

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



**Notice of Regular Meeting**  
**Oceano Community Services District - Board of Directors Agenda**  
**WEDNESDAY, October 14, 2020 – 6:00 P.M**  
**Location: TELECONFERENCE – SEE BELOW**

**HOW TO OBSERVE THE MEETING**

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

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

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

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

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

**HOW TO SUBMIT PUBLIC COMMENTS**

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

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

**To "Raise Hand:"**

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

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

1. CALL TO ORDER
2. ROLL CALL
3. FLAG SALUTE
4. AGENDA REVIEW
5. REPORT OUT OF CLOSED SESSION FROM SEPTEMBER 9, 2020 - Pursuant to Government Code 54956.9(a):  
Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,  
**NO REPORTABLE ACTION**

6. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

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

7. SPECIAL PRESENTATIONS & REPORTS:

A. STAFF REPORTS:

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

B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:

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

C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:

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

8. CONSENT AGENDA ITEMS:

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

- A. Review and Approval of Minutes for Regular Meeting September 9, 2020.
- B. Review of Cash Disbursements
- C. Authorize the General Manager to apply for the County of San Luis Obispo Community Development Block Grant Program for Water Tank Rehabilitation
- D. Approval of a recommendation to adopt a resolution to adopt the 2019 San Luis Obispo County Integrated Regional Water Management Plan and Finding that the Project is Exempt from Section 21000 ET Seq of the California Public Resources Code

9. BUSINESS ITEMS:

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

**10. HEARING ITEMS:**

- A. Hearing to consider protests to a proposed increase in water system rates and charges and, if no majority protest exists, recommendations to approve 1) a resolution adopting findings in support of an ordinance increasing and adjusting water system service charges; and 2) an ordinance increasing and adjusting water system service charges; and 3) find that the ordinance is exempt from CEQA

**11. RECEIVED WRITTEN COMMUNICATIONS:**

**12. LATE RECEIVED WRITTEN COMMUNICATIONS:**

- 13. FUTURE AGENDA ITEMS** Cienaga Seabreeze Park, Inc. Continued, Deferred Infrastructure Program, Lopez Water Contract Amendments, Wastewater CIP, The Place, EIR State Parks PWP, Old Firehouse Art, California Voting Rights Act, Fireworks Ordinance, District Flag Policy/ Pride Month, Social Media Policy/ Live Stream Board Meetings

**14. FUTURE HEARING ITEMS:**

**15. CLOSED SESSION:**

**16. ADJOURNMENT:**

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

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



# Oceano Community Services District

## Summary Minutes

Regular Meeting Wednesday, September 9, 2020 – 6:00 P.M.

Location: TELECONFERENCE

1. **CALL TO ORDER:** at approximately 6:00 p.m. by Vice President White
2. **ROLL CALL:** Board members present: Vice President White, Director Gibson, Director Villa, and Director Replogle. Also present, General Manager Will Clemens, Legal Counsel Jeff Minnery, and Business and Accounting Manager, Carey Casciola. President Austin absent.
3. **FLAG SALUTE:** led by Vice President White
4. **AGENDA REVIEW:**  
A motion was made by Director Gibson to move agenda item 8A to the beginning of the agenda with a second from Vice President White, 4-0 roll call vote, President Austin absent. A motion was made by Director Gibson to approve the agenda as modified with a second from Director Replogle, 4-0 vote, President Austin absent.

8A BUSINESS ITEM:	ACTION:
<p>Presentation and approval of a letter of support for the Active Transportation Program grant application for the Front Street Pedestrian Improvements Project (Project).</p>	<p>After an opportunity for public comment, a presentation by Steve Kahn of Cannon and Board discussion, a motion was made by Director Gibson to approve a letter of support for the Active Transportation Program grant application for the Front Street Pedestrian Improvements Project with a second from Director Replogle with a 4-0 roll call vote, President Austin absent.</p> <p>Public Comment was received from:</p> <p>Robin Harris – In support of lights that still allow night sky viewing.</p> <p>Julie Tacker – Asked about project price and funding for any unforeseen utility conflicts.</p> <p>Brenda Lowe – In support of this project.</p>

5. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:**  
No public comment received.
6. **SPECIAL PRESENTATIONS & REPORTS:**
  - A. **STAFF REPORTS:**
    - i. **Sheriff's South Station** - Commander Michael Manuele – not in attendance.
    - ii. **FCFA** - Chief Steve Lieberman – not in attendance.
    - iii. **Operations** - Utility Systems Manager, Tony Marraccino - Continuing with daily and monthly rounds & samples. 4 work orders. 12 USAs. 3 Customer Service calls. 1 after hours call out – issue with office phone. Continuing with sewer jetting and meter swaps. Overlay paving project with County is going well and should begin next week. Continuing to paint fire hydrants

and do trash pick-up following COVID-19 protocols. Lopez is at 46% (22,348 af) and there were -0- SSOs (Sewer System Overflows) for the month of August.

- iv. **OCSD General Manager** – Retrofitted lighting for OCSD office, Fire Station and parking lot; this was funded an on-bill financing program with PG&E.

**B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**

- i. Director Villa – Reported on OAC (Oceano Advisory Council), see attached letter.
- ii. Director Gibson – Reported after item 10, see below.
- iii. Vice President White – None
- iv. Director Replogle – None
- v. President Austin – Absent

**b. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**

Julie Tacker	Asked for an update from OAC (Oceano Advisory Council) regarding letter sent about parking issues on Pier Avenue.
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<b>7 CONSENT AGENDA:</b>	<b>ACTION:</b>
<ul style="list-style-type: none"> <li>a. Review and Approval of Minutes for Regular Meeting August 26, 2020</li> <li>b. Review of Cash Disbursements</li> <li>c. Submittal of the District’s Public Facilities Fee Annual Report</li> </ul>	<p>After an opportunity for public comment and Board discussion, staff recommendations were approved with a motion from Director Villa and a second from Director Replogle and a 4-0 roll call vote, President Austin absent.</p> <p>Public Comment was received from:</p> <p>Brenda Lowe – Commented that she cannot see other participants or anyone campaigning via Zoom.</p> <p>Julie Tacker – Commented on first amendment rights.</p>

<b>8B BUSINESS ITEM:</b>	<b>ACTION:</b>
Presentation on Adjusting Water System Service Charges.	<p>After an opportunity for public comment, a presentation (attached) by the General Manager and Board discussion the item was received and filed.</p> <p>Public Comment was received from:</p> <p>Julie Tacker – Asked to have the other communities included in the rate comparison identified in the presentation.</p>

<b>8C BUSINESS ITEM:</b>	<b>ACTION:</b>
Consideration of a Resolution to Transition from At-Large to District-Based Elections.	<p>After an opportunity for public comment and Board discussion, a motion was made by Director Replogle declaring the District's intention to transition from At-Large to District-Based elections by November 2022 by approving the resolution with a second from Vice President White and a 4-0 roll call vote, President Austin absent.</p> <p>Public Comment was received from:</p> <p>Lucia Casalnuovo – In support of the resolution.</p>

9. **HEARING ITEM:** None

10. **RECEIVED WRITTEN COMMUNICATIONS:** Agenda Item 8B – Veronica Cota – see attached.

6. **SPECIAL PRESENTATIONS & REPORTS**

B. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**

- ii. Director Gibson – Reported on WRAC (Water Resources Advisory Committee) and Zone 3 Advisory Committee.  
No public comment.

11. **LATE RECEIVED WRITTEN COMMUNICATIONS:** See attached:

Lanny Ebenstein	In support of the resolution in agenda item 8C.
April Dury	Commented on agenda items 8A(iv) and 8B(ii).

12. **FUTURE AGENDA ITEMS:** Cienaga Seabreeze Park, Inc. Continued, Deferred Infrastructure Program, Lopez Water Contract Amendments, Wastewater CIP, The Place, EIR State Parks PWP, Old Firehouse Art, California Voting Rights Act, Fireworks Ordinance, District Flag Policy/ Pride Month, Social Media Policy / Live Stream Board Meetings

13. **FUTURE HEARING ITEMS:** Ordinance for a Water Rate Increase and Protest Hearing October 14, 2020

14. **CLOSED SESSION:** The Board entered closed session at approximately 7:45 to 8:15. No reportable action  
Public comment was received from:

Julie Tacker	Regarding the Central Coast Blue project and the EIR comment period.
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15. **ADJOURNMENT:** at approximately 8:15 pm.

DATE: September 3, 2020

TO: Kevin Pearce, State Parks; [kevin.pearce@parks.ca.gov](mailto:kevin.pearce@parks.ca.gov) 805.773-7170

Michael Britton, SLO County Public Works - Traffic; [mbritton@co.slo.ca.us](mailto:mbritton@co.slo.ca.us) 805.788-2318

Michael Hill, SLO County Public Works – Street Sweeping; [mhill@co.slo.ca.us](mailto:mhill@co.slo.ca.us) 805.781.5276

Lynn Compton, 4<sup>th</sup> District Supervisor, via Caleb Mott; [District4@co.slo.ca.us](mailto:District4@co.slo.ca.us) 805.781.4337

FROM: Allene Villa, Chair, Oceano Advisory Council (OAC)

SUBJECT: Restricted parking hours/pedestrian beach access on **Pier Avenue, Oceano**

The Oceano Advisory Council (OAC) has been made aware of citizen concerns regarding a lack of parking and a lack of concise signage on Pier Avenue between the hours of 5 am and 9 am. This lack of parking, in addition to the sign confusion, is deleteriously affecting our local beach walkers, surfers, and fisher persons having access to the beach, resulting in expensive tickets being issued by State Parks on our county-owned roadway.

On behalf of the local community we went on a fact-gathering mission in order to present you with the particular issues and what we would like to propose as starting points to come up with solutions.

- Our understanding is that Pier Avenue is a county road but State Parks issues county-related parking violations (\$71.50 and higher) and the fines are paid to the State Parks payment processor.
  - 1) Why does State Parks issue tickets on county-owned property?
  - 2) We are asking for clarification of which government agency this revenue stream benefits.
  - 3) Which agency issues parking tickets if a vehicle is parked before 6am at the Grand Ave entrance parking lot?
  
- Large sections of the south side Pier Ave (from the State Parks kiosk down to Lakeside Ave) are painted red and off limits for parking, with much of the “red zone” so faded as to be difficult to discern.
  - 1) What would it take for the county to re-assess the need for so much red curb designation and getting that minimized for the benefit of visitors?
  - 2) When will the area get a fresh coat of curbside paint, outside of the recent fire hydrant painting done last week?
  
- It has been relayed that the “no parking” times on Pier Avenue are due to street sweeping activity, done by both the county (via an outside vendor named Venco Power Sweeping, Inc.) and State Parks (via their own street sweeping machine and via an outside vendor named SP Maintenance Services Inc.)
  - 1) Based on numerous observances the county-provided vendor sweeps only on Wednesdays, between 6:30a and 8a so we propose the parking restriction could be modified to be for just that day.
  - 2) Trying to watch when the State Parks machine OR the State Parks-provided vendor sweeps, we have yet to observe that activity, even after several weeks of attempt, from 5am until 9am, during every day of the week.
  - 3) If cars parked on Pier Ave are a deterrent during street sweeping activity, why is there no street parking restriction anywhere else in “the Strand” area, where street sweeping is also occurring and cars take up almost all curb space?

- 4) If cars parked on Pier Ave are a deterrent during street sweeping activity, why does the section of Pier Ave (south side), between Air Park Dr and Norswing Dr have parking available starting at 6am when the same street has restricted the parking until 9am?
- 5) The county pays for a vendor to sweep every Wednesday and the State pays for a vendor to sweep “three days a week, presumably Monday, Wednesday and Friday”. Are taxpayers paying twice for the same service on Wednesdays?
- 6) Is there any reason, besides street sweeping, that explains the parking restrictions on Pier Ave? We would like to work on changing that restriction and making it more inviting for the residents and visitors who wish to enjoy our beach.

➤ State Parks has a large parking lot (555 Pier Ave) which could accommodate many beach goers’ cars. State Parks asserts that parking there is only for patrons of the visitor center or lagoon nature trails – yet the visitor center continues to be closed to the public and only State Parks vehicles are taking up space.

1) What could move us forward in allowing for 6a to 9a parking for the general public in that lot?

➤ The lack of handicapped/accessible parking available to the public, everywhere on Pier Ave. At this time the only designated spot on that entire road, and in that entire area, is within the State-owned paved parking lot to the north, at the end of Pier Ave – a lot that only has 16 spaces currently. Its location to available beach-ready equipment, and more compact sand accessibility does not seem to be well-planned. Pier Ave itself does not have even one designated accessible parking spot, anywhere from the State parking lot all the way to Hwy 1.

1) What does it take to get the current accessible parking spot moved closer to the kiosk?

2) What does it take to get another (or three) accessible parking spots at the end of Pier Ave, on State Parks property?

3) What will it take for the county to add one or two street-side accessible parking spots on Pier Ave?

4) What is needed to have a removable/retractable “boardwalk” created, so that people with mobility issues can more easily access our coastline?

Our intent as the Oceano Advisory Council is to bring attention to citizen concerns that fall within the scope of our stated purpose - “promote community involvement to encourage sound planning and development in Oceano”. To that end, we respectfully request a meeting between the agencies and our council, to work together on helping the Oceano community develop some much-needed updating and planning within the Pier Ave area of our wonderful community. Pier Avenue is the road to “Oceano’s Front Porch” – as such, we can make it so much more welcoming and useful to everyone and collaboration among the residents and your various agencies is the first step towards that goal.

Thank you for your attention and we look forward to your anticipated response.

Sincerely,



Milene Villa, Chair  
Oceano Advisory Council (OAC)

**Cell:805.904.8259**





**COUNTY OF SAN LUIS OBISPO**  
**BOARD OF SUPERVISORS**

**Lynn Compton** *District Four Supervisor*

Hello Chair Villa,

Thank you for reaching out to California State Parks, County Public Works, and my office regarding parking on Pier Avenue in Oceano. I have coordinated a response to this letter with each of these departments in order to answer the questions that the Oceano Advisory Council (OAC) submitted. Below you will find the text of the letter the OAC sent, followed by responses from the agencies. Please see below:

**“Our understanding is that Pier Avenue is a county road but State Parks issues county-related parking violations (\$71.50 and higher) and the fines are paid to the State Parks payment processor.**

- 1) Why does State Parks issue tickets on county-owned property?

**State Parks:** *State Park Rangers are California Peace Officers with statewide jurisdiction and authority to enforce the laws of this state (and county). In reference to Pier Avenue, parking compliance and the enforcement of posted regulatory parking restrictions is critical to maintain efforts to address street sweeping maintenance activities. Rangers support county enforcement efforts which would otherwise be addressed by the California Highway Patrol Officers (through an agreement with the San Luis Obispo County Sheriff's Office).*

- 2) We are asking for clarification of which government agency this revenue stream benefits.

**State Parks:** *An answer to this question is nuanced. The County receives a direct benefit by having California State Park Rangers conduct traffic enforcement along Pier Avenue. By State Park Rangers addressing traffic enforcement along Pier Avenue, California Highway Patrol Officers are able to focus their patrol efforts in other parts of the south County area. A reminder that the San Luis Obispo County Sheriff's Office has an MOU with the California Highway Patrol to provide traffic enforcement within unincorporated parts of the county; Pier Avenue corridor included. The presence of State Park Rangers along Pier Avenue also benefits the south County area by allowing San Luis Obispo County Sheriff's Office patrol Deputies to focus their efforts elsewhere.*

*San Luis Obispo County receives a \$12.50 surcharge for every parking citation issued by California State Park Rangers.*

- 3) Which agency issues parking tickets if a vehicle is parked before 6am at the Grand Ave entrance parking lot?

**State Parks:** *Parking is prohibited along Grand Avenue, west of Highway 1/Pacific Coast Highway. Parking within the Grand Avenue parking lots is property which is owned, managed and controlled by California State Parks. California State Park Rangers address*

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*criminal and traffic enforcement in the areas of the parking lots and dirt lot north of Grand Avenue/west of Le Sage Riviera RV park.*

**Large sections of the south side Pier Ave (from the State Parks kiosk down to Lakeside Ave) are painted red and off limits for parking, with much of the “red zone” so faded as to be difficult to discern.**

- 4) What would it take for the county to re-assess the need for so much red curb designation and getting that minimized for the benefit of visitors?

**County Public Works:** *We will have crews go out and evaluate the existing red curbs and refresh as necessary.*

- 5) When will the area get a fresh coat of curbside paint, outside of the recent fire hydrant painting done last week?

**County Public Works:** *The County does not typically place red curbs at fire hydrants, as parking within 15 feet of a hydrant is illegal whether marked or not. Any other red curb can and will be refreshed as needed.*

*We will have crews go out and evaluate the existing red curbs and refresh as necessary.*

**It has been relayed that the “no parking” times on Pier Avenue are due to street sweeping activity, done by both the county (via an outside vendor named Venco Power Sweeping, Inc.) and State Parks (via their own street sweeping machine and via an outside vendor named SP Maintenance Services Inc.)**

- 6) Based on numerous observances the county-provided vendor sweeps only on Wednesdays, between 6:30 and 8a (sic AM) so we propose the parking restriction could be modified to be for just that day.

**County Public Works:** *The County vendor typically sweeps on Wednesdays. and State Parks typically sweeps every weekday. In order to accommodate any and all street sweeping that is done – whether it be State Parks or the County - we need to assure the roadway is clear so that the service can be provided. In addition, certain locations have an added restriction due to a community-wide No Camping ordinance, prohibiting parking from 2AM-6AM. This time prohibition was extended from 2AM-9AM (2011) on Pier Avenue expressly for the purposes of assuring that the roadway stays clear for street sweeping for both agencies County and State Parks.*

- 7) Trying to watch when the State Parks machine OR the State Parks-provided vendor sweeps, we have yet to observe that activity, even after several weeks of attempt, from 5am until 9am, during every day of the week.

**State Parks:** *California State Parks, Oceano Dunes District has been closed to vehicles since March 28, 2020 due to the COVID-19 pandemic. During normal operations, street sweeping around the entrance to the park at Pier Avenue would be conducted daily (m-f). While the*

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*park has been closed and while vehicle access has been restricted, street sweeping has been addressed and performed on an as-needed basis. State Parks street sweeping equipment has also been down due to mechanical repair during a short period of time as well.*

*California State Parks, Oceano Dunes District also has a contract in place to sweep from Strand Way to Air Park Drive, three days a week (M,W,F).*

- 8) If cars parked on Pier Ave are a deterrent during street sweeping activity, why is there no street parking restriction anywhere else in “the Strand” area, where street sweeping is also occurring and cars take up almost all curb space?

**County Public Works:** *The parking restrictions on Pier Ave are in support of the need for more frequent sweeping. If parking is determined to be a systemic issue preventing sweeping in the other ‘Strand’ areas maintained by the County a special parking ordinance could be adopted. None is proposed at this time.*

*In addition, the County’s contract with the street sweeping vendor includes actions to remedy pervasive parking issues that impact street sweeping operations. The vendor has not informed the County of continuous and persistent issues with vehicles parked so as to prevent sweeping; so while we may agree that it happens from time to time, it does not pose as much of a problem as would vehicles parked on Pier Avenue between the State Parks entrance and Air Park Drive.*

- 9) If cars parked on Pier Ave are a deterrent during street sweeping activity, why does the section of Pier Ave (south side), between Air Park Dr and Norswing Dr have parking available starting at 6am when the same street has restricted the parking until 9am?

**County Public Works:** *The 2AM-6AM restriction is intended to reinforce the overnight camping statute. The section of Pier Avenue with the 2AM-9AM restriction is closer to the State Park entrance, and as such, sand deposited by vehicles coming off of the beach typically occurs within the first couple of blocks. The additional time restriction allows the sweeping to occur where the need is greatest. Outside of that first two blocks, the amount of sand deposited on the roadway decreases substantially, and any sand missed as a result of any parked cars beyond those first two blocks is less likely to be problematic.*

- 10) The county pays for a vendor to sweep every Wednesday and the State pays for a vendor to sweep “three days a week, presumably Monday, Wednesday and Friday”. Are taxpayers paying twice for the same service on Wednesdays?

**State Parks:** *California State Parks provides street sweeping services at park entrances and state parking facilities; along Pier Avenue this is west of Strand Way. California State Parks pays for street sweeping services to be performed by a contractor between Strand Way and Airpark Drive.*

**County Public Works:** *The sand deposited on Pier Avenue between the State Park entrance and Air Park Drive is heavier during normal conditions. Street sweeping is paid for out of the County Road fund and is mandated in order for the County to be in compliance with its*

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*Municipal Separate Storm Sewer Permit (MS4).*

- 11) Is there any reason, besides street sweeping, that explains the parking restrictions on Pier Ave? We would like to work on changing that restriction and making it more inviting for the residents and visitors who wish to enjoy our beach.

**County Public Works:** *Outside of the “No Overnight Camping” ordinance related restriction from 2am to 6am and sweeping operations (2AM-9AM), the remaining parking restrictions exist for a variety of reasons – sight distance at Strand Way, community mailboxes, and the remaining are to perpetuate the orderly flow of traffic. Public Works staff is already in the process of reevaluating these parking restrictions.*

**State Parks has a large parking lot (555 Pier Ave) which could accommodate many beach goers’ cars. State Parks asserts that parking there is only for patrons of the visitor center or lagoon nature trails – yet the visitor center continues to be closed to the public and only State Parks vehicles are taking up space.**

- 12) What could move us forward in allowing for 6a to 9a parking for the general public in that lot?  
**State Parks:** *California State Parks will consider this request. The facilities at Oceano Campground, as stated, are currently for visitors to the Oceano campground visitor center.*

**The lack of handicapped/accessible parking available to the public, everywhere on Pier Ave. At this time the only designated spot on that entire road, and in that entire area, is within the State-owned paved parking lot to the north, at the end of Pier Ave – a lot that only has 16 spaces currently. Its location to available beach-ready equipment, and more compact sand accessibility does not seem to be well-planned. Pier Ave itself does not have even one designated accessible parking spot, anywhere from the State parking lot all the way to Hwy 1.**

- 13) What does it take to get the current accessible parking spot moved closer to the kiosk?  
**State Parks:** *Good recommendation. California State Parks will consider this request.*

- 14) What does it take to get another (or three) accessible parking spots at the end of Pier Ave, on State Parks property?  
**State Parks:** *Good recommendation. California State Parks will consider this request.*

- 15) What will it take for the county to add one or two street-side accessible parking spots on Pier Ave?  
**County Public Works:** *Pier Ave is not a candidate for accessible parking. Accessible parking is preferred in areas where either 90 degree or angle parking can be achieved, such as parking lots. There are currently two accessible parking spots being installed on Air Park Drive for this reason.*

- 16) What is needed to have a removable/retractable “boardwalk” created, so that people with mobility issues can more easily access our coastline?

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**State Parks:** *More information would be necessary to clarify this request. California State Parks is open to further discussions specific to this item."*

I hope that we were able to adequately address these questions and that the Advisory Council has a better idea of how each agency serves the public on Pier Avenue. As you can see, the State and County work together in order to keep Pier Avenue safe, clean, and accessible to the community. If you have additional questions, please let us know and we are glad to assist you further.

Respectfully,



Lynn Compton  
District 4 Supervisor  
County of San Luis Obispo

CC:

Kevin Pearce, California State Parks  
John Waddell, County of San Luis Obispo Public Works  
Joshua Roberts, County of San Luis Obispo Public Works  
Michael Britton, County of San Luis Obispo Public Works

# Oceano Community Services District



## Water Rate Increase Informational Presentation

# Ordinance 2015-01&2017-01

## ESTABLISHED WATER SERVICE CHARGES

- ❑ Enacted in the midst of a drought
- ❑ Customers continue to conserve water
- ❑ Existing rates insufficient to cover water costs

## Pro Forma - Current Rates

	Rate Increase	Supply	3%	3%	3%	3%	3%
		Base	3%	3%	3%	3%	3%
Revenues and Expenses		Cost Inflation	3%	3%	3%	3%	3%
Total Water Sales (CCF)	286,637	298,522	298,522	298,522	298,522	298,522	298,522
	2018-19	2019-20	2020-21	2021- 22	2022-23	2023-24	2024-25
	Actual	Estimated	Budget	Projection	Projection	Projection	Projection
Water Sales - Supply	1,155,432	1,269,794	1,280,760	1,319,183	1,358,758	1,399,521	1,441,507
Water Sales - Base	984,006	1,022,206	1,049,240	1,080,717	1,113,139	1,146,533	1,180,929
System Connection Fees	45,493	50,884	51,639	53,188	54,784	56,427	58,120
Delinquent Fees	28,481	27,930	27,000	27,810	28,644	29,504	30,389
New Account Setup Fees	2,700	3,240	3,240	3,337	3,437	3,540	3,647
Courtesy Notices Fees	4,322	4,329	4,500	4,635	4,774	4,917	5,065
Wheeling Fees	22,621	21,525	25,000	25,750	26,523	27,318	28,138
Interest	2,370	0	0	0	0	0	0
Grant Revenue	104,318	0	0	0	0	0	0
Other Revenues	19,978	29,330	11,350	11,691	12,041	12,402	12,775
<b>Total - Revenues</b>	<b>2,369,720</b>	<b>2,429,238</b>	<b>2,452,729</b>	<b>2,526,311</b>	<b>2,602,100</b>	<b>2,680,163</b>	<b>2,760,568</b>
Water Supply - Lopez (Pass through)	472,914	462,693	493,997	493,997	493,997	493,997	493,997
Water Supply - State (Pass through)	953,953	1,101,264	1,151,000	1,151,000	1,151,000	1,151,000	1,151,000
<b>Source of Supply- Expenses</b>	<b>1,426,867</b>	<b>1,563,957</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>
Salaries & Benefits	238,932	267,692	349,858	360,354	371,164	382,299	393,768
Admin Allocation	378,606	517,907	555,363	572,024	589,185	606,860	625,066
Services & Supplies	223,649	203,911	291,220	299,957	308,955	318,224	327,771
Transfers	71,375	34,888	56,075	57,757	59,490	61,275	63,113
<b>O&amp;M- Expenses</b>	<b>912,562</b>	<b>1,024,398</b>	<b>1,252,516</b>	<b>1,290,091</b>	<b>1,328,794</b>	<b>1,368,658</b>	<b>1,409,718</b>
CIP Projects - Fixed Assets	267,821	270,057	40,000	75,000	150,000	150,000	150,000
<b>Capital - Expenses</b>	<b>267,821</b>	<b>270,057</b>	<b>40,000</b>	<b>75,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
<b>Total - Expenses</b>	<b>2,607,250</b>	<b>2,858,412</b>	<b>2,937,513</b>	<b>3,010,088</b>	<b>3,123,791</b>	<b>3,163,655</b>	<b>3,204,715</b>
Revenues minus Expenses	(237,530)	(429,174)	(484,784)	(483,778)	(521,691)	(483,492)	(444,147)
Water Fund Ending Reserve Balance	1,390,488	961,314	476,530	(7,248)	(528,939)	(1,012,430)	(1,456,577)
Minimum Reserve Balance (3 months expenses)	651,812	714,603	734,378	752,522	780,948	790,914	801,179



# WATER RATE INCREASE

What was NOT addressed in prior ordinances?

- ✓ The District's Long-Term Plan
  - ❖ System Infrastructure Repairs (CIP)
  - ❖ Staffing Needs
  - ❖ Financial Reserves

# WATER RATE INCREASE

## What is addressed in this Ordinance?

- ✓ The District's Long-Term Plan
  - ❖ Funding System Infrastructure Repairs (CIP)
  - ❖ Funding Increased Staffing 1.5 FTE
  - ❖ Minimum Financial Reserves

## Water Rate Increase

- ❖ Funding the Capital Improvement Program
  - ❖ \$186,000 annual need identified in 2010
    - ❖ Was not implemented
    - ❖ Capital projects funded from grants/reserves
  - ❖ 2019 CIP update identifies over \$4 million needed over next 10 years
    - ❖ \$150,000 annually will fund that need thru pay as you go and debt financing
    - ❖ Phased in over three years
    - ❖ \$4.22 monthly bill impact
    - ❖ \$122,000 annual depreciation expense





## Water Rate Increase

- ❖ Funding Increased Staffing Needs
  - ❖ 1 FTE Utility System Operator added in 2019
    - ❖ \$113,412 annual salary and benefits
  - ❖ .5 FTE Account Administrator added in 2019
    - ❖ \$30,393 annual salary and benefits
  - ❖ Converted Utility System Supervisor to Utility System Manager and a Utility System Operator to a Lead Operator in 2019
    - ❖ \$20,000 annual cost differential

Agency	Total Staff	Utility Staff	Total Staff per Capita	Utility Staff per Connection
Oceano CSD	8.5	4	.0011	.0018
CSD 1	10	6	.0014	.0022
CSD 2	21.5	14.5	.0017	.0033
CSD 3	21.6	7	.0027	.0027
CSD 4	49	16	.0086	.0040

# Water Rate Increase

- ❖ Funding Minimum Reserve Balance
  - ❖ Maintain above 3 months expenditures
  - ❖ No other reserves proposed



# Water System Revenues Rate Structure

- ❖ 6 units of water in base rate eliminated
  - ❖ Difficult to legally defend under Prop 218 cost of service
  - ❖ Other agencies phasing out this feature
  - ❖ Time for Oceano to do the same

# Water System Revenues Rate Structure

- ❖ Multi-Family customer class created
  - ❖ Apartments, mobile home parks, duplexes, etc. served by a master meter
  - ❖ Cost of service is generally less and justifies this class
  - ❖ Less demand on system for storage, infrastructure, maintenance, and peaking

# Water System Revenues Rate Structure

- ❖ Moving to two-tiered rate structure
  - ❖ Currently 5 tiers
  - ❖ San Juan Capistrano court decision
  - ❖ Two tiers tied directly to the cost of Lopez and State Water
    - ❖ Tier 1 – Lopez (0-6 units)
    - ❖ Tier 2 – State (above 6 units)

# Water System Revenues Rate Structure

- ❖ Increase being phased in over time
  - ❖ Three-year phase in
    - ❖ Year 1 - 13%
    - ❖ Year 2 - 10%
    - ❖ Year 3 - 10%

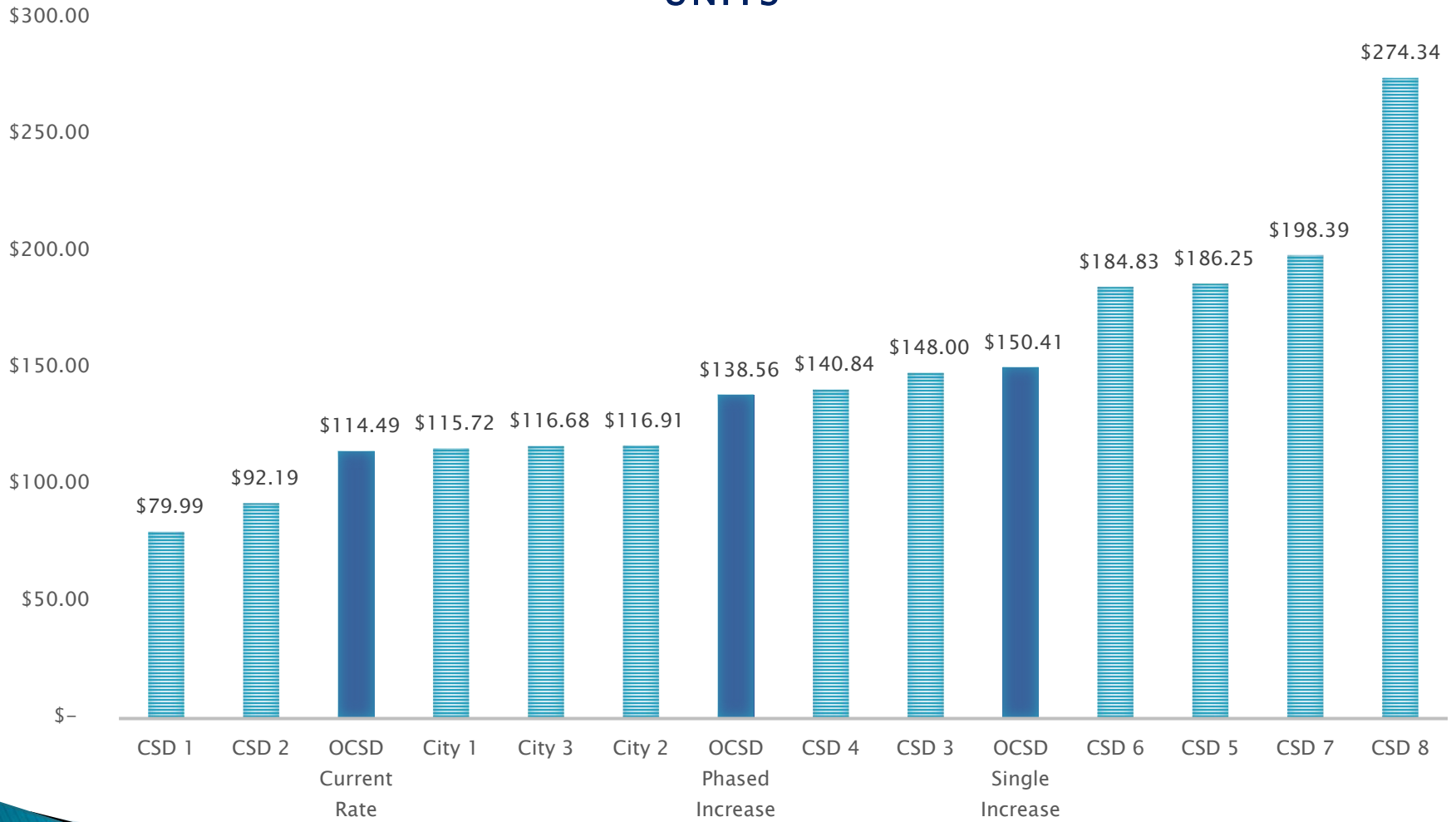
# OCEANO CSD RESIDENTIAL WATER AFFORDABILITY

	Annual	% of MHI
Median Household Income	\$39,000	
Affordability Thresholds	\$585-\$1,560	1.5-4%
Average Water Cost (Proposed Increase)	\$832	2.1%

# Addressing Affordability

- ✓ Proposition 218 Limitations
- ✓ Create Multi-family customer class
- ✓ Ease burden by phasing in increases
  - ✓ CIP
  - ✓ Rates
- ✓ Target savings from grants to low income
- ✓ State Program

# BI-MONTHLY WATER RATE COMPARISON – (SFR) 15 UNITS



# Water Rate Increase

- ❖ What does community get?
  - ❖ Capital Improvement Program
    - ❖ Improved Health and Safety
    - ❖ Improved Fire Flow
  - ❖ Sufficient Staffing for Operations
    - ❖ Improved maintenance
  - ❖ Financially Sustainable System
    - ❖ Legally defensible rate structure
    - ❖ Equitable rates



# PROCESS AND NEXT STEPS

- ✓ Proposition 218 & Timing
- ✓ Protest Hearing October 14, 2020
- ✓ Rates effective starting billing period in November

## Carey Casciola

---

**From:** Celia Ruiz <celia@oceanocsd.org>  
**Sent:** Thursday, September 10, 2020 8:18 AM  
**To:** Carey Casciola; 'Will Clemens'  
**Subject:** FW: Oceano CSD -- District Elections  
**Attachments:** Oceano report .pdf

See below

Thanks

### **Celia Ruiz**

Account Administrator III

Oceano Community Services District  
1655 Front St., PO Box 599  
Oceano, CA. 93475  
Office (805) 481-6730  
Fax (805) 481-6836

<http://oceanocsd.org/main/>



---

**From:** lannyebenstein [REDACTED]  
**Sent:** Wednesday, September 09, 2020 4:32 PM  
**To:** office@oceanocsd.org  
**Cc:** [REDACTED]  
**Subject:** Oceano CSD -- District Elections

Board of Trustees  
Oceano Community Services District

Dear Members of the Board:

The California Voting Rights Project is a nonprofit 501(c)(3) organization that supports district elections.

