



**Notice of Regular Meeting**  
**Oceano Community Services District - Board of Directors Agenda**  
**WEDNESDAY, October 11, 2017 – 5:30 P.M.**  
**Oceano Community Services District Board Room**  
**1655 Front Street, Oceano, CA**

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

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

**1. CALL TO ORDER:**

**2. ROLL CALL:**

**3. FLAG SALUTE:**

**4. AGENDA REVIEW:**

**5. CLOSED SESSION:**

- A. Pursuant to Government Code 54956.9(a): Conference with legal counsel regarding Santa Maria Valley Water Conservation District v. City of Santa Maria, et al.,

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

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

**7. SPECIAL PRESENTATIONS & REPORTS:**

**A. STAFF REPORTS:**

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

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

- i. Director Angello
- ii. Director Brunet
- iii. President White
- iv. Vice President Austin
- v. Director Coalwell

**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. To facilitate public comment we request persons wishing to speak to fill out a speak request form and give it to the General Manager. Public comment is limited to three (3) minutes.

- A. Review and Approval of Minutes for the Regular Meeting on September 27, 2017
- B. Review and Approval of Cash Disbursements

9. BUSINESS ITEMS:

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

- A. Consideration of a recommendation to authorize the District President to execute lease documents for a new Kyocera copier lease with Coastal Copy
- B. Approval of a Recommendation Authorizing the General Manager to Issue Requests for Proposals for Professional Services to prepare the Water Resource Reliability Program (WRRP) and optional work for design services
- C. Consideration of a Standby Power Evaluation for the Emergency Generator Replacement Project and a recommendation to authorize the President to execute an agreement with Wilson Engineering to prepare the final project design and electrical permit in the amount of \$8,000

10. HEARING ITEMS: A public hearing to consider a recommendation to adopt an Ordinance to reduce water rates by implementing Post Drought Consumption Charges and by reducing the Supplemental Water Charge established in Ordinance 2015-01

11. RECEIVED WRITTEN COMMUNICATIONS:

12. LATE RECEIVED WRITTEN COMMUNICATIONS:

13. FUTURE AGENDA ITEMS: District Policies Continued; Professional Service Proposals; Roles and Responsibilities with Related Agencies; Emergency Generator.

14. FUTURE HEARING ITEMS:

15. ADJOURNMENT:

AGENDA ADDENDUM MATERIALS:

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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.

**ASISTENCIA A DISCAPACITADO** Si usted está incapacitado de ninguna manera y necesita alojamiento para participar en la reunión de la Junta, por favor llame a la Secretaría de la Junta al (805) 481-6730 para recibir asistencia por lo menos tres (3) días antes de la reunión para que los arreglos necesarios puedan ser hechos.



# Oceano Community Services District

## Summary Minutes

Regular Meeting Wednesday, September 27, 2017 – 5:30 P.M.

Oceano Community Services District Board Room

1655 Front Street, Oceano, CA

1. **CALL TO ORDER:** at 5:30 p.m. by President White
2. **FLAG SALUTE:** led by Director Brunet
3. **ROLL CALL:** All Board members present. Also present, District Legal Counsel Jeff Minnery, Business and Accounting Manager Carey Casciola and Board Secretary Celia Ruiz.
4. **AGENDA REVIEW:** Agenda approved as presented.
5. **CLOSED SESSION:** was entered at approximately 5:33pm. Open session was resumed at approximate 6:12pm  
 No public comment
  - a. Pursuant to Government Code §54957: Performance evaluation – General Manager  
 Reportable action: None
6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA (NOT BEGINNING BEFORE 6:00 PM):**  
 No public comment
7. **SPECIAL PRESENTATIONS & REPORTS:**
  - b. **STAFF REPORTS:**
    - i. Operations - Field Supervisor Tony Marraccino reported 6 work orders, 8 USA's, 6 after hour call outs, samples, lead and copper complete, sewer cleaning, meter reads, comment codes, re-reads, back hoe will be delivered first week of October, hydrant hit on Norswing and Pier.
    - ii. FCFA - Chief Steve Lieberman – None
    - iii. OCSD General Manager – Absent
    - iv. Sheriff's South Station - Commander Stewart MacDonald – None
  - c. **BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**
    - i. Director Angello - None
    - ii. Director Brunet – reported on Zone 3
    - iii. President White – reported on FCFA, and Oceano Advisory
    - iv. Vice President Austin – reported on SSLOCSD
    - v. Director Coalwell – reported on Regional Groundwater Sustainability Project
  - c. **PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**  
 Public comment was received by Julie Tacker, Patricia Price, Mary Lucey, Patty Welsh, and Shirley Gibson.

8 CONSENT AGENDA:	ACTION:
<ol style="list-style-type: none"> <li>a. Review and Approval of Minutes for the Regular Meeting on September 13, 2017</li> <li>b. Review and Approval of Cash Disbursements</li> </ol>	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Director Brunet, a second by Director Coalwell and a 5-0 vote. No public comment.

<b>9 A BUSINESS ITEM:</b>	<b>ACTION:</b>
Consideration of a Recommendation to Approve a job description for a "Solid Waste Coordinator / Operator in Training" and to add it to the District's position allocation list	After an opportunity for public comment and brief Board discussion, staff recommendations were approved with a motion from Vice President Austin, a second by Director Brunet and a 5-0 vote. Public comment was received by Julie Tacker and Mary Lucey.

<b>9 B BUSINESS ITEM:</b>	<b>ACTION:</b>
Introduction of an Ordinance to reduce water rates by implementing Post Drought Consumption Charges and by reducing the Supplemental Water Charge established in Ordinance 2015-01 for consideration at a public hearing previously set for October 11, 2017, with an optional exhibit illustrating no change at this time	After an opportunity for public comment and brief Board discussion, no action taken. No public comment.

<b>9 C BUSINESS ITEM:</b>	<b>ACTION:</b>
Discussion of the future General Management of the District including (1) General Manager recruitment and transition planning and/or (2) authorization for the District President to approve a contract amendment to the current General Manager contract	After an opportunity for public comment and brief Board discussion, staff recommendations were approved to authorize the Board President to approve an amendment to the current General Manager contract as follows: modify Section 4 to extend the initial term by two years; modify section 6(c) with the addition of 1 week of vacation; modify, section 6F to be consistent with district policy; modify section 11C to be consistent with district policy and to include sick leave; modify section 11C with updated severance date to the fifth anniversary date; modify section 11E to be consistent with district policy and include sick leave; modify section 12(d) to eliminate insurance certificate as material default; and direction to legal counsel to work with the president to clean up language and update the position of Business Accounting Manager to delegate tasks and language regarding material breach. Passed with a motion from Director Coalwell, a second by Vice President Austin and a 5-0 roll call vote. Public comment was received by Julie Tacker, Shirley Gibson, and Mary Lucey.

10. HEARING ITEMS: None
11. RECEIVED WRITTEN COMMUNICATIONS: None
12. LATE RECEIVED WRITTEN COMMUNICATIONS: None
13. FUTURE AGENDA ITEMS: District Policies Continued; Professional Service Proposals; Roles and Responsibilities with Related Agencies; Emergency Generator.
14. FUTURE HEARING ITEMS: Water Rates Reduction October 11, 2017
15. ADJOURNMENT: at approximately 7:24 pm



# Oceano Community Services District

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

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

**Date:** October 11, 2017

**To:** Board of Directors

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

**Subject:** Agenda Item #8B: Recommendation to Approve Cash Disbursements

## Recommendation

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

## Discussion

The following is a summary of the attached cash disbursements:

Description	Check Sequence 56518 - 56546	Amounts
<b><u>Disbursements Requiring Board Approval prior to Payment:</u></b>		
Regular Payable Register – paid 10/11/17	56526 - 56545	\$24,327.70
Utility Account Refund – paid 10/11/17	56546	\$2.49
Subtotal:		\$24,330.19
<b><u>Reoccurring Payments for Board Review (authorized by Resolution 2016-07):</u></b>		
Payroll Gross Wages - period ending 09/30/2017	N/A	\$26,442.76
Reoccurring Utility Disbursements – paid 09/27/2017	56518 - 56520	\$6,696.59
Reoccurring Health/Benefits – paid 09/27/2017	56521 - 56524	\$5,919.52
SLO County Reimbursement Agreement Deposit – paid 10/2/2017	56525	\$15,000.00
Subtotal:		\$54,058.87
<b>Grand Total:</b>		<b>\$78,389.06</b>

**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.

10/5/2017 3:34 PM  
 COMPANY: 99 - POOLED CASH FUND  
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
 TYPE: All  
 STATUS: All  
 FOLIO: All

CHECK RECONCILIATION REGISTER

PAGE: 1  
 CHECK DATE: 0/00/0000 THRU 99/99/9999  
 CLEAR DATE: 0/00/0000 THRU 99/99/9999  
 STATEMENT: 0/00/0000 THRU 99/99/9999  
 VOIDED DATE: 0/00/0000 THRU 99/99/9999  
 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 056526 THRU 056545

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT----	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	10/05/2017	CHECK	056526	PETTY CASH	11.60CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056527	WHITE, KAREN M.	250.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056528	MARK SCHWIND ELECTRIC INC.	3,529.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056529	CORIX WATER PRODUCTS (US) INC.	3,217.50CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056530	CENTRAL COAST PRINTING	1,881.27CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056531	HIRIARTE'S INDOOR CLEANING SER	825.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056532	ARAMARK	124.52CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056533	CENTRAL COAST TECHNOLOGY CONSU	316.06CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056534	MR. BACKFLOW	869.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056535	AUSTIN, LINDA	400.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056536	COALWELL, JAMES	250.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056537	BRUNET, ANDREW J.	150.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056538	ZENITH INSURANCE COMPANY	1,541.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056539	EVERYWHERE RIGHT NOW, INC.	2,000.00CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056540	J.B. DEWAR, INC.	361.03CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056541	GROVER BEACH, CITY OF	2,367.17CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056542	MINER'S ACE HARDWARE, INC.	129.46CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056543	OCSO	786.46CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056544	QUILL CORPORATION	318.63CR	OUTSTND	A	0/00/0000
1-1001-000	10/05/2017	CHECK	056545	WILSON ENGINEERING	5,000.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	24,327.70CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

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

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 056546 THRU 056546

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	10/05/2017	CHECK	056546	SUMNER-EISENBRAUN SA	2.49CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	2.49CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	2.49CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

**Payroll Summary Report**  
**Board of Directors - Agenda Date October 11, 2017**

	(*)	
<u>Gross Wages</u>	9/16/2017	9/30/2017
Regular	\$21,823.67	\$21,823.66
Overtime Wages	\$929.37	\$1,119.41
Stand By	\$700.00	\$700.00
Gross Wages	\$23,453.04	\$23,643.07
 <u>Disbursements</u>		
Net Wages	\$17,197.37	\$17,551.86
State and Federal Agencies	\$5,362.71	\$5,404.65
CalPERS - Normal	\$3,186.25	\$3,486.25
Total Disbursements processed with Payroll	\$25,746.33	\$26,442.76
 Health & Other (Disbursed with reoccurring bills)	 \$3,847.60	 \$3,418.97
Total District Payroll Related Costs	\$29,593.93	\$29,861.73

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



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

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 056518 THRU 056520

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	9/27/2017	CHECK	056518	RABOBANK EQUIPMENT LEASE	755.60CR	OUTSTND	A	0/00/0000
1-1001-000	9/27/2017	CHECK	056519	ADVANTAGE ANSWERING PLUS, INC	234.84CR	OUTSTND	A	0/00/0000
1-1001-000	9/27/2017	CHECK	056520	PACIFIC GAS & ELECTRIC	5,706.15CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	6,696.59CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	6,696.59CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

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

CHECK DATE: 0/00/0000 THRU 99/99/9999  
 CLEAR DATE: 0/00/0000 THRU 99/99/9999  
 STATEMENT: 0/00/0000 THRU 99/99/9999  
 VOIDED DATE: 0/00/0000 THRU 99/99/9999  
 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 056521 THRU 056524

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	9/27/2017	CHECK	056521	THE LINCOLN NATIONAL LIFE INSU	1,010.14CR	OUTSTND	A	0/00/0000
1-1001-000	9/27/2017	CHECK	056522	VSP VISION	105.80CR	OUTSTND	A	0/00/0000
1-1001-000	9/27/2017	CHECK	056523	SEIU LOCAL 620	143.44CR	OUTSTND	A	0/00/0000
1-1001-000	9/27/2017	CHECK	056524	ANTHEM BLUE CROSS	4,660.14CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	5,919.52CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	5,919.52CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

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

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 056525 THRU 056525

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	10/02/2017	CHECK	056525	SLO CO DEPT OF PUBLIC WORKS	15,000.00CR	OUTSTND	A	0/00/0000
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	15,000.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	15,000.00CR		
				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 11, 2017

**To:** Board of Directors

**From:** Paavo Ogren, General Manager

**Subject:** Agenda Item 9(A): Consideration of a recommendation to authorize the District President to execute lease documents for a new Kyocera copier lease with Coastal Copy

## Recommendation

It is recommended that your Board authorize the District President to execute lease documents for a new Kyocera copier lease with Coastal Copy.

