residence.

She orders materials through the utility's charge account with a local vendor. The vendor sends a bill to the utility each month and the charges are paid by the bookkeeper (who thinks they are water system repairs) and expensed out as utility water system repairs and maintenance.



63

How could this have been prevented or detected?

Group Discussion

One of the maintenance staff routinely takes a two-hour lunch break and leaves work an hour early. The payroll clerk does not know this and cuts his paychecks for the full amount he was supposed to have worked, costing the utility thousands of dollars annually.



64

How could this have been prevented or detected?

Group Discussion

The billing clerk receives cash payments for the water bill. The clerk puts the cash in her pocket and issues a credit to the customer's account for the amount clerk took.



65

How could this have been prevented or detected?

Group Discussion

The bookkeeper enters time records for payroll, calculates payroll and issues the payroll checks. She feels that she is not adequately paid for her hard work so he/she adds \$500 per month to her paycheck.



66

How could this have been prevented or detected?

Group Discussion

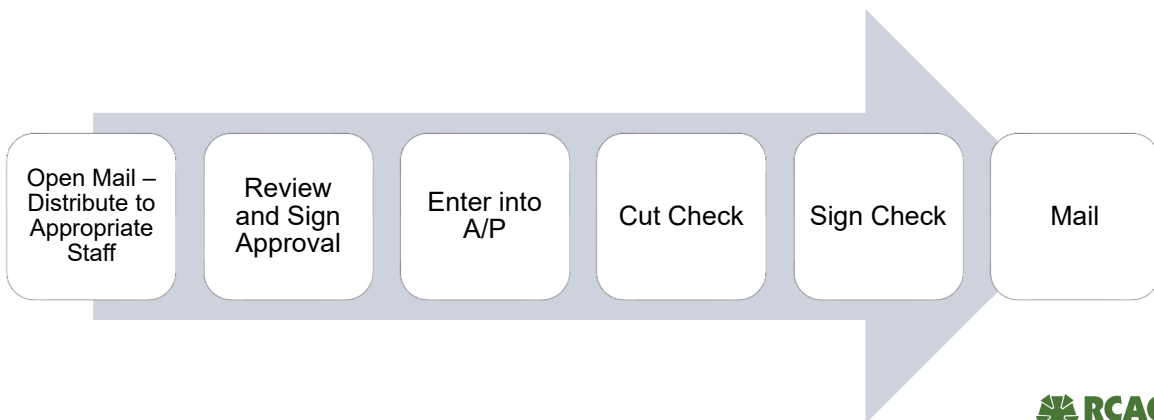
The general manager decides to reward her hard-working staff by ordering pizza for lunch to be paid from the petty cash fund. When she asks for the cash from the custodian of the fund, she discovers the petty cash fund is empty and there are no receipts in it to account for where the money went.



67

Separation of Duties - Disbursements

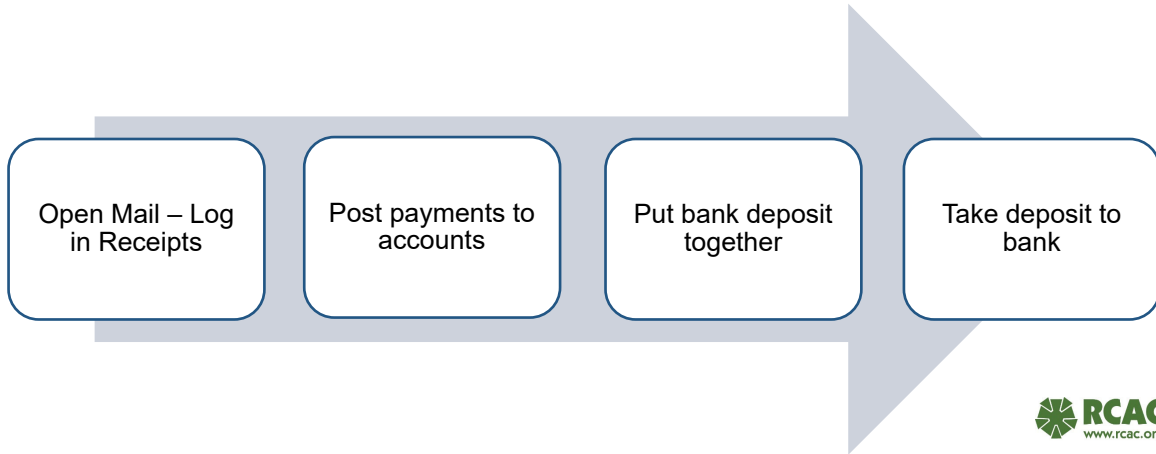
When possible, separate the following responsibilities