We are delighted that you are considering a resolution at your meeting tonight to institute district elections. This would render any legal challenge to the District's current form of organization unnecessary.

Attached is a report that we had recently prepared in cooperation with residents of the Oceano Community Services District to require implementation of district elections that contains information with respect to this issue.

Thank you for your consideration. We are confident district elections will offer much to the Oceano Community Services District.

Sincerely,  
Lanny Ebenstein  
Lanny Ebenstein, Ph.D., President  
California Voting Rights Project  
P.O. Box 3480  
Santa Barbara, CA 93130

**Abridgment of**  
**Voting Rights and**  
**Racially Polarized**  
**Voting in the**  
**Oceano**  
**Community**  
**Services District**

California Voting Rights Project  
September 2020

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# **Abridgment of Voting Rights and Racially Polarized Voting in the Oceano Community Services District**

## **Introduction**

There is a very strong case for establishing district elections in the Oceano Community Services District. The Oceano Community Services District is very diverse: its population is more than one-half comprised of individuals from protected classes, but apparently no individuals from protected classes have sought election or been elected to the Board of Directors of the Oceano Community Services District in contested elections since the year 2000. The current Board is comprised only one-fifth by a member of a protected class.

The diversity within the Oceano Community Services District has not been represented on its Board of Directors historically or currently. Thirty-eight total individuals have sought election to the Oceano Community Services District Board of Directors in contested elections since 2000, and 20 have been elected. All of these candidates have together received more than 25,000 votes.

Pursuant to 2010 data from the United States Census Bureau, Latinx residents comprised 47.8 percent of the population in Oceano. Latinx students are 81.8 percent of students at Oceano Elementary School. Moreover, the number of members of protected classes in the Oceano Community Services District is increasing.

There are many examples of racially polarized voting in the Oceano Community Services District on state ballot measures. There are significant differences between whites and members of protected classes in the Oceano Community Services District in various socioeconomic characteristics, including ones pertaining to education and employment.

Abridgment of voting rights of members of protected classes, racially polarized voting, vote dilution, and differential voting characterize candidate elections and other electoral choices in the Oceano Community Services District. The United States Voting Rights Act and, particularly, the California Voting Rights Act provide strong and explicit protections to members of protected classes to challenge at-large forms of election to government agencies in court and to replace them with district elections. Pursuant to the California Voting Rights Act: “An at-large method of election may not be imposed or applied in a manner that impairs the ability of a protected class to elect candidates of its choice or its ability to influence the outcome of an election, as a result of the dilution or the abridgment of the rights of voters who are members of a protected class” (Sec. 14027).

To date, no government agency in California has prevailed in a challenge to its electoral system on the basis of the California Voting Rights Act.<sup>1</sup> The current at-large method of election in the Oceano Community Services District impairs the ability of members of protected classes to elect candidates of their choice and their ability to influence the outcomes of elections. Therefore, district elections must be instituted in the Oceano Community Services District.

## **1. United States Voting Rights Act**

The United States Voting Rights Act is landmark federal legislation prohibiting racial discrimination in voting. Passed in 1965 in the wake of suppression of civil and voting rights, the United States Voting Rights Act is intended to enforce the voting rights guaranteed by the 14th and 15th Amendments to the United States Constitution and, in particular, the provisions of the 15th Amendment: “The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race ... [or] color”.

According to the federal Voting Rights Act: “No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by any State or political subdivision in a manner which results in a denial or abridgment of the right of any citizen of the United States to vote on account of race or color ... A violation ... is established if, based on the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or political subdivision are not equally open to participation by members of a class of citizens ... in that its members have less opportunity than other members of the electorate to participate in the political process and elect representatives of their choice. The extent to which members of a protected class have been elected to office in the ... political subdivision is one circumstance which may be considered” (52 U.S. Code Sec. 10301).

The United States Supreme Court has “long recognized that multi-member districts and at-large voting schemes may operate to minimize or cancel out the voting strength” of protected classes (*Thornburg v. Gingles*, 478 U.S. 30, 47 (1986)). Although legal actions against government agencies in California to require district elections have been brought since 2002 pursuant to the California Voting Rights Act, the United States Voting Rights Act also provides explicit and strong protection for the voting rights of members of protected classes.



## 2. California Voting Rights Act

Building on the United States Voting Rights Act, the California Voting Rights Act was passed by the California legislature in 2001 and signed into law in 2002 to allow legal challenges to government agencies in California with at-large methods of election to require them to institute district elections. According to the Rose Institute of State and Local Government at Claremont McKenna College, the statewide leader in gathering information on the transition from at-large to district elections: “The California Voting Rights Act was written to promote the use of by-district elections to encourage the election of candidates preferred by previously ‘underrepresented’ voters such as Latinos.”<sup>2</sup> A copy of the California Voting Rights Act is included here as Exhibit A and incorporated herein by this reference.

As previously cited, the core provision of the California Voting Rights Act (CVRA) is:

14027. An at-large method of election may not be imposed or applied in a manner that impairs the ability of a protected class to elect candidates of its choice or its ability to influence the outcome of an election, as a result of the dilution or abridgment of the rights of voters who are members of a protected class.

The CVRA could not be more clear: an at-large method of election is **illegal** in California when it impairs the ability of members of protected classes to elect candidates of their choice or to influence the outcomes of elections as a result of dilution of the vote or abridgment of the rights of voters who are members of a protected class. Upon showing vote dilution or abridgment of the rights of voters of protected classes, **at-large methods of election must be discontinued**.

According to Section 14028 of the CVRA: “A violation of Section 14027 is established if it is shown that racially polarized voting occurs in elections for members of the governing body of the political subdivision or in elections incorporating other electoral choices by the voters of the political subdivision.” In addition: “Other factors such as ... the extent to which members of a protected

class bear the effects of past discrimination in areas such as education, employment, and health, which hinder their ability to participate effectively in the political process, ... are probative ... factors to establish a violation” of the CVRA (Sec. 14028(e)).

The CVRA is clear respecting what the remedy for illegal, at-large elections is: “Upon a finding of a violation ..., the court shall implement appropriate remedies, **including the imposition of district-based elections**, that are tailored to remedy the violation” (Sec. 14029, emphasis added). Though a remedy for violation of the CVRA other than single-member district elections may be contemplated here, in fact no remedy has been ordered by a California court for violation of the California Voting Rights Act other than district elections.

When, as in the Oceano Community Services District, a political agency utilizes an illegal, at-large method of election, district elections must be implemented.

To date, dozens of legal actions have been brought against special districts, cities, school districts, and other government agencies in California for violation of the California Voting Rights Act. All have been successful. The replacement of at-large elections by district elections is sweeping the state as a result of the CVRA. According to the Rose Institute, more than 135 California educational agencies and dozens of cities have implemented district elections in recent years.<sup>3</sup> The Rose Institute also states: “Another significant effect of the California Voting Rights Act is the financial cost it has imposed ...--many challenges so far have resulted in settlements or legal awards over one million dollars.”<sup>4</sup>

The California Voting Rights Act was ruled constitutional by a California Court of Appeal in 2007. This decision held: “The CVRA is race neutral. It does not favor any race over others or allocate burdens or benefits to any groups on the basis of race. It simply gives a cause of action to members of any racial or ethnic group that can establish that its members' votes are diluted.”<sup>5</sup> The court also held: “Curing vote dilution is a legitimate government interest”; and: “To prove a violation, plaintiffs ... do not need to show that members of a protected class live in a geographically compact area.”<sup>6</sup>

The CVRA further states: “Proof of an intent on the part of the voters or elected officials to discriminate against a protected class is not required” (Sec. 14028(d)) to sustain a legal action brought pursuant to the California Voting Rights Act.

### **3. Abridgment of Voting Rights and Racially Polarized Voting in the Oceano Community Services District**

Abridgment of voting rights and racially polarized voting characterize elections in the Oceano Community Services District. According to available election records, apparently **no member of a protected class has been elected to the Oceano Community Services District Board of Directors since the year 2000**. One individual, Allene Villa, became a member of the Board in 2018 in an uncontested election. Another member of a protected class, Matt Guerrero, was appointed to the Board of Directors.

Pursuant to the California Voting Rights Act, it is not necessary that racially polarized voting be demonstrated in elections to the governing agency's board of directors. Rather, as previously cited: "'Racially polarized voting' means voting in which there is a difference ... in the choice of candidates or other electoral choices that are preferred by voters in a protected class, and in the choice of candidates and electoral choices that are preferred by voters in the rest of the electorate" (Sec. 14026(e))--irrespective of whether the difference in voting occurs for the board of directors of the government agency in which district elections are sought or in some other electoral choice.

This point is made clear by legal specialists in districting, electoral issues, and voting rights Marguerite Leoni and Christopher Skinnell. They write in "The California Voting Rights Act," published by the *Public Law Journal* (vol. 32, Spring 2009), an official publication of the State Bar of California Public Law Section and distributed by the League of California Cities:

#### **No Minority Candidates.**

The fact that no members of the minority group have ever run for membership on the legislative body will not insulate a jurisdiction from CVRA challenge. The CVRA expressly provides that a violation can be shown if racially-polarized voting occurs in elections incorporating *other* electoral choices that affect the rights and privileges of members of a protected class, such as ballot measures.

(Elec. Code Sec.s 14028(a) & (b).) Some particularly obvious examples ... might include Proposition 187 (denying services to undocumented immigrants), [and] Proposition 209 (preventing state agencies from adopting affirmative action programs) ... But other local measures may also serve the same purpose.<sup>7</sup>

This article also states that the California Voting Rights Act “makes fundamental changes to minority voting rights law in California”; the CVRA “alters established paradigms of proof and defenses ..., thus making it easier for plaintiffs in California to challenge allegedly discriminatory voting practices”; the CVRA “prescribe[s] an extremely light burden ... to establish a violation”; the CVRA “eliminate[s] the first precondition that plaintiffs must prove at the liability stage in federal litigation, that is, that the minority group is sufficiently large and geographically compact to form a majority in a single member district”; the CVRA “eliminates the requirement that plaintiffs prove discrimination”; the CVRA “mandates the award of costs, attorneys fees, and expert expenses to prevailing plaintiffs”; the CVRA “denies not only attorneys fees but also the costs of litigation to prevailing defendants”; the “sole fact that the voters of a city or special district have enacted an at-large electoral system by ballot measure, or rejected a by-district electoral system by ballot measure, will not protect a jurisdiction”; and “Demands by minority group representatives for a change to by-district elections must be taken seriously, even if the minority group is not numerous enough to form a majority in a new single member district. Changing voluntarily permits the elected representatives ... to control the districting process and the considerations that will guide the districting. Once the single member districts are in place, the [government agency] is in the CVRA safe harbor.”<sup>8</sup> A copy of this article is attached here as Exhibit B and incorporated herein by this reference.

The table commencing on the next page presents all candidates and the votes they received for the Board of Directors in the Oceano Community Services District since 2000, according to records of the San Luis Obispo County elections department (there were not elections in 2010 and 2018 as a result of insufficient candidates) (source: San Luis Obispo County Clerk-Recorder):

**A. Board of Directors Candidates in Oceano  
Community Services District, 2000 to Present**

<u>Year</u>	<u>Candidate</u>	<u>Votes</u>
2000	Searcy	708
	Gallardo	694
	Senna	667
	Wilson	539
	Carnahan	503
	Dahl	469
	Dyer	454
	Ramler	322
2002 (full term)	Mann	748
	Angello	640
	Wilson	508
2002 (replacement)	Dahl	664
	Ramler	475
2004	Hill	1,167
	Dahl	929
	Bookout	878
	Senna	827
	Searcy	673
2006	Mann	690
	Dean	628
	Ramler	577
	Wampler	420
2008	Hill	1,213
	Lucey	1,212
	Dahl	972
	Bookout	851

<u>Year</u>	<u>Candidate</u>	<u>Votes</u> (cont.d)
2012 (replacement)	White	1,006
	Searcy	927
2014	Balckburn	634
	Curtis	320
	Ebinger	262
2016	Austin	1,077
	Brunet	765
	Coalwell	760
	Clemons	708
	Amokrane	498
	Naylor	434
	Holmes	416

The California Voting Rights Project has made a good faith effort to identify candidates by ethnicity who have run for the Board of Directors of the Oceano Community Services District through interviewing residents of the District, reviewing media articles, and other means. As best we can determine, none of the candidates who have run since the year 2000 in contested races have been members of protected classes. Even if, on further investigation, one or more candidates in contested elections were members of protected classes, it would not change the overall finding of lack of representation in candidates for and candidates elected to the Board of Directors.

The tables on the next page present the total number of candidates and the number of candidates elected in each Oceano Community Services District Board of Directors election since 2000 and the total numbers of votes cast in elections to the Board of Directors since 2000:

**B. Oceano Community Services District Board of Directors  
Elections Since 2000, Total and Elected Candidates**

<u>Year</u>	<u>Total Cand.s</u>	<u>Elected Cand.s</u>
2000	8	3
2002	5	3
2004	5	3
2006	4	2
2008	4	3
2012	2	1
2014	3	2
2016	<u>7</u>	<u>3</u>
<b>Total:</b>	<b>38</b>	<b>20</b>

**C. Oceano Community Services District Board of Directors  
Elections Since 2000, Total Candidate Votes**

<u>Year</u>	<u>Total Votes</u>
2000	4,356
2002	3,035
2004	4,474
2006	2,315
2008	4,248
2012	1,933
2014	1,216
2016	<u>4,658</u>
<b>Total:</b>	<b>26,235</b>



There have been, as can be seen, 38 candidates for and 20 candidates elected to the Board of Directors of the Oceano Community Services District in contested elections since 2000, and they have collectively received more than 25,000 votes. That apparently none of the candidates in contested elections or votes they have received have been for members of protected classes demonstrates the lack of representativeness of the current electoral system.

Racially polarized voting characterizes candidate elections in the Oceano Community Services District. Pursuant to the CVRA: “One circumstance that may be considered in determining a violation ... is the extent to which candidates who are members of a protected class and who are preferred by voters of the protected class, as determined by an analysis of voting behavior, have been elected to the governing body of a political subdivision” (Sec. 14028(a)). That no apparent candidates who have been members of protected classes have been elected to the Board of Directors of the Oceano Community Services District in contested elections since 2000 is very strong evidence the District is in violation of the California Voting Rights Act.

There are also many examples of racially polarized voting, vote dilution, and differential voting in electoral choices other than for the Oceano Community Services District Board of Directors since 2000 on, for example, state ballot measures. These include:

**D. Racially Polarized Voting on State Ballot Measures in the Oceano Community Services District Since 2000**

<u>Year</u>	<u>Ballot Measure</u>	<u>Purpose</u>
2002	46	Housing shelter
2002	47	Education facilities bonds
2002	49	School programs
2004	61	Children’s hospital
2004	63	Mental health services
2004	66	Limit “3 Strikes”

<u>Year</u>	<u>Ballot Measure</u>	<u>Purpose</u>
2006	1C	Emergency shelter
2006	1D	Education facilities bonds
2006	86	Cigarette tax
2008	9	Criminal justice system
2010	21	Vehicle license fee
2010	25	State budget vote
2012	30	Education taxes
2012	32	Political contributions
2016	51	School bonds
2018	1	Housing assistance bonds

The analysis here, furthermore, extends historically only to 2000. Research suggests that if this analysis were continued back to the 1980s, incorporating state and local ballot measures and state and local candidates for office, it may be possible to demonstrate **35 or more** instances of racially polarized voting in the Oceano Community Services District since this time.

Pursuant to the CVRA, as previously noted: “A violation of Section 14027 is established if it is shown that racially polarized voting occurs in elections for members of the governing body of the political subdivision or in elections incorporating other electoral choices by the voters of the political subdivision” (Sec. 14028(a), underlining added). The underlined passage was specifically incorporated into the CVRA to provide for challenges to government agencies in which few members of protected classes had run for its elected board. **Pursuant to the California Voting Rights Act, district elections must be implemented in the Oceano Community Services District.**

The Oceano Community Services District is a very diverse community, far more diverse than its current or past Boards of Directors, and candidates for it

have been. The following tables present the ethnic population, according to the United States Census Bureau, in 2010 and 2000 in Oceano:

**E. Oceano Community Services District  
Ethnicity in U.S. Census, 2010**

<u>Group</u>	<u>Percent</u>
African American	0.9%
Native American	1.6%
Asian	2.3%
Latinx (any race)	47.8%

**F. Oceano Community Services District  
Ethnicity in U.S. Census, 2000**

<u>Group</u>	<u>Percent</u>
African American	1.1%
Native American	1.3%
Asian	1.8%
Latinx (any race)	44.6%

Not only is Oceano a diverse community, but its diversity is increasing, especially of Latinx residents.

Oceano’s diversity is also reflected in the school population in Oceano Elementary School (grades Kindergarten through 8th), which is a part of the Lucia Mar Unified School District, as reflected in the following table on the next page (source: California Department of Education):

**G. Oceano Elementary School Ethnicity, 2019-20**

<u>Group</u>	<u>Percent</u>
African American	1.3%
Native American	0.8%
Asian	0.5%
Latinx	81.8%

The California Voting Rights Act also states: “Other factors such as ... denial of access to those processes determining which groups of candidates will receive financial or other support in a given election, the extent to which members of a protected class bear the effects of past discrimination in areas such as education, employment, and health, which hinder their ability to participate effectively in the political process, ... are probative, but not necessary factors to establish a violation” (Sec. 14028(e)). As well as the examples of abridgment of voting rights, racially polarized voting, and vote dilution previously outlined, there is significant evidence of the extent to which members of protected classes in the Oceano Community Services District bear the effects of past discrimination in areas such as education, employment, and health.

These data are in part presented by the United States Census Bureau Community Survey estimate for 2018:

**H. Comparison Between White and Latinx Populations in Oceano Community Services District on Median Earnings, 2018**

	<u>Whites, 16+</u>	<u>Latinos, 16+</u>
Median earnings	\$51,137	\$24,432

The California Assessment of Student Performance and Progress (CAASPP) is the main state assessment system for students in California schools. The CAASPP provides educational performance measures in a variety of areas. The following tables present achievement for all students tested in Oceano

Elementary School in English Language Arts/Literacy and Mathematics, disaggregated by white and Latinx students:

**I. Oceano Elementary School 2018-19 CAASPP  
English Language Arts/Literacy Achievement by Ethnicity**

<u>Achievement Level</u>	<u>White</u>	<u>Latinx</u>
4 -- Exceeds Standard	45.45%	11.86%
3 -- Meets Standard	27.27%	21.13%
2 -- Nearly Meets Standard	18.10%	32.99%
1 -- Standard Not Met	9.09%	34.02%

**J. Oceano Elementary School 2018-19 CAASPP  
Mathematics Achievement by Ethnicity**

<u>Achievement Level</u>	<u>White</u>	<u>Latinx</u>
4 -- Exceeds Standard	50.00%	10.77%
3 -- Meets Standard	10.00%	25.13%
2 -- Nearly Meets Standard	20.00%	32.31%
1 -- Standard Not Met	20.00%	31.79%

A number of government agencies within San Luis Obispo county have implemented district elections. The next table on the following page presents government agencies in San Luis Obispo county with district elections:

**K. San Luis Obispo County Government  
Agencies With District Elections**

Board of Supervisors

County Board of Education

San Luis Obispo County Community College District

City of Arroyo Grande

City of Grover Beach

City of Paso Robles

Lucia Mar Unified School District

Paso Robles Joint Unified School District

San Luis Coastal Unified School District

Almost all of the other local government agencies within which residents of the Oceano Community Services District vote--the Board of Supervisors, County Board of Education, San Luis Obispo Community College District, and Lucia Mar Unified School District--utilize district elections.

Clear and compelling evidence exists that the Oceano Community Services District's current, at-large method of election to its Board of Directors runs counter to the California Voting Rights Act. The Oceano Community Services District must transition to district-based elections to conform with California law. In the event this matter were to become the subject of litigation through a lawsuit being filed, it would be possible to establish many examples of abridgment of protected class voting rights, racially polarized voting, vote dilution, differential voting, and effects of past discrimination. Upon conclusion of any litigation, the San Luis Obispo County Superior Court would undoubtedly order the Oceano Community Services District to transition to district-based elections and compensate the plaintiffs for their attorney costs and fees, as well as any expert fees incurred in bringing the action. A draft complaint against the Oceano Community Services District--in the event litigation is required in this matter--is included here as Exhibit C and incorporated herein by this reference.

#### **4. “Ranked-Choice Voting” Would Not Meet Requirements of the CVRA**

One form of electoral reorganization that has received some attention in recent years is ranked-choice voting. Although there are a number of variations of this form of electoral system, the essential idea is that if no candidate in a race receives a majority of the vote, the second choice votes of defeated candidates in ascending order from the candidate who received the least first choice votes are added to the candidates who received more first choice votes until one candidate receives a majority of votes cast.

To date, no California court has ordered or sanctioned ranked-choice voting as a remedy for a violation of the California Voting Rights Act. Indeed, as we have seen, district elections are the only remedy for violation of the CVRA mentioned in the Act, and only district elections have been ordered by courts as a remedy for violation of the CVRA.

Irrespective of the strengths or weaknesses (including complexity) of ranked-choice voting as an abstract system of voting, the American system of voting, with very few exceptions, has been based on the principle of first past the post. Specifically in the case of violations of the California Voting Rights Act, the issue is not the inability to elect candidates at-large in a different form of at-large election (i.e., ranked-choice voting), the issue usually is that geographical areas of a government agency would elect members of protected classes in districts, but members of protected classes cannot be elected at-large under any form of at-large election--first past the post or ranked-choice.

Ranked-choice voting does not address the primary issue raised in almost all violations of the California Voting Rights Act, including in the Oceano Community Services District. For this reason, ranked-choice voting would not be an acceptable remedy for a violation of the CVRA. Indeed, ranked-choice voting has often been explored as an alternative to district elections by government agencies opposed to the purposes of the CVRA. Ranked-choice voting does not meet the requirements of the California Voting Rights Act as a remedy for a violation.

It should be noted that on February 12, 2020, the Board of Directors of the Oceano Community Services District passed a resolution “declaring its intention to consider transitioning from at-large elections to alternative representative elections” (Board Resolution No. 2020-04). This resolution does not protect the Oceano Community Services District from a legal challenge of its current form of at-large elections under the California Voting Rights Act for a number of reasons, including: 1) the resolution makes no reference to a definite change from the current at-large elections, 2) the resolution makes no reference to transitioning to district elections but merely to an alternative voting system, 3) the resolution does not outline steps to transition from at-large elections to district elections, and 4) the resolution does not include a time-frame for transitioning from at-large elections to district elections. Board Resolution No. 2020-04 is not in compliance with the California Voting Rights Act as amended by subsequent legislation.



## **5. Methods of Instituting District Elections in the Oceano Community Services District**

There are two methods by which district elections may be instituted in the Oceano Community Services District: a) litigation, or b) a pre-litigation settlement agreement by the Oceano Community Services District Board of Directors outlining its intention to transition to district elections, detailing specific steps it will take to facilitate this transition, and estimating the time-frame for this transition.

If litigation were the path followed, a court action may--at any time after 45 days from the Oceano Community Services District's receipt of the certified letter notifying it of a violation of the CVRA--be commenced in San Luis Obispo County Superior Court against the Oceano Community Services District for violation of the California Voting Rights Act.

If the Oceano Community Services District Board of Directors chooses a pre-litigation settlement, then, pursuant to Section 10010 of the California Elections Code, the process the Oceano Community Services District must follow, as modified by the settlement agreement, is:

1) Within 45 days of receipt of the certified letter notifying the Oceano Community Services District that its method of conducting elections may violate the CVRA, the Oceano Community Services District Board of Directors must adopt a resolution outlining its intention to transition from at-large to district elections, specifying specific steps it will take to facilitate this transition, and estimating the time-frame for this transition.

2) If the Oceano Community Services District Board of Directors passes a resolution to this effect, a legal action may not be commenced for another 90 days after the resolution's passage or until as specified in a settlement agreement (for example, until the November 2022 election).

3) Before district lines are drawn, the Oceano Community Services District Board of Directors must hold two public hearings at which the public is invited

to provide input concerning the composition of districts. In advance of these hearings, the Oceano Community Services District should conduct outreach to the public, including to non-English-speaking communities, explaining the districting process and encouraging participation.

4) Following these two public hearings, the Oceano Community Services District must publish and make available for release at least one draft map and the proposed sequence of elections to new districts. The Oceano Community Services District Board of Directors must then hold two more public hearings at which the public is invited to provide input on the draft map or maps and proposed sequence of elections.

5) In determining the sequence of elections, the Oceano Community Services District Board of Directors must give special consideration to the purposes of the California Voting Rights Act. For this reason, it is very likely that among the first districts in which district elections will be held will be districts including large proportions of individuals from protected classes.

6) After adopting the resolution of intention to transition from at-large to district elections and holding the public hearings, the Oceano Community Services District Board of Directors adopts a map of districts and a sequence of elections.

If the Oceano Community Services District establishes district elections according to the above process--as modified by a settlement agreement--no litigation is necessary.

Pursuant to Assembly Bill 2389, signed into legislation in 2016, special districts may adopt a resolution to implement district elections without being required to submit the resolution to the voters of the district for approval. A copy of Assembly Bill 2389 is included here as Exhibit D and incorporated herein by this reference.

## **6. Advantages of a Pre-Litigation Settlement**

There are many advantages of a pre-litigation settlement rather than a court action to enforce the California Voting Rights Act to institute district elections. Most importantly, the Oceano Community Services District and its Board of Directors retain a greater role in and more control over the transition process to district elections and legal costs are limited.

A greater role by the Board of Directors and more control over the transition to district elections could manifest itself in a number of ways, including:

1) Participation in timing of the first district elections, which would likely be held in November 2022. If this matter were to go to court, a court could require elections to be held sooner. As a result of a pre-litigation settlement agreement, the first district elections could be held in 2022. Elsewhere in California, settlement agreements have been reached to hold the first district elections in 2022, following the 2020 census. These settlement agreements have allowed the affected government jurisdictions to commence district elections in 2022 to save the costs in time and expense of redistricting in both 2020 (using 2010 census data) and 2022. In addition, existing incumbents elected in 2016 are eligible to run for reelection in 2020 under existing electoral arrangements through a settlement agreement to implement district elections starting in November 2022.

2) The Oceano Community Services District Board of Directors would retain the ability to draw the lines of voting districts both now and in the future rather than the court drawing the lines of voting districts through a court-determined process.

3) The existing Board of Directors would be retained and there would be no chance of a special election. Occasionally in court actions brought pursuant to the CVRA, past elections have been nullified and courts have ordered new, special elections.

4) Saving of plaintiffs' attorney fees and its own legal expenses by the Oceano Community Services District, potentially saving hundreds of thousands or more than a million dollars.

The preceding are only some of the advantages of a pre-litigation settlement agreement. It should be emphasized that the typical savings from not having to implement district elections in 2020 and draw lines twice in two years usually exceed the cost of reimbursement for a settlement agreement reached within the 45-day statutory period. A copy of the resolution and settlement agreement establishing district elections in the City of Arroyo Grande is included here as Exhibit E and incorporated herein by this reference.

## **7. Attorney's Fees**

Pursuant to the CVRA: "In any action to enforce [the California Voting Rights Act] the court shall allow the prevailing plaintiff party ... a reasonable attorney's fee ... and litigation expenses including, but not limited to, expert witness fees and expenses as part of the costs" (Sec. 14030). In addition: "Prevailing defendant parties shall not recover any costs" (id.).

In recent years, many jurisdictions have had to pay hundreds of thousands and even millions of dollars in attorney's fees to prevailing plaintiff parties. Moreover, jurisdictions are responsible for their own legal costs, which can also be hundreds of thousands of dollars. The following table presents some settlements in California Voting Rights Act litigation:

### **L. Settlements in CVRA Litigation (partial list)**

<u>Jurisdiction</u>	<u>Settlement</u>
City of Palmdale	\$4,500,000
City of Modesto	\$3,000,000
City of Anaheim	\$1,200,000
City of Whittier	\$1,000,000
Santa Clarita	
Community College Dist.	\$850,000
San Mateo County	\$650,000
Tulare Healthcare District	\$500,000
City of Escondido	\$385,000
City of Garden Grove	\$290,000
City of Bellflower	\$250,000

As a result of the potentially great costs of litigation, **the California Voting Rights Project strongly recommends that government jurisdictions reach settlement in the pre-litigation stage.** In this case, pursuant to Assembly Bill 350 signed into legislation in 2016, costs to government jurisdictions are capped at \$30,000 plus annual CPI adjustment (as of 2020, \$31,930) for demographic and legal services.<sup>9</sup> It should be emphasized that Assembly Bill 350 applies only to the pre-litigation phase of cases brought pursuant to the CVRA. If a CVRA action becomes the subject of litigation through a complaint being filed, there is no cap on attorney's fees and costs other than as stated in the CVRA and can be hundreds of thousands or more dollars.

In addition, because Assembly Bill 350 would "impose additional duties on local agencies, the bill would impose a state-mandated local program. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state ... This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for these costs shall be made pursuant to ... statutory provisions" (Legislative Counsel's Digest of Assembly Bill 350). Accordingly, it may be possible for the Oceano Community Services District to receive reimbursement from the state for a pre-litigation settlement. A copy of Assembly Bill 350 and the Legislative Counsel's Digest is included here as Exhibit F and incorporated herein by this reference.

## **8. Benefits of District Elections**

Even if the Oceano Community Services District were not required to institute district elections pursuant to the California Voting Rights Act, there are many benefits of district elections which have been experienced in other jurisdictions. These include greater voter turn-out and participation. In some places, turn-out in some precincts increased by as much as one-quarter after district elections were implemented.

As a result of greater voter turn-out and interest through district elections, there are more contested elections and fewer Board of Directors' positions filled by appointment. More candidates seek election. Especially Latinx families will be better represented on the Board of Directors.

District elections bring government closer to the people. They result in representatives who are more knowledgeable of local problems and issues. Candidates learn about their voting district when running for office. Voters have a member of the Board of Directors to whom they can turn on issues and Board members become more knowledgeable about area-specific concerns. There is a wider spectrum of views on the Board of Directors and more representation from all neighborhoods and the entire community. District elections lead to greater community identity and have been accompanied by greater diversity of all sorts on elective bodies.

District elections result in less expensive political campaigns. It is easier for younger and lower socioeconomic candidates to run for office if they do not have to raise as much money. This results in less influence by special interests. By walking door to door and other inexpensive means, candidates can be elected who would not be elected in at-large elections.

The Oceano Community Services District will be an even better special district with district elections--more representative of the people and in compliance with the law. District elections will make elections to the Board of Directors fairer and more inclusive and will increase participation and representation. The universal experience with district elections in California is that special districts and other government agencies have found them to be a

superior form of electoral system and representation irrespective of their legal requirement.

For further information on the likelihood of district elections being ordered by a court, see the February 21, 2017, Council Agenda Report in the City of Santa Maria, which is included here as Exhibit G and incorporated herein by this reference. According to this report: "After much analysis and in-depth conversations with those most familiar with these types of litigation matters, staff is recommending that the City Council adopt a resolution declaring its intention to transition from at-large to district-based elections ... Staff makes this recommendation due to the extraordinary costs to successfully defend against a CVRA lawsuit and the fact that no apparent [government agency] has successfully prevailed against a CVRA lawsuit, and that the public interest would best be served by transitioning to a district-based election system."<sup>10</sup>

Benefits of district elections are described in "The Politics of Latino Education: The Biases of At-Large Elections," by David Leal, Valerie Martinez-Ebers, and Kenneth Meier, published in the *Journal of Politics* (November 2004), a publication of the Southern Political Science Association, included here as Exhibit H and incorporated herein by this reference. Although primarily focused on school districts, this article provides much good information:

Representation is an integral part of the political system.

Boards are involved in all aspects of school policy. They hire and fire superintendents, set the curricula, decide spending priorities, and adopt reform plans. Although many decisions are in practice left to superintendents and other administrators, school boards are tasked to oversee these experts. Boards, therefore, shoulder much responsibility for the quality of public education in America.

Latino representation on school boards was associated with better educational conditions. In school districts with more Latino representation, Latino students experienced greater access to equal education ... There also appeared to be a ripple effect, whereby more



Latino school board members led to more Latino school administrators, which in turn led to more Latino teachers.

Multiple studies suggest greater minority representation in the educational policy process translates into more positive outcomes for minority students.

Our study supports the findings of earlier research showing minority population translating into minority school board seats at a substantially higher rate with district elections than with at-large elections. Our findings show that at-large election systems usually disadvantage Latinos; the obvious recommendation is that at-large systems should be replaced by single-member systems.<sup>11</sup>

As members of protected classes are elected to governing boards, there are also more members of protected classes who become employed by government agencies. In addition, because candidates for higher elective office are overwhelmingly elected first to local office, district elections lead to greater representation in time at all levels of elective office.

## Conclusion

Abridgment of voting rights and racially polarized voting have no place in the Oceano Community Services District or anywhere else. Clear and compelling evidence of abridgment of voting rights, polarized voting, vote dilution, differential voting, and effects of past discrimination would sustain a legal action brought pursuant to the California Voting Rights Act to institute district elections in the Oceano Community Services District. A pre-litigation settlement agreement by the Oceano Community Services District Board of Directors provides the best opportunity to implement district elections in a manner that retains participation by the Board of Directors and Oceano Community Services District in the transition to district elections and is cost-effective.

## Endnotes

<sup>1</sup> See “CVRA Settlement Agreement / Resolution of Intention,” Council Agenda Staff Report, City of Carpinteria (August 14, 2017): “The City Attorney’s Office has surveyed the reported case law concerning litigation based on a violation of the CVRA. There is no reported case in which the defendant public agency has prevailed on the merits by proving that a violation of the CVRA did not occur” (p. 3).

<sup>2</sup> Justin Levitt et al., “Quiet Revolution in California Local Government Gains Momentum” (Claremont McKenna College: Rose Institute of State and Local Government, November 3, 2016), p. 1. The Rose Institute remarks on the switch from at-large to district elections in California: “This quiet tectonic shift in local government is accelerating” (id.).