## Discussion

Attached are three (3) proposals for a new office copier lease that District staff obtained to consider replacement of the existing copier in accordance with District purchasing policies. Both the existing and proposed equipment include the full range of copying, scanning, and faxing functions and are network compatible. Attachment "A" provides a summary of the proposals. Attachment "B" illustrates the increase or decrease in estimated annual costs as compared to the existing copier. The recommended equipment would cost an estimated \$245 less annually than the existing equipment.

In comparison to the existing copier, the attachments illustrate that new copiers are less expensive to lease and operate. The District paid off the lease of the existing machine approximately two years ago, but maintenance and supply costs are approximately \$5,000 per year. Of the three proposals, two will cost less for the District - including the lease payment. None of the proposals would require a budget adjustment since all three are approximately equal to current costs.

If approved, staff intends on dedicating the existing equipment to scanning functions. Your Board recently approved a temporary part-time employee to help with document management efforts relating to historical/archived documents. This work effort will include identifying documents that can be destroyed in accordance with the District's records retention policy, as well as those that must be kept. Staff intends on scanning a significant amount of archived documents and dedicating the existing machine to this purpose will help ensure that the document management tasks are efficient.



**Other Agency Involvement**

n/a

**Other Financial Considerations**

See attachments for cost comparisons.

**Results**

Dedicating the current copier to the document management efforts allows that staff member to be more efficient and work uninterrupted. Scanning historical/archived documents will also improve access by staff and the public to those documents and will help ensure that overall records retention efforts are efficient in the future.

Attachments:

- Attachment "A" – Summary of Proposals
- Attachment "B" – Cost Comparisons
- Copier Proposals / Bids

**Oceano Community Services District**  
**Summary of Replacement Copier Proposals**  
**October 11, 2017**

	Machine Type	PPM*	Lease Period	Lease Amount	Service Program	Base Monthly Costs	Free/Included Copies per month		Overage Charge per copy	
							Color Copies	B&W Copies	Color Copies	B&W Copies
Chaparral Business Machines	Ricoh	45	60 mo	\$ 177.00	\$ 165.00	\$ 342.00	1,000	6,000	0.078	0.010
Coastal Copy, Inc.	Kyocera	50	60 mo	\$ 140.00	\$ 220.00	\$ 360.00	2,000	9,000	0.059	0.009
Ultrex	Sharp	35	60 mo	\$ 179.00	\$ -	\$ 179.00	-	-	0.065	0.009

\*Pages per min

**Oceano Community Services District**  
**Estimated Copier Replacement Costs**  
**October 11, 2017**

Invoice Date	Lease Fee	Covered Copies		Actual Copies		Billable (Overage)		Overage	Total Invoice
		Color	B&W	Color	B&W	Color	B&W		
8/8/2016	\$ 177.00	2,500	7,000	4,941	6,362	2,441	(638)	\$ 100.08	\$ 277.08
9/8/2016	\$ 177.00	2,500	7,000	10,547	7,962	8,047	962	\$ 342.11	\$ 519.11
10/17/2016	\$ 177.00	2,500	7,000	10,351	9,811	7,851	2,811	\$ 358.43	\$ 535.43
11/17/2016	\$ 177.00	2,500	7,000	6,452	5,614	3,952	(1,386)	\$ 162.03	\$ 339.03
12/19/2016	\$ 177.00	2,500	7,000	5,917	5,431	3,417	(1,569)	\$ 140.10	\$ 317.10
1/9/2017	\$ 177.00	2,500	7,000	5,666	4,973	3,166	(2,027)	\$ 129.81	\$ 306.81
2/6/2017	\$ 177.00	2,500	7,000	5,273	6,233	2,773	(767)	\$ 113.69	\$ 290.69
3/6/2017	\$ 195.00	2,500	7,000	13,356	9,701	10,856	2,701	\$ 480.21	\$ 675.21
4/10/2017	\$ 195.00	2,500	7,000	8,058	6,448	5,558	(552)	\$ 250.11	\$ 445.11
5/8/2017	\$ 195.00	2,500	7,000	8,607	6,955	6,107	(45)	\$ 274.82	\$ 469.82
6/12/2017	\$ 195.00	2,500	7,000	7,648	6,123	5,148	(877)	\$ 231.66	\$ 426.66
7/20/2017	\$ 195.00	2,500	7,000	7,771	9,824	5,271	2,824	\$ 276.74	\$ 471.74

**FY 2016/17 Copy Surcharge \$ 5,073.79**

Estimated Future Annual Copy Surcharges  
 Estimated Future Monthly Lease Payments  
 Estimated Future Annual Lease Payments  
 Total Estimated Future Annual Costs  
 Annual Increase / (Decrease)

Ricoh	
Color	B&W
\$ 0.078	\$ 0.010
1000	6000
50.47	3.62
196.22	19.62
191.13	38.11
89.75	-
75.84	-
69.32	-
59.10	2.33
269.26	37.01
131.51	4.48
145.78	9.55
120.85	1.23
124.05	38.24
\$ 1,523.26	\$ 154.19
\$ 1,677.45	
\$ 342.00	
\$ 4,104.00	
\$ 5,781.45	
\$ 707.66	

Kyocera	
Color	B&W
\$ 0.059	\$ 0.009
2000	9000
-	-
89.42	-
85.57	7.30
8.89	-
-	-
-	-
-	-
144.67	6.31
40.47	-
51.27	-
32.41	-
34.83	7.42
\$ 487.54	\$ 21.02
\$ 508.56	
\$ 360.00	
\$ 4,320.00	
\$ 4,828.56	
\$ (245.23)	

Sharp	
Color	B&W
\$ 0.065	\$ 0.009
0	0
107.06	57.26
228.52	71.66
224.27	88.30
139.79	50.53
128.20	48.88
122.76	44.76
114.25	56.10
289.38	87.31
174.59	58.03
186.49	62.60
165.71	55.11
168.37	88.42
\$ 2,049.39	\$ 768.93
\$ 2,818.32	
\$ 179.00	
\$ 2,148.00	
\$ 4,966.32	
\$ (107.47)	

Proposal for  
**Oceano Community Services District**  
From:  
Chaparral Business Machines, Inc.

## **Ricoh Aficio MP C4504ex Digital **Color** System**

### **FEATURES:**

- Copy, Print and Scan in **Black & White** or **Full Color**
- **True** 600 x 600 dpi or 1,200 x 1,200 dpi output
- **Full color, black and white, single color and twin color options**
- Auto text and photo separation mode, photo mode, map mode and text mode with 256 grayscale
- Automatic single pass dual scan document feeder (holds 220 sheets)
- Automatic electronic sorting and multi-position staple finishing
- Automatic electronic duplexing (1 to 2 and 2 to 2)
- Four-way paper sources (2 x 550 sheet drawers, 2,000 sheet tandem large capacity tray and 100-sheet bypass)
- **Paper Weights: Drawers #1-3 16-80 lb. Bond/166 lb. Index Bypass 14-80 lb. Bond/166 lb. Index**
- Automatic reduction/enlargement with 1% zoom 25% to 400%
- Automatic centering, margin adjustment, combine originals erase border and center images
- **Full Color Touch Screen 10.1" Super VGA Smart Operation Panel**
- Automatic page numbers, date stamping, covers and chapter inserts
- **Document Server** – copied, printed or scanned documents can be stored in the Document Server (HDD) on the copier to be viewed and/or printed at a later time (3,000 documents or 9,000 pages)
- **Standard memory 2GB and 320GB HDD**
- Job programs (10)
- User codes (1,000)
- 24 second warm up time from off
- 1 second recovery time from sleep mode (motion sensor activated)
- First copy speed 4 seconds **black** and 5.7 seconds **color**
- Copy speed **45 pages per minute in black & white**
- Copy speed **45 pages per minute in color**



## SCANNING:

- Scan resolution 100 to 600 dpi in **B&W and Full Color**
- Scan speed 110 pages per minute **B&W and Full Color** at 200/300 dpi
- **Single pass duplex scanning through document feeder**
- Scan modes: text, text/photo, photo, OCR, grayscale, ACS
- **USB 2.0 Port for (Scan-to and Print-from USB device/SD Card)**
- File types: Single/Multi-Page TIFF, PDF, High Compression PDF & PDF/A, Single Page JPEG
- Originals from 8½" x 5 ½" to 11" x 17"
- **Scan preview from Full-color LCD display on Control Panel**
- Scan to E-mail, Scan to Folder, Scan to URL, Scan to Media (USB/SD Card), Network TWAIN scanning.  
(Up to 2,000 E-mail destinations can be pre-programmed)

## PRINTING:

- Print speed **45 ppm B&W and Full Color**
- Automatic sorting and/or duplexing sets up to 11" x 17" paper
- Print drivers PCL5c, PCL6, PostScript3 Emulation for MAC printing, PDF Direct Print Emulation.
- Interface 10/100 BaseTX, Ethernet and USB 2.0
- Network protocol TCP/IP (IPv4, IPv6)
- **2GB RAM memory with 320GB Hard Disk Drive**
- **CPU: Intel Atom Processor Bay Trail 1.75 GHz**  
Operating Systems: Windows Vista/7/8.1/10/Server 2008/Server 2008R2/Server 2012/Server 2012R2/Server 2016; Unix: Sun Solaris, HP-UX, SCO OpenServer, RedHat Linux, IBM AIX, Citrix XenDesktop 7.0/7.1, XenApp 6.5/7.5, Mac OS Xv. 10.9 or later; SAP R/3, SAP S/4, IBM iSeries AS/400-using OS/400 Host Print Transform
- Management Utilities: Device Manager NX, Web Image Monitor, @Remote

## FAXING:

- Super 3G Faxing
- Modem speed of 33.6Kbps to 2,400Kbps with Auto Fallback
- Scanning speed 82 ipm per minute.
- Transmission speed of 2 sec. per page with JBIG; 3 sec.with MMR
- Standard memory 4MB (320 pages)
- 2,000 Quick Dials, 100 Group Dials (500 locations each)
- Internet fax by e-mail (T3.7); IP Fax (T3.8); LAN Fax; Fax Forward to E-mail/Folder; LDAP Support

Proposal for  
**Oceano Community Services District**  
 From  
 Chaparral Business Machines, Inc.

**Ricoh Aficio MP C4504ex Digital Color System**

Ricoh Aficio MP C4504ex Digital <span style="color: red;">Color</span> System	\$19,354.00
Single Pass Dual Scan Document Feeder, Document Server, 2 x 550 sheet drawers, 100-sheet bypass, Network <span style="color: red;">Color</span> Printing, Scanning, and Faxing	
PB3260 Large Capacity Tandem Tray (2,000 sheets)	1,909.00
SR3210 1,000 sheet staple finisher with bridge unit	<u>1,970.00</u>
 List Price:	 \$ 23,233.00 + tax
Discount and Trade-In:	<u>&lt; 13,568.00 &gt;</u>

*Oceano Community Services District Cash Purchase Price: \$ 9,665.00 + tax*

*\*Purchase price includes delivery, installation and training.*

**\*LEASE OPTIONS:**

60 months	\$ 176.87/month + tax	0 down
<i>FMV Purchase Option</i>		
60 months	\$ 190.70/month + tax	0 down
<i>\$1.00 Buyout Purchase Option</i>		

**SERVICE**

Includes all parts, labor and toner.  
 \$ 165.00 per month – includes 6,000 **black** copies and 1,000 color copies  
**Excess black** copies billed at \$ 0.010 each  
**Excess color** copies billed at \$ 0.078 each  
 (Excludes paper and staples)

*\* Service pricing includes sales and standard supply shipment.*

Chaparral Business Machines, Inc.  
 Dated: 10/03/2017



**August 28, 2017**

**Community Services District Oceano  
1655 Front Street  
Oceano, CA 93445**

**Proposal:** **Kyocera TASKalfa 5052ci Color Digital Imaging System**  
*50ppm Color 50ppm Black & White*

**Includes:** **1-Digital Color Copier (2GB Memory, 160GB HDD)**  
1-Dual Scan Document Feeder (175 Sheet Capacity)  
1-Stackless Duplex Unit (2-Sided)  
1-Dual Paper Drawers (1500 Sheets Each)  
2-Paper Drawers (500 Sheets Each)  
1-Multi-Purpose Tray (200 Sheets)  
1-1,000 Sheet Finisher  
**--50 Sheet All Position Stapling**  
**--Two and Three Hole Punch**  
1-Print / Scan System w/ Full Color Scanning  
Delivery, Installation, and Operator Training  
Software Installation and Network Services

**Kyocera Zero Down Lease Special: (FMV)**

60 Month Lease... **\$140** +Tax Per Month  
Documentation Fee = \$75.00

**\*\*Lease includes \$500 Trade-In Discount for Ricoh MP-C4501\*\***

**Full Comprehensive Service / Supply Agreement:** **\$220 Per Month**

**Includes:** 9,000 B&W Clicks per Month / Overage @ \$.009  
2,000 Color Clicks per Month / Overage @ \$.059  
All Service, Parts, Labor, Travel, Supplies  
Toner, Drums & Monthly Inspections

**Excludes** Paper & Staples

If you have any questions or need additional information please feel free to call me.