68

Separation of Duties - Receipts

When possible, separate the following responsibilities



Exercise #4 – Separation of Duties



Determine how the list of duties can be distributed among employees to implement adequate separation of duties



71

Financial Policies

Framework for the operation of utility

Must be pertinent to the specific utility

Must comply with:

- State Law
- Local Ordinances
- Your system's bylaws or charter
- Loan covenants

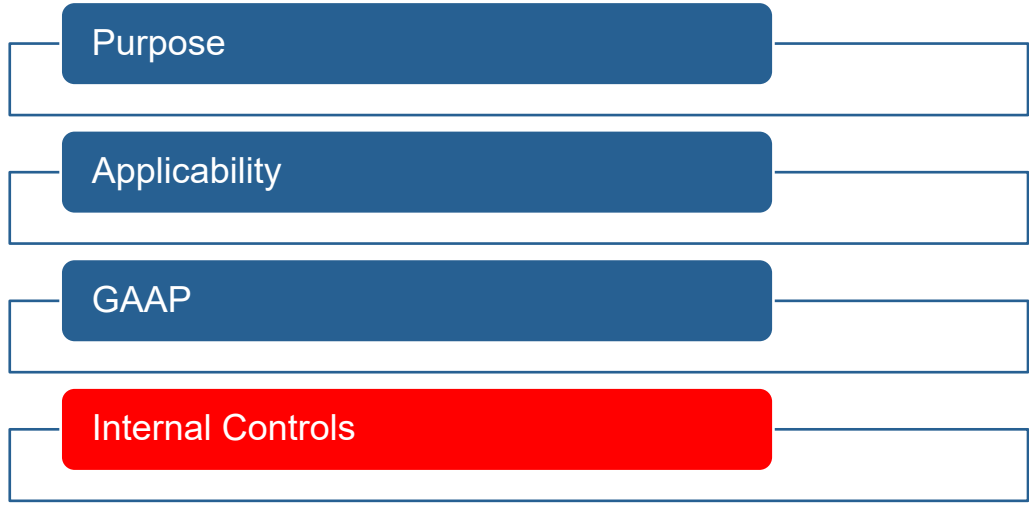
72



How do we establish policies?



General Financial Policies



General Financial Policies

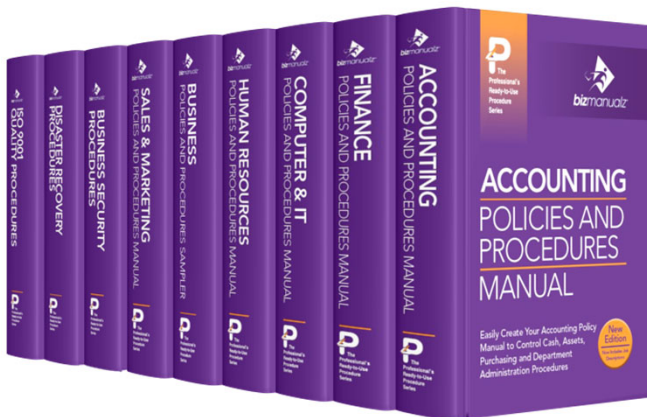
Authorization Levels

Enterprise Accounting

Revenues

Audit

Financial Policies and Procedures Manual



Must Have!!

Banking Policies/Procedures

Establish Circumstances for Opening a New Bank Account

Identify Type of Financial Institution(s) Allowable

Name Who is Authorized to Open a Bank Account

Specify How Many Signatories are Required

Select Who is Authorized to Sign

Determine Where Bank Documents are Kept



77

Banking Policies/Procedures

Determine Where Unused Checks are Kept

Specify Who has Access to Unused Checks

Develop Procedure for Handling Void Checks

Establish Policy Regarding Issuing Checks Payable to Cash

Establish Policy Regarding Post-Dated Checks

State Who Reconciles Bank Account(s)



78

Banking Policies/Procedures

Establish Policies Regarding Reserve Funds

Who has Access?

How are Void Checks Handled?

Are Checks Payable to Cash Allowed?