<sup>3</sup> Id., p. 1.

<sup>4</sup> Id., p. 2.

<sup>5</sup> *Sanchez v. City of Modesto*, Court of Appeal, Fifth District, California, No. F048277 (December 6, 2006).

<sup>6</sup> Id.

<sup>7</sup> Marguerite Mary Leoni and Christopher E. Skinnell, “The California Voting Rights Act,” *Public Law Journal* (Vol. 32, No. 2, Spring 2009; Official Publication of the State Bar of California Public Law Section; included here as Exhibit B).

<sup>8</sup> Id.

<sup>9</sup> Pursuant to Assembly Bill 350: “The amount of reimbursement required by this section is capped at \$30,000, as adjusted annually to the Consumer Price Index for All Urban Consumers, U.S. city average, as published by the United States Department of Labor” (Section 1. 10010(f)(3); included here as Exhibit F). In 2017 the increase in the Consumer Price Index for All Urban Consumers was 2.1%, in 2018 the increase was 1.9%, and in 2019 the increase was 2.3 percent, meaning the cap for reimbursement is now \$31,930.

<sup>10</sup> City of Santa Maria, “Council Agenda Report” (February 21, 2017; included here as Exhibit G).

<sup>11</sup> David L. Leal, Valerie Martinez-Ebers, and Kenneth J. Meier, "The Politics of Latino Education: The Biases of At-Large Elections," *Journal of Politics* (Vol. 66, No. 4, November 2004; included here as Exhibit H).

## Carey Casciola

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**From:** A.J. Dury [REDACTED]  
**Sent:** Wednesday, September 9, 2020 7:15 PM  
**To:** Carey Casciola; Jeffrey Minnery  
**Subject:** Re: Zoom Meeting Phone #'s

Thank you for this Carey.

Unfortunately, while my audio works EVERYWHERE else, as I do multiple Zoom meetings every week, clearly I was not prepared for the OCSD meeting to have audio issues so I did not have any phone numbers at my fingertips.

By the time I was able to get phone contact info, the district had moved on to other agenda items and history has shown me that there was no way I'd be allowed to comment on an agenda item after it has been closed.

My comments, as I tried to participate in the meeting but was thwarted:

Allowing Shirley Gibson to give a history as a Halcyon resident, during what is SUPPOSED to where directors give REPORTS of actual committees (of which she was absolutely unprepared!) was definitely beyond the scope of that agenda item and purely for campaign purposes. Thank you to Jeff Minnery for (finally) reining her in. Try and remember that the next time the concept of "best practices" comes up when dealing with a board member stumping during the report section.

GM Clemens' report on the agenda - why is there not a written report that accompanies the agenda? This would assist the public immeasurably. I request that the board members make that part of future agendas.

Thank you again, for providing me call-in information.

April

April Dury

On Wednesday, September 9, 2020, 06:41:20 PM PDT, Carey Casciola <carey@oceanocsd.org> wrote:

Telephone: Listen to the meeting live by dialing (669) 900-9128 or (253) 215-8782.

Enter Meeting ID# 892-6279-7188 followed by the pound (#) key.

Then enter the Password: 508435 followed by the pound (#) key

**Carey Casciola**

Business and Accounting Manager

carey@oceanocsd.org

Oceano Community Services District

1655 Front St., PO Box 599

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<http://oceanocsd.org/main/>





# Oceano Community Services District

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

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

**Date:** October 14, 2020

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

**Subject:** **Agenda Item #8(B): Recommendation to Review Cash Disbursements**

## Recommendation

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

## Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence	Amounts
	58595 - 58635	
<b>Disbursements:</b>		
Regular Payable Register - paid 10/01/2020	58613 - 58635	\$ 309,102.83
Subtotal:		\$ 309,102.83
<b>Reoccurring Payments for Board Review (authorized by Resolution 2020-06):</b>		
Payroll Disbursements - PPE 09/12/2020	N/A	\$ 31,341.09
Payroll Disbursements - PPE 09/26/2020	N/A	\$ 31,487.64
Reoccurring AP - paid 09/09/2020	58595 - 58597	\$ 27,696.26
Reoccurring Utility Disbursements - paid 09/09/2020	58598 - 58603	\$ 1,519.28
Reoccurring Health Disbursements - paid 09/09/2020	58604	\$ 56.21
Reoccurring Utility Disbursements - paid 10/01/2020	58605 - 58610	\$ 6,676.87
Reoccurring Health Disbursements - paid 10/01/2020	58611 - 58612	\$ 10,193.84
Subtotal:		\$ 108,971.19
Grand Total:		\$ 418,074.02

## Other Agency Involvement

N/A

## Other Financial Considerations

Amounts are within the authorized Fund level budgets.

## Results

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

10/14/2020 2:37 PM  
 COMPANY: 99 - POOLED CASH FUND  
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
 TYPE: All  
 STATUS: All  
 FOLIO: All

CHECK RECONCILIATION REGISTER

CHECK DATE: 0/00/0000 THRU 99/99/9999  
 CLEAR DATE: 0/00/0000 THRU 99/99/9999  
 STATEMENT: 0/00/0000 THRU 99/99/9999  
 VOIDED DATE: 0/00/0000 THRU 99/99/9999  
 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 058613 THRU 058635

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE	
CHECK:									
1-1001-000	10/01/2020	CHECK	058613	ADAMSKI MOROSKI MADDEN CUMBERL	6,553.00CR	OUTSTND	A	0/00/0000	AUG 2020 SVCS: GENERAL LEGAL, GROUND WATER LITIGATION INVENTORY
1-1001-000	10/01/2020	CHECK	058614	AQUA-METRIC	1,904.80CR	OUTSTND	A	0/00/0000	
1-1001-000	10/01/2020	CHECK	058615	ARAMARK	565.09CR	OUTSTND	A	0/00/0000	UNIFORMS
1-1001-000	10/01/2020	CHECK	058616	BREZDEN PEST CONTROL, INC.	3,277.00CR	OUTSTND	A	0/00/0000	1655 FRONT-TERMINTE INSPECT & TREAT-50% DUE
1-1001-000	10/01/2020	CHECK	058617	BRENT SARKISON DBA CALTEC COMP	985.59CR	OUTSTND	A	0/00/0000	COMPUTER SUPPORT & MAINTENANCE, REFURBISHED COMPUTER, MONTHLY BKUP
1-1001-000	10/01/2020	CHECK	058618	CITY OF ARROYO GRANDE	4,523.67CR	OUTSTND	A	0/00/0000	WHEELING SVCS-7/21-9/23/2020, TEST METER
1-1001-000	10/01/2020	CHECK	058619	CLINICAL LAB OF SAN BERNARDINO	380.00CR	OUTSTND	A	0/00/0000	AUG 2020 SAMPLES
1-1001-000	10/01/2020	CHECK	058620	DIVERSIFIED PROJECT SERVICES I	280.00CR	OUTSTND	A	0/00/0000	REIMBURSABLE ENGINEER SVCS FOR PROJECTS
1-1001-000	10/01/2020	CHECK	058621	DIVERSIFIED PROJECT SERVICES I	980.00CR	OUTSTND	A	0/00/0000	REIMBURSABLE ENGINEER SVCS FOR PROJECTS
1-1001-000	10/01/2020	CHECK	058622	FAMCON PIPE & SUPPLY, INC.	21.45CR	OUTSTND	A	0/00/0000	INVENTORY
1-1001-000	10/01/2020	CHECK	058623	FIVE CITIES FIRE AUTHORITY	284,537.00CR	OUTSTND	A	0/00/0000	JPA-QUARTERLY PAYMENT
1-1001-000	10/01/2020	CHECK	058624	FRANK'S LOCK & KEY	86.55CR	OUTSTND	A	0/00/0000	FRONT DOOR LOCK
1-1001-000	10/01/2020	CHECK	058625	J.B. DEWAR, INC.	288.71CR	OUTSTND	A	0/00/0000	FUEL
1-1001-000	10/01/2020	CHECK	058626	PETTY CASH	21.62CR	OUTSTND	A	0/00/0000	CERTIFIED MAILING, RETURN NOTICE POSTAGE DUE
1-1001-000	10/01/2020	CHECK	058627	PRO-TECH LANDSCAPE MANAGEMENT,	410.00CR	OUTSTND	A	0/00/0000	LANDSCAPE - AUG 2020 SVCS
1-1001-000	10/01/2020	CHECK	058628	REPLOGLE, CYNTHIA	100.00CR	OUTSTND	A	0/00/0000	BOARD STIPEND - SEP 2020
1-1001-000	10/01/2020	CHECK	058629	SLO CO PUBLIC HEALTH DEPT.	363.70CR	OUTSTND	A	0/00/0000	MAY-JUN 2020 CROSS CONNECTION SVCS
1-1001-000	10/01/2020	CHECK	058630	SLO CO TAX COLLECTOR	557.60CR	OUTSTND	A	0/00/0000	SANITATION DISTRICT 2020-2021 FEES
1-1001-000	10/01/2020	CHECK	058631	SOUTH COUNTY SANITARY SERV	202.64CR	OUTSTND	A	0/00/0000	2018-19 TAX LIEN PASS-THRU
1-1001-000	10/01/2020	CHECK	058632	TNT FIREWORKS	2,000.00CR	OUTSTND	A	0/00/0000	FIREWORKS DEPOSIT REFUND
1-1001-000	10/01/2020	CHECK	058633	TRAVIS PAINTING SERVICES	625.00CR	OUTSTND	A	0/00/0000	1655 FRONT INTERIOR PAINTING/REPAIR
1-1001-000	10/01/2020	CHECK	058634	USA BLUEBOOK	289.41CR	OUTSTND	A	0/00/0000	GLOVES, FIRST AID KIT



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: 058613 THRU 058635

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

CHECK: -----  
1-1001-000 10/01/2020 CHECK 058635 WHITE, KAREN M. 150.00CR OUTSTND A 0/00/0000 BOARD STIPEND - SEP 2020

TOTALS FOR ACCOUNT 1-1001-0  
CHECK TOTAL: 309,102.83CR  
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  
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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 October 14, 2020**

	(*)		
Gross Wages	8/29/2020	9/12/2020	9/26/2020
Regular	\$26,581.00	\$26,814.11	\$26,886.28
Overtime Wages	\$532.32	\$468.78	\$311.95
Stand By	\$600.00	\$450.00	\$600.00
	<u>\$27,713.32</u>	<u>\$27,732.89</u>	<u>\$27,798.23</u>
Cell Phone Allowance	\$75.00	\$0.00	\$75.00
Total Wages	<u>\$27,788.32</u>	<u>\$27,732.89</u>	<u>\$27,873.23</u>
Disbursements			
Net Wages	\$21,857.50	\$21,784.89	\$22,546.68
State and Federal Agencies	\$5,062.62	\$5,074.81	\$4,459.57
CalPERS - Normal	\$4,267.61	\$4,326.08	\$4,326.08
CalPERS - GASB 68 Reports	\$1,050.00	\$0.00	\$0.00
SEIU - Union Fees	\$155.31	\$155.31	\$155.31
Total Disbursements processed with Payroll	<u>\$32,393.04</u>	<u>\$31,341.09</u>	<u>\$31,487.64</u>
Health (Disbursed with reoccurring bills)	\$6,013.57	\$6,013.57	\$6,013.57
Total District Payroll Related Costs	<u>\$38,406.61</u>	<u>\$37,354.66</u>	<u>\$37,501.21</u>

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

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

CHECK DATE: 0/00/0000 THRU 99/99/9999  
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 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 058595 THRU 058597

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE	
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1-1001-000	9/09/2020	CHECK	058595	CANNON	24,751.28CR	OUTSTND	A	0/00/0000	WRRP-PHASE 2, USDA PRELIM ENGR RPT
1-1001-000	9/09/2020	CHECK	058596	GSI WATER SOLUTIONS, INC.	1,542.98CR	OUTSTND	A	0/00/0000	NCMA 2019 ANNUAL RPT, AUG SVCS
1-1001-000	9/09/2020	CHECK	058597	ZENITH INSURANCE COMPANY	1,402.00CR	OUTSTND	A	0/00/0000	INSURANCE
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				SERVICE CHARGE	TOTAL:	0.00			
				EFT	TOTAL:	0.00			
				BANK-DRAFT	TOTAL:	0.00			
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	27,696.26CR			
				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  
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 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 058598 THRU 058603

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1-1001-000	9/09/2020	CHECK	058598	MAP COMMUNICATIONS, INC. DBA A	294.15CR	OUTSTND	A	0/00/0000	<b>ANSWERING SVC</b>
1-1001-000	9/09/2020	CHECK	058599	DIGITAL WEST NETWORKS, INC.	583.99CR	OUTSTND	A	0/00/0000	<b>PHONE, WEBSITE, SOFTWARE LICENSE</b>
1-1001-000	9/09/2020	CHECK	058600	ELECSYS INTERNATIONAL CORP	223.50CR	OUTSTND	A	0/00/0000	<b>EQUIPMENT MONITOR</b>
1-1001-000	9/09/2020	CHECK	058601	SO CAL GAS	85.54CR	OUTSTND	A	0/00/0000	<b>UTILITY</b>
1-1001-000	9/09/2020	CHECK	058602	STANLEY CONVERGENT SECURITY SO	102.51CR	OUTSTND	A	0/00/0000	<b>WELLS AND FIRE MONITOR</b>
1-1001-000	9/09/2020	CHECK	058603	VERIZON WIRELESS	229.59CR	OUTSTND	A	0/00/0000	<b>FIELD CELL SVC</b>
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				SERVICE CHARGE	TOTAL:	0.00			
				EFT	TOTAL:	0.00			
				BANK-DRAFT	TOTAL:	0.00			
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	1,519.28CR			
				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  
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TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	56.21CR		
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				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
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				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	56.21CR		
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				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE	
<b>CHECK:</b>									
1-1001-000	10/01/2020	CHECK	058605	CHARTER COMMUNICATIONS	150.00CR	OUTSTND	A	0/00/0000	<b>INTERNET SERVICE</b>
1-1001-000	10/01/2020	CHECK	058606	COASTAL COPY, INC.	230.05CR	OUTSTND	A	0/00/0000	<b>COPIES &amp; MAINTENANCE</b>
1-1001-000	10/01/2020	CHECK	058607	DE LAGE LANDEN FINANCIAL SERVI	300.30CR	OUTSTND	A	0/00/0000	<b>COPIER LEASE</b>
1-1001-000	10/01/2020	CHECK	058608	HIRIARTE'S INDOOR CLEANING SER	825.00CR	OUTSTND	A	0/00/0000	<b>CLEANING SERVICE - 3RD QUARTER</b>
1-1001-000	10/01/2020	CHECK	058609	PACIFIC GAS & ELECTRIC	4,941.93CR	OUTSTND	A	0/00/0000	<b>UTILITY</b>
1-1001-000	10/01/2020	CHECK	058610	VERIZON WIRELESS	229.59CR	OUTSTND	A	0/00/0000	<b>FIELD CELL SERVICE</b>
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	6,676.87CR			
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				BANK-DRAFT	TOTAL:	0.00			
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	6,676.87CR			
				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	
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1-1001-000	10/01/2020	CHECK	058612	PRINCIPAL LIFE INSURANCE COMPA	1,362.06CR	OUTSTND	A	0/00/0000	EMPLOYEE INSURANCE
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	10,193.84CR			
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				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:	10,193.84CR			
				DEPOSIT	TOTAL:	0.00			
				INTEREST	TOTAL:	0.00			
				MISCELLANEOUS	TOTAL:	0.00			
				SERVICE CHARGE	TOTAL:	0.00			
				EFT	TOTAL:	0.00			
				BANK-DRAFT	TOTAL:	0.00			



# Oceano Community Services District

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

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

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**Date:** October 14, 2020  
**To:** Board of Directors  
**From:** Nicole Miller, Account Administrator III  
**Via:** Carey Casciola, Business and Accounting Manager  
**Subject:** **Agenda Item #8(C): Authorize the General Manager to apply for the County of San Luis Obispo Community Development Block Grant Program for Water Tank Rehabilitation.**

## Recommendation

It is recommended that the Board authorize the General Manager to apply for the County of San Luis Obispo Community Development Block Grant Program for Water Tank Rehabilitation.

## Discussion

In September 2020, the San Luis Obispo County Planning and Building Department noticed \$10.6 million in funds for the Community Development Block Grant (CDBG). The program allows for public entities to apply for the construction, reconstruction, rehabilitation or installation of public improvements or facilities under the "Public Facilities and Improvements" eligibility section of the grant program. Last October, the District applied for CDBG funds for both Project #1-12: Tank Inspections and Project #1-13: Water Tank Rehabilitation identified in the District's Water Resource Reliability Program (WRRP). Although the District was not awarded grant funding, the District moved forward with the tank inspection in 2020 and now has an opportunity to apply for the 2021 CDBG funding for Project #1-13. If awarded, funds will be used to rehabilitate a 300,000-gallon water storage tank that needs rehabilitation based on the attached tank inspection.

## Other Agency Involvement

County of San Luis Obispo Planning and Building Department.

## Other Financial Considerations

The grant total estimated allocation is \$1,840,000 with \$751,840 for County/unincorporated areas. The estimated request for this project is \$225,000. Estimated project and grant administration costs are \$27,000 which will come from the Water fund budget.





# Oceano Community Services District

Board of Directors Meeting

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## Results

Seeking grant funds to rehabilitate the existing water storage tank helps maintain the quality and integrity of equipment, safety of staff and continued community-wide benefit.

### Attachments:

- SLO County Community Development Grants– Notice of Funding Availability
- Water Tank Inspection Report



September 1, 2020

**MEMORANDUM FOR: ALL POTENTIAL APPLICANTS**

**FROM:** Trevor Keith, Director  
Planning and Building Department

**SUBJECT: SAN LUIS OBISPO COUNTY COMMUNITY DEVELOPMENT GRANTS  
NOTICE OF FUNDING AVAILABILITY**

The Planning and Building Department is pleased to announce the release of this Notice of Funding Availability (NOFA) for approximately \$10.6 million in funds for the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), County General Fund Support (GFS), Title 29 Affordable Housing Fund (T-29), Permanent Local Housing Allocation (PLHA), and Emergency Solution Grant COVID-19 (ESG-CV). The available funding sources are subject to federal, state, and local regulations.

**To streamline the County's grant management process and enhance customer service for the County's non-profit community, the County is continuing to use an online service (ZoomGrants) to receive and review grant applications.**

On Tuesday, September 22, 2020, 10 AM – 11:30 AM, the County/ZoomGrants will hold an applicant training session via webinar. All potential applicants are strongly encouraged to participate per the instruction below.

**ZoomGrants Training Webinar Instructions:**

- Link to Webinar: ([Click here](#)) password: ZoomGrants
- Dial: +1 669 900 9128 Webinar ID: 837 3892 5473 Password: 0882535962

The Department will issue further webinar log-in instructions via email prior to the training.

**All applications are due to the County no later than 5:00 p.m. on October 23, 2020.** Applications are awarded on a competitive basis. ZoomGrants applications are available at ([link to ZoomGrants](#)).

For the list of workshop dates and times see the attached NOFA. The workshops will include discussion about unmet needs for the development of the 2021 Action Plan. If you have any questions, contact Action Plan Coordinator, Matt Leal at (805) 781-5113, [mleal@co.slo.ca.us](mailto:mleal@co.slo.ca.us).

**SAN LUIS OBISPO COUNTY  
COMMUNITY DEVELOPMENT GRANTS  
FOR ACTION PLANS**

**2021**

**Notice of Funding Availability**

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## I. Introduction to NOFA

The County of San Luis Obispo is now accepting applications from interested parties to receive federal, state, and County funding for eligible activities that benefit low-income and homeless individuals. This document describes the estimated funding amounts for the 2021 Program Year. The U.S. Department of Housing and Urban Development (HUD) will announce the County's final allocation in the spring. The local funding sources include the County's General Fund Support (GFS) funds for homeless related services and the County's Title 29 Affordable Housing Fund (T-29) funds which are available for the creation or rehabilitation of affordable housing. The GFS funding for homelessness is contingent on the County budget approval in June.

### ZoomGrants:

**The County is continuing to utilize an online application system called ZoomGrants.** HUD grantees nationwide have used this system to streamline their application submittal, review, and management process. Applicants will create a profile and submit their application materials. Those who applied last year can use their same profile. We understand the application is still new, so there are many resources available, including a [live webinar held on Tuesday, September 22, 2020 from 10 AM to 11:30 AM](#) to explain how to apply and answer any questions you may have. See webinar log-in information on the cover memo of this NOFA. The Department will also issue further webinar log-in instructions via email prior to the training. The [ZoomGrants University](#) webpage is also a source for our applicants, with FAQs and tutorials.

**Any IT/technological questions from our applicants can be directed to: [questions@zoomgrants.com](mailto:questions@zoomgrants.com)**

To help potential applicants navigate to the correct ZoomGrants application program, please review the table below. It highlights the common activities and which application they can be found under.

Table 1: Application Matrix

General Activity List	Housing	Public Services	Public Facilities
	CDBG, HOME, PLHA, T-29	CDBG, HOME, ESG, ESG-CV, PLHA, GFS	CDBG, PLHA
Acquisition	X		
Relocation	X		
Site Improvements	X		
Rehabilitation	X		
New Construction	X		
Homeownership Assistance	X		
TBRA		X	
Rapid Re-Housing assistance		X	
Street Outreach		X	
Homelessness Prevention		X	
Emergency Shelter		X	
Case Management		X	
Warming/Cooling Shelters		X	
Safe Parking		X	
Data Collection (HMIS)		X	
Non-homeless Public Services		X	
Public Facilities			X
Microenterprise Assistance			X

**New in 2021 NOFA:**

**This year, the County will make the first allocation of State Permanent Local Housing Allocation (PLHA) funds to affordable housing and homeless service activities.** On July 14, 2020, the Board of Supervisors approved the County’s application and 5-year Funding Plan for the PLHA Program. The availability of PLHA funding is contingent on the State’s approval of the County’s PLHA application. The Board allocated 50 percent of PLHA funds to the San Luis Obispo County Housing Trust Fund as matching funds for the State’s Housing Trust Fund Program and 5 percent of funds for General Administration. This NOFA is seeking applications for the “Homeownership” (\$87,250) and “Homeless-serving and Prevention” (\$305,376) activities for Year 1 of the County’s 5-year PLHA Plan.

**The 2021 NOFA includes the County’s second round of ESG-CV funding.** On June 16, 2020, the Board of Supervisors allocated the County’s first round of CDBG-CV (\$879,850) and ESG-CV (\$506,730) funding from the CARES Act to prevent, prepare for, and respond to the COVID-19 pandemic. On June 9, 2020, HUD announced the County’s **second round of ESG-CV funding in the amount of \$6,296,591.** Through the 2021 NOFA process, the County is seeking applications from non-profits to implement eligible ESG-CV activities.

## II. Estimated Funding Amounts

### A. Funding Estimates

Below are the estimated totals for CDBG, ESG, HOME, GFS, T-29, PLHA, and ESG-CV for the 2021 Program Year. The estimates are subject to change and will be finalized based on their respective time frames.

Table 2: Funding Estimates

CDBG	ESG	HOME	GFS	T-29	PLHA	ESG-CV
\$1,840,000	\$154,000	\$950,000	\$253,000	\$278,428	\$872,502	\$6,296,591

### B. Activity Limits

The CDBG funds can be used for any eligible activity, but the activities should address the five-year Consolidated Plan goals. Each year, there are set limitations for what can be allocated towards CDBG administration (20%) and public services (15%). These limitations are applied to the entire Urban County and are apportioned to each jurisdiction. Table 2 below indicates the estimated amount per jurisdiction. Administration can only be applied for by the cities and is apportioned based on the current Cooperation Agreement.

Table 3: Urban County CDBG Estimated Allocations

Jurisdiction	Total Estimated Allocation	Public Services max (15%)	Total Admin
Arroyo Grande	\$89,976	\$13,496	\$17,995
Atascadero	\$144,792	\$21,719	\$28,958
Morro Bay	\$59,858	\$8,979	\$11,972
Paso Robles	\$244,146	\$36,622	\$48,829
Pismo Beach	\$36,302	\$5,445	\$7,260
San Luis Obispo	\$513,086	\$76,963	\$102,617
County/unincorporated	\$751,840	\$112,776	\$150,368
<b>Total</b>	<b>\$1,840,000</b>	<b>\$276,000</b>	<b>\$368,000</b>

### III. Program Milestones

Table 4: Input Opportunities

Steps	Date	Description
<a href="#">Online Survey</a>	Opens: 8/20 Closes: 9/20	An opportunity for collecting input on the community needs.
<a href="#">Application Released</a>	Available: 9/1 Due By: 10/23	NOFA – Applications are made in ZoomGrants to the Urban County for projects and programs.
Needs Workshops	Online: 9/16 <a href="#">10AM</a> & <a href="#">5PM</a>	Provide information about available federal funding, eligible types of projects and collect input on community needs.
Needs Hearing	Board of Supervisors: 11/17	Provide information about available federal funding, eligible types of projects and collect input on community needs.
Application Review	November – January	The City Councils and County staff make draft funding recommendations along with the HSOC.
*Draft Funding Workshops	December – January	Prepare and release draft plan including all recommended projects/programs for a 30-day public review period.
Final Plan Hearing	April/May	Finalize and approve the Action Plan containing all projects and programs that will assist in meeting the identified needs in the community.
Action Plan to HUD	5/15/2021	County’s final deadline for submitting Action Plan to HUD.

\*Additional processes may be added to the above timeline to accommodate the reservation letter process. This is dependent on Affordable Housing applicant’s timing in applying for State Tax Credits. Refer to [Community Participation Plan](#) (pgs. 10-11).

### IV. CDBG Program Requirements

#### A. Eligible Activities

- Acquisition of Real Property-** CDBG funds may be used under this category by the grantee, any other public agency, a public nonprofit entity, or a private nonprofit entity to acquire real property for any public purpose. Real property to be acquired may be land, air rights, easements, water rights, rights-of-way, buildings and other real property improvements, or other interests in real property. Reference: §570.207 (a)(1), §570.207(a)(3), §570.201(a).
- Disposition-** CDBG funds may be used to pay costs incidental to disposing of real property acquired with CDBG funds, including its disposition at less than fair market value, provided the property will be used to meet a national objective of the CDBG program. Reference: §570.201(b).
- Public Facilities and Improvements-** CDBG funds may be used by the grantee or other public or private nonprofit entities for the: acquisition (including long term leases for periods of 15 years or more), construction, reconstruction, rehabilitation (including removal of architectural barriers to accessibility), or installation of public improvements or facilities (except for buildings for the general conduct of government). Reference: §570.201(c)
- Clearance-** CDBG funds may be used for the demolition of buildings and improvements, removal of demolition products (rubble) and other debris, physical removal of environmental contaminants or treatment of such contaminants to render them harmless, and the movement of

structures to other sites. Reference: §570.201(d). Note, the demolition of HUD-assisted housing may be undertaken only with the prior approval of HUD.

5. **Public Services-** CDBG funds may be used to provide public services (including labor, supplies, materials and other costs).
6. **Interim Assistance-** CDBG funds may be used for certain activities on an interim basis, provided that the activities meet a national objective. There are two subcategories of interim assistance activities. The first subcategory covers limited improvements to a deteriorating area as a prelude to permanent improvements. The second subcategory covers activities to alleviate an emergency condition. References: §570.201(f)(1), §570.200(e), §570.201(f)(2), and §570.200(e).
7. **Relocation-** CDBG funds may be used for optional relocation payments and assistance to persons (individuals, families, businesses, non-profit organizations, and farms) displaced by an activity that is not subject to the requirements described above. This may include payments and other assistance for temporary relocation (when persons are not permanently displaced.)
8. **Loss of Rental Income-** CDBG funds may be used to pay housing owners for the loss of rental income incurred in holding, for temporary periods, housing units to be used for the relocation of individuals and families displaced by CDBG-assisted activities. The statutory requirements concerning displacement require certain replacement housing to be made available to displaces. Reference: §570.201(j).
9. **Privately-Owned Utilities-** The grantee, other public agencies, private nonprofit entities, and for-profit entities may use CDBG funds to acquire, construct, reconstruct, or install the distribution lines and related facilities for privately-owned utilities. Reference §570.201(1).
10. **Rehabilitation-** CDBG funds may be used to finance the costs of rehabilitation in eligible types of property and under certain eligible types of assistance. Eligible types of property include residential, commercial/industrial, and other nonprofit-owned nonresidential buildings.
11. **Construction of Housing-** Under this category, CDBG funds may be used in certain specified circumstances to finance the construction of new permanent residential structures. Grantees may use CDBG funds in a housing construction project that has received funding through a Housing Development Grant (a HODAG). Reference: §570.201(m).
12. **Code Enforcement-** Code enforcement involves the payment of salaries and overhead costs directly related to the enforcement of state and/or local codes. CDBG funds may be used for code enforcement only in deteriorating or deteriorated areas where such enforcement, together with public or private improvements, rehabilitation, or services to be provided, may be expected to arrest the decline of the area. Reference: §570.202(c).
13. **Special Economic Development Activities-** CDBG funds may be used for commercial or industrial improvements carried out by the grantee or a nonprofit subrecipient, assistance to private for-profit entities for an activity determined by the grantee to be appropriate to carry out an economic development project, and economic development services in connection with the before mentioned subcategories. Reference: §570.203(a), (b) and (c).
14. **Microenterprise Assistance-** Under this category, grantees and other public or private organizations may use CDBG funds to facilitate economic development through the establishment, stabilization and expansion of microenterprises. This category authorizes the use



of CDBG funds to provide financial assistance of virtually any kind to an existing microenterprise or to assist in the establishment of a microenterprise. Reference: §570.201(o).

15. **Special Activities by CBDOs-** This category authorizes a grantee to designate certain types of entities to carry out a range of activities that may include activities the grantee may otherwise not carry out itself. While the “otherwise ineligible” activities covered by this authority may take many forms, the most frequent use of this provision in the CDBG program has been to carry out new construction of housing.
16. **Homeownership Assistance-** The specific purposes for which financial assistance using CDBG funds may be provided under this category are to subsidize interest rates and mortgage principal amounts, finance the cost of acquiring property already occupied by the household at terms needed to make the purchase affordable, pay all or part of the premium (on behalf of the purchaser) for mortgage insurance required up-front by a private mortgagee, pay any or all of the reasonable closing costs associated with the home purchase on behalf of the purchaser, and pay up to 50% of the down payment required by the mortgagee for the purchase on behalf of the purchaser.
17. **Planning and Capacity Building-** CDBG funds may be used for studies, analysis, data gathering, preparation of plans, and identification that will implement plans. Such funds may also be used under this category for activities designed to improve the grantee’s capacity (or that of its subrecipients) to plan and manage programs and activities for the grantee’s CDBG program.
18. **Program Administration Costs-** CDBG funds may be used to pay reasonable program administration costs and carrying charges related to the planning and execution of community development activities assisted in whole or in part with funds provided under the CDBG or the HOME or Urban Development Action Grants (UDAG) programs. Program administration costs include staff and related costs required for overall program management, coordination, monitoring, reporting, and evaluation, as described at §570.206(a)(1).

## B. Terms of Assistance

Based on the activity type funded, there are applicable elements that must be adhered to receive funding. Some of the elements may include but are not limited to:

- Long-term Affordability period with reporting
- Beneficiary Documentation submitted and maintained
- Project files maintained for County identified time frame
- Compliance with all monitoring requests
- Submit requested file documentation
- Deliver project on schedule

## C. Requirements

- The subrecipient must agree to perform during the terms of the agreement.
- The subrecipient submits all necessary documents to allow the County to effectively monitor performance.
- The Subrecipient certifies that the activities carried out under the Agreement will meet the CDBG program national objective of primarily benefitting low- and moderate-income persons.
- The subrecipient must not obligate any funds, incur any costs, or initiate any projects until all environmental review has been completed and certified by the Department of Planning and Building.

- Agreements commence at the beginning of the Program Year and terminate March 31 of the following year.
- The subrecipient shall not perform any work under this Agreement until the County gives the Subrecipient a written approval (which shall serve as an Authorization to obligate funds and incur costs).
- Timely completion of the project is the highest priority of the agreement.

#### D. Rating Criteria

Applicants will be rated based on the following criteria:

- Does this activity meet the priorities of the Consolidated Plan?
- Environmental Clearance (title 24 Part 58)
- Community support (for example, approval of project by a City Council)
- Seriousness of community development need proposed to be addressed by project. Applicant must clearly describe how much the proposed project will benefit the community.
- Degree to which the project benefits low-income and very low-income families or persons.
- Does the project include a clear timetable?
- Cost effectiveness of funds requested and leveraging of other funds.
- Has the applicant applied and received the necessary permits?
- Organization's experience or knowledge of regarding CDBG requirements and grant administration.
- Program/Project Management Capacity
- Application completeness and readiness

## V. ESG Program Requirements

### A. Eligible Activities

Providers must only serve individuals and families that have an annual income of less than or equal to 30% of the annual area median income (AMI).

1. **Homeless Management Information Systems (HMIS)**- ESG funds may be used for HMIS activities associated with contributing data derived from ESG funded programs. HMIS activities must comply with HUD's standards on participation, data collection, and reporting, as well as state defined regulations.
2. **Rapid Re-Housing assistance**- ESG funds may be used to provide housing relocation and stabilization services and short or medium-term rental assistance as necessary to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability in that housing.
3. **Emergency Shelter**- ESG funds may be used to cover the cost of providing essential services and shelter operations, as defined in federal regulations, to homeless individuals and families in an ES. An ES is any facility where the primary purpose is to provide a temporary shelter for general or specific populations experiencing homelessness and that does not require occupants to sign leases or occupancy agreements.
4. **Street Outreach**- ESG funds may be used for street outreach activities that include the costs of providing essential services necessary to reach out to unsheltered homeless people, connect these individuals with ES, housing or critical services, or provide urgent, non-facility-based care to unsheltered homeless people who are unwilling or unable to access ES, housing, or an appropriate

health facility. Eligible activities include engagement, case management, emergency health and mental health services, transportation, and services for special populations, as defined in the federal regulations. ESG-funded street outreach activities must operate for at least as long as the term of the ESG grant.

5. **Homelessness Prevention-** HP activities are not eligible as a stand-alone activity, but may be proposed in conjunction with ES (for example, to facilitate shelter diversion) or with RR activities (for example, to facilitate preventing homelessness of a previously assisted individual or family experiencing instability after RR assistance has ended). ESG funds can provide housing relocation and stabilization services and short or medium term rental assistance to individuals or families “at risk of homelessness,” as defined in 24 CFR 576.2, but only to the extent of helping the individuals or families regain housing stability.