Thank You,

  
**Michelle Hogue**



(805) 541-6482

**COASTAL COPY, INC.**

Fax: (805) 549-7584

August 26,2017

Community Services District Oceano  
1655 Front Street  
Oceano, CA 93445

**TOTAL COST OF OWNERSHIP COMPARISON**

<b>Current Monthly Total Cost of Ownership</b>				
	B&W <u>Volume</u>	Color <u>Volume</u>	Lease <u>Payment</u>	Supplies <u>Supplies</u>
Ricoh MP-C4501	8,765	2,017	\$0	\$469

**Current Total Cost of Ownership**     **\$469**

<b>Proposed Monthly Total Cost of Ownership</b>				
	B&W <u>Volume</u>	Color <u>Volume</u>	Lease <u>Payment</u>	Supplies <u>Supplies</u>
Kyocera TASKalfa 5052ci	9,000	2,000	\$140	\$220

**Proposed Total Cost of Ownership**     **\$360**

**Total Monthly Savings**     **\$109**     **23%**

All Prices / Payments Subject to Local Tax  
If you have any questions or need additional information please feel free to call me.

Thank You,

September 30, 2017

# Proposed Solution

Prepared for:

## **Oceano Community Services District**

1655 Front Street  
Oceano, CA 93445  
(805) 481-6730

Attention: **Nicole Miller**

Presented by:

**Syndi Dukes**-Account Manager

Office-(805) 783-1234  
Cell (805) 779-0924  
Email-sdukes@Ultrex.net

**Ultrex Business Products is Locally Owned and Operated with Fully Staffed  
Offices, Service Center and Parts/Supply Warehouse located in  
San Luis Obispo, CA**

## Service Maintenance Agreement

**New Sharp MX Series**  
Black and White Copy/Prints at .009  
Color Copy/Prints at .065  
(no monthly minimum required)

All Scans at No Charge

### Service Program Includes:

All Parts  
Labor  
Intervening Service Calls  
Preventative Maintenance  
Black & Color Toner  
Training & Support.  
(Excludes Paper and Staples)

September 30, 2016

Quotation prepared For  
**Oceano Community Services District**  
Attention: Nicole Miller

**Sharp MX-3550N**

- **35** PPM Black and White/ **35** PPM **Color** Multi-Functional Digital System
- **100** Sheet Automatic Document Feeder
- Customizable Touchscreen Display
- **80** Color Scanning Images per Minute
- Automatic Duplexing
- Document Filing Storage System
- **(2) 550** Sheet Paper Drawers
- **(1) 2,500** Sheet Large Capacity Paper Drawer
- **100** Sheet Bypass Tray up to **12 X 18** Paper Handling
- Flexible Heavy Paper Handling (up to 110 lb. cover)
- **Stacking Finisher with Staple and three Hole Punch**
- **Super G3 Faxing**
- **End of Lease Data Erase at Lease End, 256-Bit Encryption**

**Financial Consideration:**

**Sharp MX-3550N**

**60 Month Lease**

**\$179 per Month**

Pricing excludes any applicable taxes

**Bonus:** Ultrex will provide the first month's black & white copy/prints **FREE** (up to 3,000) with a sales order signed by **October 5th<sup>t</sup>, 2017**

**Ultrex Business Products** will include delivery, installation and networking at no additional charge.



# 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 11, 2017

**To:** Board of Directors

**From:** Paavo Ogren, General Manager

**Subject:** **Agenda Item # 9(B): Approval of a Recommendation Authorizing the General Manager to Issue Requests for Proposals for Professional Services to prepare the Water Resource Reliability Program (WRRP) and optional work for design services**

## Recommendation

It is recommended that your Board authorize the General Manager to issue the attached requests for proposals (RFP) for professional services to prepare the Water Resource Reliability Program (WRRP) and optional design services, and to modify the timeline if needed.

## Discussion

The purpose of the attached RFP is for preparing the WRRP, which is substantially funded by a Proposition 84 grant obtained from the State's Integrated Regional Water Management (IRWM) program in the amount of \$198,367. In addition, optional design services are included in the RFP with funding from the Proposition 1 grant obtained for disadvantage communities in the amount of \$177,750.

Altogether, and including the efforts of District staff and technical assistance funded by the State Water Board, such as the leak detection work that the California Rural Water Association recently completed, the total program effort will exceed ½ million dollars. Most importantly, once complete later in 2018, the District will be able to determine funding requirements and options to implement a multi-year capital improvement program and address deferred infrastructure replacement and upgrades.

The WRRP includes the following three (3) components:

- i. Recycled Water Injection Well Site Plan (Optional)
- ii. Low Impact Development (LID) Plan
- iii. Leak Detection and Management Plan

The scope of work approved in the IRWM grant is attached to the RFP for the consultants to review while preparing their proposals. The RFP also provides a general discussion of intent.





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For the recycled water component, the intent of the site evaluation is to augment existing work efforts of the Regional Groundwater Sustainability Project. The District's efforts in the WRRP will focus on potential sites for reclaimed water within Oceano.

The Low Impact Development (LID) plan is intended to promote improved groundwater recharge and to develop recommendations on possible updates to the County's 2004 drainage study.

The Leak Detection and Management Plan is intended to help establish an ongoing leak detection program and will update the capital improvements project list included in the District's 2009 Master Water Plan.

Additional details are provided in the RFP and the grant agreement. The RFP will also provide a list of technical and reference documents, with links to the OCSD website, so that consultants can review the background documentation while preparing their proposals. Examples of that documentation include grant agreements, the District's 2009 Master Water Plan, the County's 2004 Drainage Plan and others. The background documents are being compiled at this time and the final list will be provided at the Board meeting. The RFP, attachments and other background and reference documents will be posted at <http://oceanocsd.org/main/>.

## Optional Services

The RFP provides consultants with the ability to include or exclude the work relating to the recycled water injection wells. This work is treated as optional because, as stated in the RFP,

*"consultants currently working on the recycled water efforts may be uniquely qualified for that scope, and while the District prefers to manage the entire work through a single contract, the District is reserving the option to split the work. By reserving that option, it should be clear that the evaluation of proposals will be weighted with an emphasis on the LID and Leak Detection and Management Plan. The deferred nature of infrastructure replacement has created a priority that the District needs to address at this time."*

In addition, the design services that will be funded from the Proposition 1 grant are included as optional services. Based on discussions with staff from the County and the State Department of Water Resources (DWR), the WRRP will need to identify the District's highest priority projects and a grant amendment will need to be processed with DWR to proceed with design on those projects.

At this time, the attached RFP includes the design work as optional services to comply with Proposition 1 grant requirements, or, the District will need to issue a subsequent RFP for design services. The firm that is selected to prepare the WRRP should most efficiently be able to proceed to design, in contrast to selecting a separate firm for design. Nevertheless, the firm selected to prepare the WRRP is not guaranteed the design work, which ultimately, is a subsequent determination to be made by your Board.



Schedule

The following schedule is included in the RFP:

Issue RFP	October 16, 2017
Optional tour of OCSD Water Facilities	November 6, 2017
Deadline to pose all inquiries	November 13, 2017
Answers to inquiries posted	November 20, 2017
Proposals due	December 1, 2017
Review of Proposals	December 4 - 8, 2017
Interviews with firms, if applicable	December 11 or 12, 2017
Award of contract by Board	December 13, 2017
Contract Signed & Commence Work	By January 1, 2018

The consultants will provide schedules for timing to prepare the WRRP in the proposals. The schedule provided in the IRWM grant application estimated a nine (9) month duration.

The attached RFP will also include grant compliance requirements prior to issuing.

Short-Listed Firms

In 2016, your Board approved a Request for Proposals (RFP) to seek engineering consulting firms that are interested in providing services to the District. Currently, DPSI is the District's on-call engineer based on a non-exclusive agreement that provides the District with the ability to contract with other engineering firms for similar services. The following is a list of firms that have provided proposals, were short-listed by your Board, and who have the qualifications to provide the needed services. As a result, the proposals will be sent to the firms, and DPSI, unless otherwise directed by your Board.

- Cannon Associates
- Garing Taylor & Associates
- MNS Engineers, Inc.
- Water Systems Consulting, Inc.

**Other Agency Involvement**

Grants have been awarded by the State. The County prepared the 2004 Drainage Plan. The City of Pismo Beach and the South San Luis Obispo County Sanitation District are leading the development of recycled water.



## Other Financial Considerations

The Proposition 84 grant for the WRRP totals \$198,367. The Proposition 1 grant for design services is \$177,750. Some additional District funding may be needed to fund the work and will be evaluated once proposals have been evaluated.

## Results

Issuing the RFP and engaging consultants to prepare the WRRP will help ensure that addressing various water resource issues, and especially the deferred infrastructure program, will be complete in 2018.

Attachments:

- Proposition 84 Budget
- Request for Proposals
  - A. Proposition 84 IRWM Grant
  - B. List of Reference Documents (being compiled) – Final list to be provided at Board meeting
  - C. Vicinity locations for reclaimed water site evaluations
  - D. Summary of Grant Conditions (being finalized) – Final summary to be provided at Board meeting

**ATTACHMENT - PROJECT BUDGET**

**PROJECT BUDGET SUMMARY - Water Resources Reliability Program**

The total project cost for the OCSD Water Resources Reliability (WRRP) study is based on an original grant funding request of \$266,760. The grant funding was awarded at approximately 75% of the request in the amount of \$198,397. In response, the District will be performing all grant administration work and the coordinated public outreach. Also included is a brief summary of the basis for the costs estimates, which was included in the grant proposal.

<b>Table 8.2 – Project Budget</b>				
		<b>Proposal Title: San Luis Obispo County IRWM 2015 Implementation Grant Proposal</b>		
		Project Title: Oceano Community Services District (OCSD) Water Resources Reliability Program (WRRP)		
Category		(a)	(c)	(d)
		Approved Grant Amount	Cost Share:* Other Funding Sources	Total Cost
<b>(A)</b>	<b>Direct Project Administration</b>	<b>\$ 0</b>	<b>\$36,700</b>	<b>\$36,700</b>
	A1 - Project Management.	\$ 0	\$12,300	\$12,300
	A2 - Labor Compliance Program.	\$ 0	\$1,000	\$1,000
	A3 - Reporting.	\$ 0	\$5,400	\$5,400
	A4 - Program Management Facilitator.	\$ 0	\$18,000	\$18,000
<b>(B)</b>	<b>Land Purchase/Easement</b>	<b>\$9,500</b>	<b>\$0</b>	<b>\$9,500</b>
	B1 - Property Assessment & ROW/Easement Considerations.	\$9,500	\$0	\$9,500
<b>(C)</b>	<b>Planning/PPMP</b>	<b>\$188,897</b>	<b>\$31,663</b>	<b>\$220,560</b>
	C1 - Feasibility Study Project Component 1 <i>(Recycled Water Injection Well Study).</i>	\$25,000	\$0	\$25,000
	C2 - Feasibility Study Project Component 2 <i>(Low Impact Development Plan).</i>	\$40,000	\$0	\$40,000
	C3 - Feasibility Study Project Component 3 <i>(Leak Detection and Management Plan).</i>	\$123,897	\$26,103	\$150,000
	C4 Coordinated Public Outreach Program.		\$5,560	\$5,560
<b>(D)</b>	<b>Construction/Implementation (Not applicable).</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>(E)</b>	<b>Grand Total (Sum rows (a) through (d) for each column).</b>	<b>\$198,397</b>	<b>\$68,363</b>	<b>\$266,760</b>
		* List sources of funding: The services by District staff will Direct Project Administration of the grant and item C4 (Coordinated Public Outreach); item C3 for consultant service will include funding of \$26,103 by the District unless a) additional staff work can be done to reduce consultant costs or b) the fees for the successful consultant proposal are within the approved grant funding of \$198,397.		

### **Category (A) Direct Project Administration (\$36,700)**

OCSD staff will be administering the project, including Program Management activities.. Activities will include the development of the project's agreement, consultant contracts, project financing, responding to information and clarification requests, and public outreach. Task A1 includes project related management activities associated with the assignment of resources, contracting, budgeting, and scheduling. The Project Management costs were estimated to be approximately \$12,300, assuming for the 12 month duration of the project that the OCSD General Manager (\$100/hour) spends 5 hours a month and a District employee (\$40/hour) spends 10 hours per month. The Labor Compliance Program (Task A2) costs were estimated assuming 8 hours total would be required by the General Manager for a total budget of \$1,000. Reporting costs (Task A3) were estimated assuming 2 hours per month for the General Manager and 5 hours a month for a district employee (\$40/hour) for a total of \$5,400. This task also includes the IRWM Grant Completion Report, which will be the primary responsibility of the district as Grant Administrator. The report will be prepared in accordance with the grant agreement, the grant distributions are accurately accounted for, the benefits delivered by each of the projects are documented, the total costs are presented and the report is submitted to the State as scheduled and required. This report will be due after all three studies are completed, grant invoicing, and quarterly reporting has been completed. The program management facilitator (Task A4) will be completed by District staff who will provide the day-to-day management of the consultants, for the three project components, including schedule, budget and task deliverables and implementation of the coordinated public involvement program. This effort for Task A4 was estimated to be \$18,000, assuming 10 hours per month, at approximately \$150 per hour for the Program Manager for the project duration of 12 months. Actual hourly costs will be reduced since the work will be performed by District staff, but total hours may increase since District staff have less experience than outside consultants. Direct Administration costs, including all work necessary for Tasks A1, A2, A3 and A4 is \$36,700.

### **Category (B) Land Purchase/Easement (\$9,500)**

OCSD will contract with a local land appraiser to support the property assessment and identification of easement and right of way considerations. The costs were estimated to be approximately \$9,500, assuming a total of 100 hours at approximately \$95 per hour for the land appraiser.