Are Post-Dated Checks Allowed?

Who Reconciles Bank Account(s)?

Banking Policies/Procedures

Separate Bank Account?

Interest Bearing Account?

Reserve Funds

How Often is Cash Transferred
into the Account?

What is Appropriate Use of the
Funds?

Investment Policies & Procedures

Circumstances	
Acceptable Financial Institutions	
Who Authorizes/Opens Investment Accounts	
Who Makes Transfer	
Who Reconciles	



Petty Cash Fund

Maximum Amount	
Allowable Uses	
Name Position Managing Fund	
Required Documentation for Disbursements	
Name Position Reconciling Fund	



Difficulties in Implementing Internal Controls in Small Systems

- Limited Staff
- Significant number of cash transactions
- Complex accounting rules
- Regulatory focus
- Fewer resources to support accounting function

Exercise #5



How many internal controls issues do you find in the Wobbly Water case study?
What are they?

Steps to Improve Internal Controls



Group Discussion

How can internal controls be implemented in a very small utility?

Steps to Help Utilities Improve Internal Controls

Start where you are!

Make a commitment

Assess Risks

Document procedures and controls

Communicate with staff & train

Continually monitor, evaluate and update



87

Steps to Improve Internal Controls

Push Up



Internal Controls



Push Down



88

Other Ways to Protect the Utility

Hire competent staff

Pay staff adequately

Establish, document, follow accounting policies

Insure

Encourage vacations – Have backups trained



89

When Problems Happen

Have a plan and *make sure everyone knows that you do!*

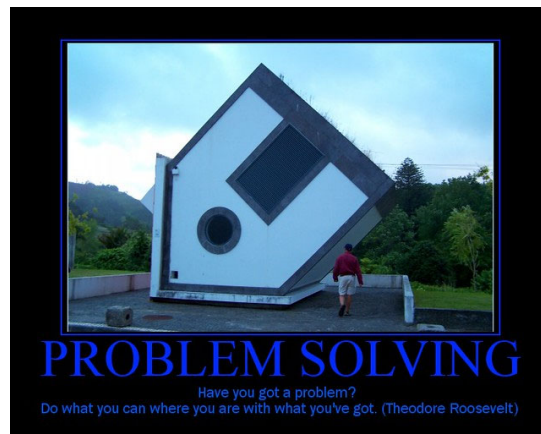
Act quickly and fairly

Document everything

Use outsiders to investigate

Corrective Actions

Find out where the system broke down



90

Fact or Fiction?

1. A foolproof internal control structure can be devised if management puts forth the effort.
2. Complete, accurate and up-to-date accounting records should be maintained.
3. Broadly speaking, an internal control structure is only necessary in large water companies.
4. Employees should have individual passwords for computer access.

Fact or Fiction?

5. Most fraud is discovered through an external audit.
6. Control environment sets the tone of integrity from the top down.
7. Inherent risk is the level of risk that exists in an activity or process before considering any risk mitigation efforts.
8. Control activities are designed to reduce the opportunity to conceal errors, omissions and fraud.

Fact or Fiction?

9. Shared computer passwords is an acceptable practice because it's easier for shared jobs and/or computers.
10. Direct deposits for employee paychecks is a good internal control practice.
11. The billing clerk should handle customer complaints.
12. Payments to vendors should be made on original invoices.

Fact or Fiction?

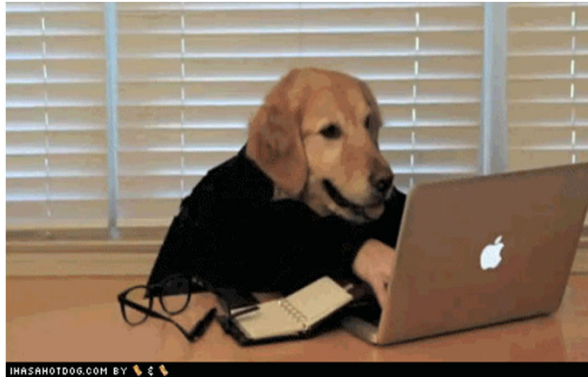
13. The bookkeeper should enter receipts, make payments and reconcile the bank statement.
14. The payroll journal should be approved by someone who does not enter payroll information.
15. Bank accounts should be reconciled quarterly.
16. Random, unpredictable reviews of vendors, customer accounts and petty cash is a good internal control practice.