## B. Terms of Assistance

Based on the activity type funded, there are applicable elements that must be adhered to receive funding. Some of the elements may include but are not limited to:

- Beneficiary Documentation submitted and maintained
- Project files maintained for County identified time frame
- Compliance with all monitoring requests
- Submit requested file documentation
- Deliver project on schedule

## C. Requirements

- During the Agreement, the Subrecipient must maintain a list of all persons benefitting from the program and collect all other required HMIS data elements.
- The Subrecipient shall maintain appropriate documentation of client consent to participate in the HMIS database for a period of seven years.
- The Subrecipient must authorize the County to review their records for purposes of verifying the validity of the information reported to the County.
- Subrecipient may share Data with other County affiliated agencies provided such sharing of Data is in accordance with the County standards and policies, the San Luis Obispo HMIS Policies and Procedures Manual, and the subrecipient agreement.
- The Agreement Term begins on January 1<sup>st</sup> and ends on June 30<sup>th</sup> of the next year (1 ½ years).
- Subrecipient acknowledges and agrees that a contract is subject to the obligations and limitations imposed on the County by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it.

## D. Rating Criteria

Applicants will be rated based on the following criteria:

- Does this activity meet the priorities of the Consolidated Plan?
- Environmental Clearance (title 24 Part 58)
- Community support (for example, approval of project by a City Council)
- Seriousness of community development need proposed to be addressed by project. Applicant must clearly describe how much the proposed project will benefit the community.
- Degree to which the project benefits low-income and very low-income families or persons.
- Does the project include a clear timetable?
- Cost effectiveness of funds requested and leveraging of other funds.

- Has the applicant applied and received the necessary permits?
- Organization's experience or knowledge of regarding ESG requirements and grant administration.
- Program/Project Management Capacity
- Application completeness and readiness

## VI. HOME Program Requirements

The County of San Luis Obispo is implementing program changes for the Tenant-Based Rental Assistance (TBRA) Program. Section A-13 below provides the updated description for what the County defines as the eligible uses for TBRA.

### A. Eligible Activities

1. **New Construction-** HOME funds may be used for the new construction of both ownership and rental housing. New constructions are any projects that include the addition of dwelling units outside the existing walls of a structure.
2. **Rehabilitation-** This includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with HOME funds. Rehabilitation may include adding rooms outside the existing walls of a structure but adding a housing unit is considered new construction.
3. **Reconstruction-** HOME funds may be used to rebuild a structure on the same lot where housing is standing at the time of project commitment. Funds can be used to build a new foundation or repair an already existing one. Reconstruction also includes replacing a substandard manufactured house with a new manufactured house. During reconstruction, the number of rooms per unit may change, but the number of units may not.
4. **Conversion-** Usually classified as rehabilitation, conversion is the changing of an existing structure from another use into affordable residential housing. If conversion involves additional units beyond the walls of an existing structure, the entire project is considered a new construction. The conversion of a structure to commercial use is not eligible under HOME.
5. **Site Improvements-** Site improvements must be in keeping with improvements to surrounding standard projects. They include new, on-site improvements where none are present or the repair of existing infrastructure when it is essential to the development. Building new, off-site utility connections to an adjacent street is also eligible. Otherwise, off-site infrastructure is not eligible as a HOME expense, but may be eligible for match credit.
6. **Acquisition of Property-** Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible as part of either a homebuyer program or a rental housing project. After acquisition, rental units must meet HOME rental occupancy, affordability, and lease requirements.
7. **Acquisition of Vacant Land-** HOME funds may be used for the acquisition of vacant land, only if the construction of a HOME project will begin within 12 months of purchase. Land banking is prohibited.
8. **Demolition-** Demolition of an existing structure may be funded through HOME only if construction will begin on the HOME project within 12 months.

9. **Relocation Costs-** The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (known as the “Uniform Relocation Act” or “URA”) and Section 104(d) of the Housing and Community Development Act of 1974, as amended (known as “Section 104(d)”) apply to HOME-assisted properties. Both permanent and temporary relocation assistance are eligible costs, for all those relocated, regardless of income. Staff and overhead costs associated with relocation assistance are also eligible. Note that homeownership undertaken with FY04 –FY07 American Dream Downpayment Initiative (ADDI) funds is not subject to the URA.
10. **Refinancing-** HOME funds may be used to refinance existing debt on single family, owner-occupied properties in connection with HOME-funded rehabilitation. The refinancing must be necessary to reduce the owner’s overall housing costs and make the housing more affordable. Refinancing for the purpose of taking out equity is not permitted. HOME may be used to refinance existing debt on multifamily projects being rehabilitated with HOME funds, if refinancing is necessary to permit or continue long-term affordability, and is consistent with PJ-established refinancing guidelines, as outlined in the PJ’s consolidated plan. (A PJ is any state, local government, or consortium that has been designated by HUD to administer a HOME program.)
11. **Capitalization of Project Reserves-** HOME funds may be used to fund an operating deficit reserve for rental new construction and rehabilitation projects for the initial rent-up period. The reserve may be used to pay for project operating expenses, scheduled payments to a replacement reserve, and debt service for a period of up to 18 months.
12. **Project-Related Soft Costs-** Must be reasonable and necessary. Examples of eligible project soft costs include: finance-related costs; architectural, engineering, and related professional services; tenant and homebuyer counseling, provided the recipient of counseling ultimately becomes the tenant or owner of a HOME-assisted unit; project audit costs; affirmative marketing and fair housing services to prospective tenants or owners of an assisted project; and PJ staff costs directly related to projects (not including TBRA).
13. **TBRA-** The TBRA program shall only help individual households (rather than subsidizing particular rental projects). TBRA assistance moves with the tenant -- if the household no longer wishes to rent a particular unit, the household may take its TBRA and move to another rental property. The level of TBRA subsidy varies -- the level of subsidy is based upon the income of the household, the particular unit the household selects, and the County’s rent standard (rather than being tied to the County’s high and low HOME rents). Eligible activities include but are not limited to, rental/deposit assistance, eviction prevention, and utility deposits.

## B. Terms of Assistance

Based on the activity type funded, there are applicable elements that must be adhered to receive funding. Some of the elements may include but are not limited to:

- Long-term Affordability period with reporting
- Beneficiary Documentation submitted and maintained
- Project files maintained for County identified time frame
- Compliance with all monitoring requests
- Submit requested file documentation
- Deliver project on schedule

### C. Requirements

- The County will inform the subrecipient of the rent limits for the Program Year.
- The County will provide the annual utility allowance bulletin to the subrecipient.
- The County will inform the subrecipient about the property standards that must be followed, including the inspection checklist for HOME assisted rental units and local building codes.
- The lease period for HOME assisted rental units must be a minimum of 12 months,
- The subrecipient must keep requested documents on-site for review by the County.
- The subrecipient must provide several forms to the County. These include the annual Rent and Occupancy form, the annual Financial Report, affirmative marketing documentation, previous monitoring documents, and any new findings or concerns.
- HOME assisted rental units are subject to inspection by the County, arranged with prior notice.

### D. Rating Criteria

Applicants will be rated based on the following criteria:

- Does this activity meet the priorities of the Consolidated Plan?
- Environmental Clearance (title 24 Part 58)
- Community support (for example, approval of project by a City Council)
- Seriousness of community development need proposed to be addressed by project. Applicant must clearly describe how much the proposed project will benefit the community.
- Degree to which the project benefits low-income and very low-income families or persons.
- Does the project include a clear timetable?
- Cost effectiveness of funds requested and leveraging of other funds.
- Has the applicant applied and received the necessary permits?
- Organization's experience or knowledge of regarding HOME requirements and grant administration.
- Program/Project Management Capacity
- Application completeness and readiness
- The number of HOME assisted units

## VI. General Fund Support Program

### A. Eligible Activities

These funds are set-aside for emergency/homeless shelter programs only. Emergency shelter facilities include those whose primary purpose is to provide temporary overnight and day shelter and services for homeless persons. Such services include case management, childcare, education services, employment assistance, outpatient health services, legal services, life skills training, mental health services, and substance abuse treatment. This NOFA assumes that \$253,000 of County General Fund Support will be allocated for emergency shelter services and \$35,000 set aside for warming shelters for the 2020/2021 fiscal year, per the 2020 Board of Supervisors Budget Hearing Recommendation.

### B. Terms of Assistance

The actual amount (if any) is dependent on approval of the budget in June 2021 by the Board of Supervisors. The funds must be used on eligible activities and expensed during the fiscal year of the award.

### C. Rating Criteria

Programs will be reviewed and prioritized based on local need, funding sources/ability to leverage funds, program cost compared to number of people served, and collaboration with other agencies and programs. The Homeless Services Oversight Council (HSOC) will make a funding recommendation to the County at one of its meetings, and the Board of Supervisors will subsequently make a final recommendation for allocation of funding.

## VII. Title 29 Affordable Housing Fund

For the 2021, 2022, and 2023 program years, the County Board of Supervisors, at their July 14, 2020 meeting, directed \$100,000 of Title 29 from each year to the San Luis Obispo Housing Trust Fund as matching funds for the State Housing Trust Fund Program. This assignment of funding was approved as part of the PLHA 5-year Plan and has been reflected in table 4 below.

### A. Eligible Activities

Title 29 funds may be spent only for construction of affordable housing (new construction or repair/rehabilitation).

### B. Terms of Assistance

Title 29 requires an affordability period of 45 years for ownership units and 55 years for rental units. If the property is transferred during the affordability period to a new owner, it resets the original term. The households served must be income eligible based on the County's [Affordable Housing Standards](#) (160% of AMI or below). Compliance with the applicable county standards and policies for affordable housing including, but not limited to, Title 22, Section 22.12.070 — Housing affordability standards and Title 23, Section 23.04.094 — Housing affordability standards, and periodic reporting to assist the County in the monitoring of compliance with the agreement.

### C. Requirements

The County must spend the Title 29 funds within one to two years after collecting them. Therefore, projects that are closest to being "shovel ready" are more likely to receive a portion of the funds.

Table 4, below, shows the amount of Title 29 funds (i.e. in-lieu fees) that are available for this 2021 NOFA. Every year the Title 29 funds are allocated to affordable housing projects in the areas where the in-lieu fees were collected. Figure 1 on the next page shows the four designated areas of the County (four [Housing Market Areas](#)).

Table 4: Available funding per Housing Market Area

North County	South County	Central County	North Coast	Total
\$147,593	\$9,701	\$105,937	\$15,196	<b>\$278,428</b>

D. Housing Market Areas

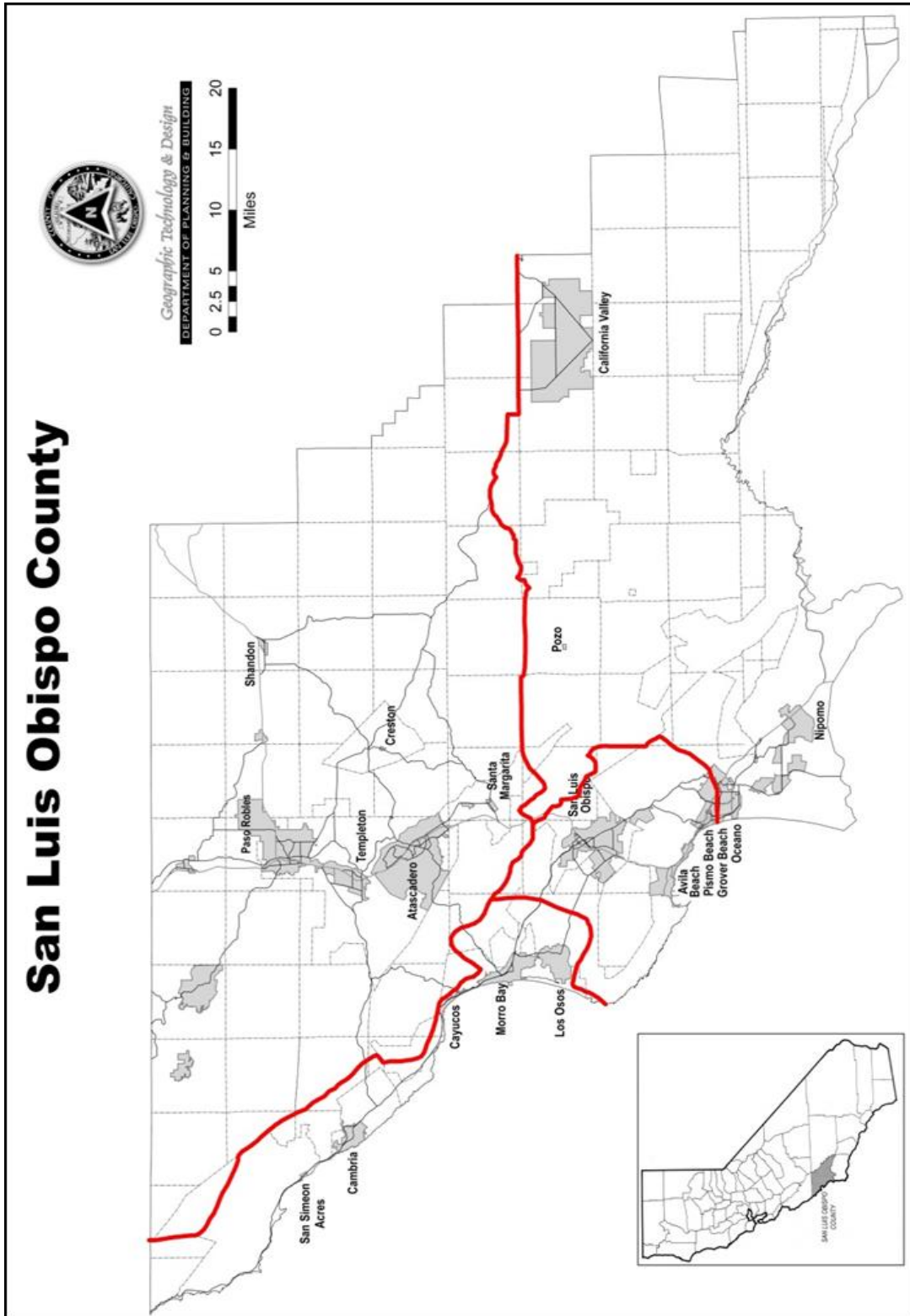


Figure 1: Housing Market Areas



## VIII. Permanent Local Housing Allocation

### A. Eligible Activities

These funds may be used for a range of activities to address unmet housing needs in the county. The County, through the 5-year Plan and Application and direction from the Board of Supervisors, has defined how these funds are allocated by activity. The eligible activities include homeownership, homeless-serving and prevention, and administration. The State’s [PLHA Guidelines](#) further define what is eligible for each activity.

### B. Process to Allocate Funds

This NOFA is seeking applications for the “Homeownership” (\$87,250) and “Homeless-serving and Prevention” (\$305,376) activities for Year 1 of the County’s 5-year PLHA Plan, which was adopted by the Board of Supervisors on July 14, 2020 (Table 5). The PLHA 5-year Plan sets forth the types of activities and the percentage of funds dedicated to each activity. At their July 14, 2020 meeting, the Board of Supervisors directed staff to prioritize applications requesting PLHA funds for rental assistance, eviction prevention, and rapid re-housing activities.

Table 5: Planned Activities and Percent Allocations

Activities	Yr. 1	Yr. 1 Est. Allocation	Yr. 2	Yr. 3	Yr. 4	Yr. 5
<b>Homeownership</b>	<b>10%</b>	<b>\$87,250</b>	10%	10%	10%	10%
Housing Trust Fund	50%	\$436,251	50%	50%	50%	50%
<b>Homeless-serving and Prevention</b>	<b>35%</b>	<b>\$305,376</b>	35%	35%	35%	35%
General Administration	5%	\$43,625	5%	5%	5%	5%
<b>Totals</b>	<b>100%</b>	<b>\$872,502</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### C. Terms of Assistance

Based on the activity type funded, there are applicable elements that must be adhered to receive funding. Some of the elements may include but are not limited to:

- Long-term Affordability period with reporting
- Beneficiary Documentation submitted and maintained
- Project files maintained for County identified time frame
- Compliance with all monitoring requests
- Submit requested file documentation
- Deliver project on schedule

### D. Requirements

- The subrecipient must agree to perform during the terms of the agreement.
- The subrecipient submits all necessary documents to allow the County to effectively monitor performance.

- The Subrecipient certifies that the activities carried out under the Agreement will meet the objective of benefitting low- and moderate-income persons and those at-risk or experiencing homelessness.
- Agreements commence at the beginning of the Program Year and terminate based on terms in the agreement.
- The subrecipient shall not perform any work under this Agreement until the County gives the Subrecipient a written approval (which shall serve as an Authorization to obligate funds and incur costs).
- Timely completion of the project is the highest priority of the agreement.

#### E. Rating Criteria

Applicants will be rated based on the following criteria:

- Does this activity meet the priorities of the five-year plan?
- Community support (for example, approval of project by a City Council).
- Seriousness of community development need proposed to be addressed by project. Applicant must clearly describe how much the proposed project will benefit the community.
- Degree to which the project benefits low-income and very low-income families or persons.
- Does the project include a clear timetable?
- Cost effectiveness of funds requested and leveraging of other funds.
- Has the applicant applied and received the necessary permits?
- Organization's experience or knowledge regarding the State Department of Housing and Community Development requirements and grant administration practices.
- Program/Project Management Capacity.
- Additional points will be awarded to applicants seeking PLHA funding for eviction prevention for Homeless serving and Prevention who are experiencing or at risk of homelessness for households at or below 50% AMI.
- Application completeness and readiness.

### IX. ESG-CV Program Requirements

This is the second round of ESG-CV funding. The ESG-CV funds must be used to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19) among individuals and families who are homeless, receiving homeless assistance or at risk of being homeless. The funds will support homeless assistance and homelessness prevention activities to mitigate COVID-19 related impacts to households that earn less than or equal to 50% AMI. The eligible activities are listed below but for more detail on each activity please reference section V(A) of this NOFA.

Eligible activities are:

- Homeless Management Information System (HMIS) (24 CFR 576.100)
- Rapid Rehousing
- Emergency Shelter
- Street Outreach
- Homeless Prevention

There are a lot of similarities between the ESG program and the ESG-CV program regarding the terms of assistance, requirement, and rating criteria (see Sections V(B)(C)(D) of this NOFA). The key differences which HUD has waived or altered for the ESG-CV program are:

- **Emergency Shelter and Street Outreach Spending Caps.** The funds are not subject to the normal ESG spending cap on emergency shelter and outreach activities under 24 CFR 576.100(b)(1)
- **Homeless Prevention Assistance Income Limitation.** The funds may be used to provide homelessness prevention assistance (as authorized under 24 CFR 576.103 or subsequent HUD notices) to any individual or family who does not have income higher than HUD's Very Low-Income Limit for the area and meets the criteria in paragraphs (1)(ii) and (1)(iii) of the "at risk of homelessness" definition in 24 CFR 576.3.
- **Match Requirements**  
There are no matching requirements for the ESG-CV funds.
- **Expenditure Timeline**  
The funds may be used to cover or reimburse allowable costs incurred beginning March 1, 2020 to prevent, prepare for, and respond to COVID-19.

**NOTE:** Eligible activities under ESG-CV are subject to changes. County staff will update interested parties and provide guidance once provided by HUD. No indirect costs are allowed on this 2<sup>nd</sup> tranche of ESG-CV funding.

**INSPECTION REPORT FOR THE  
OCEANO COMMUNITY SERVICES DISTRICT'S  
297,000 GALLON WATER STORAGE TANK  
JULY 22<sup>ND</sup>, 2020**



**Advantage Technical Services, Inc.  
www.ats-slo.com | License #96111**

**INSPECTION REPORT FOR  
OCEANO COMMUNITY SERVICE DISTRICT'S  
297,000 GALLON WATER TANK**

**JULY 22<sup>ND</sup>, 2020**

**REVISION DATE: N/A**

Pursuant to the American Water Works Association's Manual of Water Supply Practices, Steel Water-Storage Tanks, M42 and California Business and Professions Code section 6735, the engineering report contained herein has been prepared by or under the direction of the following Registered Engineer:

**ADVANTAGE TECHNICAL SERVICES, INC.  
6661 FERN CANYON LANE  
SAN LUIS OBISPO, CA 93401  
805-595-2282**

**UNDER THE SUPERVISION OF:  
WILLIAM D. BELLIS**

*William D. Bellis*

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Registered Civil Engineer, CA C55334



## **EXECUTIVE SUMMARY**

Advantage Technical Services, Inc. (ATS) inspected the Oceano Community Services District's 297,000-gallon Storage tank on July 22<sup>nd</sup>, 2020. The tank interior was inspected above and below the water line using sanitary diving procedures. The following is a summary of what appear to be the most significant elements:

1. The roof is severely corroded. ATS provided temporary repair to seal 10 existing holes and prevent an unsanitary condition.
2. The roof at the base of the guardrails is severely corroded and the guardrails will not provide worker protection. This is a hazardous condition. Access should only be allowed with an engineered system and hazard mitigation plan.
3. Serious corrosion and metal loss are present on some of the roof support rafters. It is unlikely that the roof structure meets minimum safe design standards.
4. Serious corrosion has damaged the roof vent hood attachment brackets. The vent hood is not fastened as designed and could blow off of the roof in high winds.
5. The steel plate in the tank shell and bottom provide the containment portion of the tank and these are in good condition so rehabilitation is still a reasonable option.

## **SCOPE, OBJECTIVE, AND LIMITATIONS**

An inspection was completed on the interior and exterior of the steel potable water storage reservoir. Principle Inspector/Engineer, Will Bellis, P.E. and ATS associates provided the tank inspection.

ATS personnel completed a preliminary inspection for safe access with particular attention to work from the elevated location and the confined space. It was determined that the existing roof fall protection does not meet OSHA regulatory requirements. Our on-site Engineer determined the acceptability of temporary fall protection anchor points, temporary tie-backs and confirmed the applicability of our standard procedures for mitigating the risks. The temporary protection equipment is part of ATS tooling and is not appropriate for permanent installation so it was removed upon completion of this work.

ATS divers have experience and certifications that meet or exceed the requirements of the American Water Works Association Manual of Water Supply Practices, Steel Water-Storage Tanks, M42, AWWA C652 Standard for Disinfection of Water Storage Facilities and OSHA regulations for technical or commercial diving. Additionally, our team's certifications or licenses include a Registered Professional Engineer, API 653 Tank Inspector, AWS Certified Welding Inspector, National Association of Corrosion Engineers Level III Coating Inspector, and American Society of Nondestructive Testing Level III Engineer. With these applicable credentials and combined experience of over five hundred tank dive inspections our team leads the industry.

The diver's air supply is supplied by air hoses from the surface using either a dive compressor or bottled air. The diver's air supply system offers triple redundancy; including a self-contained system maintained in the diver's possession and control. A full-time

communication system supports documentation of findings and operational or emergency communications.

All disinfection procedures are in accordance with the American Water Works Association Standard for Disinfection of Water-Storage Facilities (ANSI/AWWA C652-11).

The photographs provided within this report display representative views and subsequent analysis. Digital video, also included, provides additional documentation of the conditions.

The observations made during the inspection, and included in this report, provide a reasonable evaluation of the tank conditions at the time of the inspection. Considerations of safe access and reasonable care were observed in making and reporting the observations. Latent defects or conditions found during subsequent cleaning, inspections, or other work at the tank must be brought to the Engineer's or Owner's attention.

## **OBSERVATIONS**

### **General Tank Data**

Type: Ground supported welded steel reservoir

Media Stored: Potable water

Diameter: Approximately 31.75ft. (40ft. from name plate, not measured)

Height: 40 ft. (from name plate, not measured)

Water level during inspection: Approximately 39 ft.

Design liquid level: 32 ft. (shown on name plate, may be lower to match vol. on plate)

### **Foundation**

The concrete ring foundation is in good condition overall. Minor cracks are present but these appear to be normal and adequately tight to prevent associated damage or significant rebar corrosion. No significant settlement was noted. No spalling or visible deterioration of the concrete was noted.

### **Exterior Shell**

The exterior shell coating is in fair condition. Scattered general corrosion is present and some minor metal loss was noted in one area.

Serious corrosion is present on the chime which is the bottom extension at the base of the shell. The corrosion on the chime appears to have started from the inaccessible area on the underside of the bottom and progressed from there. If this corrosion continues to the shell weld, a new bottom may be required.

Coatings appear to be losing the ability to protect the steel from corrosion. Significant chalking was noted. Chalking is the formation of friable, or easily removed powder, on the surface of the coating. The "powder" is evolved from the coating itself. The level of

chalking helps define the amount of degradation and its presence affects the adhesion of top-coats. The ASTM D 4214 Standard Test Method for Evaluating the Degree of Chalking of Exterior Paint Films was used.

Dry film thickness was measured on the shell at mid height and found to average about 8 mils. It appears that the only coating on this tank is from original construction.

## **Exterior Roof**

The exterior roof coating is in poor condition and has not been protecting the steel for an extended time. Serious corrosion is present in approximately 50 localized areas. 10 holes, caused by rusting, were sealed using fiber reinforced NSF approved epoxy resin in order to provide a temporary repair and help prevent rain water intrusion.

Corrosion at the base of the guardrails has severely damaged the structure and the guardrails will not provide the intended safety barrier. This is a hazardous condition.

Dry film thickness was measured on the roof and found to average about 5 mils. It appears that the only coating on this tank is from original construction.

## **Interior Bottom**

The bottom plate is in good condition with no significant pitting or other forms of metal loss. The coatings are in fair condition overall. The cathodic protection is protecting some scattered areas of coating failure. Many scattered areas of blistering are present. Blisters are densely patterned and are less than ½ in. diameter.

Dark brown sediment material was present over approximately 50% of the bottom area.

## **Interior Shell**

Interior shell plate is in fair condition. The epoxy coatings are in good condition overall. Some scattered blisters are present on the shell. The blisters were un-broken and no associated corrosion was present. The blisters were left intact by the diver inspector.

## **Interior Roof Plate**

The interior roof plate is in poor condition with significant metal loss that has penetrated from the exterior. Corrosion from the interior side is isolated to only a few areas with mostly general corrosion. Corrosion and staining are present at the un-seal welded lap joint.

## **Roof Structure**

The roof is supported by a round tubular center column with wide flange rafters. The base plate is welded to the bottom. Minor bowing is visible in the rafters. This may be caused by settlement at the center portion of the tank that is greater than at the shell.



The structural steel is in poor condition. Serious corrosion and metal loss are present on some rafter flanges. It is unlikely that the roof structure meets minimum safe design standards specified by the Building Code.

## **Cathodic Protection System**

The elements of the sacrificial anode cathodic protection system appeared to be intact and operating normally. The reference cell appeared to be in normal operating condition. The edges of the hand-holes have significant corrosion.

## **Appurtenances**

Level Gauge: The main cable was broken but was repaired by ATS. The float is located close to the inlet that enters the tank through the roof. The vibration cause by tank filling creates excessive movement at the level gauge float. This movement is causing excessive wear of the cable, cable attachment points and cable guides.

Exterior Ladder and Cage: These areas are in poor condition overall. Serious corrosion is present in scattered areas including ladder support legs. Metal loss is approximately 50% of the original thickness of the ladder stringer in one location.

Roof Fall Protection: No roof fall protection is present.

Roof Guardrail: The partial guardrail at the roof hatch is in poor/hazardous condition due to serious corrosion.

No guardrail is provided for other areas of the roof edge. The ladder opening is not protected by a swinging gate.

Roof Hatch: One lockable square roof hatch is located at the top of the interior ladder. The hatch is in fair condition. The appropriate curb or neck and downward overlap of the cover are present. Some minor areas of general corrosion are present.

Internal Ladder: The internal ladder is in fair condition.

Overflow: The visible exterior of the overflow steel appears to be in good condition with no significant corrosion. The internal areas of the overflow weir have some localized corrosion. The pipe appears to be free from obstructions.

Outlet: The outlet penetration in the tank shell appeared to be in normal condition.

Inlet: The inlet and riser pipe were in good overall condition with staining and minor corrosion.

Drain: The drain appears to be in fair condition with some minor corrosion.

Roof Vent: The roof vent screen appears to be bug proof. The hood attachment brackets are corroded to the point of losing all integrity. Significant corrosion is present on the hardware and band clamps.

Manways: Two mono-bolt manways are present. The manways were in good condition overall on the interior. Minor corrosion was present but no significant metal loss was noted.

## **ENVIRONMENT AND OPERATING CONDITIONS**

This tank is located in a water facility buildings and equipment.

The tank site conditions are typical for California coastal areas with regular fog, dew and salts which significantly increase corrosion rates on exterior surfaces and interior vapor space.

## **RECOMMENDATIONS**

The following recommendations are based on our experience as engineers and inspectors with regard to the best industry practices used by both public and private tank owners. The intent is to provide information that will likely help lower risks, optimize water quality and increase long term value for the tank owner(s). Our scope of work does not include a safety audit or evaluation but we are making recommendations where we have noted potential issues. The owner's insurance provider or safety consultant should be consulted for a review of the safety features of this facility where desired.

1. The tank appears to have only the 30-year-old original coating. The coatings on portions of this tank have not been preventing corrosion for years. Serious damage has resulted. Recoat the interior and exterior as soon as possible to prevent additional damage and repair cost.
2. Rehabilitate the roof. Consider options including: 1) Welded patch plates to repair areas on roof and replacement of selected rafters and 2) Replacing the entire roof.
6. Do not allow personnel to access the roof without engineered anchorage and fall protection. For this inspection, ATS provided engineering evaluation only for temporary anchorage and temporary tie-back to protect personnel for work on the tank roof.
7. The roof at the base of the guardrails is severely corroded and the guardrails will not provide protection. Install base plates where serious corrosion has reduced guardrail structural attachment to the roof.
3. Movement from the inlet is wearing out the components of the level gauge. Install a stilling well for the level gauge float or use some other design solution to keep the

- adjacent inlet from causing excessive movement or consider a change to a pressure sensing system. Replace worn level gauge components during rehabilitation.
4. Repair vent hood brackets as soon as possible. Serious corrosion has damaged the roof vent hood attachment brackets. The vent hood is not fastened as designed. Loose vent hoods have been known to blow off of roofs in high winds.
  5. Check the shell height, volume and design liquid level shown on the tank name plate. The plate shows the design liquid level of 32'. It appears that the shell is 31.75 ft. Also, the nominal capacity does not calculate correctly for the dimensions shown. If this is determined to be an error on the name plate, it should be corrected.
  6. Control corrosion at the tank chime (bottom extension at the shell) to help prevent the need for a bottom replacement.
  7. Continue to provide regular inspections. AWWA D100-11 Standard for Welded Steel Tanks Specifies inspection and corrective maintenance every three years. AWWA Manual of Water Supply Practices, M42, for Steel Water Storage Tanks (2013) states "the tank should be inspected at least once every 3 to 5 years or as required by state regulatory agencies". M42 additionally states that "The results of the tank evaluation or pre-bid inspection should be certified by a professional engineer."



Overall view of the tank.



Tank nameplate. The stated shell height of 40 ft. appears to be incorrect. The design liquid level of 32 ft. gives a volume of 0.3 MG so there may be an error there too.



This view shows a typical mechanical anchor along with lower shell. Significant corrosion is present.



This close view of the exterior lower shell and bottom chime shows serious corrosion found on the outer edge of the chime. Continued corrosion here will eventually create a condition where bottom replacement is necessary.



The upper shell and roof joint are shown in this photo. The coatings are in fair condition with significant aging of the coating and scattered corrosion.



This is a typical view of the lower exterior shell. Scattered corrosion points are starting where aging coatings are losing the ability to protect the steel.



The roof vent consists of a fiberglass cover over a steel riser pipe.



This is a view of the underside of the vent hood. The screen appears to be intact and bug proof. Serious corrosion has damaged the roof vent hood attachment that keeps the hood from blowing off during high winds.



The exterior roof is the area with the worst corrosion on the tank. Approximately 50 locations have serious metal loss. ATS repaired the 10 worst locations that had holes where the 3/16inch thick roof has rusted through.



This is an addition view of a typical corroded area on the tank roof.





This is one of 10 holes in the roof where ATS provided temporary repairs to immediately seal the roof and meet regulatory requirements.



This view shows 2 locations after temporary repair of the holes using fiber reinforced epoxy. The epoxy is NSF 61 certified for use and contact with potable water.



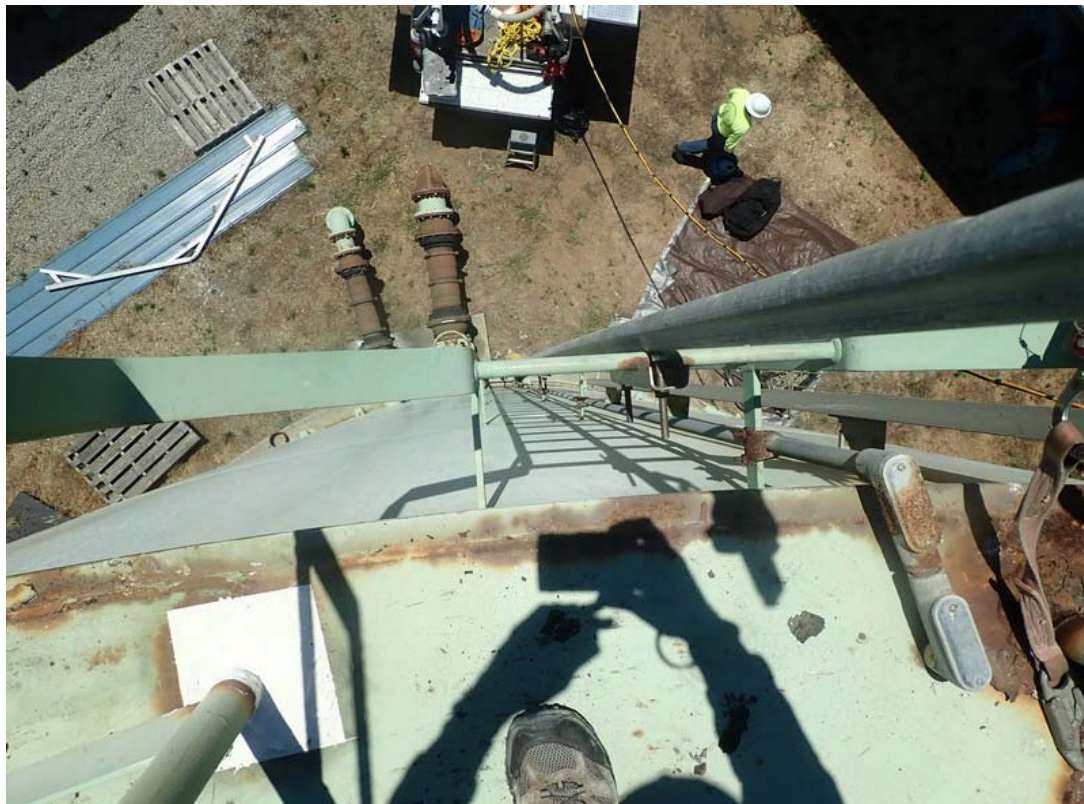
This photo shows one of several areas of serious corrosion on the exterior ladder.



This is a close view of the ladder area shown above. Approximately 50% of the ladder stringer metal thickness is lost to corrosion.