### **Category (C) Engineering / Planning (\$220,560)**

The costs for completing the three proposed study components is within the range of standard costs allocated for studies and is similar to other OCSD studies. Task C1 (*Recycled Water Injection Well Study*) was estimated to be \$25,000 assuming a Consultant rate of approximately \$150/hour and that the study tasks would take approximately 167 hours to complete. Task C2 (*Low Impact Development Plan*), was estimated to be \$40,000 assuming a Consultant rate of approximately \$165/hour and that the study tasks would take approximately 242 hours to complete. Task C3 (*Leak Detection and Management Plan, Water Master Study & CIP Update*), was estimated to be \$150,000 assuming a Consultant rate of approximately \$165/hour and that the study tasks would take approximately 910 hours to complete.

The *Coordinated Public Involvement Program* (Task C4) costs were estimated at \$5,560 assuming 20 hours at approximately \$100 per hour for the OCSD General Manager and 36 hours for approximately \$85 per hour for the Program Manager support staff. The total cost of this Category C task is estimated at \$221,810 based on range of standard costs typically allocated for studies.

### **Category (D) Construction/Implementation (Not Applicable)**

The WRRP is a study and does not include any construction elements. Therefore, there is no budget is associated with Budget Category D.

# Oceano Community Services District

## Request for Proposals for Engineering & Related Services

October 2017

# OCEANO COMMUNITY SERVICES DISTRICT

## REQUEST FOR PROPOSALS TO PREPARE A WATER RESOURCE RELIABILITY PROGRAM AND OPTIONAL DESIGN SERVICES

### I. INTENT

Oceano Community Services District (OCSD) seeks a consulting firm to provide engineering & related services for the preparation of a Water Resource Reliability Program (WRRP). The District is a multi-service special district governed by a five member Board of Directors elected from within the community. The WRRP includes various components relating to the District's water resource management responsibilities. The work is funded from grants obtained from the State's Integrated Regional Water Management (IRWM) program and from Proposition 1 funding for Disadvantaged Communities (DAC's).

The WRRP scope of work includes Low Impact Development (LID) conceptual work to promote groundwater recharge and to provide recommendations on updating the County's 2004 drainage study. The scope also includes development of a leak detection program for the water system, and an update to the list of capital projects identified in the 2009 water system master water plan. Lastly, optional work tasks include evaluating alternative sites for recharging groundwater with reclaimed water being developed through regional efforts led by the City of Pismo Beach and the South San Luis Obispo County Sanitation District (SSLOCSD). Please refer to the following for the scope of work approved with the IRWM grant:

Attachment "A" – OCSD Water Resource Reliability Program (WRRP)  
2015 IRWM Grant No. 4600011487

In addition to the IRWM approved scope of work, the District anticipates optional/supplemental design services for specific projects that will be identified in the WRRP. The supplemental work will be funded by a second grant obtained from Proposition 1. Once the project list from the 2009 master water plan has been updated, specific projects will be identified to proceed to the design phase of work. Those project recommendations will then be incorporated into a grant amendment that will be processed with the State Department of Water Resources for formal approval to proceed with design phase efforts.

Both grant programs have compliance conditions that the successful consulting firm will need to meet, and which are further described in this request for proposals (RFP). The successful consulting firm is expected to understand and comply with conditions of the grant agreements, which are included on the list of reference documents in Attachment "B."

## II. COMMUNITY OF OCEANO

Oceano Community Services District (OCSD) serves approximately 7,500 residents in the community with water, wastewater collection, and other municipal services. Information about the community of Oceano and OCSD is available on the district website (<http://oceanocsd.org/main/>). The website is currently being upgraded and inquiries for information may also be made pursuant to Section VII(B).

## III. SCOPE OF WORK

OCSD is interested in contracting with a qualified firm to provide engineering & related services for the following tasks:

- A. Water Resource Reliability Program (WRRP) – Attachment “A”
  - i. Recycled Water Injection Well Site Plan (Optional)
  - ii. Low Impact Development (LID) Plan
  - iii. Leak Detection and Management Plan

The three components of the WRRP build upon existing work efforts. The recycled water scope of work in this RFP is optional because the consultants currently working on the recycled water efforts may be uniquely qualified for that scope, and while the District prefers to manage the entire work through a single contract, the District is reserving the option to split the work. By reserving that option, it should be clear that the evaluation of proposals will be weighted with an emphasis on the LID and Leak Detection and Management Plan. The deferred nature of infrastructure replacement has created a priority that the District needs to address at this time.

The following provides a general discussion of each component of the WRRP, the general intent that was used to develop the scope for the IRWM grant and referral documents. Reference documents are also identified in Attachment “B,” with links to the documents on the OCSD website.

### **Recycled Water Injection Well Site Plan (Optional)**

Budget: \$25,000

The intent of the site evaluation is to augment existing work efforts of the regional partners by focusing on potential sites for injection wells or other recharge options within Oceano. Recent discussions have tentatively considered the following three areas, which are generally depicted in



Attachment “C.”

- a. The District’s existing water yard at 1935 Wilmar Avenue, Oceano, CA

The District’s existing water yard has two active wells on-site and a third well that was recently abandoned in accordance with regulatory requirements. The existing wells were constructed in 1952 and 1979 and together represent the District’s fourth source of supply. The existing water yard may be suitable for a recycled water injection well if the existing wells are abandoned.

- b. Locations near the community of Halcyon (which is within the boundaries of OCSD).

The community of Halcyon is primarily agricultural and open space, with low-density housing. Locating a site for an injection well may have more options, and may reduce the impact of agricultural pumping, but avoiding existing potable drinking water wells for Halcyon’s water system would be needed.

- c. A location between Highway One and Arroyo Grande creek near the intersection of Halcyon Road and Highway One.

Considering this locale is based on its proximity to Arroyo Grande creek. Spreading/percolation basins at this location may also be considered. Maintaining higher groundwater levels at this location may help maintain groundwater levels under Arroyo Grande creek and promote stream flows.

In addition to the April 2015 Recycled Water Facilities Planning Study prepared for the City of Pismo Beach, which is referenced in Attachment “A,” additional work on the Regional Groundwater Sustainability Project has been completed subsequent to the IRWM grant request. The following work is included in the list of reference documents:

- Groundwater Flow Analysis; Regional Groundwater Sustainability Project; Arroyo Grande / Tri-Cities Mesa Area prepared for City of Pismo Beach and Water Systems Consulting dated February 2017
- Recycled Water Facilities Planning Study prepared for the South San Luis Obispo County Sanitation District and the City of Arroyo Grande dated June 8, 2017

## **Low Impact Development (LID) Plan**

Budget: \$45,000

The Oceano Drainage and Flood Control Study dated February 2004 was prepared for the County of San Luis Obispo, which is the agency with drainage and flood control jurisdiction in the community. In contrast, the District's water resource jurisdiction in the community includes efforts to improve groundwater recharge. As a result, the District is interested in Low Impact Development (LID) options to improve groundwater recharge and recommendations on possible updates to the County's drainage study.

The community has inconsistent construction of curb gutter and sidewalk (CG&S). It is anticipated that some areas will need to continue with the completion of CG&S improvements while other areas may be better suited for LID improvements. Likewise, identifying existing sub-surface percolation facilities will need to be coordinated with the County and identifying locations for additional comparable facilities.

## **Leak Detection and Management Plan**

Grant Request: \$150,000  
Grant Funding Available: \$123,897

The general intent of this component of work is for the consultant is to prepare the following:

- a. Update the Capital Improvements Project List included in the District's 2009 Master Water Plan.

The existing CIP list is prioritized based on fire flow and water quality criteria. The District is seeking an update to the project list to include appropriate prioritization for leaking pipes.

Subsequent to the award of the grant, the State Water Board also approved technical assistance from the California Rural Water Association (CRWA) to perform leak detection and provide the District with a report on its findings. The CRWA report and the District's current system atlas is included in reference documents in Attachment "B." The District is hopeful that the CRWA work effort will help keep consultant costs closer to the amount awarded from the grant.

The update to the CIP list, with opinions of probable costs, is a critical aspect of the overall development of the WRRP since the

updated project list will provide the basis for implementing a deferred infrastructure replacement and improvement program. Establishing a program to address the District's deferred infrastructure replacement is the single most expensive District need, and as a result, will be the District's greatest priority in the upcoming years.

As part of independent funding efforts for deferred infrastructure, the District will utilize the updated CIP list for funding applications with State and Federal agencies. The District anticipates seeking state and federal grants and loans for the highest priority projects, which will include debt financing, and that lower priority projects will be implemented on a pay-go basis over multiple years.

- b. Develop excel worksheets for the District to track water production versus consumption and maintain consistent records on water losses.
  - c. To provide guidance on an overall leak detection program.
- B. Optional Work for Real Property Appraisal – Attachment “A” -Task “B” Engineering consulting firms may choose to include work of a real property appraisal or exclude the work.
- C. Supplemental/Optional Work - design services for water infrastructure projects identified in the WRRP.

Updating the CIP list in the WRRP will directly lead to new project prioritization for the District. With Proposition 1 grants that have been awarded, the District anticipates awarding supplemental/optional work to the consultant to initiate design services on specific projects. The Proposition 1 grant allocation for these design services is \$177,750. The District recognizes that this funding amount will not be sufficient for design of all projects identified in the WRRP and will proceed with design phase services based on project priorities and other funding that may become available.

#### IV. BUDGET – Exhibit “B” of Grant Agreement

The WRRP budget is included as Exhibit “B” of the grant. The 2015 IRWM grant obtained was awarded at about 75% of the request. Grant funding for the consultant work efforts totals \$198,397, which includes \$9,500 for appraisal services (Optional Task “B”). As noted in budget, the consultant budget may be supplemented from \$26,103 in OCSD reserves if needed. The District's preference is to preserve District funds for design and construction activities.

The budget for supplemental/optional work for design services is currently estimated at \$177,750 from grant sources – i.e. excluding the use of District funds.

V. SCHEDULE

The original project schedule submitted with the grant application is included as Exhibit “C” in the grant. The consultant proposal should provide an updated schedule, which should include scheduling for tasks C1 (optional), C2 and C3. Scheduling priority should be provided to update the CIP list since it must be completed before the grant funding from Proposition 1 can obtain its final notice to proceed.

VI. GRANT COMPLIANCE REQUIREMENTS

OCSD is required to ensure compliance with several grant conditions to obtain cost reimbursement from granting agencies. Several of those conditions must be met by consultants. Some conditions must be included in the consultant agreement and others need to be acknowledged or certified by the consultant. Attachment “D” provides a summary of the grant conditions. The grant agreement for the Proposition 84 funding is included in the list of reference documents. The grant agreement for Proposition 1 is in draft form and also included in the list of reference documents. Conditions for both the Proposition 84 IRWM grant and the Proposition 1 grant for supplemental design services are incorporated into this RFP to comply with conditions of those grants.

VII. REQUESTS FOR PROPOSALS

A. Proposal Timeline

Issue RFP	October 16, 2017
Optional tour of OCSD Water Facilities	November 6, 2017
Deadline to pose all inquiries	November 13, 2017
Answers to inquiries posted	November 20, 2017
Proposals due	December 1, 2017
Review of Proposals	December 4 - 8, 2017
Interviews with firms, if applicable	December 11 or 12, 2017
Award of contract by Board	December 13, 2017
Contract Signed & Commence Work	By January 1, 2018

## B. Inquiries

All inquiries concerning this Request for Proposal must be directed in writing to Paavo Ogren, General Manager of Oceano Community Services District, via email to [ocsdgm@oceanocsd.org](mailto:ocsdgm@oceanocsd.org). All inquiries must be submitted no later than November 13, 2017. Responses to all inquiries will be posted on the district website (<http://oceanocsd.org/main>) on November 20, 2017.

## C. Proposal Submission

Interested firms must submit a signed PDF version via email to [ocsdgm@oceanocsd.org](mailto:ocsdgm@oceanocsd.org) no later than December 1, 2017. All proposals will be retained by OCSD upon submission.

- 1) Proposal Format and Content - Each proposal shall include as a minimum the following information:
  - i. Cover Letter that includes:
    - a. Signature of the individual who is authorized to bind the firm contractually
    - b. Confirmation of the receipt of the RFP, any addendums, and responses to inquiries
    - c. Statement that the proposal is valid for a 90 day period from the due date of the proposal
    - d. Name, title, address, telephone number and e-mail address of the individual to whom correspondence and other contacts should be directed during the selection process
    - e. An explanation of the firm's understanding of the desired work
    - f. A narrative of the firm's background and history
  - ii. A Description of Qualifications:
    - a. Each proposal shall include as a minimum the following information:
    - b. Legal name of the firm
    - c. Address, telephone number and website of the firm
    - d. Firm's profile to include years in business, size of company, recognitions or awards received, etc.
    - e. Names and resumes of officers, employees, principals and other individuals that will be assigned to this contract
    - f. Firm's experience providing similar services to government agencies

- g. Brief description of how the firm will complete/meet the need of the District with respect to the Scope of Work
- h. Any additional information the firm feels is necessary in assessing its qualifications and experience
- i. Contact information of three (3) references from other government agencies or customers for whom the firm has provided similar services within the past three (3) years.