95

Resources and Contacts...

Where do you go to find help?



96

https://www.waterboards.ca.gov/drinking_water/programs/



CALIFORNIA
Water Boards
STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS



97

CA.GOV Share: [Social Media Icons] About Us Contact Us Subscribe Settings

CALIFORNIA WATER BOARDS State Water Resources Control Board

Board Programs Drinking Water Water Quality Water Rights Notices Water Boards Search

State Water Resources Control Board	Region 1 - North Coast	Region 7 - Colorado River
Water Boards Map	Region 2 - San Francisco Bay	Region 8 - Santa Ana
Division of Drinking Water	Region 3 - Central Coast	Region 9 - San Diego
Division of Financial Assistance	Region 4 - Los Angeles	My Water Quality
Division of Water Quality	Region 5 - Central Valley	Santa Monica Bay Restoration
Division of Water Rights	Region 6 - Lahontan	CalEPA

News Safe Drinking Water Plan Field Operations Branches Program Management Branch

- UPDATED Notification Levels for Perfluorooctanoic Acid (PFOA) and Perfluorooctanesulfonic acid (PFOS)
 - August 2019 OEHHA Notification Level Recommendations State Water Board
 - Updates Guidelines for Testing and Reporting PFOA and PFOS As It Assesses Scope of Problem (08/23/19)
 - Fact Sheet: Update on Spring 2019 State Water Board Directives for Soil and Water Samples at Likely Per- and Poly-Fluoroalkyl Substance (PFAS) "Hot Spot" Locations (08/23/19)
 - Fact Sheet: Frequently Asked Questions: Drinking Water Guidelines for PFOA and PFOS (08/23/19)
- UPDATED Information to Water Customers Regarding Water Quality in Buildings Located in Areas Damaged by Wildfire
- Draft Drinking Water Systems Administrator Policy Released for Public Comment
 - Public Notice - Comments due September 4, 2019
- State Water Board Grant and Loan Funds Arvin Project to Resolve Arsenic Contamination in Drinking Water (05/16/19)
- Example PFOA/PFOS Notification Letter: (PDF) (Word)
- Needs Assessment Workshop #3 Announcement: May 10, 2019

https://www.waterboards.ca.gov/waterboards_map.html [ize for PFAS in Drinking Water by EPA Method 537 Revision 1.1 or EPA Method](#)

District Offices
Map of DWP District Offices (PDF, New Window)

Field Operation Branch Districts
Drinking Water Field Operation Branch Districts

Information for Public Drinking Water Systems

- Information for Public Water Systems
- Small Water Systems Guidance Documents
- Regulations and Statutes (Law Books)
- Recently Adopted Regulations
- Upcoming Regulations

RCAC www.rcac.org 98

Free guide from RCAP

[flip_Financial-Management-Guide.pdf \(rcap.org\)](#)



Resources

University of Washington; Internal Controls

- <https://finance.uw.edu/fr/internal-controls>

Internal Controls: The Definitive Guide for Risk and Compliance Professionals

- <https://reciprocity.com/resource-center/internal-controls-the-definitive-guide-for-risk-and-compliance-professionals/>

UCSF Audit & Advisory Services Internal Controls

- <https://audit.ucsf.edu/internal-controls>

COSO Control Activities

- [COSO – Control Activities \(deloitte.com\)](#)

Resources

American Water Works Association Financial Management for Water Utilities
<https://engage.awwa.org/PersonifyEbusiness/Bookstore/Product-Details/productId/49081979>

Western Municipal Water District
[WMWD Investment Policy](#)

South Coast Water District
[SCWD Investment Policy](#)

US Government Accountability Office
[The Green Book | U.S. GAO](#)



Mary Fleming Leslie
mary.fleming@rcac.org

Abigail Seaman
abigail.seaman@rcac.org

Cyril Barmore
cyril.barmore@rcac.org





Oceano Community Services District

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

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

Date: September 18, 2024

To: Board of Directors

From: Carey Casciola, Business & Accounting Manager

Subject: **Agenda Item #9(A): Consideration of an appeal by Ro Palius regarding a late fee and provide staff direction as deemed appropriate**

Recommendation

It is recommended that the Board review and discuss the attached letter of appeal from Ro Palius regarding an outstanding partial late fee and provide staff direction to move forward with either option 1, 2, or 3:

1. Approve the appeal and issue the requested credit of \$15.50
2. Approve the appeal and issue a partial credit
3. Deny the appeal and issue no credit

Discussion

Ms. Palius is the owner of account 03-04739-02 and has requested in the attached correspondence that 50% of the August 2024 late fee assessed be waived. Ms. Palius appealed to the Board on March 21, 2024, and was approved for a partial credit of \$172.48 for prior late and door hanger fees. Based on the attached District Code, staff does not recommend approval.