This photo shows serious corrosion and a hole at the base of a guardrail post. This guardrail was designed to help provide safe access to the roof but clearly it is severely weakened.



This view shows the guardrail post after repair by ATS. The repair only provides a temporary non-structural seal for public health purposes. The patch does not make the guardrail or roof safe for access by personnel without special techniques.



Exterior view of the manway.



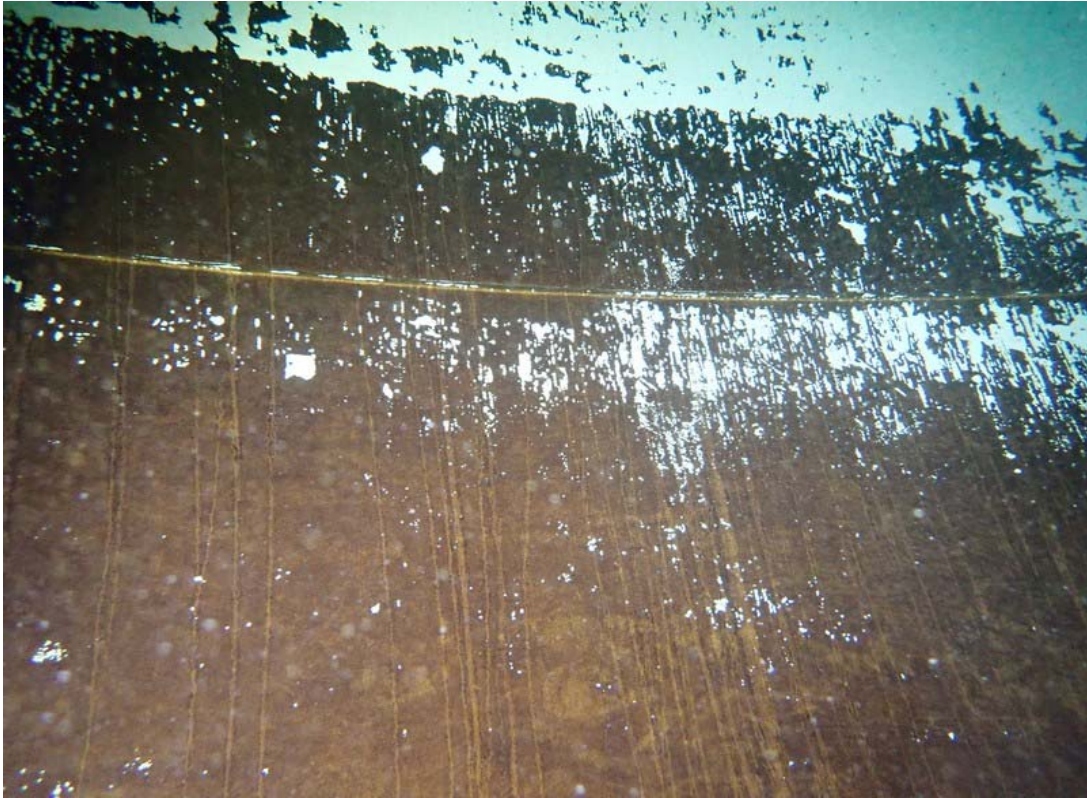
This view shows exterior piping with some corrosion with what appears to be insignificant metal loss. Flexible couplings are in place for seismic movement.



This photo shows a corrosion spot at the interior side of the shell to roof joint. ATS installed a temporary repair to seal this hole. This was the largest hole in the roof but many other locations of serious corrosion are present.



This view is representative of the conditions found on the interior shell, roof plate and rafter.



Upper interior shell. Water staining is visible but only minor corrosion is present.



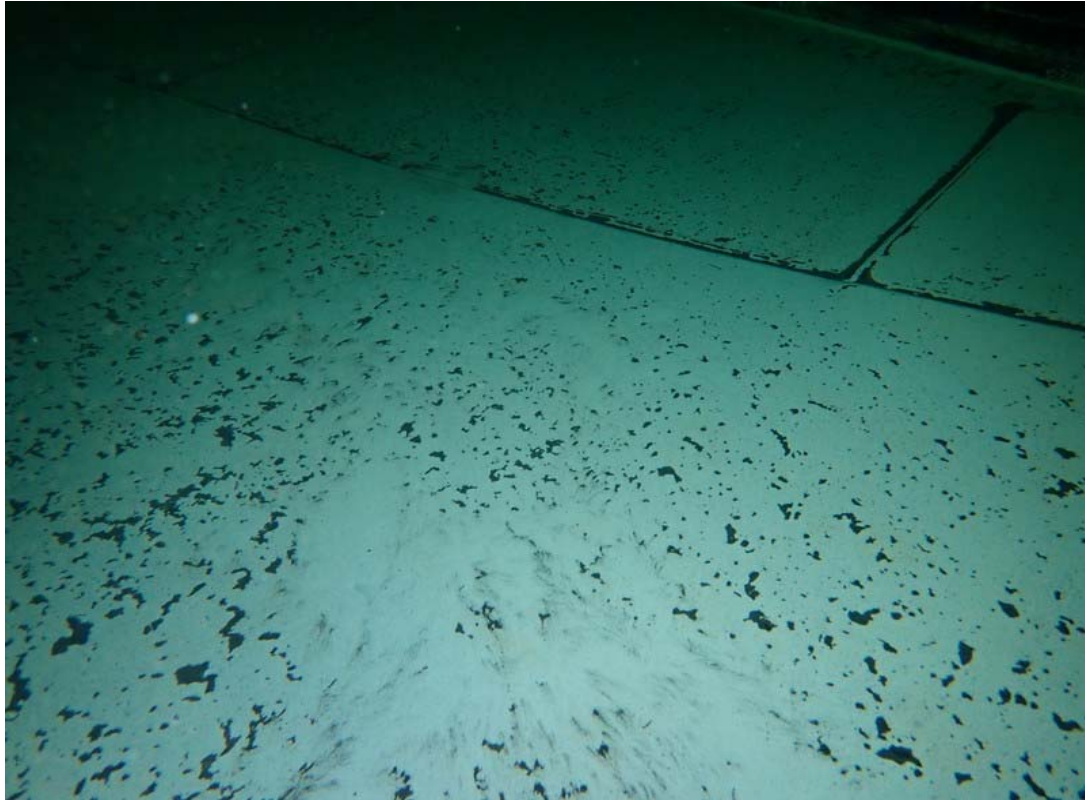
Interior shell in the submersion zone. This view shows a horizontal weld with sediment or staining visible along the top. The interior shell steel appears to be in good condition.



Photo of the interior bottom shell and shell coupling shows the typical condition found. No significant corrosion was noted.



This photo provides a close view of the area shown in the top photo this page. Some scattered blistering is visible (arrow) but no significant corrosion is present.



Sample area of bottom showing typical conditions. Spots of sediment are scattered and sediment removal was not part of the scope of work. No significant corrosion was noted although sediment reduces the ability to see corrosion.



Close view of a weld in the bottom.





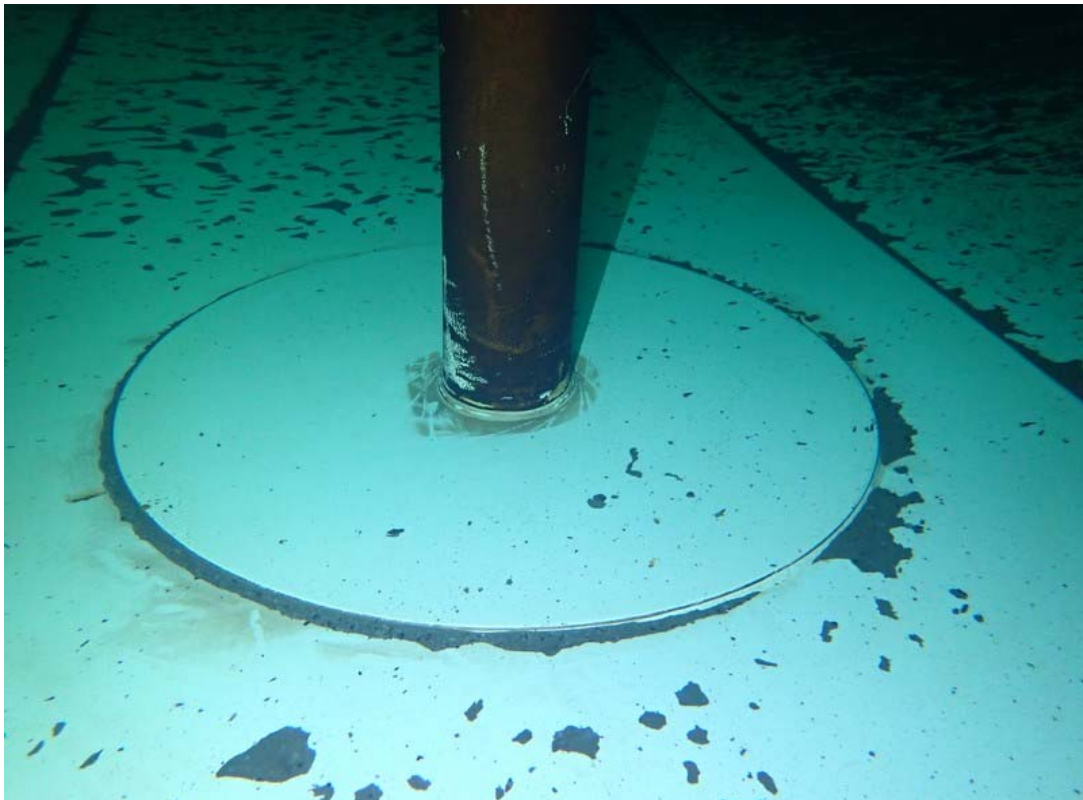
Close view of the interior bottom at an area with a dense pattern of small unbroken blisters. Blisters like this are not uncommon. Unbroken blisters usually do not allow significant corrosion.



This view shows bottom sediment.



This shot was taken looking upward at the center column. All coatings on the column were in fair condition and no significant corrosion was present.



This view is of the lower portion of the center column and base plate. No significant corrosion is present.



Upper center column, rafters and roof plate.



Close view of the center support and rafters. Significant corrosion and heavy staining is visible at the ends of the rafters and at inaccessible areas.



Interior roof plate and rafters. Broad view. Some minor bowing is present in the rafters. This view shows an example of nearly rust free plate but a hole is visible at the shell to roof joint (arrow). The hole was sealed by ATS.



This is a close view of the top flange of a rafter at one of the numerous areas with serious corrosion. This rafter flange has serious metal loss that affect the load carrying capacity.



Roof plate rafter with visible corrosion.



An additional view of the interior roof.



View of the roof hatch from the interior. The arrow indicates the location of a hole that was sealed by ATS.



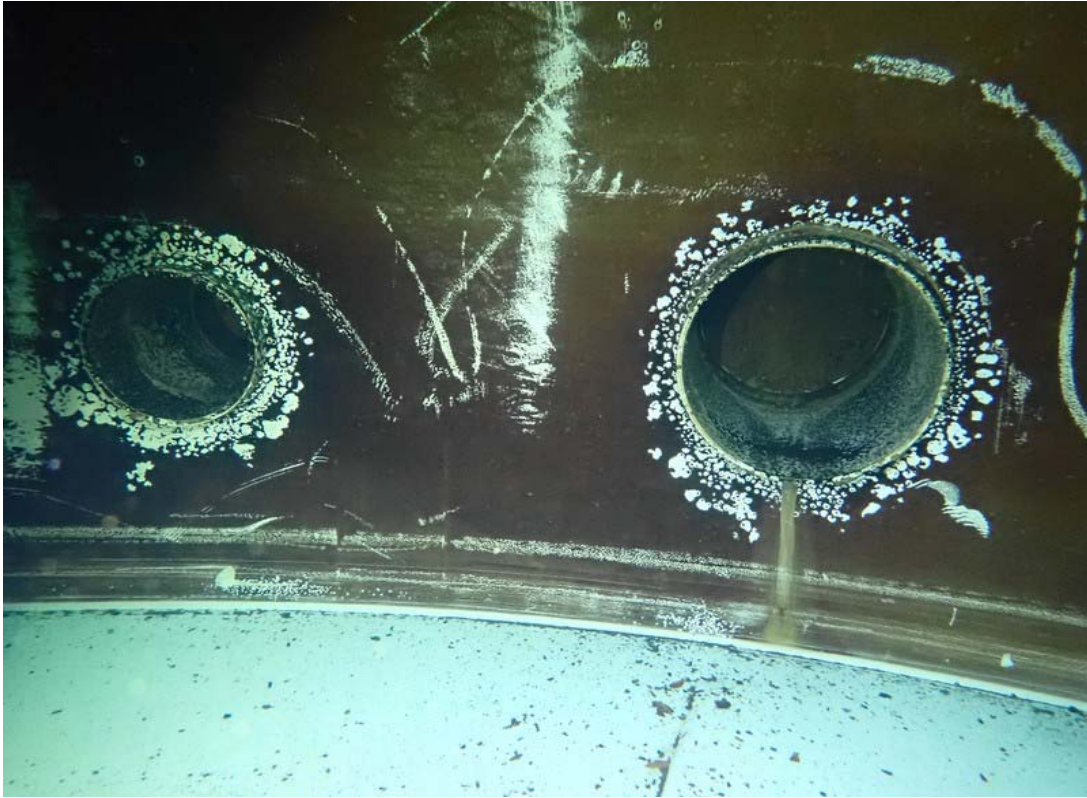
This view shows the interior ladder below the surface.



Overflow piping and support as viewed looking upward from the bottom.



This view is of the inside of the overflow weir. Some corrosion is visible but the pipe appears to be free of obstructions.



Shell mounted piping as viewed from the interior.



Interior view of the shell nozzle on the right side of the top photo of this page. Blisters in the coating are visible as rounded white spots. Minor corrosion is present.





This view shows the interior side of the sample tap. Blisters in the coating are visible.



This view shows the interior of the drain pipe. Some corrosion is visible on the interior edge of the pipe (arrow).



Level gauge float with temporary repair to the attachment. The interior float is not designed for the amount of movement that is created by the adjacent high inlet.



Level gauge guy wire and retainer ring on the float. The arrow shows the wear on the ring from excessive movement of the float from the adjacent inlet.



# DAILY REPORT

**PROJECT:** 0.4MG Tank Inspection

**LOCATION:** Tank Site

**CLIENT:** Oceano CSD

**DATE:** 7/22/20

**Gage:** Elektro-Physik Type 1 Pull off gage S/N 025962

	<u>Roof</u>	<u>Roof</u>	<u>Shell Mid Ht. @ Ladder</u>
	5.3 mils	4.7 mils	7.4 mils
	5.6 mils	5.2 mils	7.1 mils
	5.7 mils	5 mils	8.1 mils
	3.4 mils	4.6 mils	10.4 mils
	4.3 mils	5.4 mils	9.3 mils
Average	4.86 mils	4.98 mils	8.46 mils

	<u>Shell Mid Ht. @ Ladder</u>
	5.9 mils
	8.4 mils
	8.7 mils
	8 mils
	7 mils
Average	7.6 mils



# Oceano Community Services District

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

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

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**Date:** October 14, 2020

**To:** Board of Directors

**From:** Will Clemens, General Manager

**Subject:** **Agenda Item #8(D): Approval of a recommendation to adopt a resolution to adopt the 2019 San Luis Obispo County Integrated Regional Water Management Plan and Finding that the Project is Exempt from Section 21000 ET Seq of the California Public Resources Code**

## Recommendation

It is recommended that your Board adopt a resolution to adopt the 2019 San Luis Obispo County Integrated Regional Water Management Plan and Finding that the Project is Exempt from Section 21000 ET Seq of the California Public Resources Code (CEQA).

## Discussion

Over the past few years, the District has been developing the Water Resource Reliability Program (WRRP). The program has been funded by Proposition 84 and Proposition 1 grant funding obtained from the State's Integrated Regional Water Management (IRWM) program. As a regional collaboration, the local IRWM efforts are conducted under the auspices of a Memorandum of Understanding with the County of San Luis Obispo. One of the requirements to receive the IRWM grant funds is to formally accept the IRWM Plan by resolution by all the participating agencies. The Plan is intended to be a "living" document with the ability to update information and is available at: [https://www.slocounty.ca.gov/Departments/Public-Works/Forms-Documents/Committees-Programs/Integrated-Regional-Water-Management-\(IRWM\)/IRWM-Plan/2019-IRWM-Plan/2019-IRWM-Plan.pdf](https://www.slocounty.ca.gov/Departments/Public-Works/Forms-Documents/Committees-Programs/Integrated-Regional-Water-Management-(IRWM)/IRWM-Plan/2019-IRWM-Plan/2019-IRWM-Plan.pdf).

## Other Agency Involvement

The California Department of Water Resources (DWR) is the granting agency. The San Luis Obispo County Flood Control and Water Conservation District is the lead agency for the Regional Water Management Group.

## Other Financial Considerations

The Proposition 84 grant for the WRRP totaled \$198,397. The Proposition 1 grant for design services totaled \$177,750. The Proposition 1 Implementation grant totals \$274,500 for construction costs on project #1-2 and #1-9 of the WRRP. The attached grant funding awards summary shows the total grant amounts received through the IRWM program for all agencies.



# Oceano Community Services District

Board of Directors Meeting

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## Results

Approving the IRWM Plan allows the District to receive the grant funds from DWR and the County which promotes cost efficiencies and replacement of the community's aged infrastructure.

### Attachments:

- A. Proposed Resolution
- B. SLO County IRWM Grant Funding Award Summary

**OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 2020-\_\_\_**

**RESOLUTION ADOPTING THE 2019 SAN LUIS OBISPO COUNTY  
INTEGRATED REGIONAL WATER MANAGEMENT PLAN AND  
FINDING THAT THE PROJECT IS EXEMPT FROM SECTION 21000 ET SEQ.  
OF THE CALIFORNIA PUBLIC RESOURCES CODE (CEQA)**

WHEREAS, the State of California has established an Integrated Regional Water Management grant program pursuant to the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Water Code Section 79700 *et seq.*) (also known as “Proposition 1”); and

WHEREAS, a Memorandum of Understanding (Attachment “1”), which has been signed by the agencies listed in Attachment “2” and who constitute the Regional Water Management Group for the San Luis Obispo County Region as of the date of this Resolution, designates the San Luis Obispo County Flood Control and Water Conservation District as the lead agency responsible for plan development and adoption but also provides for the adoption of the plan by each member of the Regional Water Management Group; and

WHEREAS, the concepts, direction and approach to water resources management embodied in the State’s Integrated Regional Water Management program guidelines closely match those of the Oceano Community Services District; and

WHEREAS, previous versions of / updates to the San Luis Obispo County Integrated Regional Water Management Plan were developed and adopted by multiple agencies in the County, including the Oceano Community Services District, in coordination with the San Luis Obispo County Flood Control and Water Conservation District, in 2014 prior to development of the version known as 2019 San Luis Obispo County Integrated Regional Water Management Plan; and

WHEREAS, the updates reflected in the 2019 San Luis Obispo County Integrated Regional Water Management Plan are needed in order to effectively and efficiently integrate the region’s water resources management planning objectives and implementation strategies in the following five key areas: Water Supply, Groundwater Monitoring and Management, Flood Management, Ecosystems and Watershed, and Water Resources Management and Communications; and

WHEREAS, similar to prior versions, the 2019 San Luis Obispo County Integrated Regional Water Management Plan has been developed in coordination with the Regional Water Management Group and in accordance with current (2016) State standards; and

WHEREAS, the 2019 San Luis Obispo County Integrated Regional Water Management Plan identifies goals, objectives, strategies and projects designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, stormwater capture and management, flood management, recreation and access, wetland enhancement and creation, and environmental and habitat protection and improvement; and

WHEREAS, the 2019 San Luis Obispo County Integrated Regional Water Management Plan is not subject to the requirements of the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 *et seq.*) because it involves only a planning study, as defined in Section 15262 of the State CEQA Guidelines.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

1. The 2019 San Luis Obispo County Integrated Regional Water Management Plan for the San Luis Obispo County Region is hereby adopted, and the Board of Directors, or designee, of the Oceano Community Services District is hereby authorized and directed to implement actions consistent with updating the Plan on a five-year cycle as described within the Plan.
2. Adoption of the 2019 San Luis Obispo County Integrated Regional Water Management Plan for the San Luis Obispo County Region is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15252 of the State CEQA Guidelines because the Plan consists of a planning study which identifies potential projects and policies for possible future actions subject to future approval.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this \_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Linda Austin, President

ATTEST:

\_\_\_\_\_

**San Luis Obispo County Region  
Integrated Regional Water Management Program Participants  
Memorandum of Understanding**

The undersigned agencies and organizations hereby agree as follows:

**1. BACKGROUND**

The State of California has established an Integrated Regional Water Management (IRWM) planning and grant program pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code (PRC) Section 75001 et seq., also known as Proposition 84). This program is anticipated to be perpetuated and/or modified by future Bond acts. The IRWM program provides guidance for collaborative efforts to manage all aspects of water resources in a region by crossing jurisdictional, watershed, and political boundaries to involve multiple agencies, stakeholders, individuals, and groups in order to address issues and differing perspectives of all entities involved through mutually beneficial solutions. Regions that develop IRWM plans in accordance with the guidelines are eligible for certain water resources grant funding opportunities.

In accordance with PRC Section 75001 (et seq.) and State IRWM Program guidelines, a Memorandum of Understanding (MOU) (dated 2009), signed by eleven agencies within San Luis Obispo County, established a Regional Water Management Group (RWMG) for the San Luis Obispo County IRWM Region, and the San Luis Obispo County IRWM Region was officially accepted by the State in May 2009.

The San Luis Obispo County IRWM Region water resources stakeholders have determined the need to update the IRWM MOU in order to meet new State IRWM guidelines, to clarify the governance structure for IRWM planning in the San Luis Obispo County IRWM Region, and encourage broader participation. This MOU, in conjunction with the current IRWM Plan, sets forth the San Luis Obispo County IRWM Region's governance structure thereby allowing members and other stakeholders to understand how to participate in the IRWM Plan development and implementation.

**2. PURPOSE, GOALS, AND APPROACH**

**2.1 Purpose.** The purpose of this MEMORANDUM OF UNDERSTANDING (MOU) is to establish the mutual understandings among the San Luis Obispo County Region participants with respect to their joint efforts to develop and implement an Integrated Regional Water Management (IRWM) Plan for the San Luis Obispo County Region, including the definition of common IRWM terms, roles and responsibilities of IRWM Program Participants, and decision-making processes.

**2.2 Goals.** The goal of the IRWM program is to provide a reliable, long-term, and high-quality water supply, and to establish a unified vision among the participants' goals for water quality improvement, ecosystem preservation, water supply protection and enhancement, ground water management and flood management, in the context of social justice and climate change adaptation, while protecting the environment. The adopted IRWM plan will identify major water-related goals, objectives and conflicts within the region, consider a broad variety of water management strategies, identify the appropriate mix of water demand and supply management alternatives, water quality protections, flood management strategies, and environmental stewardship actions.

**2.3 Approach.** The San Luis Obispo County Region participants are specifying their shared intent to coordinate and collaborate on water management issues, giving consideration to disadvantaged communities and Native American tribes and their water related needs. In order to



enhance participation of stakeholders, it will be necessary to work at a sub-regional level to better understand the water resources needs and priorities throughout the region. When applying for grants, the San Luis Obispo County Region will strive to distribute the grant funding request fairly across the geographic region. The goal is to distribute awarded funding from each grant cycle equally across the sub-regions (i.e. one quarter of the overall funding to benefit each of the three sub-regions' projects/programs and one quarter of the overall funding to benefit regional projects/programs), to the extent feasible.

### 3. DEFINITIONS

**3.1 Integrated Regional Water Management Plan (Plan).** A comprehensive plan for a defined geographic area which shall satisfy the requirements of California's IRWM Program.

**3.2 San Luis Obispo County Region (Region).** The geographic area of San Luis Obispo County, which is coterminous with the San Luis Obispo County Flood Control and Water Conservation District (District) boundary.

**3.3 Local Agency.** Any city, county, city and county, special district, joint powers authority, or other political subdivision of the state, a public utility as defined in Section 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code.

**3.4 Program Participants.** Development and implementation of the Region's Plan is a collaborative effort undertaken by the Region's participants, as further discussed in Section 4. The effort is being led by the District, in partnership with the Regional Water Management Group, Water Resources Advisory Committee, Implementation Affiliates, and Interested Stakeholders. Only regional projects and programs to be implemented by those agencies which have adopted the Plan will be eligible for grant applications. The Region categorizes IRWM Program Participants into the following:

**3.4.1 Regional Water Management Group (RWMG).** A group in which three or more local agencies, at least two of which have statutory authority over water supply or water management, as well as those other persons who may be necessary for the development and implementation of the Plan, participate by means of this memorandum of understanding, in accordance with requirements of the California Water Code (CWC § 10539). The Region's RWMG members are signatories to this MOU, have adopted the current Plan, and may designate a representative to participate in RWMG activities and its Working Group. The entities must be either a Local Agency or an IRS 501(c)(3) nonprofit organization. The RWMG has the capacity to carry out projects (i.e. financial resources, management structure, adequate staffing). The agencies/organizations that form the RWMG may have planning or implementation projects eligible for State IRWM grants.

**3.4.2 Water Resources Advisory Committee (WRAC).** This is the committee comprised of water purveyor, resource conservation district, environmental and agricultural, and other water resources representatives that was originally established in the 1940s to advise the District Board of Supervisors on water resource issues. The WRAC is a Brown Act committee that meets monthly, with the exception of July and August. Many participants are actively engaged in issues relevant to Plan development and implementation, and will represent important stakeholder groups throughout the program.

**3.4.3 RWMG Working Group (Working Group).** The Working Group will involve representatives from the RWMG who have technical expertise and are able to work on the details associated with IRWM efforts. The Working Group will engage stakeholders at a sub-regional level in order to better understand the specific water resources needs and priorities of that sub-region.

**3.4.4 Implementation Affiliates.** These entities will adopt the Plan by resolution, but would not be signatories of the MOU. The entities must be either a Local Agency or an IRS 501(c)(3) nonprofit organization. The Implementation Affiliates have the capacity to carry out projects (i.e. financial resources, management structure, adequate staffing). In order to have a planning or implementation project eligible for State IRWM grants, agencies must be an Implementation Affiliate if they are not a part of the RWMG.

**3.4.5 Interested Stakeholders.** These individuals, organizations, and nonprofits (including those that are not IRS 501(c)(3) nonprofit organizations) who are interested in the IRWM program. The Interested Stakeholders may sign a letter of support for the Plan, or otherwise provide input to the RWMG, but would not be eligible for directly receiving State IRWM grant funds.

**3.5 Sub-regions.** The Region's IRWM program seeks to engage stakeholders and understand the water resources needs of the Region. To adequately ensure this balanced access and opportunity for participation in the IRWM program, the RWMG will utilize a sub-regional geographic structure, allowing more focused planning and local outreach efforts that are later brought into the context of the overall IRWM Region. These sub-regions have been deliberately defined in terms of logical planning and watershed/ hydrogeologic unit boundaries. These "sub-regions" include the North Coast, North County, and South County (see Attachment 1).

**3.6 Regional Projects or Programs.** Projects or programs to be implemented by the RWMG and/or Implementation Affiliates are identified in the Plan and are based upon the State's IRWM Guidelines under which the current Plan was adopted, which includes but is not limited to: reducing water demand through agricultural and urban water use efficiency, increasing water supplies for any beneficial use, improving operational efficiency and water supply reliability, improving water quality, improving resource stewardship, and improving flood management.

**3.7 Integration.** Assembling into one document the water-related management strategies, projects, programs, and plans of the Region. The development and implementation of the Plan should demonstrate the RWMG is forming, coordinating and integrating separate efforts in order to function as a unified effort in a collaborative manner that balances interests and engages a variety of stakeholders and seeks to efficiently integrate regional resources. The Plan development will identify water management strategies for the Region and the priority projects and programs that demonstrate how these strategies work together to meet goals identified in Section 2. It will also identify regional benefits of linkages between projects and plans that address different primary water-related objectives (for example, identifying regional benefits of linkages between a water supply project and a flood management project in the same watershed).

#### 4. IRWM PROGRAM PARTICIPANTS

**4.1 Program Participant Structure.** Elements of the Plan will be developed and implemented by the Program Participants. The RWMG, including the District as the Lead Agency, and the Implementation Affiliates are responsible for Plan development and implementation.

**4.2 Plan Development and Implementation.** The Region's Plan that was adopted by the District, developed in coordination with and approved by stakeholders in 2005, and updated in 2007, will be the basis for subsequent adopted Plans for the Region. The Working Group will propose changes to the previous versions of the Plan to comply with new State guidelines and incorporate new information and projects. Since a key element of the IRWM Program is integration, the RWMG will work with Program Participants to identify water management strategies for the Region and sub-regions and the priority projects that demonstrate how these strategies work together to meet the purpose and goals in Section 2. How each Program

Participant contributes and participates in Plan development and implementation is described below:

4.2.1 Lead Agency. The District will act as the lead agency for Plan development, will execute this MOU, and will adopt the Plan in accordance with 4.3 and 4.4 below. The District will ultimately be responsible for the final production of the Region's Plan, hiring consultant(s) to develop the Plan, and presentations to stakeholders, submittal of IRWM grant applications, and execution and administration of grant agreements with the State. As the Lead Agency, the District will execute and administer agreements with RWMG members and Implementation Affiliates responsible for the implementation of projects that are awarded grants, including data collection relevant to grant agreements, project reporting, etc. Efforts described in Section 4.2.1 are subject to the availability of funding.

4.2.2 RWMG. Members will execute this MOU and adopt the Plan in accordance with 4.3 and 4.4 below. RWMG members will designate a representative with clear authority to represent the agency or organization, provide expertise, provide information in a timely manner, participate in meetings, review and approve technical documents as needed, and will provide the District with their designated representative's contact information. This representative will be eligible to participate on the Working Group. All RWMG members, whether or not their representative is participating in the Working Group, hereby agree to provide information sufficient to meet State guidelines for their regional projects and programs to be included in the Plan and participate in the review of the Plan. RWMG members will consider integrating projects and programs with other agencies when possible, especially with disadvantaged communities and Native American tribes, in accordance with State IRWM Guidelines. RWMG members responsible for the implementation of regional projects and programs awarded grant funding will be responsible, through contract with the District, for complying with the provisions of the District's grant agreement with the State. The RWMG will provide updates to the WRAC and seek WRAC support of recommendations at key decision points.

4.2.3 WRAC. The WRAC will provide a forum for public meetings/ workshops related to Plan development and implementation at key decision points. The WRAC will review and comment on the RWMG recommendations to the District's Board of Supervisors at key decision points.

4.2.4 Working Group. Representatives of the Working Group will be designated by the RWMG member and will have clear authority to represent the agency or organization, provide expertise, provide information in a timely manner, participate in meetings, review and approve technical documents as needed, and will provide the District with their designated representative's contact information. The District will provide materials with sufficient lead time for RWMG member and Working Group engagement. The Working Group will develop information, draft documents and recommendations pertaining to the Plan update consistent with current State IRWM Guidelines during Plan development. Efforts are anticipated to include stakeholder outreach, collection and incorporation of updated data, etc. The Working Group will develop information and recommendations for IRWM program planning and implementation, stakeholder outreach, and pursuit of funding opportunities. All RWMG members will participate in the process to select the Region's IRWM projects and programs for grant applications by way of the Working Group, who will conduct project/program solicitations and evaluations, and will make recommendations on grant funding allocations. The Working Group will need to conduct sub-regional public meetings during Plan development and implementation to facilitate stakeholder participation.

4.2.5 Implementation Affiliates. Implementation Affiliates shall adopt the Plan in accordance with Section 4.3. Implementation Affiliates will designate a representative with clear authority to represent the agency or organization, provide expertise, provide information in a timely manner, participate in meetings, review and approve technical documents as needed, and will provide the District with their designated representative's contact information. All

Implementation Affiliates will provide information sufficient to meet State guidelines for their regional projects and programs to be included in the Plan and participate in the review of the Plan and for implementation activities, such as project status updates, project reporting, data collection, etc. Implementation Affiliates will consider integrating projects and programs with neighboring agencies when possible, especially with disadvantaged communities and Native American tribes, in accordance with State IRWM Guidelines. Implementation Affiliates responsible for the implementation of regional projects and programs awarded grant funding will be responsible, through contract with the District, for complying with the provisions of the District's grant agreement with the State.

4.2.6 **Interested Stakeholders.** Interested Stakeholders may participate in the Plan development and implementation process by way of participation at WRAC and/or RWMG meetings. Interested Stakeholders that are not WRAC members will be notified when an IRWM program item will be reviewed by the WRAC if they request inclusion on the IRWM contact list (Section 5.6). Sub-regional meetings will be required to ensure Interested Stakeholders, including disadvantaged communities, who may not necessarily be able to attend WRAC meetings, can participate in Plan development and implementation.

4.3 **IRWM Plan Adoption.** Plan approval and adoption will be required of the governing bodies of RWMG members and Implementation Affiliates. Plan updates to meet new State guidelines, add new RWMG Members, add or remove and evaluate regional projects and programs, or other updates to information do not require Plan re-adoption. Significant changes to the Plan, including revised goals and objectives, revised methodologies (such as methodology for evaluating, ranking, and prioritizing projects and programs), revised regional boundaries, or other changes deemed significant by the RWMG and the Lead Agency, will require Plan re-adoption via the decision-making process described in Section 4.5.

4.4 **Personnel and Financial Resources.** It is expected that Program Participants will contribute the resources necessary to fulfill the responsibilities listed within Section 4 of this MOU. Program Participants that receive implementation grant funding, shall contribute a proportionate share of non-project costs associated with the grant agreement, based on awarded implementation funding (for example, contributing toward the cost of updating the Plan, should that be a condition of grant award)..

4.5 **Decision Making.** The RWMG shall develop IRWM program materials and will make recommendations to the Lead Agency at key decision points of the IRWM program. Written input will be sought between the representatives of RWMG members in the event the need for a decision arises that cannot be brought forth to the RWMG before a decision needs to be made. The District, by way of its Public Works Department, shall notify the RWMG agencies of recommendations being taken to the District's Board of Supervisors for action. The District's Board of Supervisors may approve, alter, or return any said recommendation of the RWMG. Furthermore, if the District's Board of Supervisors intends to alter an item or proposition approved by the RWMG, the District's Board of Supervisors shall set forth in writing its findings, after which the Board will hold a public hearing. The RWMG agencies shall have the right to appear and address the District's Board of Supervisors.

## 5. MUTUAL UNDERSTANDINGS

### 5.1 Need for the Region's IRWM Plan

5.1.1 To improve communication and cooperation between public and private agencies and minimize conflict-generated solutions.

5.1.2 To enhance our existing water management efforts by increasing stakeholder awareness of important issues, providing more opportunities for collaborative efforts and improving efficiencies in government and water management.

5.1.3 To qualify for state grants and other funding opportunities only available to those regions which have developed IRWM plans.