2) Cost Proposal

Submit a fee schedule in a separate document. The fee schedule will not be reviewed until after a review panel determines the qualified firms. The proposal shall include a schedule of all hourly rates for engineering and other services for all classifications of positions proposed to be necessary to carry out engineering & related services for OCSD.

## VIII. SELECTION PROCESS

### A. Evaluation of Proposals

Proposals will be reviewed and evaluated based on the following:

- a. Relative experience of the proposer in providing engineering & related services for the District.
- b. Thoroughness of proposal.
- c. Ability of proposer firm to meet the needs of OCSD.
- d. Proposed Fees.
- e. Optional interviews with selected firms

### B. Selected General Terms of the Agreement

Upon selection of a firm, contract negotiations will commence. If a contract cannot be negotiated for any reason, OCSD reserves the right to select another engineering firm. In submitting a proposal, the firm is representing that it possesses all licenses, certificates, or other qualifications required by all Federal, State or local agencies to do business in the State of California and the County of San Luis Obispo. Likewise, in submitting a proposal, the firm is also representing that it would maintain all necessary licenses, certificates and other qualifications needed to complete the Scope of Work.

Any firm selected will be considered an independent contractor. Under no circumstances will the firm, its contractors, employees or other agents become employees of OCSD.

If selected, the firm would be required to indemnify, defend, and hold harmless OCSD and its officers, officials, employees and volunteers from and against all liability, loss, damage, expense and costs (including attorney's fees) for any issues arising from the firm's performance of work under the anticipated contract to the extent provided by law in effect on January 1, 2018. Termination of any contract would not release the firm from its obligations to so indemnify OCSD.

Any firm selected would likewise be obligated to obtain and maintain insurance under which OCSD, its officers, directors, employees, volunteers and agents shall be named as additional insured. Such insurance would include, but not necessarily be limited to, a general commercial liability policy, a commercial automobile liability policy, workers compensation, employer's liability insurance, and professional liability insurance. The selected firm would also be obligated to provide OCSD with Certificates of Insurance providing proof of the above requirements prior to commencing work under the anticipated agreement.

Even if selected, OCSD would reserve the right to terminate any agreement reached with the selected firm by notifying them in writing fifteen (15) days prior to such termination.

**FUNDING AGREEMENT BETWEEN THE SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT AND THE OCEANO COMMUNITY SERVICES DISTRICT  
2015 PROPOSITION 84 INTEGRATED REGIONAL WATER MANAGEMENT (IRWM) IMPLEMENTATION GRANT  
CALIFORNIA PUBLIC RESOURCES CODE § 75026 ET SEQ.**

THIS FUNDING AGREEMENT is entered into by and between the San Luis Obispo County Flood Control and Water Conservation District, a public agency in the State of California, duly organized, existing, and acting pursuant to the laws thereof (FCWCD), and the Oceano Community Services District, a community services district duly existing and operating pursuant to the provisions of Government Code Section 61000 et seq. (OCSD), which Parties do hereby agree as follows:

1. **PURPOSE.** On September 23, 2016, the FCWCD and the California Department of Water Resources (State) entered into Grant Agreement No. 4600011487 attached hereto and incorporated herein by this reference (Grant Agreement). Pursuant to the Grant Agreement, the State shall provide funding from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to FCWCD to assist in financing projects associated with the San Luis Obispo County IRWM Plan pursuant to Chapter 8 (commencing with §79560) of Division 26.5 of the California Water Code (CWC), hereinafter collectively referred to as "IRWM Program" (Grant). One of the projects identified in the Grant Agreement is the OCSD Study Plan for Water Resources Reliability Program (Project) to be implemented by the OCSD. The purpose of this Funding Agreement is to set forth the terms and conditions under which the FCWCD will disburse funds provided by the State for the Project pursuant to the Grant Agreement to the OCSD.
2. **GENERAL RESPONSIBILITIES.** As the Grant administrator and fiscal agent for the Grant, the FCWCD shall be responsible for disbursing the Grant funds to the OCSD for implementation of the Project subject to the terms and conditions set forth herein. The OCSD shall be responsible for faithfully and expeditiously performing or causing to be performed all Project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule). The OCSD shall comply with all the terms and conditions of this Funding Agreement and applicable California Public Resources Code (PRC) requirements. In addition, OCSD acknowledges and agrees that this Funding Agreement is subject to the obligations and limitations imposed on the FCWCD and on local project sponsors by the Grant Agreement and all future amendments to the Grant Agreement and is intended to be in conformance and harmony with it. The OCSD further acknowledges that if the Grant Agreement is terminated by the State, the FCWCD shall have the right to terminate or amend this Funding Agreement by giving written notice. The OCSD hereby expressly agrees to the provisions of the Grant Agreement and to take all actions (and provide all information) necessary for the FCWCD to satisfy its obligations thereunder and to act on behalf of the FCWCD in the fulfillment of FCWCD responsibilities where specified in the Grant Agreement. The OCSD further agrees that the FCWCD has the right to enter into amendments to the Grant Agreement and shall not be restricted or impaired, in any way, by this Funding Agreement.
3. **TERM OF FUNDING AGREEMENT.** The term of this Funding Agreement begins on the date this Funding Agreement is executed by FCWCD, and terminates on June 30, 2019 or when all of the Parties' obligations under this Funding Agreement are fully satisfied, whichever occurs earlier. The Execution date is the date the FCWCD signs this Funding Agreement as indicated on page 10.
4. **GRANT AMOUNT.** The maximum amount payable by the FCWCD under this Funding Agreement shall not exceed \$198,397.
5. **OCSD COST SHARE.** OCSD agrees to fund the difference between the Total Project Cost and the Grant Amount (amount specified in Paragraph 4). Cost Share consists of Funding Match and Additional Cost Share, as documented in Exhibit B (Budget). Additional Cost Share will not be reviewed by the State for invoicing purposes; however, OCSD is required to maintain all financial records associated with the Project in accordance with Exhibit I (State Audit Document Requirements and Funding Match Guidelines for Grantees).
6. **FUNDING MATCH.** OCSD is required to provide a Funding Match (non-State funds) of not less than 25 percent of the Total Project Cost unless a Disadvantaged Community project waiver is granted. OCSD agrees to provide a Funding Match for the amount as documented in Exhibit B (Budget), and may include expenses directly related to Exhibit A (Work Plan) after January 1, 2011.
7. **OCSD RESPONSIBILITY.** OCSD and its representatives shall:



- a) Faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A (Work Plan) and in accordance with Exhibit B (Budget) and Exhibit C (Schedule).
  - b) Accept and agree to comply with all terms, provisions, conditions, and written commitments of this Funding Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and statements made by OCSD in the application, documents, amendments, and communications filed in support of its request for Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 financing.
  - c) Comply with all applicable California laws and regulations.
  - d) Implement the Project in accordance with applicable provisions of the law.
  - e) Fulfill its obligations under this Funding Agreement and the Grant Agreement, and be responsible for the performance of the Project.
8. BASIC CONDITIONS. FCWCD shall have no obligation to disburse money for the Project under this Funding Agreement until OCSD has satisfied the following conditions (if applicable):
- a) OCSD demonstrates the availability of sufficient funds to complete the Project by submitting the most recent 3 years of audited financial statements and submitting an Audited Financial Statement Summary.
  - b) OCSD must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
  - c) OCSD submits deliverables as specified in Paragraph 18 of this Funding Agreement and in Exhibit A.
  - d) Prior to the commencement of construction or implementation activities, OCSD shall submit the following to the FCWCD for the Project:
    - 1) Final plans and specifications certified by a California Registered Professional (Civil Engineer or Geologist, as appropriate) for the Project.
    - 2) Environmental Documentation:
      - i) OCSD submits to the State and FCWCD all applicable environmental permits,
      - ii) Documents that satisfy the CEQA process are received by the State,
      - iii) State has completed its CEQA compliance review as a Responsible Agency, and
      - iv) OCSD and FCWCD receive written concurrence from the State of OCSD's CEQA documents and State notice of verification of environmental permit submittal.

State's concurrence of OCSD's CEQA documents is fully discretionary and shall constitute a condition precedent to any work (i.e., construction or implementation activities) for which it is required. Once CEQA documentation has been completed, State will consider the environmental documents and decide whether to continue to fund the Project or to require changes, alterations or other mitigation. OCSD must also demonstrate that it has complied with all applicable requirements of the National Environmental Policy Act by submitting copies of any environmental documents, including environmental impact statements, Finding of No Significant Impact, and mitigation monitoring programs as may be required prior to beginning construction/implementation.
  - 3) A monitoring plan as required by Paragraph 20, "Project Monitoring Plan Requirements."
9. DISBURSEMENT OF FUNDS. FCWCD will disburse to OCSD the amount approved, subject to the availability of funds through normal State processes. Notwithstanding any other provision of this Funding Agreement, no disbursement shall be required at any time or in any manner which is in violation of, or in conflict with, federal or state laws, rules, or regulations, or which may require any rebates to the federal government, or any loss of tax-free status on state bonds, pursuant to any federal statute or regulation.
10. ELIGIBLE PROJECT COST. OCSD shall apply Grant funds received only to Eligible Project Costs in accordance with applicable provisions of the law and Exhibit B. Eligible Project Costs include the reasonable costs of studies, engineering, design, land and easement acquisition, legal fees, preparation of environmental documentation, environmental mitigations, monitoring, and Project construction. Reasonable administrative expenses may be included as Total Project Costs and will depend on the complexity of the Project preparation, planning, coordination, construction, acquisitions, and implementation. Reimbursable

administrative expenses are the necessary costs incidentally but directly related to the Project including the portion of overhead and administrative expenses that are directly related to the Project included in this Funding Agreement in accordance with the standard accounting practices of the OCSD. Work performed on the Project after January 17, 2014, shall be eligible for reimbursement.

Costs that are not eligible for reimbursement with Grant funds cannot be counted as Funding Match. Costs that are not eligible for reimbursement include, but are not limited to the following items:

- a) Costs, other than those noted above, incurred prior to the award date of the Grant.
- b) Operation and maintenance costs, including post construction performance and monitoring costs.
- c) Purchase of equipment that is not an integral part of the Project.
- d) Establishing a reserve fund.
- e) Purchase of water supply.
- f) Monitoring and assessment costs for efforts required after Project construction is complete.
- g) Replacement of existing funding sources for ongoing programs.
- h) Travel and per diem costs (per diem includes subsistence and other related costs).
- i) Support of existing agency requirements and mandates (e.g., punitive regulatory agency requirement).
- j) Purchase of land in excess of the minimum required acreage necessary to operate as an integral part of the Project, as set forth and detailed by engineering and feasibility studies.
- k) Payment of principal or interest of existing indebtedness or any interest payments unless the debt is incurred after execution of the Grant Agreement, the State agrees in writing to the eligibility of the costs for reimbursement before the debt is incurred, and the purposes for which the debt is incurred are otherwise eligible costs. However, this will only be allowed as Cost Share (i.e., Funding Match).
- l) Overhead not directly related to Project costs.

#### 11. METHOD OF PAYMENT.

- a) Reimbursement – Invoices submitted by OCSD shall include the following information:
  - 1) Costs incurred for work performed in implementing the Project during the period identified in the particular invoice.
  - 2) Costs incurred for any interests in real property (land or easements) that have been necessarily acquired for the Project during the period identified in the particular invoice for the implementation of the Project.
  - 3) Invoices shall be submitted on forms provided by State and shall meet the following format requirements:
    - i) Invoices must contain the date of the invoice, the time period covered by the invoice, and the total amount due.
    - ii) Invoices must be itemized based on the categories (i.e., tasks) specified in Exhibit B. The amount claimed for salaries/wages/consultant fees must include a calculation formula (i.e., hours or days worked times the hourly or daily rate = the total amount claimed).
    - iii) Sufficient evidence (e.g. receipts, copies of checks, time sheets) as determined by the State must be provided for all costs included in the invoice. Additional Cost Share shall be accounted for separately in the progress reports.
    - iv) FCWCD will notify OCSD, in a timely manner, when, upon review of an invoice, the State or FCWCD determines that any portion or portions of the costs claimed are not eligible costs or are not supported by documentation or receipts acceptable to State or FCWCD. OCSD may, within fifteen (15) calendar days of the date of receipt of such notice, submit additional documentation to FCWCD to cure such deficiency(ies). After the disbursement requirements in Paragraph 8 "Basic Conditions" are met and timely progress reports have been submitted, FCWCD will disburse the whole or portions of Grant funds received from State for the Project to OCSD. Payment will be made no more frequently than monthly, in arrears.
- b) Advanced Payment – Water Code §10551 authorizes advance payment by State for projects which are sponsored by a nonprofit organization; a disadvantaged community (DAC); or, the proponent of a project that benefits a DAC. If these projects are awarded less than \$1,000,000 in grant funds, the

project proponent may receive an advanced payment of 50% of the grant award; the remaining 50% of the grant award will be reimbursed in arrears. The OCSD does not and will not request advance payment from State or FCWCD.