Other Agency Involvement

N/A

Other Financial Considerations

If the Board is inclined to grant the adjustment based on the owner's request, this would result in a credit of \$15.50

Results

The Board's consideration of the request provides a full review of the situation and transparency and supports a well-governed community.

Attachments: Correspondence from Ro Palius
Billing and Payment History

①

8/29/24

I AM FILING A
FORMAL APPEAL &
COMPLAINT AGAINST
OCSD FOR ITS
OBTUSE PRACTICES
ON LATE FEES.

I HAVE RAISED THIS
ISSUE W/ MANAGEMENT
ON MULTIPLE OCCASIONS

OCSD IS THE ONLY
ESSENTIAL
SERVICE PROVIDER
WHO MAKES NO
ACCOMODATION FOR
LOW INCOME RESIDENTS)
OCSD SERVICES THE
LOWEST INCOME COMMUNITY
IN THE ENTIRE COUNTY.

②

THE FOLLOWING
WILL EXPLAIN:

THE CIRCUMSTANCE
OF WHY I AM UPSET
W/ OCSD

MY REQUEST AND
SUGGESTED COURSE
OF ACTION

AND SUPPORTING
INFORMATION
FOR YOUR AID AND
CONSIDERATION IS
INCLUDED IN BOTH PARTS.

Thank you

Ro Palia
(855) 550-3620

③

8/20/24

I LIVE ALONE
I AM ~~AM~~ DISABLED AFTER
TWICE BEING RUN DOWN
BY DRUNK DRIVERS AS A
PEDESTRIAN.

I'm CURRENTLY STRUGGLING
w/ INFLAMED SPINE FROM
A MEDICAL PROCEDURE +
due to this I spent the
majority of this afternoon
stuck on the floor, unable to
get up. I fell asleep + woke
up at 4:25. I immediately
called OCSID to make a
payment by phone. I asked
if a late fee would be
charged even though I was
only 28 minutes late, and

④

THE GAL REPLIED "YES.
YOU WILL"
"THAT IS THE POLICY, AS
WE CLOSE AT 4:30"

AT THAT POINT I got
upset. I CHOSE NOT TO
PAY THE BILL B/C OF THIS.
PAYING YOUR BILL ON THE
DAY IT IS DUE, ALBERT
28 MINUTES "LATE"
SHOULD NOT COST \$30!!!

OCSID IS UNREASONABLE
& OBTUSE IN THEIR
OPERATING PRACTICES AND
NEED TO RECONSIDER &
REVISE THESE POLICIES.
• Putting residents off until
2025 is not a reasonable

⑤

AT THAT JANUARY MEETING,

SOLUTION - You just want to raise rates and reduce water allotments to the base + first tiers so you can charge even more for the same H₂O usage.

I have lived more than 22 yrs in this location, my usage remains virtually the same but my bill continues to increase far more than my fixed income does.

I try to grow more food. a the cost of the water means I can't pay other bills.

⑥ MUCH OF MY PROPERTY IS XERISCAPED. I HAVE NO LAWN AND NOT ONLY THAT, BUT MY PROPERTY HAS MANY FRUITING/FLOWERING TREES THAT SUPPORT ESSENTIAL ANIMAL & INSECT LIFE, SUCH AS BEES, ~~WASPS~~ & MANY BIRD SPECIES, SUCH AS ANNA'S HUMINGBIRD, CEDAR WAXWING, WARBLERS SPARROWS, GOLD FINCH, TANAGER & YES CROWS TOO!

I NEED TO USE H₂O TO FEED MYSELF & SUPPORT ANIMAL LIFE ESSENTIAL TO HUMANS - OCSD SHOULD BE SUPPORTING THESE EFFORTS - NOT TIER 3 !

(7)

PRICE GOUGING ME (and others)
UNTIL NOTHING SURVIVES
BUT THE GOATHERS!