**5.2 Subject matter scope of the IRWM Plan.** The Plan focuses on water supply, water quality protection and improvement, ecosystem preservation and restoration, groundwater monitoring and management, and flood management as these are the most prevalent water resource issues facing the Region.

**5.3 Geographical scope of the IRWM Program.** The Region for this memorandum is coterminous with the boundary of San Luis Obispo County. This is an appropriate geographic region for integrated regional water management planning because it encompasses all aspects of water management generally within the same physical, political, environmental, social, and economic boundaries. The Region may engage stakeholders within the three sub-regions in order to better understand the specific water resources needs and priorities of that sub-region, which would then be incorporated into the context of the greater IRWM Region planning and implementation.

The Region is bordered by the Greater Monterey County IRWM region to the north, the Santa Barbara County and Watersheds Coalition of Ventura County IRWM regions to the south, and the Kern County IRWM region to the east.

Water resources issues that overlap neighboring regional boundaries are either covered by existing cooperative water management plans (i.e. Nacitone Watershed Management Plan), adjudication (i.e. Santa Maria Groundwater Basin), and operational agreements (i.e. Nacimiento Reservoir), or have no defining water resource management issue. All of these items are to be included in the Region's Plan consistent with the plans of neighboring regions. The RWMG will continue to coordinate with neighboring regions to address additional water resources issues and possible integrated water management strategies in our respective IRWM plans.

**5.4 Non-binding nature.** This document and participation in the IRWM program efforts are nonbinding, and in no way suggest that a RWMG member or Implementation Affiliate may not continue its own planning and undertake efforts to secure project funding from any source. An agency/ organization may withdraw from participation in accordance with Section 5.7.

**5.5 Other on-going regional efforts.** Development of the Plan is separate from efforts of other organizations to develop water-related plans on a regional basis. As the Plan is developed, work products can be shared with these separate efforts to provide them with current information.

**5.6 Reports and communications.** The WRAC, an IRWM contact list, and the District's website will serve as the forum for updates and correspondence relating to the IRWM program and Plan development.

**5.7 Termination.** Because the Plan will require periodic review and updating for use into the future, it is envisioned that the joint efforts of those involved will be ongoing in maintaining a living document. Thus this MOU will remain as a reflection of the understandings of the RWMG Members. As indicated, parties to this MOU may terminate their involvement at any time, but must provide all RWMG agencies with 30 days' advance notice of intent to terminate.

**5.8 Superseded Prior MOU.** This MOU supersedes the MOU dated April 21, 2009 (2009 MOU).

**5.9 Counterparts.** This MOU may be executed in counterparts and has the same force and effect as if all the signatures were obtained in one document.

**6. SIGNATORIES TO THE MEMORANDUM OF UNDERSTANDING**

We, the undersigned representatives of our respective agencies or organizations, acknowledge the above as our understanding of how the San Luis Integrated Regional Water Management Plan will be developed.

**COUNTY OF SAN LUIS OBISPO**

By: JAMES R. PATTERSON  
Chairman,  
Board of Supervisors  
of San Luis Obispo County

ATTEST:

JULIE L. RODEWALD  
Clerk of the Board of Supervisors

By: ~~Sandy Currens~~  
**Deputy Clerk**

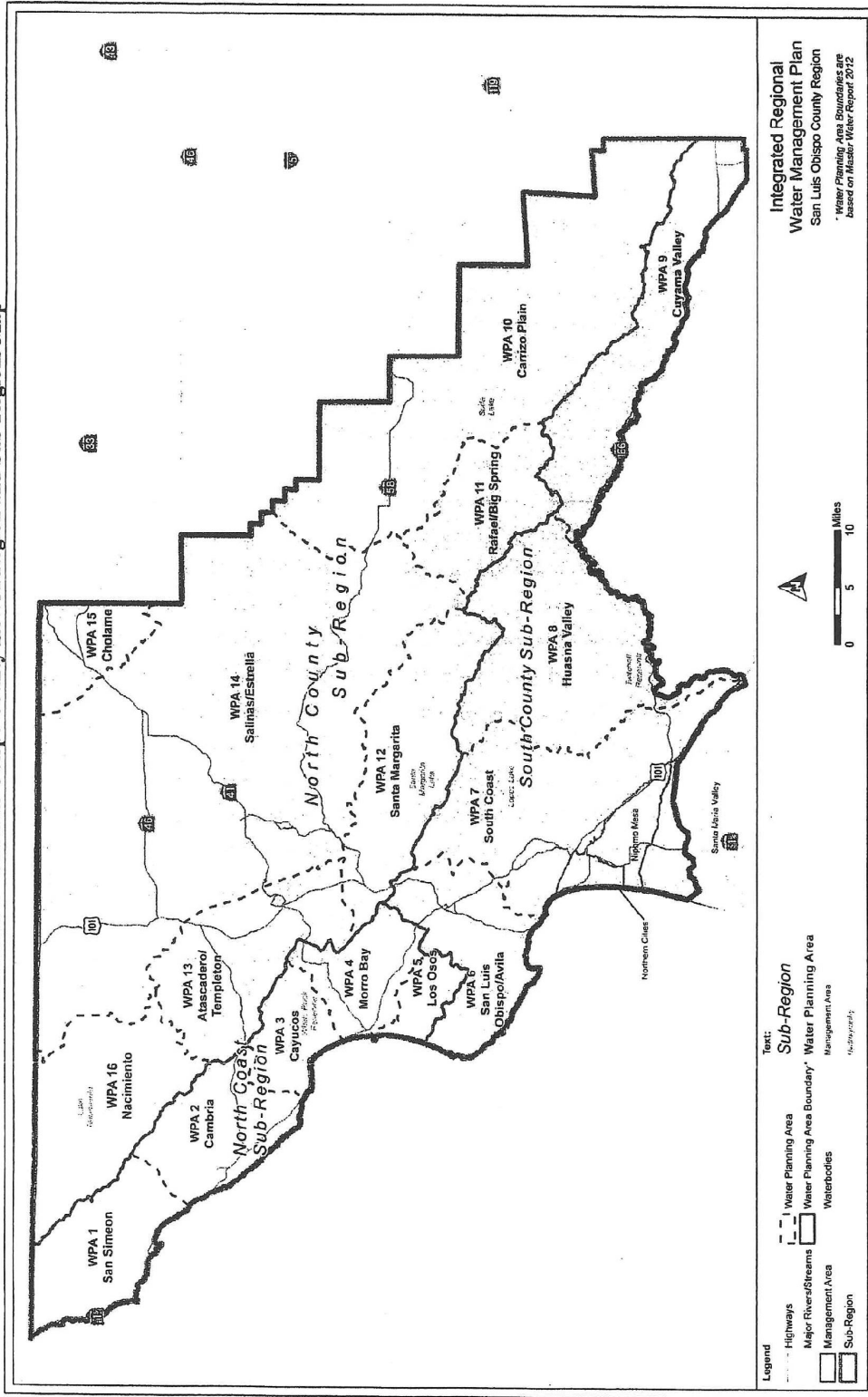
APPROVED AS TO FORM AND LEGAL EFFECT:

WARREN R. JENSEN  
County Counsel

By:   
Deputy County Counsel

Date: 9/24/12

Attachment 1 – San Luis Obispo County IRWM Region and Sub-Regions Map



Attachment 2

**Memorandum of Understanding Signatories for  
San Luis Obispo County Region IRWM Participants**

<b>Agency or Organization</b>
San Luis Obispo County Flood Control and Water Conservation District
County of San Luis Obispo
Avila Beach Community Services District
California Men's Colony
Cambria Community Services District
Central Coast Salmon Enhancement
City of Arroyo Grande
City of Grover Beach
City of Morro Bay
City of Paso Robles
City of Pismo Beach
City of San Luis Obispo
Coastal San Luis Resource Conservation District
Estrella-El Pomar-Creston Water District
Heritage Ranch Community Services District
The Land Conservancy of San Luis Obispo County
Los Osos Community Services District
Morro Bay National Estuary Program
Nipomo Community Services District
Oceano Community Services District
Templeton Community Services District
San Miguel Community Services District
San Miguelito Mutual Water Company
San Simeon Community Services District
Shandon-San Juan Water District
South San Luis Obispo County Sanitation District
S&T Mutual Water Company
Upper Salinas - Las Tablas Resource Conservation District



IRWM Grant Funding Source and Funded Projects	Grant Funding	Status	Project Sponsor
<b>Prop 50 Planning Grant (2008) - DWR No. 460000450</b>	<b>\$500,000</b>	<b>Complete</b>	
Data Enhancement Plan	\$72,500	Complete	Flood Control District
Flood Management Plan	\$55,000	Complete	Flood Control District
Groundwater Banking Plan	\$185,000	Complete	Flood Control District
Regional Permitting Plan	\$187,500	Complete	County of San Luis Obispo
<b>Prop 84 Planning Grant (2012) - DWR No. 4600010061</b>	<b>\$1,000,000</b>	<b>Complete</b>	
Update Plan to Meet Standards	\$185,000	Complete	Flood Control District
Identification of Basins Requiring SNMPs	\$15,000	Complete	Flood Control District
Santa Maria Groundwater Basin Study	\$200,000	Complete	Flood Control District
Paso Robles Groundwater Basin SNMP	\$100,000	Complete	City of Paso Robles
Paso Robles Groundwater Basin Model	\$50,000	Complete	Flood Control District
Regional Recycled Water Planning	\$200,000	Complete	Flood Control District
Watershed Management Planning	\$250,000	Complete	Upper Salinas/Coastal SLO RCD
<b>Prop 1E Stormwater Flood Mgmt Grant (2011) - DWR No. 4600009714*</b>	<b>\$2,797,000</b>	<b>In Progress</b>	
Flood Control Zone 1/1A - Modified 3a Project	\$2,797,000	In Progress	Flood Control District
<b>Prop 84 Implementation Grant (2011) - DWR No. 4600009717</b>	<b>\$10,401,000</b>	<b>In Progress</b>	
Los Osos Wastewater Project	\$5,945,444	Complete	County of San Luis Obispo
Flood Control Zone 1/1A - Modified 3c Project	\$2,200,000	In Progress	Flood Control District
Nipomo Supplemental Water Project	\$2,200,000	Complete	Nipomo CSD
Grant Administration	\$55,556	In Progress	Flood Control District
<b>Prop 84 Expedited Drought Grant (2014) - DWR No. 4600010880</b>	<b>\$6,323,610</b>	<b>Complete</b>	
CSA 23-AMWC-Garden Farms Emergency Intertie	\$1,404,290	Complete	County of San Luis Obispo
Emergency Turnout	\$255,226	Complete	Heritage Ranch CSD
Emergency Water Supply	\$4,382,255	Complete	Cambria CSD
Grant Administration	\$281,839	Complete	Flood Control District
<b>Prop 84 Implementation Grant (2015) - DWR No. 4600011487</b>	<b>\$3,702,762</b>	<b>Complete</b>	
Upper Salinas River Basin Conjunctive Use	\$2,956,796	Complete	Templeton CSD
Well Head Treatment	\$362,431	Complete	San Simeon CSD
Water Resources Reliability Program - Planning Study	\$198,397	Complete	Oceano CSD
Grant Administration	\$185,138	Complete	Flood Control District
<b>Prop 1 Planning Grant (2016) - DWR No. 4600011892</b>	<b>\$204,183</b>	<b>Complete</b>	
IRWM Plan Update & Region-Wide Stormwater Resource Plan	\$204,183	Complete	FC&WCD, USLTRCD & CSLRCD
<b>Prop 1 Disadvantaged Community Involvement (2017)</b>	<b>\$877,563</b>	<b>In Progress</b>	
FCD Funding Administration	\$20,700	In Progress	Flood Control District
Disadvantaged Community Needs Assessment	\$67,738	In Progress	Flood Control District
Water Resource Reliability Program, Phase 2 Pre Construction Activities	\$177,750	In Progress	Oceano CSD
Turnout Pump Station Design and Water Master Plan Update	\$177,750	In Progress	City of Grover Beach
Water Resource Recovery Facility Project, Value Engineering at 60% Design	\$78,125	Complete	City of San Luis Obispo
Reservoir Expansion Project Development & Water Master Plan Update	\$177,750	In Progress	San Simeon CSD
Wastewater Plant Upgrade Study and Recharge Basin Study	\$177,750	Complete	San Miguel CSD
<b>Prop 1 Implementation Grant, Round 1 - draft award received 5/7/2020</b>	<b>\$3,282,130</b>		
Grant Administration	\$155,000	Draft Award	Flood Control District
One Water SLO, MBR/UV Component	\$1,314,530	Draft Award	City of San Luis Obispo
8th Street Well Construction	\$238,100	Draft Award	Los Osos CSD
Supplemental Water Project, Final Phase	\$800,000	Draft Award	Nipomo CSD
Water Resource Reliability Program, Projects #1-1, #1-9	\$274,500	Draft Award	Oceano CSD
Reservoir Expansion Project - Phase 1 Distribution System	\$500,000	Draft Award	San Simeon CSD
<b>Prop 1 Implementation Grant, Round 2 (est. 2021)</b>	<b>\$3,282,129</b>		
Implementation Projects, including DAC Projects	TBD	TBD	Project Sponsors
<b>Total IRWM Funding Awards Received to date</b>	<b>\$29,088,248</b>	Includes Prop 1 Round 1 Draft Award	
<b>Total IRWM Funding Awards Received (incl. anticipated future awards)</b>	<b>\$32,370,377</b>		



# Oceano Community Services District

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

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

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**Date:** October 14, 2020

**To:** Board of Directors

**From:** Will Clemens, General Manager

**Subject:** Agenda Item #10(A): Hearing to consider protests to a proposed increase in water system rates and charges and, if no majority protest exists, recommendations to approve 1) a resolution adopting findings in support of an ordinance increasing and adjusting water system service charges; and 2) an ordinance increasing and adjusting water system service charges; and 3) find that the ordinance is exempt from CEQA

## Recommendation

It is recommended that the Board:

1. Hold a hearing to consider protests to the proposed increase in water system service charges, and upon conclusion of the hearing determine whether there is a majority protest;
2. If there is not a majority protest,
  - a. Adopt the attached resolution with findings in support of the ordinance increasing and adjusting water system service charges; and
  - b. Adopt the attached ordinance increasing and adjusting water system service charges
3. If adopted, waive the reading of the ordinance;
4. Find that the ordinance is exempt from Section 21000 et seq. of the California Public Resources Code (CEQA) and direct the General Manager to sign the Notice of Exemption and file with the County Clerk/Recorder.

## Discussion

The District's current water system revenues are insufficient to fund operations and maintenance, capital improvements, and minimum reserve levels. FY 20/21 budgeted revenues are nearly \$485,000 short in covering water system expenditures. If no rate increase process is performed, the drought rates in place will sunset in October 2020 and the Water Fund will run out of money this fiscal year. If a rate increase process is done and the current water rates are maintained, it is projected that the Water Fund would run out of money in FY 2021/22. Therefore, it is necessary to increase water rates at this time to cover necessary water system expenditures.



## Oceano Community Services District

Board of Directors Meeting

In October 2017 drought rates were partially reduced and the drought rates will sunset in October 2020. This will severely impact revenues if not addressed. The last non-inflationary rate increase process was done in 2015 to address revenue impacts from the drought and prior to that, rates were increased in 2011. As can be expected, increased water conservation continues, even after the drought ended, which also continues to impact system revenues. Water usage has not significantly increased after the drought ended as shown in the following table:

**Total Water Use in Acre Feet**

<u>Year</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
	852	838	888	807	703	672	718	725	680

The successful water conservation efforts on the part of the community has resulted in system revenues falling short in total by over \$400,000 since the 2015 rate increase was implemented.

### **Expenditures**

The 2015 rate increase was intended only to address revenue shortfalls related to the drought and certain operation and maintenance expenses. Documentation presented at that time indicated that the rate increase would not address other critical issues such as the Capital Improvement Program (CIP), staffing needs, and reserve policies.

In 2010, Tuckfield and Associates identified an annual expenditure need of \$186,000 for Capital and Long-term maintenance based on the Master Water Plan CIP. That funding need was deferred and never implemented. Since 2014, the District has spent almost \$800,000 on Capital projects. Grants have paid for \$127,000 of that amount and the rest has come from reserves. This has resulted in reserve balances dropping to near the minimum reserve levels needed to operate.

In 2019, grant funding was used to prepare an update to the CIP. Your Board adopted the update to Chapter 9 (CIP) of the 2009 Water Master Plan which is attached as Appendix A to the 2020 Water Rate Analysis. This update identifies over \$4 million of water system improvements needed over the next ten years. These improvements should not be deferred any longer. Staff has included an annual expenditure target of \$150,000 to fund the CIP and is phased in over three fiscal years. This amount should be enough to complete the entire CIP with a combination of grant funded, pay-go and debt financed projects. Interest rates are at historic lows and should provide excellent funding terms as can be seen by comparing to the \$186,000 annual Capital estimate by Tuckfield in 2010.

Additionally, appropriate staffing needs were not included in the 2015 rate increase. Since 2015 there has been one additional utility system worker added to the field crew and one half time account administrator added to the office staff. The District has a total of 4 field staff and 4.5 office staff. The staffing costs are spread among several activities which include the Administration, Fire, Lighting, Facilities, Garbage, Water, and Wastewater



## Oceano Community Services District

Board of Directors Meeting

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funds. In 2018, the Board adopted a change in the allocation of administrative and indirect field crew costs among the various funds to be based on the actual labor costs charged by the field crews to each fund. This change resulted in a shift of costs from the Wastewater Fund to the Water Fund to more accurately reflect the cost of providing these services. The combination of these staffing and allocation changes has resulted in approximately \$280,000 in additional annual costs to the Water Fund since the 2015 rate increase.

The 2015 rate increase did not include any set aside for establishing reserves. Reserves can be established for many purposes including minimum/operating, emergency, capital, debt, contingencies, or rate stabilization reserves. Each type of reserve requires higher rates to establish reserve balances. Staff is not recommending increasing rates to establish any particular reserves other than setting rates so that minimum reserve balances never drop below three months of cash needs or 25% of annual expenses. While it would be advantageous to establish other reserve balances, this approach will minimize the amount of the rate increase needed currently.

### Rate Structure

The current rate structure only includes two customer classes, Residential and Non-Residential. This has been justified due to the fact that this is a small water system with little variation in properties within the customer classes. Many agencies include a Single-family Residence and Multi-family Residence rate in their structures. This distinction recognizes the general difference in cost of service between these two types of properties. Multi-family residences would include apartment complexes and mobile home parks served by a master meter, duplex, triplex, etc. In general, Multi-family residences place less storage, peaking, and maintenance and infrastructure demands on the system compared to Single-family residences due to smaller square footages and occupancies and less outdoor watering demand. At the July 8, 2020 meeting, your Board directed that a Multi-family Residential customer class be created. The base rate for Multi-family Residential customers is set at 75% of the Single-family Residential rate to estimate this reduced system demand.

At the same time as the 2015 Rate increase was being developed, the Prop 218 court decision regarding tiered water rates in San Juan Capistrano was rendered. While not precluding an agency from having tiered rates, it was made more difficult as any tiers were now required to have a clear nexus to cost of service. This requires reducing the number of tiers for the District. Creating two tiers that are directly tied to the cost of Lopez and State water supplies is clearly a defensible approach. In addition, the provision of 6 Units of water in the Base Rate is being eliminated in order for the District's rate structure to be more defensible under Prop 218. At the July 8, 2020 meeting, your Board directed these changes to the water rate structure.

The attached "Water System Rate Analysis" dated July 2020, provides a more detailed analysis of the need for the increase. In addition, the attached findings identify the information and analysis that the Board of Directors relied upon in considering the ordinance, including but not limited to the following:



## **Compliance with Procedural Requirements:**

- The District mailed notices of the proposed rates and charges to record owners of identified parcels upon which the rates and charges will be imposed if adopted.
- The District mailed notices of the proposed rates and charges to property owners and tenants to the addresses which the water service billing statements are customarily mailed.
- The notices were mailed on August 14, 2020, more than 45 days prior to the public hearing to determine whether a majority protest exists against the rates and charges.
- The notices included the amount of the rates and charges proposed in the water rate increase.
- The notices included the basis upon which the proposed rates and charges are calculated.
- The notices included the reasons for the proposed rate increase.
- The notices included the date, time and location of this public hearing to consider protests against the rates and charges.

## **Compliance with Substantive Requirements:**

- The rates and charges do not exceed the funds required to provide service.
- The rates and charges will not be used for any purpose other than that for which the rates and charges are being imposed.
- The rates and charges do not exceed the proportional cost of service attributable to the property.
- The rates and charge will not be imposed unless the service is actually used by, or immediately available to, the owner of the property.
- The rates and charges will not be used for general governmental services, such as police, fire ambulance and libraries where the service is available to the public in substantially the same manner as it is to property owners.

There are 2,689 parcels which are subject to the ordinance. Therefore, 1,345 valid protests are required in order for a majority protest to exist.

## **Other Agency Involvement**

The District's Legal Counsel has reviewed the attached ordinance and approved it as to legal form and effect. The District has water supply contracts with the San Luis Obispo Flood Control and Water Conservation District which



provides water supply to Oceano from Lopez Reservoir and the State Water Project. The attached Notice of Exemption will be filed and recorded with the County Clerk-Recorder.

## **Other Financial Considerations**

The attached Water Rate Analysis establishes the revenue requirements for the five-year study period and the rate structure necessary to generate these revenue requirements. In order to ease the community into the necessary rates, your Board directed that a three-year phased rate increase approach be implemented. The Proposition 218 notice was mailed on August 14, 2020, more than 45 days in advance of the October 14, 2020 Public Hearing. The rate increase will become effective with the billing period which begins in November 2020, if adopted.

Utilizing District staff to complete the Water Rate Analysis and Proposition 218 process has resulted in savings of over \$35,000 in comparison to using a consultant. Most other agencies utilize consultants for these services. For example, the City of Grover Beach just engaged a consultant to prepare both the water and sewer rate study at a cost of \$76,000.

## **Results**

Considering protests to the proposed increase in water system rates and charges and ensuring compliance with the procedural and substantive requirements of Proposition 218, are important to demonstrate that the District is acting in an open and transparent manner and promoting a well governed community. Adoption of the proposed increase in water system rates and charges will help to eliminate the current water fund budget deficit and promote financial stability.

### Attachments:

- Resolution Adopting Findings in Support of the Ordinance Increasing and Adjusting Water System Service Charges
- Ordinance Increasing and Adjusting Water System Service Charges
- Notice of Exemption
- Water System Rate Analysis – July 2020

OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
OCEANO COMMUNITY SERVICES DISTRICT  
ADOPTING FINDINGS IN SUPPORT OF THE  
ORDINANCE INCREASING AND ADJUSTING WATER  
SYSTEM SERVICE CHARGES

WHEREAS, it is the responsibility of the Oceano Community Services District (“District”) to maintain adequate levels of revenue to meet the District’s financial commitments for the operation and maintenance for water facilities and the replacement of existing facilities in the future which benefit the customer or property being charged; and

WHEREAS, on October 14, 2020, the District conducted a duly noticed public hearing wherein the Board of Directors considered public comment in support and in opposition to the proposed rate increase and whether or not a majority protest to the proposed rate increase exists pursuant to Section 6 of Article XIII D of the California Constitution. At the conclusion of the public hearing, the Board found that a majority protest did not exist; and

WHEREAS, based on facts and analysis presented in the rate study, facts and analysis presented by the District General Manager and District Legal Counsel, written protests received prior to the close of the October 14, 2020, public hearing, and public testimony received the Board of Directors, the District makes the following findings of fact regarding its compliance with the Procedural and Substantive Requirements in adopting the Ordinance Increasing And Adjusting Water System Service Charges.

Procedural Requirements:

- **Finding:** The District mailed notices of the proposed rates and charges to record owners of identified parcels upon which the rates and charges will be imposed if adopted. The District complied with this procedural requirement by mailing the notice to the owners of properties within the boundaries of the Oceano Community Services District at the address shown on the last equalized assessment roll as provided by the San Luis Obispo County Assessor’s Office. The list provided by the County Assessor for mailing the notice is maintained in the District files.
- **Finding:** The District mailed notices of the proposed rates and charges to property owners and tenants to the addresses which the water service billing statements are customarily mailed. The District complied with this procedural requirement by mailing the notice to property owners and tenants where the water service billing statements are customarily mailed as maintained in the District’s utility billing system. The list generated from the utility billing system for mailing the notice is maintained in the District files.

- **Finding:** The notices were mailed at least 45 days prior to the public hearing to determine whether a majority protest exists against the rates and charges. The District complied with this procedural requirement by mailing the notice on August 14, 2020. The receipt showing that the notice was mailed on August 14, 2020 is maintained in the District files.
- **Finding:** The notices included the amount of the rates and charges proposed in the water rate increase. Attached (Exhibit “A”) is the mailed notice and includes the amounts of rates and charges proposed in the water rate increase.
- **Finding:** The notices included the basis upon which the proposed rates and charges are calculated. Attached (Exhibit “A”) is the mailed notice and includes the basis for the proposed rate increase.
- **Finding:** The notices included the reasons for the increase. Attached (Exhibit “A”) is the mailed notice and includes the reasons for the proposed rate increase.
- **Finding:** The notices included the date, time and location of this public hearing to consider protests against the rates and charges. Attached (Exhibit “A”) is the mailed notice and includes the date, time and location of this public hearing to consider protests against the rates and charges.

Substantive Requirements:

- **Finding:** The rates and charges do not exceed the funds required to provide service. The evidence establishing that the rates and charges do not exceed the funds required to provide service include, but are not limited to, the following:
  - i. The “Water Rate Analysis” prepared by the District dated July 2020.
  - ii. Actual District costs incurred for the water system.
  - iii. Actual District water consumption data.
  - iv. Additional documentation considered by the Board of Directors includes information that was submitted and considered during the following meetings:
    - a. July 8, 2020 Board of Directors Meeting
    - b. August 12, 2020 Board of Directors Meeting
    - c. August 26, 2020 Board of Directors Meeting
    - d. September 9, 2020 Board of Directors Meeting



- **Finding:** The rates and charges will not be used for any purpose other than that for which the rates and charges are being imposed. The District maintains accounting records that segregate water system revenues and expenditures by Fund (i.e. Governmental Fund Accounting). In its Water Fund, the District only records water system revenues and expenditures, and other District revenues and expenditures are accounted for in the other Funds of District. The District's accounting records are audited by an independent Certified Public Accountant each year. Maintenance of the accounting records and the annual audit ensure that the water system revenues will only be used for water system expenditures.
- **Finding:** The rates and charges do not exceed the proportional cost of service attributable to the property. The evidence supporting District's compliance with the requirement that the rates and charges do not exceed the proportional cost of service attributable to the property include, but are not limited, to the following:
  - i. The District is not seeking, through the proposed rates and charges, to fully recover the cost of operating the water system. As a result, the proposed rates and charges are less than the proportional cost of service attributable to any of the properties served by the District.
  - ii. The base rate for residential units is proportioned based on single-family and multi-family customer classes, which reflects differing demand that is placed on the District from the property.
  - iii. The base rate for non-residential units is proportioned based on the size of the meter, which reflects instantaneous demand that can be placed on the District from the property.
  - iv. For properties where multiple units are served by a single meter, the base rate is proportionately increased by the number of units served.
  - v. The volumetric rate is proportioned equally for all customer classes into two tiers as follows:
    - a. The costs allocated to Tier 1 are tied directly to the wholesale cost of the Lopez Water supply provided by the San Luis Obispo County Flood Control and Water Conservation District.
    - b. The costs allocated to Tier 2 are tied directly to the wholesale cost of the State Water Project supply provided by the San Luis Obispo County Flood Control and Water Conservation District.
- **Finding:** The rates and charges will not be imposed unless the service is actually used by, or immediately available to, the owner of the property. The District does not impose water system rates and charges unless water service is used by or immediately available to the District.
- **Finding:** The rates and charges will not be used for general governmental services, such as police, fire ambulance and libraries where the service is available to the public in substantially the same manner as it is to property owners. The proposed water system revenues will be specifically accounted for in the District's Water Fund and not commingled with or otherwise used to subsidize

its other operations, including those that provide general governmental services through the Five Cities Fire Authority, which is paid from the collection of property tax revenues of the District's Governmental Fund.

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

1. Board of Directors finds that it has complied with all procedural requirements including but not limited to Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (commencing with Section 53750 of the California Government Code) in adopting Ordinance No. \_\_\_\_\_ Increasing and Adjusting Water Service Charges.
2. Board of Directors finds that it has complied with all substantive requirements including but not limited to Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (commencing with Section 53750 of the California Government Code) in adopting Ordinance No. \_\_\_\_\_ Increasing and Adjusting Water Service Charges.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted on the 14th day of October, 2020.

\_\_\_\_\_  
President of the Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary of the Board of Directors

BY: \_\_\_\_\_  
Board Secretary

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

Jeffrey Minnery  
District Counsel

By:

\_\_\_\_\_  
District Legal Counsel

Dated: October 14, 2020



# Oceano Community Services District

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

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

[www.oceanocsd.org](http://www.oceanocsd.org)

## **NOTICE OF PROPOSED INCREASE IN WATER SERVICE CHARGES**

**Date:** August 13, 2020

**To:** Oceano Water Customers and Property Owners

**From:** Oceano Community Services District (OCSD)

**Subject:** Proposed Increase in Water Service Charges

The purpose of this memorandum is to provide water customers and property owners with information on a proposed increase in water service charges. An informational presentation with questions and answers will be held during the **Regular Board Meeting on September 9, 2020 at 6 PM**. Please see the section below on *How to Observe the Meeting*. If you have additional questions, or would like further information, please contact us by:

- Reviewing the OCSD website at [oceanocsd.org](http://oceanocsd.org)
- Calling us at 805-481-6730
- Emailing us at [carey@oceanocsd.org](mailto:carey@oceanocsd.org)
- Visit us at 1655 Front Street, Oceano CA

### **Public Hearing –October 14, 2020**

Due to the COVID-19 pandemic, a public hearing will be held on Wednesday October 14, 2020 at 6:00 pm via videoconference. The purpose of the hearing will include considering all protests to the rate increase. Written protests will be accepted until the close of the public hearing at the District office located at 1655 Front St., Oceano, CA 93445. If written protests are received from more than 50% of the properties receiving water service, then the Board cannot adopt the proposed rate increase.

### **HOW TO OBSERVE THE MEETING**

**Telephone:** Listen to the meeting live by dialing **(669) 900-9128** or **(253) 215-8782**. Enter **Meeting ID# 892-6279-7188** followed by the pound (#) key. Then enter the **Password: 508435** followed by the pound (#) key. If the line is busy, additional phone numbers can be found on Zoom's website at <https://zoom.us/j/89262797188>

**Computer:** With internet access use the **Password: 508435** to watch the live streaming at:  
<https://us02web.zoom.us/j/89262797188?pwd=Q2lUeVc5THhnZk10TEtOUTlTcXRiZz09>

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

For information on Zoom's system requirements please visit:

<https://support.zoom.us/hc/en-us/articles/201362023-System-Requirements-for-PC-Mac-and-Linux>

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

### **Amount of Proposed Rates and Charges**

The amount of the proposed rates and charges are listed on the attached schedule of adjustments. These rates are proposed to become effective upon adoption of the Water Rate Ordinance and will be adjusted annually every July 1 thereafter. The proposed rates and charges for the OCSD water system will not exceed actual costs of providing water service.

### **Basis for the Rate Increase**

The basis for the rate increase is more fully explained in the 2020 Water Rate Analysis, which is posted on the OCSD website or can be picked up at the OCSD office at no charge to current water customers and property owners. The calculations that were used for the proposed rates were based on the Revenue Requirements identified in the 2020 Water Rate Analysis. The calculations include a volumetric consumption charge to cover the cost of both the Lopez and State water supplies as well as a basic bi-monthly charge to cover all other costs of the water system.

### **Reasons for the Rate Increase**

The reasons for the rate increase are more fully explained in the 2020 Water Rate Analysis, which is posted on the OCSD website or can be picked up at the OCSD office at no charge to current water customers and property owners. In summary, the rate increase is needed because a significant revenue shortfall exists and the OCSD Water Fund is in a deficit.

The revenue shortfall is creating a budget deficit of \$484,784 and without the rate increase, the financial status of the OCSD Water Fund will continue to deteriorate. Costs have increased nearly \$1 million annually since the last rate increase process in 2015, including the cost of wholesale water (Lopez Water and State Water). The proposed increase will become effective with the billing period beginning in November 2020.

### **Other Issues**

Property owners may receive a duplicate of this notice to preserve the OCSD legal right to collect unpaid water bills on property tax bills, as allowed by State law.

If you would like more information on the water rate increase, please contact us as stated above.

## Oceano Community Services District Water Rate Adjustments

### Bi-Monthly Rates

	Current	FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
Single Family Residential Base Charge	\$53.56	\$60.52	\$66.58	\$73.23	\$75.43	\$77.69
Multi Family Residential Base Charge	N/A	\$45.39	\$49.93	\$54.92	\$56.57	\$58.27
Non-Residential Base Charge						
5/8	\$59.80	\$67.57	\$74.33	\$81.76	\$84.22	\$86.74
3/4	\$72.81	\$82.28	\$90.50	\$99.55	\$102.54	\$105.62
1	\$111.40	\$125.88	\$138.47	\$152.32	\$156.89	\$161.59
1&1/2	\$201.21	\$227.37	\$250.10	\$275.11	\$283.37	\$291.87
2	\$312.52	\$353.15	\$388.46	\$427.31	\$440.13	\$453.33
3	\$497.30	\$561.95	\$618.14	\$679.96	\$700.36	\$721.37
4	\$844.80	\$954.62	\$1,050.09	\$1,155.10	\$1,189.75	\$1,225.44
6	\$1,317.12	\$1,488.35	\$1,637.18	\$1,800.90	\$1,854.93	\$1,910.57
Volume Charges (1 CCF= unit)						
per unit	per unit	per unit	per unit	per unit	per unit	per unit
0-6 units	\$1.80	\$3.30	Actual	Actual	Actual	Actual
7-12 units	\$5.44	\$6.47	Actual	Actual	Actual	Actual
13-18 units	\$5.83	\$6.47	Actual	Actual	Actual	Actual
19-24 units	\$6.31	\$6.47	Actual	Actual	Actual	Actual
24+ units	\$6.54	\$6.47	Actual	Actual	Actual	Actual
<b>Other:</b>						
Hydrant Meter	\$3.53	\$6.47	Actual	Actual	Actual	Actual
Out of Area Charge	\$8.51	\$9.62	\$10.58	\$11.64	\$11.98	\$12.34
Backflow Preventer Inspection	N/A	Pass-through	Pass-through	Pass-through	Pass-through	Pass-through
Meter Test Charge	\$40.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00

Actual costs are wholesale pass-through costs for Lopez and State water supplies

ORDINANCE NO.