12. WITHHOLDING OF DISBURSEMENTS BY STATE OR FCWCD. If State or FCWCD determines that the Project is not being implemented in accordance with the provisions of the Grant Agreement or this Funding Agreement, or that OCSD has failed in any other respect to comply with the provisions of the Grant Agreement or this Funding Agreement, and if OCSD does not remedy any such failure to State's or FCWCD's satisfaction, State or FCWCD may withhold from OCSD all or any portion of the Grant funding and take any other action that they deem necessary to protect their interests. Where a portion of the Grant funding has been disbursed to OCSD and FCWCD notifies OCSD of its or the State's decision not to release funds that have been withheld pursuant to Paragraph 13, the portion that has been disbursed shall thereafter be repaid immediately with interest at the California general obligation bond interest rate at the time the FCWCD notifies the OCSD. State or FCWCD may consider OCSD's refusal to repay the requested disbursed amount a contract breach subject to the default provisions in Paragraph 13, "Default Provisions." If FCWCD notifies OCSD of its or the State's decision to withhold the entire funding amount from OCSD pursuant to this paragraph, this Funding Agreement shall terminate upon receipt of such notice by OCSD and the FCWCD shall no longer be required to provide funds under this Funding Agreement and the Funding Agreement shall no longer be binding on either Party.
13. DEFAULT PROVISIONS. OCSD will be in default under this Funding Agreement if any of the following occur:
- Substantial breaches of this Funding Agreement, or any supplement or amendment to it, or any other agreement between OCSD and FCWCD evidencing or securing OCSD's obligations.
  - Making any false warranty, representation, or statement with respect to this Funding Agreement or the application filed to obtain Grant funds.
  - Failure to maintain an adopted IRWM Plan that meets the requirements contained in Part 2.2 of Division 6 of the CWC, commencing with §10530.
  - Failure to operate or maintain the Project in accordance with this Funding Agreement (Paragraph 19).
  - Failure to make any remittance required by this Funding Agreement.
  - Failure to comply with Labor Compliance Program requirements (Paragraph 17).
  - Failure to submit timely progress reports.
  - Failure to routinely invoice FCWCD.
  - Failure to meet any of the requirements set forth in Paragraph 14, "Continuing Eligibility."

Should an event of default occur, State or FCWCD may do any or all of the following:

- Declare the disbursed Grant funds be immediately repaid, with interest, at the California general obligation bond interest rate at the time the State or FCWCD notifies the OCSD of the default.
- Terminate any obligation to make future payments to OCSD.
- Terminate this Funding Agreement.
- Take any other action that they deem necessary to protect their interests.

In the event FCWCD finds it necessary to enforce this provision of this Funding Agreement (including, but not limited to, because State finds it necessary to enforce the same provision of the Grant Agreement against FCWCD due to an event of default by OCSD) in the manner provided by law, OCSD agrees to pay all costs incurred by FCWCD including, but not limited to, reasonable attorneys' fees, legal expenses, and costs (including, all such costs incurred by State and passed on to FCWCD pursuant to the Grant Agreement).

14. CONTINUING ELIGIBILITY. OCSD must meet the following ongoing requirement(s) to remain eligible to receive Grant funds:
- An urban water supplier that receives Grant funds governed by this Funding Agreement shall:
    - Maintain compliance with the Urban Water Management Planning (UWMP) Act (Water Code §10610 *et. seq.*) and Sustainable Water Use and Demand Reduction, Part 2.55 of Division 6 (Water Code §10608 *et. Seq.*). Urban water suppliers that submitted AB 1420 compliance Table 2 in the 2015 Implementation Grant Application must submit, until June 30, 2016, either:

- i) List of tasks to implement the best management practices listed in AB 1420 compliance Table 2 and a corresponding schedule and budget or;
- ii) The progress toward the 2015 interim Gallons per Capita per Day (GPCD) target. If not meeting the interim target also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24.

By July 1, 2016 all urban water suppliers must submit documentation that demonstrates they are meeting the 2015 interim GPCD target. If not meeting the interim target, also include a schedule, financing plan, and budget for achieving the GPCD, as required pursuant to Water Code §10608.24. Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24).

- 2) Have their 2010 UWMP deemed consistent by State. The 2015 UWMP update must be submitted to State by July 1, 2016. If the 2015 UWMP is not submitted to State by July 1, 2016, funding disbursements to the urban water supplier will cease until the 2015 UWMP is submitted. If the 2015 UWMP is deemed inconsistent by State, the urban water supplier will be ineligible to receive funding disbursements until the inconsistencies are addressed and State deems the UWMP consistent. For more information, visit the following website: <http://www.water.ca.gov/urbanwatermanagement>.
- b) An agricultural water supplier receiving Grant funding must:
- 1) Comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code. Before July 1, 2016, submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48.
  - 2) Have their Agricultural Water Management Plan (AWMP) deemed consistent by State. The most recent AWMP update must have been submitted to State by December 31, 2015. To maintain eligibility and continue funding disbursements, an agricultural water supplier must have their 2015 AWMP deemed consistent by State on or before October 1, 2016. For more information, visit the following website: <http://www.water.ca.gov/wateruseefficiency/agricultural/agmgmt.cfm>.
- c) If OCSD is diverting surface water, OCSD must maintain compliance with diversion reporting requirements as outlined in Part 5.1 of Division 2 of the Water Code.
  - d) If the Project has potential groundwater impacts, OCSD must demonstrate compliance with the groundwater compliance options set forth on pages 14 and 15 of the IRWM Program Guidelines, dated May 2015.
  - e) If OCSD has been designated as a monitoring entity under the California Statewide Groundwater Elevation Monitoring (CASGEM) Program, OCSD must maintain reporting compliance, as required by Water Code §10920 and the CASGEM Program.

15. PERMITS, LICENSES, APPROVALS, AND LEGAL OBLIGATIONS. OCSD shall be responsible for obtaining any and all permits, licenses, and approvals required for performing any work under this Funding Agreement, including those necessary to perform design, construction, or operation and maintenance of the Project. OCSD shall be responsible for observing and complying with any applicable federal, state, and local laws, rules or regulations affecting any such work, specifically those including, but not limited to, environmental, procurement, and safety laws, rules, regulations, and ordinances. OCSD shall provide copies of permits and approvals to State and FCWCD.
16. RELATIONSHIP OF PARTIES. OCSD is solely responsible for design, construction, and operation and maintenance of the Project within the work plan. Review or approval of plans, specifications, bid documents, or other construction documents by State or FCWCD is solely for the purpose of proper administration of funds by State or FCWCD and shall not be deemed to relieve or restrict the responsibilities of OCSD under this Funding Agreement.

17. LABOR COMPLIANCE. OCSD agrees to comply with all applicable California Labor Code requirements and Standard Condition D.28 in Exhibit D. OCSD must, independently or through a third party, adopt and enforce a Department of Industrial Relations-certified Labor Compliance Program (LCP) meeting the requirements of Labor Code §1771.5 for projects funded by:
- Proposition 84 (Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006; Public Resources Code §75075 *et seq.*) or
  - Any other funding source requiring an LCP.

At the State's or FCWCD's request, OCSD must promptly submit written evidence of OCSD's compliance with the LCP requirements.

18. SUBMISSION OF REPORTS. The submittal and approval of all reports is a requirement for the successful completion of this Funding Agreement. Reports shall meet generally accepted professional standards for technical reporting and shall be proofread for content, numerical accuracy, spelling, and grammar prior to submittal to FCWCD. If requested, OCSD shall promptly provide any additional information deemed necessary by State or FCWCD for the approval of reports. Reports shall be presented in the formats described in the applicable portion of Exhibit G. The timely submittal of reports is a requirement for initial and continued disbursement of Grant funds. Submittal and subsequent approval by the State and FCWCD of a Project Completion Report is a requirement for the release of any funds retained for the Project.
- Progress Reports: OCSD shall submit progress reports on a regular and consistent basis to meet the State's and FCWCD's requirement for disbursement of funds. The reporting period shall not exceed one quarter in length. The progress reports shall be sent via e-mail to the FCWCD for upload into GRanTS at the frequency specified in Exhibit C (Schedule). The progress reports shall provide a brief description of the work performed during the reporting period including: OCSD's activities, milestones achieved, any accomplishments, and any problems encountered in the performance of the work under this Funding Agreement.
  - Water Management Status Report: Until June 30, 2016, OCSD shall submit a status report on implementation of either AB 1420 status or SBx7-7 water conservation status if it is an urban water supplier that submitted an AB 1420 compliance Table 2 in the 2015 Implementation Grant Application. AB 1420 status reports shall be submitted to FCWCD for upload into GRanTS no later than 15 calendar days after execution of this Funding Agreement. SBx7-7 GPCD status reports shall be submitted to FCWCD for upload into GRanTS no later than June 30, 2016. By July 1, 2016 all urban water suppliers must submit an UWMP that demonstrates they are meeting the 2015 interim SBx7-7 GPCD target. If the urban water supplier is not meeting the interim target, then the urban water supplier must also submit with its UWMP, a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Starting June 30, 2017, those urban water suppliers that did not meet their 2015 GPCD target must also submit, by June 30, annual reports that include a schedule, financing plan, and budget for achieving the GPCD (Water Code §10608.24). Failure to progress on implementation may result in continuing grant eligibility actions under Paragraph 14. Before July 1, 2016, all agricultural water suppliers must submit a schedule, financing plan, and budget for implementation of the efficient water management practices, required pursuant to Water Code §10608.48 to comply with Sustainable Water Use and Demand Reduction requirements outlined in Part 2.55 (commencing with §10608) of Division 6 of the Water Code.
  - Project Completion Report: OCSD shall prepare and submit to FCWCD a separate Project Completion Report for the Project. OCSD shall submit a Project Completion Report within sixty (60) calendar days of the Project's completion. The Project Completion Report shall include, in part, a description of actual work done, any changes or amendments to the Project, and a final schedule showing actual progress versus planned progress, copies of any final documents or reports generated or utilized during the Project. The Project Completion Report shall also include, if applicable, certification of final project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), consistent with Standard Condition D.19 in Exhibit D. A State "Certification of Project Completion" form will be provided by the State.

- d) Post-Performance Reports: OCSD shall submit a Post-Performance Report. The Post-Performance Report shall be submitted to FCWCD within sixty (60) calendar days after the first operational year of the Project has elapsed. This record keeping and reporting process shall be repeated annually for a total of 10 years after the completed Project begins operation.
19. OPERATION AND MAINTENANCE OF PROJECT. For the useful life of construction and implementation of the Project and in consideration of the funding made by State, OCSD agrees to ensure or cause to be performed the commencement and continued operation of the Project, and shall ensure or cause the Project to be operated in an efficient and economical manner; shall ensure all repairs, renewals, and replacements necessary to the efficient operation of the same are provided; and shall ensure or cause the same to be maintained in as good and efficient condition as upon its construction, ordinary and reasonable wear and depreciation excepted. Neither the State nor FCWCD shall be liable for any cost of such maintenance, management, or operation. OCSD or its successors may, with the written approval of State and FCWCD, transfer this responsibility to use, manage, and maintain the property. For purposes of this Funding Agreement, "useful life" means period during which an asset, property, or activity is expected to be usable for the purpose it was acquired or implemented; "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses, and "maintenance costs" include ordinary repairs and replacements of a recurring nature necessary for capital assets and basic structures and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures. Refusal of OCSD to ensure operation and maintenance of the Project in accordance with this provision may, at the option of State or FCWCD, be considered a breach of the Grant Agreement or this Funding Agreement and may be treated as default under Paragraph 13, "Default Provisions."
20. PROJECT MONITORING PLAN REQUIREMENTS. OCSD shall develop and submit to FCWCD (for submittal to State) a Project Monitoring Plan that incorporates: (1) the Project Performance Monitoring Table requirements outlined in the Proposition 84 2015 IRWM Implementation Grant Proposal Solicitation Package (pages 20 and 21), and (2) the guidance provided in Exhibit J, "Project Monitoring Plan Guidance."
21. STATEWIDE MONITORING REQUIREMENTS. OCSD shall ensure that all groundwater projects and projects that include groundwater monitoring requirements are consistent with the Groundwater Quality Monitoring Act of 2001 (Part 2.76 (commencing with §10780) of Division 6 of California Water Code) and, where applicable, that projects that affect water quality shall include a monitoring component that allows the integration of data into statewide monitoring efforts, including where applicable, the Surface Water Ambient Monitoring Program carried out by the State Water Resources Control Board. See Exhibit H (Requirements for Statewide Monitoring and Data Submittal), for web links and information regarding other State monitoring and data reporting requirements.
22. NOTIFICATION OF FCWCD. OCSD shall promptly notify FCWCD, in writing, of the following items:
- a) Events or proposed changes that could affect the scope, budget, or work performed under this Funding Agreement. OCSD agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to FCWCD and State and FCWCD and State have given written approval for such change. Substantial changes generally include changes to the work plan, schedule or term, and budget.
  - b) Any public or media event publicizing the accomplishments and/or results of this Funding Agreement and provide the opportunity for attendance and participation by FCWCD's and State's representatives. OCSD shall make such notification at least 21 calendar days prior to the event.
  - c) Final inspection of the completed work on the Project by a California Registered Professional (Civil Engineer or Geologist, as appropriate), in accordance with Standard Condition D.19 in Exhibit D. OCSD shall notify the FCWCD's Project Manager of the inspection date at least 21 calendar days prior to the inspection in order to provide FCWCD and State the opportunity to participate in the inspection.
23. NOTICES. Any notice, demand, request, consent, or approval that either party desires or is required to give to the other party or to the State under this Funding Agreement shall be in writing. Notices may be transmitted by any of the following means:

- a) By delivery in person.
- b) By certified U.S. mail, return receipt requested, postage prepaid.
- c) By "overnight" delivery service; provided that next-business-day delivery is requested by the sender.
- d) By electronic means.