OCSD JOB SHOULD BE
ABOUT PROVIDING H₂O
TO OUR COMMUNITY, NOT
SIMPLY ENRICHING YOUR
BOARD w/ THE PROFITS
OFF NATURAL RESOURCES
THAT YOU'VE MONOPOLIZED!

How one uses water
should be taken into
account as well as how
much water is consumed.

Thank you for your TIME
& consideration. Let me
know. Ro Palius 550-3600

(8)

I KNOW I AM NOT THE
ONLY PERSON/HOUSEHOLD
SURVIVING ON SUCH A SMALL
BUDGET, THAT THERE IS
NO SURPLUS, EVERY
DOLLAR IS SLATED
FOR ONE BILL OR ANOTHER

OCSD'S STRICT & UNYIELDING
POSITION OF BEING
UNWILLING TO WAIVE ^{late fee} ON BILLS
PAID B/T 4pm & 4.30pm ON
DUE DATE BECOMES SELF-
DEFEATING B/C IT NEGATES
INCENTIVE TO PAY. IF THE LATE
FEE REMAINS THE SAME FROM
4:01pm due date until ~~Oct~~
OCTOBER 13th (OR JUST PRIOR TO
NEXT BILL) THEN CLIENT (me) MAY
AS WELL WAIT TO PAY YOU AND

9

just ~~buy~~ buy groceries
and pay the Gas Company -
instead!!!

→ AND IN ~~THIS~~ ^{THIS CASE IN} PARTICULAR
~~YOUR~~ POSITION IS
ESPECIALLY ANNOYING B/C
THERE IS A \$35.54
CREDIT SITTING ON MY
ACCOUNT, AND YOU'RE STILL
UNWILLING TO BE FLEXIBLE
OVER 28 minutes!!

→ I WILL DROP MY BILL
IN THE SLOT TONIGHT.
IN GOOD FAITH I WILL
PAY THE BILL (w/ credit)
and 1/2 HALF THE LATE
FEE (\$15) WHILE YOU
CONSIDER ALL OF THESE
FACTORS IN MY APPEAL.

10

^{MY} AND ~~A~~ REQUEST OF THE
REMOVAL OF ANY
AND ALL LATE
CHARGES APPLIED
TO ~~MY~~ ACCOUNT
BETWEEN ~~4~~ 4 PM,
MY ATTEMPT TO PAY
AT 4:28 PM & RECEIPT
OF THIS APPEAL.

IF YOU SHALL AGREE
WITH THIS LOGIC &
→ REASON OR HUMAN
EMPATHY & COMPASSION
THEN YOU CAN CREDIT
MY ACCOUNT WITH THE
EXTRA \$15.

IF YOU SHALL NOT AGREE
THEN PLEASE CONSIDER

(1)

THE \$15 TO BE MORE
THAN FAIR & REASONABLE
IN THIS CIRCUMSTANCE
LEAVING ME W/ A ZERO
BALANCE ON MY ACCOUNT.

OUR WATER IS AN
ESSENTIAL RESOURCE,
EVERY OTHER PROVIDER
OF ESSENTIAL RESOURCES
(gas, electric, even internet)
OFFERS ADJUSTED RATES
FOR DISABLED, LOW INCOME,
FIXED INCOME CLIENTS
SUCH AS MYSELF.
WHY CAN'T OCSB
PARTICIPATE IN THESE
LIFE-ALTERING PROGRAMS?

THE FOLLOWING LIST (2)

SUGGEST SEVERAL
MORE REASONS WHY

OCSB NEEDS TO REEVALUATE
ITS PAYMENT POLICIES:

* generally accepted national
bill payment norms (ins, cc,
monthly renewals etc) is that
bill's are due on due day
my @ 11:59 pm - standard
time. tho that maybe.
EST OR PST it's still
"end of day" on due date.

* standard practices typically
include "grace period" that
anywhere from 24 hours ->
15 days (OCSB DOES NOT EVEN OFFER
30 MINUTE'S GRACE PERIOD)

* MINIMALLY (regardless of grace
period) "end of business day"
means when business closes, not
30 minutes before closing.