ORDINANCE INCREASING AND ADJUSTING WATER  
SYSTEM SERVICE CHARGES

WHEREAS, it is a major responsibility of the Oceano Community Services District ("District") to maintain adequate levels of revenue to meet the District's financial commitments for the operation and maintenance for water facilities and the replacement of existing facilities in the future which benefit the customer or property being charged; and

WHEREAS, on October 14, 2020, at 6:00 p.m. the District conducted a duly noticed public hearing wherein the Board of Directors considered public comment in support and in opposition to the proposed rate increase and whether or not a majority protest to the proposed rate increase exists pursuant to Section 6 of Article XIII D of the California Constitution. At the conclusion of the public hearing, the Board found that approximately \_\_\_\_\_ protests were received and that a majority protest did not exist; and

WHEREAS, based on facts and analysis presented in the rate study, written protests received prior to the close of the October 14, 2020 public hearing, the Staff Report, Staff Presentation and public testimony received, the Board of Directors finds:

A. The District has provided tenants and property owners to whom the OCS District customarily mails billing statements for water services and to the record owner's address shown on the last equalized assessment roll a notice on the proposed rates and charges, the amounts of the proposed rates and charges, the basis for the calculations, the reason for the increase in the rates and charges, and the date, time, and location for a public hearing which was not less than 45 days after the date of mailing.

B. The revenues derived from the new water rates and charges will not be used for any purpose other than that for which the charges are imposed.

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

SECTION 1: In accordance with Article XIID of the California Constitution and the Proposition 218 Omnibus Implementation Act (commencing with Section 53750 of the California Government Code), there are hereby established within the Oceano Community Services District, Charges for Water Service, Other Charges, and a Schedule of Adjustment for the charges as specified in Exhibit "A" hereto, which Exhibit "A" is incorporated herein by this reference, for the purpose of providing water service.

SECTION 2: This ordinance shall take effect and be in full force and effect thirty (30) days after its passage and before the expiration of fifteen (15) days after passage of this ordinance, it shall be published once with the names of the members of the Board of Directors voting for and against the ordinance in a newspaper of general circulation published in the County of San Luis Obispo, State of California.

SECTION 3: Repeal of Prior Ordinances and Resolutions. All ordinances, Resolutions and sections of Ordinances and Resolutions that are inconsistent with this Resolution are hereby repealed. If not inconsistent, such ordinance and resolutions shall remain in full force and effect.

SECTION 4: Effect of Repeal of Part Actions and Obligations. This Resolution does not affect prosecutions for violations committed prior to the effective date of this Ordinance, does not waive any fee or penalty due and unpaid on the effective date of this Ordinance.

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INTRODUCED at a regular meeting of the Board of Directors held on the 12th day of August, 2020, and PASSED, APPROVED and ADOPTED by the Board of Directors of the Oceano Community Services District, this 14<sup>th</sup> day of October, 2020, by the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

The foregoing ordinance is hereby adopted:

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President of the Board of Directors



ATTEST:

\_\_\_\_\_  
Secretary of the Board of Directors

BY: \_\_\_\_

\_\_\_\_\_  
Board Secretary

[SEAL]

APPROVED AS TO FORM AND LEGAL EFFECT:

Jeffrey Minnery  
District Legal Counsel

By:

\_\_\_\_\_  
District Legal Counsel

Dated: August 12, 2020

**EXHIBIT "A"**  
**SCHEDULE OF WATER SYSTEM SERVICE CHARGES**

1. Charges for Water Service (per water service connection).

a) Basic Bi-Monthly Charge for Residential Water Service.

\$60.52 per bi-monthly period per single-family residential unit; for properties where a single meter serves more than one residential dwelling unit, \$45.39 per bi-monthly period per multi-family residential unit and shall be calculated by multiplying the number of multi-family residential dwelling units by the Basic Bi-Monthly Charge.

b) Basic Bi-Monthly Charges for Non- Residential Water Service Connections.

5/8-inch meter	\$	67.57	bi-monthly
3/4-inch meter	\$	82.28	bi-monthly
1-inch meter	\$	125.88	bi-monthly
1-½ inch meter	\$	227.37	bi-monthly
1-inch meter	\$	353.15	bi-monthly
2-inch meter	\$	561.95	bi-monthly
3-inch meter	\$	954.62	bi-monthly
6-inch meter	\$	1,488.35	bi-monthly

For properties where a single meter serves more than one non-residential unit, the bi-monthly “Basic Bi-Monthly Charge” shall be calculated by multiplying the number of non-residential units by the Basic Bi-Monthly Charge.

c) Consumption Charges.

Upon the effective date of this ordinance, in addition to the Basic Bi-Monthly Charges, a “Consumption Charge” shall be calculated based on the following tiers:

- i. Tier One: \$3.30 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water up to 600 cubic feet; plus,
- ii. Tier Two: \$6.47 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 600 cubic feet.

All Consumption Charges shall be calculated by first adjusting the quantities of water in each tier by multiplying the quantities of water stated in this section by the number of residential or non-residential units, to arrive at the quantity of water that will be charged at the rate applicable to each tier. Said number of units shall be the same as utilized to calculate the Basic Bi-Monthly Charges above.

d) Water supplied through hydrant meters will be charged at \$6.47 per 100 cubic feet of water, or fraction thereof.

2. Other Charges.

a) Program Charges for Fats, Oils and Grease.

For those properties that are subject to the District's Fats, Oils and Grease (FOG) program, the bi-monthly charge shall be \$60 per bi-monthly billing period, or fraction thereof.

b) Late Charges and Door Hanger Fees.

The General Manager is authorized to waive Late Charges and Door Hanger Fees for any residential customer who has not been late in paying their water bills for the prior two years, or since the account was opened if less than two years.

c) Out of District Charge.

For those properties that are outside the District boundaries but are receiving District water or sewer services, not on an emergency basis, there will be a \$9.62 administration charge per billing period per dwelling or non-residential unit.

d) Meter Testing Charge.

A charge of \$150 per test for customers who choose to have their meter tested. This charge will be refunded if the meter is determined to be reading more water than is flowing through the meter per regularly accepted standards.

e) Backflow Preventer Inspection Charge.

For those properties that have backflow preventers, actual inspection program charges by the County of San Luis Obispo will be passed through on the bi-monthly bill.

3. Schedule of Service Charge Adjustments.

The following schedule of adjustments as provided in this Section 3, and pursuant to Government Code Section 53756, are adopted for a period not to exceed five years from the effective date of this Ordinance. Notice of any adjustments pursuant to this section shall be mailed not less than 30 days before the effective date of the adjustment pursuant to Government Code Section 53756(d).

- a) The Consumption Charge in Section 1(c) Tier One shall be adjusted annually every July 1st, for application in the first billing period that starts after July 1st of that year, based on the change in the wholesale water supply contract costs for the Lopez Water Project as compared to the most immediate previous year.
- b) The Consumption Charge in Section 1(c) Tier Two and 1(d) shall be adjusted annually every July 1<sup>st</sup>, for application in the first billing period that starts after July 1<sup>st</sup> of that year, based on the change in the wholesale water supply contract cost for the State Water Project as compared to the most immediate previous year.
- c) The Basic Bi-Monthly Charges in Section 1(a) and 1(b) and the Other Charges in Section 2 (c) shall be increased annually every July 1st, for application in the first billing period that starts after July 1st of that year, based on the following schedule:

July 1, 2021 10%  
July 1, 2022 10%  
July 1, 2023 3%  
July 1, 2024 3%



# Oceano Community Services District

1655 Front Street | P.O. Box 599 | Oceano, CA 93475  
 PHONE: (805) 481-6730 | FAX: (805) 481-6836  
[www.oceanocsd.org](http://www.oceanocsd.org)

## NOTICE OF EXEMPTION

**Project Title: Proposed Water Service Charge Increase for the Oceano Community Services District.**

<b>Project Location (Specific Address):</b> Oceano - Districtwide	<b>Project Applicant &amp; Phone No.:</b> Oceano Community Services District (805) 481-6730
<b>Project Location (County):</b> San Luis Obispo County	<b>Applicant Address (specific):</b> 1655 Front Street Oceano, CA 93475

### Description of Nature, Purpose and Beneficiaries of Project:

This exemption covers a proposed water service charge increase for Oceano, provided such charges are increased in compliance with Proposition 218 requirements and are not specifically intended for any activity that constitutes a project as defined in Section 15378 of the CEQA Guidelines. The proposed increase will address costs for activities including, but not limited to, operations and maintenance activities, increased costs of Lopez and State water, minimum reserve balances, and capital asset replacement funding. Subsequent projects (as defined by CEQA) funded through the service charge programs would be subject to separate CEQA review.

**Name of Public Agency Approving Project:** Oceano Community Services District

### Exempt Status: (Check One)

	Ministerial	{Sec.21080(b)(1)}
	Declared Emergency	{Sec. 21080(b)(3); 15269(a)}
	Emergency Project	{Sec. 21080(b)(4); 15269(c)}
	Categorical Exemption	{Sec. 21084(a); 15301(b) 15302(f)}
	Statutory Exemption	{Sec. 21084(a); 15269(a)(b)(c)}
	General Rule Exemption	{Sec. 15061(b)(3)} (also complete GRE form PLN-1124)
X	Not a Project	15378(b)(4) and 15378(b)(5)

**Reasons why project is exempt:** The proposed action is not classified as a project as defined in Article 20, Section 15378(b)(4) (Government Funding Mechanisms) & Section 15378(b)(5) (Administrative Activities).

Will Clemens, General Manager, (805) 481-6730, [will@oceanocsd.org](mailto:will@oceanocsd.org)  
 Lead Agency Contact Person (Name, Number, E-mail)

Signature

Title

Date

# Oceano Community Services District Water Rate Analysis

July 2020

July 2020

## Water Rate Analysis - Oceano Community Services District (OCSD)

### Purpose

The purpose of this report is to summarize the “Revenue Requirements” needed to fund the operations, maintenance, capital and other costs of the OCSD water system and to determine an increase in water rates needed to generate those revenues. It provides reasons for the proposed rate increase and the basis for the calculations used to develop the proposed rate increase, which include but are not limited to, the following:

- Reasons for the proposed rate increase include the following:
  - To generate revenues necessary to recover from the existing Water Fund revenue shortfall and to eliminate the current Water Fund deficit.
  - To provide sufficient funding to pay for the total costs of providing water service to the customers of OCSD.
  - To provide sufficient funding to maintain a minimum reserve balance of at least three months cash needs.
- The basis for calculations includes the following:
  - The current 2020-21 Water Fund budget and deficit.
  - A proforma projection of current water rates in covering system expenses and minimum reserve requirements.
  - A proforma projection of increased water rates in covering system expenses and minimum reserve requirements.

### Background

The OCSD was created in 1981 and provides potable water to the residential, commercial and public customers in the community. Oceano is located in the unincorporated area on the south coast of San Luis Obispo County, adjacent to the cities of Grover Beach and Arroyo Grande. The OCSD encompasses approximately 1,150 acres with elevations ranging from sea level to approximately 100 ft. The OCSD water enterprise serves approximately 2,200 connections with a population of approximately 7,700. The system consists of two water storage tanks, three active groundwater wells, and twenty-two miles of pipeline.

### Sources of Water Supply

The OCSD water supply includes the following three sources.

- 900 acre feet per year of groundwater supply is allocated to OCSD from the Northern Cities Management Area (NCMA) of the Santa Maria Valley

Groundwater Basin. The groundwater basin is managed based on stipulations resulting from adjudication of the basin. The NCMA is encouraging reductions in groundwater pumping due to concerns over groundwater levels.

- 303 acre feet per year of surface supply is allocated from Lopez Dam and Reservoir, which is owned and operated by the San Luis Obispo County Flood Control and Water Conservation District (Flood Control District). Actual deliveries can be increased when “surplus water” is available and they can be decreased during droughts and for other reasons that reduce the supply of available water.
- 750 acre feet per year of surface water supply is allocated from the State Water Project (SWP). The SWP is owned and operated by the State of California Department of Water Resources (DWR) and delivered based on contracts with the Flood Control District. DWR is delivering 20% of the statewide allocations in 2020. The Flood Control District has been able to provide supplies greater than the DWR allocation, but concerns exist over the reliability of the SWP and its ability to provide supplies on an annual basis.

In summary, each of the OCSD water supplies are not reliable on their own, but the entire portfolio is crucial and provides a very reliable water supply to meet the needs of the community.

**Current Rate Structure**

The current rate structure consists of three components: a bi-monthly base charge, a volume charge that is tiered, and a supplemental uniform volume charge for Lopez water applied to all usage. The current rates are reflected in the table below:

<b>Base Rate</b>	<b>Tier #2</b>	<b>Tier #3</b>	<b>Tier #4</b>	<b>Tier #5</b>
<b>Minimum bi-monthly charge (Up to 6 Units)</b>	7 to 12 Units	13 to 18 Units	19 to 24 Units	Over 24 Units
<b>Residential</b> \$53.56				
<b>Non-Residential</b>				
5/8 \$59.80				
3/4 \$72.81				
1 \$111.40				
1½ \$201.21				
2 \$312.52				
3 \$497.30				
4 \$844.80				
6 \$1,317.12				
Plus	\$3.64 per Unit	\$4.03 per Unit	\$4.51 per Unit	\$4.74 per Unit
\$1.80 per Unit for Lopez	\$1.80 per Unit for Lopez	\$1.80 per Unit for Lopez	\$1.80 per Unit for Lopez	\$1.80 per Unit for Lopez
\$1.80 per Unit total	\$5.44 per Unit total	\$5.83 per Unit total	\$6.31 per Unit total	\$6.54 per Unit total



The current rate structure was established in 2015 during the drought emergency. Without further action, these rates will sunset in October 2020 and rates would revert to the rates in effect in 2015. This would have a devastating effect on revenues as consumption has not returned to pre-drought levels. If this were to occur, the Water Fund would run out of cash this fiscal year. The following chart shows annual consumption since 2011.

**Total Water Use in Acre Feet**

<u>Year</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
	852	838	888	807	703	672	718	725	680

**Impacts from Declining Revenues**

**Attachment 1** to this report is a Pro Forma projection of the current rate structure. Several impacts have resulted from the water system revenue shortfall. It caused the OCSD to adopt a Water Fund budget in 2020-21 that included a deficit of \$484,784. The deficit is causing estimated financial reserves to decline from \$961,314 at June 30, 2020 down to \$476,530 at June 30, 2021.

Shortfalls in water system revenues also cause other revenues, such as connection fees and capacity charges collected from new development, to be used for annual expenditures rather than increasing financial reserves or paying for infrastructure improvements. Shortfalls impair the ability of OCSD to replace equipment. The shortfalls also impair the ability of OCSD to adequately maintain water wells, as evidenced by the mechanical failure of the pump in well #4 and the deferred rehabilitation of the pump motor in well #8. All capital outlay projects for the past ten years have either been grant funded or funded by reserves which are now close to the minimum acceptable level. In summary, shortfalls in water system revenues impair the ability of the OCSD to carry out its duties to the community in maintaining the water system.

In conclusion, existing revenues cannot sustain the level of expenditures needed to cover operational and other needs of the OCSD water system. Consequently, establishing the current and future Revenue Requirements is very important. This Water Rate Analysis recommends a phased increase in the rates to meet the Revenue Requirement for Fiscal Year 2020-21 through 2024-25. The base rate would be increased each year per the following schedule (13%, 10%, 10%, 3%, 3%). The variable rate to fund the pass-through costs of the wholesale water supply would be increased 13% the first year and then adjusted to recover the actual pass through costs each year thereafter.

**Revenue Requirements**

A review of the OCSD revenue requirements is a key step in the rate design process. The review includes an analysis of annual operating revenues under the current rates, operation and maintenance expenses, capital expenditures, transfers between funds, and reserve requirements. This section of the report provides a discussion on projected revenues, O&M, and capital expenditures, the capital improvement financing plan, and revenue adjustments required to ensure the fiscal sustainability of the Water Fund.

## Revenues from Current Rates

The current water rate structure consists of three components: a bi-monthly base rate (differentiated between residential and non-residential customers), a volume charge (which is tiered for all customers), and a supplemental water charge that is uniform for all units of water consumed. The projected revenues for the Water Fund derived from current rates are shown on line 21, columns D through H of **Attachment 1**.

## O&M, Source of Supply, and Capital Expenses

The Fiscal Year 2020-21 budget and an assumed inflation rate of 3% for the study period were used as the basis for projecting O&M costs shown on line 31, columns D through H of **Attachment 1**.

The Source of Supply costs are pass-through wholesale water costs billed directly by the Flood Control District annually for the wholesale costs of supplying Lopez water and State water as shown on lines 23 and 24, columns D through H of **Attachment 1**. Fiscal Year 2020-21 budget wholesale costs are projected for each year of the study period as future costs are unknown and decrease in some years and increase in others. Provisions of Government Code 53756 will be utilized to pass-through the actual wholesale costs of the Source of Supply.

The OCSD has a long-term capital improvement plan (CIP) which documents necessary projects over the next ten years. The CIP is attached as **Appendix A** to this report. The CIP will be funded through a combination of pay-as-you-go, grant, and debt financed projects. The rates needed to fund the CIP will be phased in over three fiscal years, beginning with \$40,000 in Fiscal Year 2020-21, \$75,000 in Fiscal Year 2021-22, and \$150,000 annually thereafter as shown on line 34, columns D through H of **Attachment 1**.

## Reserve Requirements

Currently, the OCSD has a reserve balance of \$961,314 in the Water Fund. This represents approximately 4 months of total expenses. The OCSD hereby establishes a minimum reserve target of 3 months of total expenses to meet cashflow requirements. This reserve requirement only ensures the working capital to support the operation, maintenance, and administration of the Water Fund. Establishing other reserves for emergencies, rate stabilization, capital, or other purposes are not being proposed at this time.

## Financial Pro Forma at Current Rates

A pro forma projection at current rates is presented in **Attachment 1**. The District's current water system revenues are insufficient to fund operations and maintenance, capital improvements, and minimum reserve levels. FY 2020-21 budgeted revenues are nearly \$485,000 short in covering water system expenditures. If no rate increase process is performed, the drought rates in place will sunset in October 2020 and the Water Fund will run out of money this fiscal year. If a rate increase process is done and the current water rates are maintained, it is projected that the Water Fund would run out of money in FY 2021-22 as indicated on row 40, column E. Therefore, it is necessary to increase water rates at this time to cover necessary water system expenditures.

## **Proposed Financial Plan**

A pro forma projection with the proposed rates is presented in **Attachment 2**. To ensure that the Water Fund will have adequate revenues to fund operating costs and capital expenditures, it is proposed that the OCSD adjust revenues by implementing a phased increase in the rates to meet the Revenue Requirement for Fiscal Year 2020-21 through 2024-25. The base rate would be increased each year per the following schedule (13%, 10%, 10%, 3%, 3%). The variable rate to fund the pass-through costs of the wholesale water supply would be increased 13% in the first year and then adjusted to recover the actual pass through costs each year thereafter. These proposed revenue adjustments would occur upon adoption of the rate ordinance and subsequent annual adjustments with each July billing period. The proposed revenue adjustments would enable the OCSD to fund O&M, complete the planned capital projects, and maintain reserves above the minimum reserve levels.

## **Rate Design**

Proposition 218 (California Constitution Article 13D) states that:

1. A property-related charge (such as water rates) imposed by a public agency on a parcel shall not exceed the funds required to provide the property related service.
2. Revenues derived from the charge shall not be used for any other purpose other than that for which the charge was imposed.
3. The amount of the charge imposed upon any parcel shall not exceed the proportional cost of service attributable to the parcel.
4. No charge may be imposed for a service unless that service is actually used or immediately available to the owner of the property.
5. A written notice of the proposed charge shall be mailed to the record owner of each parcel at least 45 days prior to the public hearing, when the agency considers all written protests against the charge.

Proposition 218 ensures that water rates cannot be “arbitrary and capricious”, meaning that the rate setting methodology must be sound and that there must be a nexus between costs and the rate charge. The OCSD ensures that all aspects of Proposition 218 are followed and that it creates rates that charge customers equitably. In order to keep up with the ever-changing legal requirements related to Proposition 218 and case law, the OCSD is making changes to its rate design to ensure compliance with Proposition 218. These include:

1. Elimination of 6 units of water within the bi-monthly base charge.
2. Reducing the number of tiers from 5 to 2.
3. Tying the cost of Tier 1 directly to the wholesale cost of the Lopez water supply.
4. Tying the cost of Tier 2 directly to the wholesale cost of the State water supply.
5. Creating a new residential customer class for Multi-family properties.

For this analysis, consumption and peaking characteristics of customers as well as water supplies of the OCSD were analyzed to appropriately allocate costs between customer classes. O&M expenses and Capital Expenditures are predominantly fixed costs and are the basis for the bi-monthly base charge. To reflect the differing maintenance, peaking, and storage demands of the customer classes, the bi-monthly base charge is allocated between Residential and Non-Residential customer classes. The Residential customer class is further allocated between Single-family (SFR) and Multi-family (MFR) which is 75% of the SFR rate. The Non-

Residential customer class is further allocated based on meter size by historical cost ratio allocation percentages.

The cost of the wholesale water supply for Lopez and State water is the basis for the consumption or volumetric charge. Tier 1 (0-6 CCF) is tied directly to the wholesale cost of the Lopez water supply. Tier 2 (above 6 CCF) is tied directly to the wholesale cost of the State water supply. These charges are applied equally to all customer classes.

**Water Rate Methodology**

The following table breaks down the customer classes by accounts, dwelling/non-residential units, and unit equivalents:

	<b>Accounts</b>	<b>Units</b>	<b>Unit Equivalents</b>
SFR	1,844	1,900	1,900
MFR	207	1,205	904
Non-Residential	148	160	160
<b>Total</b>	<b>2,199</b>	<b>3,265</b>	<b>2,964</b>

The following table shows the bi-monthly base charge calculation for each customer class:

		<b>FYE 2021</b>	<b>FYE 2022</b>	<b>FYE 2023</b>	<b>FYE 2024</b>	<b>FYE 2025</b>
Residential Single Family Residence						
Bi-Monthly Base Cost		\$ 215,419	\$ 227,515	\$ 246,466	\$ 253,110	\$ 259,953
less non-rate revenue		(\$20,455)	(\$21,068)	(\$21,701)	(\$22,352)	(\$23,022)
Rate Funded Bi-Monthly Base Cost		\$ 194,965	\$ 206,447	\$ 224,765	\$ 230,758	\$ 236,931
Unit Equivalents		2,964	2,994	3,024	3,054	3,084
Bi-Monthly Base Cost per Unit		\$ 65.78	\$ 68.96	\$ 74.34	\$ 75.56	\$ 76.82
<b>Bi-Monthly Base Charge per Unit</b>		<b>\$ 60.52</b>	<b>\$ 66.57</b>	<b>\$ 73.23</b>	<b>\$ 75.43</b>	<b>\$ 77.69</b>
Reserve addition/reduction per Unit		(\$5.26)	(\$2.39)	(\$1.11)	(\$0.14)	\$0.87
Residential Multi Family Residence (75% of SFR)		\$45.39	\$49.93	\$54.92	\$56.57	\$58.27
Non-Residential Base Charge		Cost Ratio				
5/8	1.12	\$ 67.57	\$ 74.33	\$ 81.76	\$ 84.22	\$ 86.74
3/4	1.36	\$ 82.28	\$ 90.50	\$ 99.55	\$ 102.54	\$ 105.62
1	2.08	\$ 125.88	\$ 138.47	\$ 152.32	\$ 156.89	\$ 161.59
1-1/2	3.76	\$ 227.37	\$ 250.10	\$ 275.11	\$ 283.37	\$ 291.87
2	5.84	\$ 353.15	\$ 388.46	\$ 427.31	\$ 440.13	\$ 453.33
3	9.29	\$ 561.95	\$ 618.14	\$ 679.96	\$ 700.36	\$ 721.37
4	15.77	\$ 954.62	\$ 1,050.09	\$ 1,155.10	\$ 1,189.75	\$ 1,225.44
6	24.59	\$ 1,488.35	\$ 1,637.18	\$ 1,800.90	\$ 1,854.93	\$ 1,910.57

The Residential Single-family base charge is the basis for all calculations and is set below the cost of service as the rate increase is phased in over time. An annual increase of 1% in unit equivalents is assumed as the growth rate. The Multi-family base charge is 75% of the SFR charge and the Non-Residential base charge is set off the SFR charge using the cost ratios for each meter size. Meters that serve multiple residential units from a single meter are charged the Multi-family base charge for each unit. Meters that serve multiple non-residential units from a single meter are charged the non-residential base charge for each unit.

The following table shows the volumetric or consumption charge calculation for Lopez water (Tier 1) and State Water (Tier 2):

	<b>Tier 1 Lopez Water</b>	<b>Tier 2 State Water</b>
	(0-6 CCF)	(above 6 CCF)
Annual Cost	\$493,997	\$1,151,000
Usage in CCF (unit)	131,987	166,535
Cost per CCF (unit)	\$3.74	\$6.91
Phase In Reduction	(\$0.44)	(\$0.44)
FY 2020-21 Rate	\$3.30	\$6.47

OCSD has a water supply contract with the Flood Control District for 303 acre feet annually from Lopez reservoir. This equates to 131,987 CCF which is used every year. This allotment provides each customer with up to 6 CCF bi-monthly. OCSD also has a water supply contract with the Flood Control District for up to 750 acre feet annually from the State Water Project. The rate for State Water is determined by taking the annual cost of State Water and dividing it by the total annual water sales minus the Lopez water sales (131,987 CCF). This rate is then applied to all usage above 6 CCF. The proposed rates are set below the cost of service for FY 2020-21 in order to phase in the increase. In future years the rates will be set to recover the actual costs by dividing the annual wholesale costs by the annual usage in CCF for each water supply. These wholesale “pass-through” costs are allowed under State law as described in the section below.

Other charges are included in the table, below:

<b>Description</b>	<b>Charge</b>
Meter Testing Charge	\$150 per test Refunded if meter reads fast
Out of District Administrative Charge	\$9.62 per dwelling/non-residential unit
Hydrant Meter Charges	\$6.47 per unit of water
Backflow Preventer Inspection Charge	Actual costs from the County for the backflow preventer inspection program will be passed through to those properties with backflow preventers

**Attachment 3** shows the combined water rate summary for the five-year period of this Rate Analysis.

**Water Rate Comparison**

**Attachment 4** provides a comparison of the OCSD current and proposed water rates to other Community Services Districts and Cities in the county. The comparison shows the SFR rates at the current average usage of 15 CCF.

## **Pass-Through Costs**

This Rate Analysis also provides for the following adjustments that are allowable in the future under State Laws<sup>1</sup> governing water rate increases.

- An increase (or decrease) that is based on charges for wholesale water charges.
  - An increase or decrease in the annual charges for Lopez Water, as compared to the prior year, will result in an increase or decrease in the volumetric charge of Tier 1.
  - An increase or decrease in the annual charges for the State Water Project, as compared to the prior year, will result in an increase or decrease in the volumetric charge of Tier 2.
- Notices of any adjustments will be provided at least 30 days before the increases will go into effect as required by California Government Code Section 53756.

The adjustments shall not cause water system revenues to exceed the cost of providing water service to the community.

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<sup>1</sup> Government Code Section 53755

## ATTACHMENT 1

A	B	C	D	E	F	G	H
<b>Pro Forma - Current Rates</b>							
1							
2							
3	<b>Oceano CSD</b>	<b>Rate Increase</b>	<b>Supply</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
4			<b>Base</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
5	<b>Revenues and Expenses</b>		<b>Cost Inflation</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
6							
7							
8	Total Water Sales (CCF)	286,637	298,522	298,522	298,522	298,522	298,522
9		2018-19	2019-20	2020-21	2021- 22	2022-23	2023-24
10		Actual	Estimated	Budget	Projection	Projection	Projection
11	Water Sales - Supply	1,155,432	1,269,794	1,280,760	1,319,183	1,358,758	1,399,521
12	Water Sales - Base	984,006	1,022,206	1,049,240	1,080,717	1,113,139	1,146,533
13	System Connection Fees	45,493	50,884	51,639	53,188	54,784	56,427
14	Delinquent Fees	28,481	27,930	27,000	27,810	28,644	29,504
15	New Account Setup Fees	2,700	3,240	3,240	3,337	3,437	3,540
16	Courtesy Notices Fees	4,322	4,329	4,500	4,635	4,774	4,917
17	Wheeling Fees	22,621	21,525	25,000	25,750	26,523	27,318
18	Interest	2,370	0	0	0	0	0
19	Grant Revenue	104,318	0	0	0	0	0
20	Other Revenues	19,978	29,330	11,350	11,691	12,041	12,402
21	<b>Total - Revenues</b>	<b>2,369,720</b>	<b>2,429,238</b>	<b>2,452,729</b>	<b>2,526,311</b>	<b>2,602,100</b>	<b>2,680,163</b>
22							
23	Water Supply - Lopez (Pass through)	472,914	462,693	493,997	493,997	493,997	493,997
24	Water Supply - State (Pass through)	953,953	1,101,264	1,151,000	1,151,000	1,151,000	1,151,000
25	<b>Source of Supply- Expenses</b>	<b>1,426,867</b>	<b>1,563,957</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>
26							
27	Salaries & Benefits	238,932	267,692	349,858	360,354	371,164	382,299
28	Admin Allocation	378,606	517,907	555,363	572,024	589,185	606,860
29	Services & Supplies	223,649	203,911	291,220	299,957	308,955	318,224
30	Transfers	71,375	34,888	56,075	57,757	59,490	61,275
31	<b>O&amp;M- Expenses</b>	<b>912,562</b>	<b>1,024,398</b>	<b>1,252,516</b>	<b>1,290,091</b>	<b>1,328,794</b>	<b>1,368,658</b>
32							
33	CIP Projects - Fixed Assets	267,821	270,057	40,000	75,000	150,000	150,000
34	<b>Capital - Expenses</b>	<b>267,821</b>	<b>270,057</b>	<b>40,000</b>	<b>75,000</b>	<b>150,000</b>	<b>150,000</b>
35							
36	<b>Total - Expenses</b>	<b>2,607,250</b>	<b>2,858,412</b>	<b>2,937,513</b>	<b>3,010,088</b>	<b>3,123,791</b>	<b>3,163,655</b>
37							
38	Revenues minus Expenses	(237,530)	(429,174)	(484,784)	(483,778)	(521,691)	(483,492)
39							
40	Water Fund Ending Reserve Balance	1,390,488	961,314	476,530	(7,248)	(528,939)	(1,012,430)
41							
42	Minimum Reserve Balance (3 months expenses)	651,812	714,603	734,378	752,522	780,948	790,914

**ATTACHMENT 2**

	A	B	C	D	E	F	G	H
	<b>Pro Forma - Phased Increase</b>							
1								
2								
3	<b>Oceano CSD</b>	<b>Rate Increase</b>	<b>Supply</b>	<b>13%</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>
4			<b>Base</b>	<b>13%</b>	<b>10%</b>	<b>10%</b>	<b>3%</b>	<b>3%</b>
5	<b>Revenues and Expenses</b>		<b>Cost Inflation</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>	<b>3%</b>
6								
7								
8	Total Water Sales (CCF)	286,637	298,522	298,522	298,522	298,522	298,522	298,522
9		2018-19	2019-20	2020-21	2021- 22	2022-23	2023-24	2024-25
10		Actual	Estimated	Budget	Projection	Projection	Projection	Projection
11	Water Sales - Supply	1,155,432	1,269,794	1,434,867	1,644,997	1,644,997	1,644,997	1,644,997
12	Water Sales - Base	984,006	1,022,206	1,155,093	1,270,602	1,397,663	1,439,592	1,482,780
13	System Connection Fees	45,493	50,884	51,639	53,188	54,784	56,427	58,120
14	Delinquent Fees	28,481	27,930	27,000	27,810	28,644	29,504	30,389
15	New Account Setup Fees	2,700	3,240	3,240	3,337	3,437	3,540	3,647
16	Courtesy Notices Fees	4,322	4,329	4,500	4,635	4,774	4,917	5,065
17	Wheeling Fees	22,621	21,525	25,000	25,750	26,523	27,318	28,138
18	Interest	2,370	0	0	0	0	0	0
19	Grant Revenue	104,318	0	0	0	0	0	0
20	Other Revenues	19,978	29,330	11,350	11,691	12,041	12,402	12,775
21	<b>Total - Revenues</b>	<b>2,369,720</b>	<b>2,429,238</b>	<b>2,712,689</b>	<b>3,042,010</b>	<b>3,172,863</b>	<b>3,218,699</b>	<b>3,265,910</b>
22								
23	Water Supply - Lopez (Pass through)	472,914	462,693	493,997	493,997	493,997	493,997	493,997
24	Water Supply - State (Pass through)	953,953	1,101,264	1,151,000	1,151,000	1,151,000	1,151,000	1,151,000
25	<b>Source of Supply- Expenses</b>	<b>1,426,867</b>	<b>1,563,957</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>	<b>1,644,997</b>
26								
27	Salaries & Benefits	238,932	267,692	349,858	360,354	371,164	382,299	393,768
28	Admin Allocation	378,606	517,907	555,363	572,024	589,185	606,860	625,066
29	Services & Supplies	223,649	203,911	291,220	299,957	308,955	318,224	327,771
30	Transfers	71,375	34,888	56,075	57,757	59,490	61,275	63,113
31	<b>O&amp;M- Expenses</b>	<b>912,562</b>	<b>1,024,398</b>	<b>1,252,516</b>	<b>1,290,091</b>	<b>1,328,794</b>	<b>1,368,658</b>	<b>1,409,718</b>
32								
33	CIP Projects - Fixed Assets	267,821	270,057	40,000	75,000	150,000	150,000	150,000
34	<b>Capital - Expenses</b>	<b>267,821</b>	<b>270,057</b>	<b>40,000</b>	<b>75,000</b>	<b>150,000</b>	<b>150,000</b>	<b>150,000</b>
35								
36	<b>Total - Expenses</b>	<b>2,607,250</b>	<b>2,858,412</b>	<b>2,937,513</b>	<b>3,010,088</b>	<b>3,123,791</b>	<b>3,163,655</b>	<b>3,204,715</b>
37								
38	Revenues minus Expenses	(237,530)	(429,174)	(224,824)	31,922	49,072	55,044	61,195
39								
40	Water Fund Ending Reserve Balance	1,390,488	961,314	736,490	768,412	817,483	872,527	933,722
41								
42	Minimum Reserve Balance (3 months expenses)	651,812	714,603	734,378	752,522	780,948	790,914	801,179