Notices delivered in person will be deemed effective immediately on receipt (or refusal of delivery or receipt). Notices sent by certified mail will be deemed effective given ten (10) calendar days after the date deposited with the U. S. Postal Service. Notices sent by overnight delivery service will be deemed effective one business day after the date deposited with the delivery service. Notices sent electronically will be effective on the date of transmission, which is documented in writing. Notices shall be sent to the addresses set forth in Paragraph 25. Either party may, by written notice to the other, designate a different address that shall be substituted for the one below. FCWCD will notify OCSD if it receives a change of designation from the State.

- 24. PERFORMANCE EVALUATION. Upon completion of this Funding Agreement, OCSD's performance will be evaluated by the State and FCWCD and a copy of the evaluation will be placed in the State and FCWCD file and a copy sent to the OCSD.
- 25. PROJECT REPRESENTATIVES. The Project Representatives during the term of this Funding Agreement are as follows:

Department of Water Resources  
Arthur Hinojosa  
Chief, Division of Integrated Regional Water  
Management  
P.O. Box 942836  
Sacramento CA 94236-0001  
Phone: (916) 653-4736  
e-mail: Arthur.Hinojosa@water.ca.gov

San Luis Obispo County Flood Control and  
Water Conservation District  
Wade Horton  
Public Works Director  
County Government Center, Room 206  
San Luis Obispo, CA 93408  
Phone: (805) 781-5291  
e-mail: whorton@co.slo.ca.us

Oceano Community Services District  
Paavo Ogren  
General Manager  
1655 Front Street, Oceano CA 93445  
PO Box 599, Oceano CA 93475  
Phone: (805) 481-6730  
e-mail: ocsdgm@oceanocsd.org

Direct all inquiries to the Project Manager:

Department of Water Resources  
Angela Cruz  
Division of Integrated Regional Water Management  
P.O. Box 942836  
Sacramento CA 94236-0001  
Phone: (916) 653-9723  
e-mail: Angela.Cruz@water.ca.gov

San Luis Obispo County Flood Control and  
Water Conservation District  
Mladen Bandov  
Water Resources Engineer  
County Government Center, Room 206  
San Luis Obispo, CA 93408  
Phone: (805) 781-5116  
e-mail: mbandov@co.slo.ca.us

Oceano Community Services District  
Paavo Ogren  
General Manager  
1655 Front Street, Oceano CA 93445  
PO Box 599, Oceano, CA 93475  
Phone: (805) 481-6730

e-mail: ocsdgm@oceanocsd.org


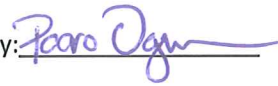

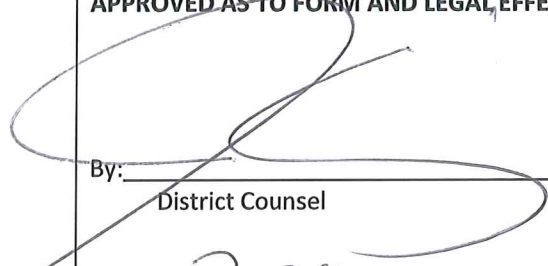
The FCWCD and OCSD may change their Project Representatives or Project Managers upon written notice.

26. STANDARD PROVISIONS. The following Exhibits are attached and made a part of this Grant Agreement by this reference:

- Exhibit A – Work Plan
- Exhibit B – Budget
- Exhibit C – Schedule
- Exhibit D – Standard Conditions
- Exhibit E – Authorizing Resolution
- Exhibit F – Local Project Sponsors
- Exhibit G – Report Formats and Requirements
- Exhibit H – Requirements for Statewide Monitoring and Data Submittal
- Exhibit I – State Audit Document Requirements and Funding Match Guidelines for Grantees
- Exhibit J – Project Monitoring Plan Guidance
- Exhibit K – Grant Agreement



IN WITNESS WHEREOF, the Parties hereto have executed this Funding Agreement.

<b>SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT</b>  By:  Wade Horton, Director of Public Works  Date: <u>08 MAR</u> , 20 <u>17</u>	<b>OCEANO COMMUNITY SERVICES DISTRICT</b>  By:   Date: <u>2/28</u> , 20 <u>17</u>
<b>APPROVED AS TO FORM AND LEGAL EFFECT:</b> RITA L. NEAL County Counsel  By:  Deputy County Counsel  Date: <u>November 21</u> , 20 <u>16</u>	<b>APPROVED AS TO FORM AND LEGAL EFFECT:</b>  By:  District Counsel  Date: <u>2.28</u> , 20 <u>17</u>

**EXHIBIT A  
WORK PLAN**

**PROJECT 2: OCSD'S STUDY PLAN FOR WATER RESOURCES RELIABILITY PROGRAM (WRRP)**

**PROJECT DESCRIPTION:** The OCSD WRRP study consists of three components: Recycled Water Injection Well study, the LID study, and the Leak Detection and Management Program. The work elements of each of these components are presented below.

**BUDGET CATEGORY (A): DIRECT PROJECT ADMINISTRATION**

**TASK 1: PROJECT MANAGEMENT**

This task will be performed by the OCSD General Manager to keep the Project scope, budget, and schedule on track, to execute and manage consultant contracts, and to communicate Project progress with FCWCD staff, OCSD Board members, and stakeholders. Task includes managing the Funding Agreement including compliance with Grant Agreement requirements, preparation, and submission of supporting Grant documents, and coordination with FCWCD. This task also involves preparing invoices and relevant supporting documentation for submittal to State via FCWCD. This task also includes administrative responsibilities associated with the Project such as coordinating with partnering agencies, and managing Project consultants/contractors.

**Deliverables:**

- Environmental Information Form (EIF)
- Financial Statements
- Invoices
- Consultant Agreements
- Other Applicable Project Deliverables

**TASK 2: LABOR COMPLIANCE PROGRAM**

As there is no construction associated with this Project, no labor compliance program will be required.

**TASK 3: REPORTING**

Prepare progress reports detailing work completed during reporting period as outlined in Exhibit G of this Funding Agreement. Submit reports to the FCWCD for review and inclusion in a progress report to be submitted to FCWCD for review and inclusion in a progress report to be submitted to State.

Prepare Draft Project Completion Report and submit to State via FCWCD for State Project Manager's comment and review no later than 60 days after Project completion. Prepare Final Report addressing FCWCD/State's comments. The report shall be prepared and presented in accordance with the provision of Exhibit G.

**Deliverables:**

- Project Progress Reports
- Draft Project Completion Report
- Final Project Completion Report

**BUDGET CATEGORY (B): LAND PURCHASE/EASEMENT**

No land purchase or easement acquisitions associated with this Project.

**BUDGET CATEGORY (C): PLANNING/DESIGN/ENGINEERING AND ENVIRONMENTAL DOCUMENTATION**

As there is no construction associated with this project, CEQA and a Project Monitoring Plan are not required.

**TASK 4: PROPERTY ASSESSMENT AND RIGHT-OF-WAY/EASEMENT CONSIDERATIONS**

As part of this task, land purchase and easement issues will be identified and evaluated to prioritize preferred injection well sites and identify required easements for proposed Low Impact Development (LID) work efforts. Tasks include identification of available public and private property, as well as cost estimates for property acquisition. Easements and right-of-ways, required to construct the proposed program elements, will be identified. Required Encroachment Permits and Inter-Agency Agreements will be identified.

**Deliverables:**

- Project Progress Reports
- Draft Project Completion Report

**TASK 5: FEASIBILITY STUDY - RECYCLED WATER INJECTION WELL STUDY**

This task consists of efforts to identify the optimal recycled water injection well locations in Oceano to enhance the reliability of water supplies by recharging the groundwater basin, improving groundwater quality with the injection of highly treated recycled water, and preventing salt water intrusion. Efforts include:

- Review available background documents;
- Develop evaluation criteria;
- Coordinate with City of Pismo Beach (Pismo) and South San Luis Obispo County Sanitation District (SSLOCSO) to integrate proposed OCSD wells into the Pismo or SSLOCSO systems;
- Identify proposed injection well sites and prepare a cost-benefit comparison matrix to evaluate alternatives;
- Evaluate and rank proposed injection well sites and prepare a draft Study Technical Memorandum (TM) summarizing the findings
- Preparation of Final Study TM

**Deliverables:**

- Draft Feasibility Study Technical Memo
- Final Feasibility Study Technical Memo

**TASK 6: FEASIBILITY STUDY – LOW IMPACT DEVELOPMENT PLAN**

This task consists of efforts to update the existing 2004 Drainage and Flood Control Study to incorporate LID standards and to identify optimal programs and projects within Oceano to enhance stormwater recharge and to reduce non-point source pollution. Efforts to complete this study include:

- Review available background documents and update the 2004 study with a table to include any new LID techniques being implemented since the 2004 study.
- Identify potential LIDs, develop project criteria and assess potential LIDs and summarize findings in a Draft LID Feasibility TM for presentation to the OCSD Board and stakeholders;
- Coordinate with FCWCD to discuss LID opportunities and to identify agreement(s) that will be required for the OCSD to act as the lead agency in implementing LID improvements to enhance groundwater recharge;
- Prepare Final LID Feasibility Study TM and Presentation for the OCSD Board

**Deliverables:**

- Table Summarizing 2004 Report Updates
- Draft LID Feasibility Study Technical Memo
- Final LID Feasibility Study Technical Memo
- OCSD Board Presentation

**TASK 7: FEASIBILITY STUDY – LEAK DETECTION AND MANAGEMENT PLAN**

This task consists of the development of a Leak Detection and Management Plan and an addendum to the 2009 Master Water Study (MWS)(including a Capital Improvement Plan (CIP)) that will enable OCSD to prioritize system projects to reliably minimize and capture water system losses thereby increasing in-system water:

- Review Available Background Documents and develop Maps to identify potential leak areas and areas of repaired/replaced pipes;
- System Loss Calculations - This task includes the review of existing spreadsheets and procedures used by OCSD in monitoring water production versus water sales, and other factors, to determine unaccounted water losses. Data will be reviewed to determine water production and consumption, in order to determine leakage estimates. Recommendations will be provided on additional data needs/evaluations to develop accurate water loss calculations in the future;
- Coordinate to Identify System Projects - OCSD staff and its consultant will discuss water system projects, identified since 2009, for implementation to reduce in-system leaks. Based on a review of maintenance efforts, additional potential projects will be identified to be added to the 2009 MWS project list. Alternatives will be developed for consideration to provide support to residents/property owners for private property leak detection;
- Conduct field surveys to look for surface expressing of leaks, identify instantaneous water production measurement methods, develop a metering program, and prepare recommendations and costs for tracking water losses, including proposed new equipment;
- Prepare Leak Detection and Management Plan;
- Develop Draft 2009 Master Water Study and CIP Addendum based on technical findings, revisions will be made to the 2009 MWS and the corresponding CIP. The findings will be presented to the OCSD Board of Directors for review and direction.
- Develop Final 2009 Master Water Study and CIP Addendum present to the OCSD Board of Directors.

**Deliverables:**

- Maps of Potential Leaks and Repaired Pipes
- Tables and Maps Summarizing Field Investigation of Leaks
- Leak Detection and Management Plan
- Draft Addendum to update Master Water Study and CIP
- Final Addendum to update Master Water Study and CIP

**TASK 8: COORDINATED PUBLIC OUTREACH PROGRAM**

OCSD will implement a community based outreach program, to reach out to the community, including Town Hall Meetings, stakeholder meetings, Board Meetings, and creation of flyers/brochures to educate the stakeholders of the feasibility studies. The OCSD website will be updated to include presented materials. In addition, multilingual materials will be prepared by OCSD staff. OCSD will coordinate the outreach program to target all three studies. A

coordinated stakeholder workshop, presenting the findings of the three proposed studies, will be conducted to solicit input on the evaluation criteria, proposed projects, and project ranking. Stakeholders include service area customers, Pismo, and SSLOCSO.

**Deliverables:**

- Website Updates
- Town Hall Meeting Presentations and Minutes (up to 2 meetings)
- Multilingual Outreach Materials
- Specific Stakeholder Meetings (up to 2)

**BUDGET CATEGORY (D) CONSTRUCTION/IMPLEMENTATION**

The WRRP is a study and does not include any construction elements.