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
08/21/2024	010014	Payment	150066	8016		279.91	15.05
08/21/2024	010005	Late Charge			30.05		294.96
07/31/2024	009971	Adjustment		APPLY CREDITS			264.91
07/31/2024	009971	Bill		5/18- 7/18 08/20	300.45		264.91
05/31/2024	009899	Adjustment		APPLY CREDITS			35.54CR
05/31/2024	009899	Bill		3/18- 5/18 06/20	162.69		35.54CR
05/16/2024	009886	Payment	146822	CAPSLO		198.23	198.23CR
04/22/2024	009855	Payment	146395	CC 41941293		100.11	0.00
03/31/2024	009812	Adjustment		APPLY CREDITS			100.11
03/31/2024	009812	Bill		1/18- 3/18 04/22	145.47		100.11
03/27/2024	009807	Adjustment		PENALTY ADJUST		172.48	45.36CR
02/20/2024	009759	Payment	144576	8011		179.91	127.12
01/31/2024	009727	Bill		11/18- 1/18 02/20	179.91		307.03
12/21/2023	009681	Late Charge			21.44		127.12
12/18/2023	009677	Payment	142514	8009		214.35	105.68
12/08/2023	009658	Cutoff		DOOR HANGER FEE	25.00		320.03
11/30/2023	009645	Bill		9/18-11/18 12/20	214.35		295.03
10/23/2023	009594	Payment	140968	8008		214.35	80.68
10/21/2023	009592	Late Charge			21.44		295.03
10/13/2023	009570	Cutoff		DOOR HANGER FEE	25.00		273.59
09/29/2023	009546	Bill		7/18- 9/18 10/20	214.35		248.59
08/22/2023	009500	Payment	139137	8004		164.02	34.24
08/22/2023	009497	Late Charge			16.40		198.26
07/31/2023	009461	Bill		5/18- 7/18 08/21	164.02		181.86
06/22/2023	009422	Payment	137360	7998		110.00	17.84
06/21/2023	009418	Late Charge			18.43		127.84
05/31/2023	009377	Adjustment		APPLY CREDITS			109.41
05/31/2023	009377	Bill		3/18- 5/18 06/20	184.24		109.41
04/21/2023	009323	Payment	135480	7991		78.00	74.83CR
03/30/2023	009273	Adjustment		APPLY CREDITS			3.17
03/30/2023	009273	Bill		1/18- 3/18 04/20	137.06		3.17
01/31/2023	009191	Adjustment		APPLY CREDITS			133.89CR
01/31/2023	009191	Bill		11/18- 1/18 02/21	150.54		133.89CR
01/06/2023	009164	Payment	132086	CapSLO ACH		526.92	284.43CR
01/06/2023	000000	Memo	132086	Ex CUT-PMT 526.92CR			242.49
12/21/2022	009134	Late Charge			19.77		242.49
12/20/2022	009130	Payment	131634	7989		309.43	222.72
12/14/2022	009115	Cutoff		DOOR HANGER FEE	25.00		532.15
11/29/2022	009086	Bill		9/18-11/18 12/20	197.72		507.15
10/21/2022	009042	Late Charge			22.47		309.43
09/30/2022	009012	Bill		7/18- 9/18 10/20	224.68		286.96
08/23/2022	008971	Payment	128259	7983		242.00	62.28
07/29/2022	008939	Bill		5/18- 7/18 08/22	304.28		304.28
06/21/2022	008907	Payment	126466	1338		216.79	0.00
05/31/2022	008872	Bill		3/18- 5/18 06/20	216.79		216.79
04/21/2022	008837	Payment	124509	7979		196.60	0.00
03/31/2022	008801	Bill		1/18- 3/18 04/20	196.60		196.60
02/23/2022	008770	Payment	122761	7974		165.96	0.00
01/31/2022	008732	Bill		11/18- 1/18 02/22	162.95		165.96
12/21/2021	008700	Payment	120894	7973		180.00	3.01
11/30/2021	008675	Adjustment		APPLY CREDITS			183.01
11/30/2021	008675	Bill		9/18-11/18 12/20	183.14		183.01
10/21/2021	008651	Payment	118881	1324		190.00	0.13CR
09/30/2021	008621	Bill		7/18- 9/18 10/20	189.87		189.87
08/23/2021	008589	Payment	117332	7958		164.49	0.00
07/30/2021	008562	Adjustment		APPLY CREDITS			164.49
07/30/2021	008562	Bill		5/18- 7/18 08/20	164.51		164.49
06/22/2021	008562	Agenda Item 9A	115628	7950		171.00	0.02CR