### ATTACHMENT 3

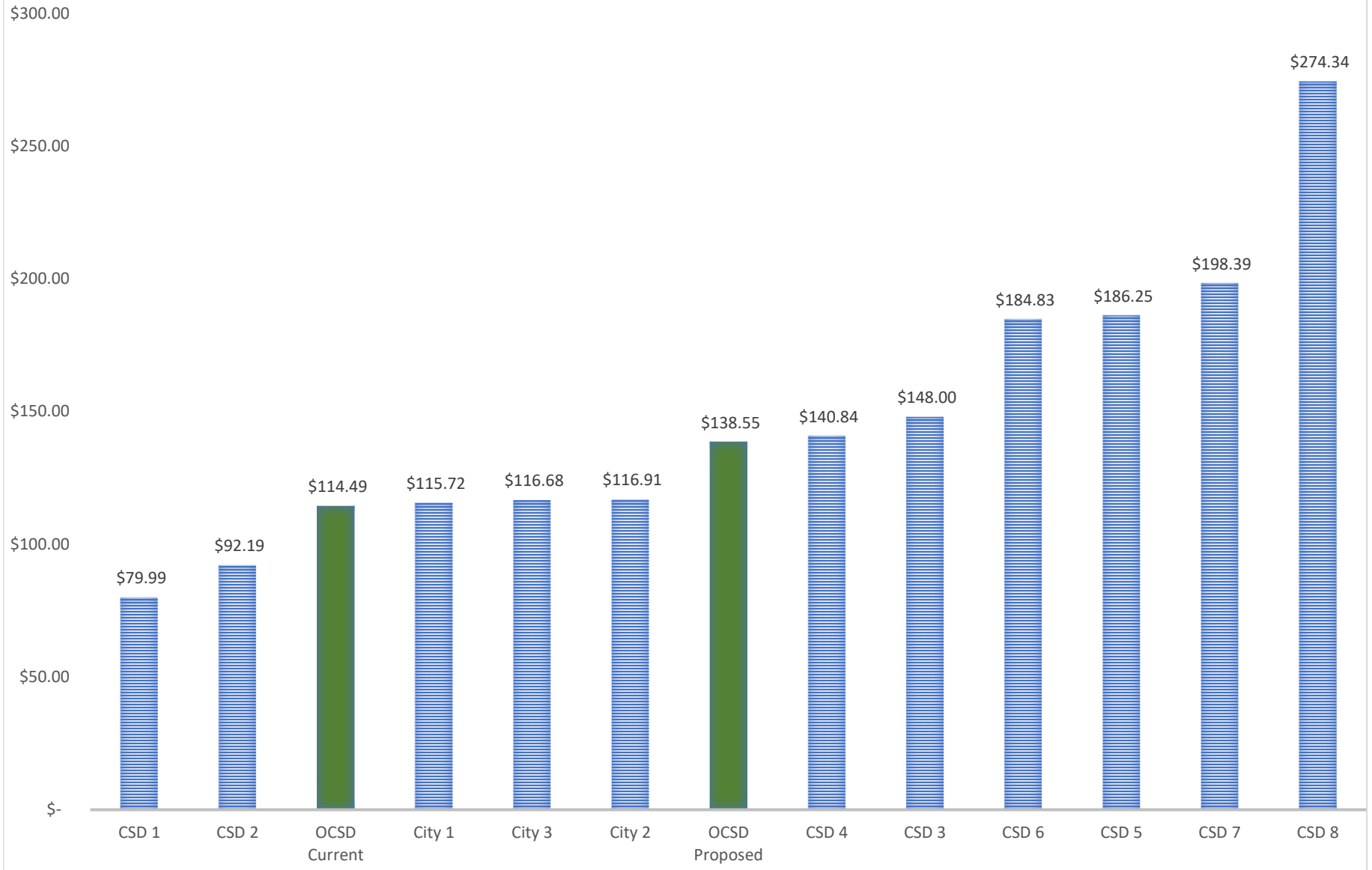
**Oceano Community Services District  
Water Rate Adjustments**

Bi-Monthly Rates

	Current	FYE 2021	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Single Family Residential Base Charge	\$53.56	\$60.52	\$66.58	\$73.23	\$75.43	\$77.69
Multi Family Residential Base Charge	N/A	\$45.39	\$49.93	\$54.92	\$56.57	\$58.27
Non-Residential Base Charge						
5/8	\$59.80	\$67.57	\$74.33	\$81.76	\$84.22	\$86.74
3/4	\$72.81	\$82.28	\$90.50	\$99.55	\$102.54	\$105.62
1	\$111.40	\$125.88	\$138.47	\$152.32	\$156.89	\$161.59
1&1/2	\$201.21	\$227.37	\$250.10	\$275.11	\$283.37	\$291.87
2	\$312.52	\$353.15	\$388.46	\$427.31	\$440.13	\$453.33
3	\$497.30	\$561.95	\$618.14	\$679.96	\$700.36	\$721.37
4	\$844.80	\$954.62	\$1,050.09	\$1,155.10	\$1,189.75	\$1,225.44
6	\$1,317.12	\$1,488.35	\$1,637.18	\$1,800.90	\$1,854.93	\$1,910.57
Volume Charges (1 CCF= unit)						
per unit	per unit	per unit	per unit	per unit	per unit	per unit
0-6 units	\$1.80	\$3.30	Actual	Actual	Actual	Actual
7-12 units	\$5.44	\$6.47	Actual	Actual	Actual	Actual
13-18 units	\$5.83	\$6.47	Actual	Actual	Actual	Actual
19-24 units	\$6.31	\$6.47	Actual	Actual	Actual	Actual
24+ units	\$6.54	\$6.47	Actual	Actual	Actual	Actual
<b>Other:</b>						
Hydrant Meter	\$3.53	\$6.47	Actual	Actual	Actual	Actual
Out of Area Charge	\$8.51	\$9.62	\$10.58	\$11.64	\$11.98	\$12.34
Backflow Preventer Inspection	N/A	Pass-through	Pass-through	Pass-through	Pass-through	Pass-through
Meter Test Charge	\$40.00	\$150.00	\$150.00	\$150.00	\$150.00	\$150.00

Actual costs are wholesale pass-through costs for Lopez and State water supplies

## ATTACHMENT 4 BI-MONTHLY WATER RATE COMPARISON - (SFR) 15 UNITS



# APPENDIX A

## CHAPTER 9 (Updated December 2019)

### CAPITAL IMPROVEMENT PROGRAM

This chapter summarizes the District's recommended Capital Improvement Program (CIP) to meet existing and future needs, and to assist the District in the financial planning aspects of implementing the recommended improvements. The improvements are described as first, second, and third priorities. The costs for these improvements are summarized in Table 9.1 and illustrated in Figure 9.1. The 5-year Capital Improvement Program is comprised of all First priority projects, and subsequent projects can be addressed in future CIP planning.

#### BASIS OF CAPITAL IMPROVEMENT PROJECT COSTS

The CIP costs were developed based on engineering judgment, confirmed bid prices for similar work in the Central Coast area, consultation with vendors and contractors, established budgetary unit prices for the work, and other reliable sources. Hard construction costs are multiplied by a factor of 1.4 to budget and allow for preliminary engineering, engineering, administration, construction management, construction contingency, and inspection costs. **All CIP costs are expressed in Year 2019 (October) dollars, using an ENR Construction Cost Index of 11,326, and will need to be escalated to the year during which the midpoint of construction occurs.**

#### SUMMARY OF RECOMMENDATIONS AND CAPITAL IMPROVEMENT PROJECTS

The projects are listed in order of necessity.

First priority projects are those considered necessary for correcting existing health and safety deficiencies, such as fire flow and low water service pressures, and are generally recommended to be completed within five years. As part of this Report and recommendations, first priority projects were listed for areas that are significantly deficient in fire flow requirements at the minimum residual pressure of 20 psi.

Second priority projects are those needed to correct lower priority system deficiencies, and anticipated future deficiencies (depending on growth and development) within 1 to 10 years. Given the number of fire flow deficiencies, and understanding the limitations of completing all fire flow related improvements within 5 years, second priority projects also included those areas that have deficient fire flow requirements at the minimum residual pressure of 20 psi, but are operating closer to the required minimums. These projects may also include undersized mains that are nearing the end of their useful life. These older, smaller diameter pipe sizes are more apt to leak or break, which could cause serious consequences if not replaced in a timely manner.

Third priority projects are generally those that do not present immediate deficiencies, but should be corrected in the future as budgets allow, such as looping dead-end mains, increasing water main sizes when a pipeline's useful life is nearing the end, increasing undersized pipelines to the District's 8-inch minimum, valve replacements or additions, and other such improvements. The costs of these improvements were estimated as described in the above section, Basis of Capital Improvement Project Costs. While the following proposed projects address system deficiencies, each project and comparable alternatives should be considered prior to design.

In addition to the operational deficiencies noted above, ranking of projects also considered

future County of San Luis Obispo and Caltrans street improvement projects. Higher priority projects that are in areas where development or street improvements projects are planned have been elevated on the priority list in order to minimize excavation in recently repaved streets, or provide service to new developments.

## **RECOMMENDATIONS**

The following is a list of general recommendations to the District:

### Un-accounted for Water

The District's un-accounted for water is considered within industry standards, and acceptable. It is recommended, however, that the District document incidental uses such as water used for line flushing, metered construction water, fire flow events, fire department training, and other incidences. This will help further refine the estimates of unaccounted for water that may be the result of inaccurate meters or unauthorized use.

To help reduce un-accounted for water, the District has implemented a meter replacement program to replace all the meters in the system. To this date, over half of the meters have been replaced, and the District is on track to complete the replacements in the next few years. It is recommended that this program continue until all meters have been replaced.

### Water Conservation Programs

The District does an excellent job in conserving water, as is portrayed by the relatively low per capita water demands. The District is encouraged to continue promoting water conservation through education and outreach programs, and tiered water rates.

### Water Supply

The District previously participated in the State Water Drought Buffer Program to enhance water supply reliability. Reliable delivery of State Water Project water varies from year to year, and the State is currently evaluating options to make delivery more reliable in future years. One such proposal is the Delta Conveyance Project. It is recommended that the District participate in the preliminary efforts in support of this project to ensure future reliability and delivery.

### Tank Lining and Coating

Over time the linings and coatings on steel tanks breaks down and needs replacement. Regular inspections of the tank and its coatings should be performed by a qualified coating specialist either by diving, or at the next scheduled tank cleaning, to assess the condition of both tanks. The 0.3 MG water storage tank is likely in need of re-coating and re-lining. The Division of Drinking Water (DDW) performed an inspection of both tanks in 2017 for their Sanitary Survey Report, and noted both tanks needed spot-repairs to address external corrosion, particularly on the tank roofs. This should be completed soon to avoid holes forming in the tank due to lack of maintenance.

Tank coatings last 15-20 years or more, and the life can be extended by performing spot-repair work on the tank periodically. Budgeting for tank lining and coating of the 0.3 MG water tank should be anticipated for some time within the next 5-10 years. This therefore has been included as a Priority 1 CIP. Tank lining and coating of the 1.0 MG tank can be deferred with minor spot repairs now, but should be budgeted for in the next 10-15 years or so.

## Capital Improvement Projects

This section presents a brief description of recommended first priority capital improvements. The G&T 2004 WMP and the Wallace 2009 WMP Update provided an extensive list of CIPs to address many conditions. Some of these projects have been completed and others were beyond the needs of the District. Table 9.1 summarizes the projects required to meet pressure and fire flow requirements throughout the system, as well as improve the functionality of the operation of the overall system.

### Priority 1 Improvements (Orange Figure 9.1)

First priority projects are those considered necessary for correcting existing health and safety deficiencies, such as fire flow and low water service pressures, and are generally recommended to be completed within five years. As part of this Report and recommendations, first priority projects were listed for areas that are deficient in fire flow capacity at the minimum residual pressure of 20 psi. These projects are summarized in Table 9.1 and illustrated in Figure 9.1. The Priority 1 projects listed in table 9.1 are also considered to be the 5-year CIP.

#### 1-1 Cabrillo Hwy (Hwy 1 at 21<sup>st</sup> St.)

Cabrillo Highway between 19<sup>th</sup> and 21<sup>st</sup> St is served by a 2-inch line. This is one of several undersized and dead-end lines that result in fire flows as low as 120 gpm (3,500 gpm required). To provide sufficient fire flow to this area, an 8-inch water line will be required. It will connect to the new water line in 21<sup>st</sup> Street and extend west to Front Street. This line should be upgraded to the district 8-inch minimum, and connect to the existing fire hydrant near 19<sup>th</sup> St that is currently fed from the alleyway to the north.

#### 1-2 Cabrillo Hwy and Front Street

A fire hydrant on Front St between Cabrillo Hwy and Nipomo Street is fed by a dead-end line and has low fire flow capacity. To increase the fire flow to this hydrant, the existing dead-end water main in Front street should be extended to the northwest and connect to the proposed Cabrillo Hwy water main described in Project 1-1. An 8-inch looping water main would increase fire flow and eliminate the dead end main in this location.

#### 1-3 22<sup>nd</sup> Street at Paso Robles Street

There is a gap in the piping network in 22<sup>nd</sup> Street between Warner St. and Paso Robles St. Approximately 225 feet should be installed in this location to loop the system to allow the District the flexibility to isolate the system more effectively in the event of an outage. An 8-inch looping water main would increase fire flow and eliminate the dead end main in this location. Timing is of the essence since the County of SLO has planned to do a street overlay in the next fiscal year, and installation of the main prior to this project would maintain the integrity of the freshly paved roadway. If this project is not completed in a timely manner, it may need to be re-prioritized to a later date to avoid trenching in a freshly paved street.

#### 1-4 Truman Drive

Fire flows in this area are as low as 500 gpm (2,500 gpm required). Replacing the existing 4-in ACP line in Truman Drive between Norswing Dr and Railroad St will increase the fire flow in this area. There is also a slow leak at the intersection of Truman Drive and Norswing Drive that needs to be addressed along with this project. This is another project that needs to be addressed soon so that it can be completed before the County of SLO street overlay project passes through this area.

- 1-5 Railroad Street Alley (Truman to Airpark)  
Fire flows to The Strand (beach area) were as low as 1,150 gpm at one point (2,500 gpm required), but improvements to the water mains in Air Park Drive and the new 10-inch lagoon crossing at Maui Circle have helped increase these flows. There are still undersized water mains that need to be replaced to allow The Strand area to achieve the full fire flows required. To help remedy these deficiencies, the existing 4-inch and 6-inch lines in the Railroad Street Alley should be upgraded to a 10-inch pipe from Air Park Drive to Truman Street. The portion between Truman Dr. and Pier Ave has already been upgraded to a 10-inch pipe, and upsizing the pipe in this area will allow additional flow to reach Pier Ave, and ultimately increase the fire flow to The Strand area.
- 1-6 Norswing Drive and Pershing Drive  
Fire flows in this area are as low as 500 gpm (2,500 gpm required). Replacing the existing 2-in steel lines in Norswing Drive from Pier Ave to Pershing Drive, and in Pershing Drive from Norswing Drive to Railroad St. will increase the fire flow in this area. This is another project that needs to be addressed soon so that it can be completed before the County of SLO street overlay project passes through this area.
- 1-7 Strand Way (South of Utah)  
South of Utah Avenue the fire flow is as low as 1,600 gpm (2,500 gpm required). Replacing the existing 4-inch lines south of Utah Ave with 8-inch mains will provide sufficient fire flow to this area of the system.
- 1-8 Laguna Dr Alley (South of Utah)  
South of Utah Avenue the fire flow is as low as 1,600 gpm (2,500 gpm required). Replacing the existing 4-inch lines south of Utah Ave with 8-inch mains will provide sufficient fire flow to this area of the system.
- 1-9 Cabrillo Hwy Alley (at 19<sup>th</sup> Street)  
In this area there are several undersized and dead-end lines that result in fire flows as low as 120 gpm (3,500 gpm required). To provide sufficient fire flow to these areas an 8-inch and 12-inch water main will be required. It will connect the Front St Alley water main to the existing 12-inch main between 19<sup>th</sup> St and 21<sup>st</sup> St.
- 1-10 Utah Ave Alley (between Strand Way and Utah)  
The alley between Strand Way and Laguna Drive Alley connects the two water mains with a 3-inch AC pipe. The fire flow in this area is as low as 1,600 gpm (2,500 gpm required). To increase the fire hydrant's capacity and loop the system this main should be upgraded to the district 8-inch minimum along with Projects 1-7 and 1-8.
- 1-11 Pershing Drive across Hwy 1  
From Pershing Dr South 700 feet along Cabrillo Hwy the existing 6-inch dead end line provides only 1100 gpm fire flow (2,500 gpm required) and is a long dead end main. Both of these deficiencies can be solved by connecting the dead-end line to the proposed 10-inch main (Project 1-5) at intersection of Railroad St Alley and Pershing Dr. This will require crossing Caltrans right of way with a steel casing pipe.
- 1-12 Tank Inspection  
The storage capacity at the District's Corp Yard includes a 0.3 MG and a 1.0 MG water storage tank. The District should provide coatings inspection by a qualified diver/coatings inspector, either while tanks are in service, or at the next scheduled

cleaning. The inspection of both tanks should be conducted to assess the need for re-lining and re-coating of the tanks, and recommendations for rust/corrosion repairs to the tank exteriors. This assessment should be done at the following intervals after re-coating and re-lining is completed:

- Year 5: First inspection
- Years 5-15: Every 2-3 years
- Years 15+: Annually

#### 1-13 Tank Re-line and Re-coat

The recommendations from the tank inspection reports should be followed. If spot repairs are needed to extend the life of the tank, those should be addressed immediately. If deferred maintenance is noted, or corrosion is too severe and the tanks need to be re-lined and re-coated, they should be done at separate intervals so both tanks are not out of service at the same time. Spot repairs on both tanks should be done right away, and relining and recoating of the tanks should be completed as funding becomes available.

### **Priority 2 Projects (Green Figure 9.1)**

Second priority projects are those needed to correct lower priority system deficiencies, and anticipated future deficiencies (depending on growth and development) within 1 to 10 years. Given the number of fire flow deficiencies, and understanding the limitations of completing all fire flow related improvements within 5 years, some fire flow improvement projects are included as Priority 2 projects instead of Priority 1 projects. Completion of these projects should take place as soon as funding becomes available. These projects are summarized in Table 9.1 and illustrated in Figure 9.1.

#### 2-1 Pier Avenue

Fire flows to The Strand (beach area) were as low as 1,150 gpm at one point (2,500 gpm required), but improvements to the water mains in Air Park Drive and the new 10-inch lagoon crossing at Maui Circle have helped increase these flows. There are still undersized 6-inch water mains in Pier Avenue that need to be replaced to allow The Strand area to achieve the fire flows required. To help remedy these deficiencies, the existing 6-inch lines in Pier Avenue from Air Park Dr to Railroad Street Alley should be upgraded to a 10-inch pipe. The portion in the existing 80-foot bridge crossing has already been upgraded to a 10-inch pipe.

#### 2-2 Norswing Drive Loop (North of Pier)

The Norswing alley main that provides service to the area north of Pier Ave is a 1,050-foot long dead-end main. Fire flow at the north end of the Norswing Drive Alley is approximately 740 gpm (2,500 gpm required). Replacing the existing 4-inch line from Coolidge Dr to Harding Dr with an 8-inch main will provide sufficient fire flow, while water quality and reliability of service to this area can be improved by installing a new 8-inch line looping the main back to Pier Ave in Norswing Dr.

#### 2-3 Railroad Street (Creek Rd. to 17<sup>th</sup> St.)

Fire flow provided by the existing waterline at Sand Dollar Ave and Creek Rd is 2,200 gpm (3,500 gpm required) and it is a dead-end line. To increase the fire flow in this area, the only way to address the issue is to connect the system on the west side of the railroad tracks to the system on the east side of the tracks. Currently the only connections across the railroad tracks are at Air Park Drive. If the crossings in this location were ever compromised, there would be no way to get water to the western

portions of the distribution system. Installing another water main across the railroad tracks on the southern end of the system would provide an added measure of security to the operational functionality of the system. To address this deficiency, a new 8-inch water main should be installed in a new steel casing pipe under the UPRR right of way in Railroad Street.

2-4 Creek Road (Sand Dollar to Railroad St)

Fire flow provided by the existing waterline at Sand Dollar Ave and Creek Rd is 2,200 gpm (3,500 gpm required) and it is a dead-end line. To increase the fire flow in this area, the only way to address the issue is to connect the system on the west side of the railroad tracks to the system on the east side of the tracks. Once the connection in Railroad St is completed (Project 2-3), a new water main can be installed in Creek Rd from Sand Dollar to Railroad St to address the fire flow deficiencies and provide a benefit to the entire system by looping the piping network.

2-5 16<sup>th</sup> Street and Warner Street

Existing fire flows in this area are as low as 1000 gpm (2,500 gpm required). Replacing the existing 2-inch, 4-inch, and 6-inch lines in the area with 8-inch mains will provide sufficient fire flow to the area.

2-6 14<sup>th</sup> Street at Wilmar Ave

The existing waterline between Wilmar Ave and Rice St is only a 2-inch line limiting the fire flow to 1650 gpm (2,500 gpm required). Upgrading the existing 2-inch line to an 8-inch main will provide sufficient fire flow to the area.

2-7 Vista Street (19<sup>th</sup> St to 21<sup>st</sup> St)

Vista St is provided service by a 2-inch line between 19<sup>th</sup> St. and 21<sup>st</sup> St. This line should be upgraded to the district 8-inch minimum to provide additional fire flow.

2-8 Warner Street (19<sup>th</sup> to 21<sup>st</sup>)

Warner St is provided service by a 2-inch line between 19<sup>th</sup> St. and 21<sup>st</sup> St. This line should be upgraded to the district 8-inch minimum to provide additional fire flow.

2-9 South 4<sup>th</sup> Street Upgrade

There is a 200-foot 2-inch dead end line located in S 4<sup>th</sup> St, just past the UPRR and Highway 1 crossing at Air Park Drive. This line should be upgraded to the district 8-inch minimum to eliminate the old undersized steel main, and prevent a future leak or break in the main.

2-10 Temple St and Halcyon Rd

There is currently a 2,300 lf long dead-end reach of pipe on the eastern end of the District's system that serves several homes near Halcyon Rd. The pipe is sized properly for fire flow, but it is a dead end main in the system. Extending this pipe to the intersection of Halcyon Rd and The Pike would allow the District to serve new and existing developments along Halcyon Rd, and could also provide an interconnect with the City of Arroyo Grande for emergency conditions if ever needed. Although there is not an immediate need for this main, the long term returns for the District are beneficial.

2-11 Jetty Ave Alley (Palace Ave. to Fountain Ave.)

Currently there are dead end mains at both these streets and both have fire flow deficiencies. Connecting the two with an 8-inch line will provide a loop, allow sufficient fire flow, and greatly reduce the length of dead-end mains.



### Priority 3 Projects (Blue Figure 9.1)

Priority 3 projects are generally those that do not pose any immediate concern to the operation of the system, but would benefit the longevity and life expectancy of the system as a whole. There are several un-looped water mains and dead ends in the system. If these lines can be looped it would benefit water quality and reliability of service. Also, replacing any existing 2-inch, 3-inch, and 4-inch lines with 8-inch mains would be beneficial to the fire flow capabilities of the system. Some of these projects will rely on outside parties to complete, and therefore have been placed as a lower priority on the overall list. These projects are summarized in Table 9.1 and illustrated in Figure 9.1.

- 3-1 La Verne Ave. (Between 22<sup>nd</sup> St. and 23<sup>rd</sup> St.)  
La Verne Ave. service is provided by a 4-inch main. The 4-inch line should be upgraded to the District 8-inch minimum.
- 3-2 23<sup>rd</sup> Street (Between Wilmar Ave. and Tamera Dr.)  
There is a short reach of 4-inch water line in 23<sup>rd</sup> St, just north of Wilmar Ave. that should be upgraded to the District 8-inch minimum size pipe.
- 3-3 18<sup>th</sup> Street at Wilmar Ave.  
The water main in 18<sup>th</sup> Street is a dead-end main right near the intersection of Wilmar Avenue. The existing 4-inch piping was never connected to the water main in Wilmar Avenue. Connecting these water mains would provide a looping system in this area, providing increased pressure and fire flows to this area. Upsizing the water main from 4-inches to the District's 8-inch minimum would also provide a benefit to the system.
- 3-4 Laguna Drive Alley (from Utah Ave. to Juanita Ave.)  
The Strand is fed by an 8-inch water main, with a 4-inch loop around the alley that connects back to Juanita Ave. Existing fire flows on Laguna Alley are as low as 2,200 gpm (2,500 gpm required). To provide better fire flow, looping capabilities, and to meet the District's pipe sizing minimum; an 8-inch water main should be installed to replace the old main in this location. In conjunction with Projects 1-7, 1-8, 1-10, and 3-5, this will provide a more robust system that gives operational flexibility to the District in this area.
- 3-5 Utah Ave Alley (Between York and Utah)  
The alley between York Ave and Utah Ave is provided service by a 3-inch main. This pipeline should be upgraded to the District 8-inch minimum.
- 3-6 Rochelle Way Loop  
Rochelle Way is provided service by a 370-foot dead-end 6-inch main. To improve water quality this main should be connected to the nearby 8-inch main if it is possible to obtain an easement.
- 3-7 Security Ct at Sunset Lane  
Security Ct service is provided by a 2-inch dead end line. The 2-inch line should be upgraded to the district 8-inch minimum.
- 3-8 21<sup>st</sup> Street at River Ave  
The dead-end waterline on River Ave provides fire flows of 2,680 gpm (3,500 gpm required). By looping the system with an 8-inch line running north along 21<sup>st</sup> St to Nipomo St, sufficient fire flow will be provided and the dead-end line will be eliminated.

3-9 La Vista Ct at The Pike

Existing fire flows are approximately 490 gpm (1,000 gpm required). To provide sufficient fire flow the existing 4-inch dead-end line should be upgraded to an 8-inch main. Although this area is served by the District, the homes on this street are actually in the City of Arroyo Grande. Funding for upgrading these mains may need to come from the City.

3-10 Lancaster Drive at The Pike

Existing fire flows on Lancaster Dr are as low as 750 gpm (1000 gpm required). To provide sufficient fire flow the existing 4-inch main should be upgraded to an 8-inch. Although this area is served by the District, the homes on this street are actually in the City of Arroyo Grande. Funding for upgrading these mains may need to come from the City.

3-11 Trinidad Drive at Martinique

Existing fire flows are approximately 1,700 gpm (2,500 gpm required). To provide sufficient fire flow the existing 4-inch line along Trinidad Dr should be upgraded to an 8-inch main. This main, along with others on Antigua Drive, Barbados Street, and Tobago Street are all undersized per District standards, but are actually owned by the Cienega Seabreeze development so minimum District sizing does not necessarily apply. As a good rule of practice though, these 4-inch and 6-inch ACP water mains should be upsized in the future when their service life has been reached.

### **Other Projects**

While it is not hydraulically necessary to upgrade all of the distribution system's 4-inch lines to the District's new 8-inch standard, it is recommended that they be replaced if the budget is available, or at least upsized in the future when they reach the end of their serviceable life. Replacement of these 4-inch lines offers the further benefit of replacing old piping, improving looping, and providing better water quality and reliability.

**Table 9.1 – Capital Improvement Projects List**





Project No.	Description	Priority	Existing (in.)	Proposed (in.)	Length (lf)	Unit Cost	Construction Cost	Soft Cost	Total Cost
1-1	Cabrillo Hwy (Hwy 1 at 21st St.)	1	2	8	650	\$150	\$97,500	\$39,000	\$136,500
1-2	Cabrillo Hwy and Front St	1	-	8	400	\$150	\$60,000	\$24,000	\$84,000
1-3	22nd Street at Paso Robles St	1	-	8	225	\$150	\$33,750	\$13,500	\$47,250
1-4	Truman Dr	1	4	8	250	\$140	\$35,000	\$14,000	\$49,000
1-5	Railroad St Alley (Truman to Air Park)	1	4,6	10	1000	\$140	\$140,000	\$56,000	\$196,000
1-6	Norswing Dr & Pershing	1	1,2	8	900	\$140	\$126,000	\$50,400	\$176,400
1-7	Strand Way (South of Utah)	1	4	8	235	\$150	\$35,250	\$14,100	\$49,350
1-8	Laguna Dr Alley (South of Utah)	1	4	8	130	\$150	\$19,500	\$7,800	\$27,300
1-9	Cabrillo Hwy Alley (at 19th St)	1	2,4	8	700	\$140	\$98,000	\$39,200	\$137,200
1-10	Utah Ave Alley (Strand Way to Utah)	1	3	8	195	\$140	\$27,300	\$10,920	\$38,220
1-11	Pershing Dr across Hwy 1	1	-	8	200	\$150	\$30,000	\$12,000	\$42,000
1-12	Tank Inspections	1	-	-	-	-	\$6,500	\$2,600	\$9,100
1-13	Tank Re-lining and Re-coating	1	-	-	-	-	\$180,000	\$72,000	\$252,000
2-1	Pier Ave (Lakeside to Hwy 1)	2	6	10	1140	\$140	\$159,600	\$63,840	\$223,440
2-2	Norswing Dr Loop (North of Pier)	2	4,-	8	1750	\$140	\$245,000	\$98,000	\$343,000
2-3	Railroad Street (Creek to 17th)	2	-	8	650	\$250	\$162,500	\$65,000	\$227,500
2-4	Creek Road (Sand Dollar to Railroad)	2	-	8	480	\$140	\$67,200	\$26,880	\$94,080
2-5	16th St at Warner St.	2	2,4,6	8	940	\$140	\$131,600	\$52,640	\$184,240
2-6	14th St at Wilmar Ave.	2	2	8	380	\$140	\$53,200	\$21,280	\$74,480
2-7	Vista St (19th to 21st)	2	2	8	480	\$140	\$67,200	\$26,880	\$94,080
2-8	Warner St (19th to 21st)	2	2	8	480	\$140	\$67,200	\$26,880	\$94,080
2-9	South 4th St Upgrade	2	2	8	200	\$150	\$30,000	\$12,000	\$42,000
2-10	Temple St and Halcyon Rd	2	-	12	1075	\$175	\$188,125	\$75,250	\$263,375
2-11	Jetty Ave Alley (Palace to Fountain)	2	-	8	650	\$150	\$97,500	\$39,000	\$136,500
3-1	La Verne Avenue (22nd to 23rd)	3	4	8	500	\$140	\$70,000	\$28,000	\$98,000
3-2	23rd Street at Wilmar Ave.	3	4	8	300	\$150	\$45,000	\$18,000	\$63,000
3-3	18th St at Wilmar Ave.	3	4	8	40	\$250	\$10,000	\$4,000	\$14,000
3-4	Laguna Dr Alley (Utah to Juanita)	3	4	8	1195	\$150	\$179,250	\$71,700	\$250,950
3-5	Utah Ave Alley (York to Utah)	3	3	8	195	\$140	\$27,300	\$10,920	\$38,220
3-6	Rochelle Way Loop	3	-	8	200	\$200	\$40,000	\$16,000	\$56,000
3-7	Security Ct at Sunset Ln	3	2	8	280	\$140	\$39,200	\$15,680	\$54,880
3-8	21st St at River Ave.	3	-	8	690	\$130	\$89,700	\$35,880	\$125,580
3-9	La Vista Ct at The Pike	3	4	8	425	\$140	\$59,500	\$23,800	\$83,300
3-10	Lancaster Dr at The Pike	3	4	8	1150	\$140	\$161,000	\$64,400	\$225,400
3-11	Trinidad Dr at Martinique	3	4	8	300	\$130	\$39,000	\$15,600	\$54,600
Subtotal	Priority 1 (Orange)	1	-	-	4885	-	\$888,800	\$355,520	\$1,244,320
Subtotal	Priority 2 (Green)	2	-	-	8225	-	\$1,269,125	\$507,650	\$1,776,775
Subtotal	Priority 3 (Blue)	3	-	-	5275	-	\$759,950	\$303,980	\$1,063,930
<b>Total</b>		-	-	-	<b>18385</b>	-	<b>\$2,917,875</b>	<b>\$1,167,150</b>	<b>\$4,085,025</b>

**CAPITAL IMPROVEMENT PROJECTS LIST**

Project Number	Description	Priority	Existing (in)	Proposed (in)	Length (ft)
1-1	Cabrillo Hwy (Hwy 1 at 21st St.)	1	2	8	650
1-2	Cabrillo Hwy and Front St	1	-	8	400
1-3	22nd Street at Paso Robles St	1	-	8	225
1-4	Truman Dr	1	4	8	250
1-5	Railroad St Alley (Truman to Air Park)	1	4.6	10	1000
1-6	Norswing Dr & Pershing	1	1.2	8	900
1-7	Strand Way (South of Utah)	1	4	8	235
1-8	Laguna Dr Alley (South of Utah)	1	4	8	130
1-9	Cabrillo Hwy Alley (at 19th St)	1	2.4	8	700
1-10	Utah Ave Alleys (Strand Way to Laguna Alley)	1	3	8	195
1-11	Pershing across Hwy 1	1	-	8	200
1-12	Tank Inspections	1	-	-	-
1-13	Tank Re-lining and Re-coating	1	-	-	-
2-1	Pier Ave (Lakeside to Hwy 1)	2	6	10	1140
2-2	Norswing Dr Loop (North of Pier)	2	4	8	1750
2-3	Railroad Street (Creek to 17th)	2	-	8	650
2-4	Creek Road (Sand Dollar to Railroad)	2	-	8	480
2-5	16th St at Warner St.	2	2.4,6	8	940

Project Number	Description	Priority	Existing (in)	Proposed (in)	Length (ft)
2-6	14th Street at Wilmar Ave	2	2	8	380
2-7	Vista St (19th to 21st)	2	2	8	480
2-8	Warner St (19th to 21st)	2	2	8	480
2-9	South 4th St Upgrade	2	2	8	200
2-10	Temple St and Halcyon Rd	2	-	12	1075
2-11	Jetty Ave Alley (Palace to Fountain)	2	-	8	650
3-1	La Verne Avenue (22nd to 23rd)	3	4	8	500
3-2	23rd Street at Wilmar Ave.	3	4	8	300
3-3	18th Street at Wilmar Ave.	3	4	8	40
3-4	Laguna Dr Alley (Utah to Juanita)	3	4	8	1195
3-5	Utah Ave Alleys (Strand Way to Laguna Alley)	3	3	8	195
3-6	Rochelle Way Loop	3	-	8	200
3-7	Security Ct at Sunset Ln	3	2	8	280
3-8	21st St at River Ave.	3	-	8	680
3-9	La Vista Ct at The Pike	3	4	8	425
3-10	Lancaster Dr at The Pike	3	4	8	1150
3-11	Trinidad Dr at Martinique	3	4	8	300

**LEGEND**

- 2" \_\_\_\_\_
- 3" \_\_\_\_\_
- 4" \_\_\_\_\_
- 6" \_\_\_\_\_
- 8" \_\_\_\_\_
- 10" \_\_\_\_\_
- 12" \_\_\_\_\_
- PRIORITY 1 —
- PRIORITY 2 —
- PRIORITY 3 —
- PRESSURE VESSEL 
- WATER WELL 
- WATER TANK 
- WHARF HYDRANT 

REV. NO.	DATE	REVISION	BY



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OCEANO COMMUNITY SERVICES DISTRICT  
 WATER DISTRIBUTION SYSTEM  
 CAPITAL IMPROVEMENT  
 PROJECT LOCATIONS  
 OCEANO, CALIFORNIA

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