**EXHIBIT B  
 BUDGET**

Budget Category		Grant Amount	Cost Share: Non-State Fund Source (Funding Match)	Additional Cost Share	Total Cost
(a)	Direct Project Administration	\$ -	\$ -	\$ 36,700	\$ 36,700
(b)	Land Purchase/ Easements	\$ -	\$ -	\$ -	\$ -
(c)	Planning/ Design/ Engineering/ Environmental Documentation	\$ 198,397	\$ -	\$ 31,663	\$ 230,060
(d)	Construction/ Implementation	\$ -	\$ -	\$ -	\$ -
<b>TOTAL</b>		<b>\$ 198,397</b>	<b>\$ -</b>	<b>\$ 68,363</b>	<b>\$ 266,760</b>

EXHIBIT C  
SCHEDULE

ID	Task Name	Start	Finish
1	PROJECT 2: Oceano Community Services District Water Resources Reliability Program (WRRP)	Wed 1/13/16	Thu 1/19/17
2	Final Grant Award	Wed 1/13/16	Wed 1/13/16
3	Budget Category (A): Direct Project Administration	Thu 1/14/16	Thu 1/19/17
4	Task 1 - Project Management	Thu 1/14/16	Wed 1/11/17
5	Task 2 - Labor Compliance Program	Thu 1/14/16	Wed 1/11/17
6	Task 3 - Reporting	Mon 10/31/16	Thu 1/19/17
7	Quarterly Reports	Wed 11/30/16	Wed 11/30/16
8	Draft Project Completion Report	Mon 10/31/16	Fri 12/9/16
9	Final Project Completion Report	Mon 12/12/16	Thu 1/19/17
10	Budget Category (C): Planning/Design/Engineering/Environmental	Tue 3/1/16	Sun 10/30/16
11	Task 4 - Property Assessment & ROW/Easement Considerations	Fri 4/1/16	Fri 6/10/16
12	Task 5 - Feasibility Study - Recycled Water Injection Well Study	Tue 3/1/16	Fri 7/29/16
13	Task 6 - Feasibility Study - Low Impact Development Plan	Tue 3/1/16	Fri 8/26/16
14	Task 7 - Feasibility Study Project - Leak Detection and Management Plan	Tue 3/1/16	Sun 10/30/16
15	Task 8 - Coordinated Public Outreach Program	Tue 3/1/16	Sun 10/30/16

EXHIBIT D  
STANDARD CONDITIONS

**D.1) ACCOUNTING AND DEPOSIT OF FUNDING DISBURSEMENT:**

- a) Separate Accounting of Funding Disbursements and Interest Records: OCSD shall account for the money disbursed pursuant to this Funding Agreement separately from all other OCSD funds. OCSD shall maintain audit and accounting procedures that are in accordance with generally accepted accounting principles and practices, consistently applied. OCSD shall keep complete and accurate records of all receipts, disbursements, and interest earned on expenditures of such funds. OCSD shall require its contractors or subcontractors to maintain books, records, and other documents pertinent to their work in accordance with generally accepted accounting principles and practices. Records are subject to inspection by State and FCWCD at any and all reasonable times.
- b) Fiscal Management Systems and Accounting Standards: The OCSD agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of Grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Funding Agreement.
- c) Disposition of Money Disbursed: All money disbursed pursuant to this Funding Agreement shall be deposited, administered, and accounted for pursuant to the provisions of applicable law.
- d) Remittance of Unexpended Funds: OCSD shall remit to FCWCD any unexpended funds that were disbursed to OCSD under this Funding Agreement and were not used to pay Eligible Project Costs within a period of forty five (45) calendar days from the final disbursement from FCWCD to OCSD of funds or, within fifteen (15) calendar days of the expiration of the Funding Agreement, whichever comes first.

**D.2) ACKNOWLEDGEMENT OF CREDIT:** OCSD shall include appropriate acknowledgement of credit to the State and FCWCD and to all cost-sharing partners for their support when promoting the Project or using any data and/or information developed under this Funding Agreement. During construction of the Project, OCSD shall install a sign at a prominent location, which shall include a statement that the Project is financed under the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, administered by State of California, Department of Water Resources. OCSD shall notify FCWCD that the sign has been erected by providing FCWCD with a site map with the sign location noted and a photograph of the sign (for submittal to State).

**D.3) AIR OR WATER POLLUTION VIOLATION:** Under State laws, the OCSD shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to §13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

**D.4) AMENDMENT:** This Funding Agreement may be amended at any time by mutual agreement of the Parties, except insofar as any proposed amendments are in any way contrary to applicable law or to the Grant Agreement. Requests by the OCSD for amendments must be in writing stating the amendment request and the reason for the request. FCWCD shall have no obligation to agree to an amendment.

**D.5) AMERICANS WITH DISABILITIES ACT:** By signing this Funding Agreement, OCSD assures FCWCD that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C., 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

**D.6) APPROVAL:** This Funding Agreement is of no force or effect until signed by all Parties to the Agreement. OCSD may not submit invoices or receive payment until all required signatures have been obtained.

**D.7) AUDITS:** State and FCWCD reserve the right to conduct an audit at any time between the execution of this Funding Agreement and the completion of the Project, with the costs of such audit borne by State



or FCWCD. After completion of the Project, State and FCWCD may require OCSD to conduct a final audit to State or FCWCD specifications, at OCSD's expense. Such audit shall be conducted by an independent Certified Public Accountant who shall prepare a report. Failure or refusal by OCSD to comply with this provision shall be considered a breach of this Funding Agreement, and State and FCWCD may elect to pursue any remedies provided in Paragraph 13 or take any other action they deem necessary to protect their interests.

Pursuant to Government Code §8546.7, the OCSD shall be subject to the examination and audit by the State and FCWCD for a period of three years after final payment of Grant funds to OCSD with respect to all matters connected with this Funding Agreement, including but not limited to, the cost of administering this Funding Agreement. All records of OCSD or its contractor or subcontractors shall be preserved for this purpose for at least three (3) years after Project completion or final billing, whichever comes later.

- D.8) BUDGET CONTINGENCY:** If the Budget Act of the current year covered under the Grant Agreement does not appropriate sufficient funds for the Proposition 84 Implementation Grant Program, this Funding Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of FCWCD to make any payments under this Funding Agreement. In this event, FCWCD shall have no liability to pay any funds whatsoever to OCSD or to furnish any other considerations under this Funding Agreement and OCSD shall not be obligated to perform any provisions of this Funding Agreement. Nothing in this Funding Agreement shall be construed to provide OCSD with a right of priority for payment over any other project sponsor. If funding for any fiscal year after the current year covered by the Grant Agreement is reduced or deleted by the Budget Act for purposes of this program, FCWCD shall have the option to either cancel this Funding Agreement with no liability occurring to FCWCD, or offer a Funding Agreement amendment to OCSD to reflect the reduced amount (if State offers a Grant Agreement amendment to FCWCD).
- D.9) CALIFORNIA CONSERVATION CORPS:** As required in Water Code §79038(b), OCSD shall examine the feasibility of using the California Conservation Corps or community conservation corps to accomplish the habitat restoration, enhancement and protection activities listed in the Exhibit A, Work Plan, and shall use the services of one of these organizations whenever feasible.
- D.10) CEQA:** Activities funded under this Funding Agreement, regardless of funding source, must be in compliance with the California Environmental Quality Act (CEQA) (Public Resources Code §21000 et seq.). Information on CEQA may be found at the following links:
- Environmental Information: <http://resources.ca.gov/ceqa/>
- California State Clearinghouse Handbook:  
[https://www.opr.ca.gov/docs/SCH\\_Handbook\\_2012.pdf](https://www.opr.ca.gov/docs/SCH_Handbook_2012.pdf)
- D.11) CHILD SUPPORT COMPLIANCE ACT:** The OCSD acknowledges in accordance with Public Contract Code §7110, that:
- a) The OCSD recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with §5200) of Part 5 of Division 9 of the Family Code; and
  - b) The OCSD, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
- D.12) CLAIMS DISPUTE:** Any claim that the OCSD may have regarding performance of this Funding Agreement including, but not limited to, claims for additional compensation or extension of time, shall be submitted to the FCWCD's Project Manager, within fifteen (15) calendar days of the OCSD's knowledge of the claim. FCWCD and OCSD (and State where applicable) shall then attempt to negotiate a resolution of

such claim and process an amendment to this Funding Agreement to implement the terms of any such resolution.

- D.13) COMPETITIVE BIDDING AND PROCUREMENTS:** OCSD shall comply with all applicable laws and regulations regarding securing competitive bids and undertaking competitive negotiations in OCSD's contracts with other entities for acquisition of goods and services and construction of public works with funds provided by FCWCD under this Funding Agreement.
- D.14) COMPUTER SOFTWARE:** OCSD certifies that it has appropriate systems and controls in place to ensure that Grant funds will not be used in the performance of this Funding Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.
- D.15) CONFLICT OF INTEREST:** As set forth in the Grant Agreement, all participants, including the OCSD, are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the Grant application being rejected and any subsequent contract, including the Grant Agreement and this Funding Agreement, being declared void. Other legal action may also be taken. Applicable statutes include, but are not limited to, Government Code, §1090 and Public Contract Code, §10410 and §10411, for State conflict of interest requirements.
- a) **Current State Employees:** No State officer or employee shall engage in any employment, activity, or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity, or enterprise is required as a condition of regular State employment. No State officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
  - b) **Former State Employees:** For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.
  - c) **Employees of the OCSD:** Employees of the OCSD shall comply with all applicable provisions of law pertaining to conflicts of interest, including but not limited to any applicable conflict of interest provisions of the California Political Reform Act, Government Code §87100 *et seq.*
  - d) **Employees and Consultants to the OCSD:** Individuals working on behalf of a CCSD may be required by the Department to file a Statement of Economic Interests (Fair Political Practices Commission Form 700) if it is determined that an individual is a consultant for Political Reform Act purposes.
- D.16) DELIVERY OF INFORMATION, REPORTS, AND DATA:** OCSD agrees to expeditiously provide throughout the term of this Funding Agreement, such reports, data, information, and certifications as may be reasonably required by State or FCWCD.
- D.17) DISPOSITION OF EQUIPMENT:** OCSD shall provide to FCWCD, not less than 15 calendar days prior to submission of the final invoice, an itemized inventory of equipment purchased with funds provided by State. The inventory shall include all items with a current estimated fair market value of more than \$5,000.00 per item.
- D.18) DRUG-FREE WORKPLACE CERTIFICATION:** Certification of Compliance: By signing this Funding Agreement, OCSD, its contractors or subcontractors hereby certify, under penalty of perjury under the laws of State of California, compliance with the requirements of the Drug-Free Workplace Act of 1990 (Government Code §8350 *et seq.*) and have or will provide a drug-free workplace by taking the following actions:

- a) Publish a statement notifying employees, contractors, and subcontractors that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees, contractors, or subcontractors for violations, as required by Government Code §8355(a)(1).
- b) Establish a Drug-Free Awareness Program, as required by Government Code §8355(a)(2) to inform employees, contractors, or subcontractors about all of the following:
  - i) The dangers of drug abuse in the workplace,
  - ii) OCSD's policy of maintaining a drug-free workplace,
  - iii) Any available counseling, rehabilitation, and employee assistance programs, and
  - iv) Penalties that may be imposed upon employees, contractors, and subcontractors for drug abuse violations.
- c) Provide, as required by Government Code §8355(a)(3), that every employee, contractor, and/or subcontractor who works under this Funding Agreement:
  - i) Will receive a copy of OCSD's drug-free policy statement, and
  - ii) Will agree to abide by terms of OCSD's condition of employment, contract or subcontract.

- D.19) FINAL INSPECTIONS AND CERTIFICATION OF REGISTERED PROFESSIONAL:** Upon completion of the Project, OCSD shall provide for a final inspection and certification by the appropriate registered professional (California Registered Civil Engineer or Geologist) that the Project has been completed in accordance with submitted final plans and specifications and any modifications thereto and in accordance with this Funding Agreement. OCSD shall notify the FCWCD's Project Manager (who will then notify State's Project Manager) of the inspection date at least 21 calendar days prior to the inspection in order to provide State and FCWCD the opportunity to participate in the inspection.
- D.20) OCSD COMMITMENTS:** OCSD accepts and agrees to comply with all terms, provisions, conditions and commitments of this Funding Agreement, including all incorporated documents, including, without limitation, the Grant Agreement, and to fulfill all assurances, declarations, representations, and statements made by the OCSD or the FCWCD in the application, documents, amendments, and communications filed in support of FCWCD's request for funding.
- D.21) OCSD NAME CHANGE:** State and FCWCD may require approval of their Program Managers to change the name of OCSD in in the Grant Agreement and this Funding Agreement. State and FCWCD reserve the right not to pay invoices presented with a new name prior to approval of said change.
- D.22) GOVERNING LAW:** This Funding Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
- D.23) INDEMNIFICATION:** OCSD shall indemnify and hold and save the FCWCD, its officers, agents, and employees, free and harmless from any and all liabilities for any claims and damages (including inverse condemnation) that may arise out of the Project and this Funding Agreement, including, but not limited to any claims or damages arising from planning, design, construction, maintenance and/or operation of levee rehabilitation measures for the Project and any breach of this Funding Agreement. OCSD shall require its contractors or subcontractors to name the State, its officers, agents and employees, and the FCWCD, its officers, agents and employees, as additional insured on their liability insurance for activities undertaken pursuant to this Funding Agreement. Without limiting the foregoing, OCSD expressly agrees to indemnify, defend and hold harmless the FCWCD against any loss or liability, including any repayment obligation, arising out of any claim or action brought against FCWCD by the State for breach of the Grant Agreement (or any related claim or action) based on OCSD's failure to comply with the terms, provision, conditions and written commitments set forth herein.
- D.24) INDEPENDENT CAPACITY:** OCSD, and the agents and employees of OCSD, in the performance of this Funding Agreement, shall act in an independent capacity and not as officers, employees, or agents of the State or the FCWCD.
- D.25) INSPECTION OF BOOKS, RECORDS, AND REPORTS:** During regular office hours, State and FCWCD and their duly authorized representatives shall have the right to inspect and to make copies of any books, records, or reports of OCSD pertaining to the Grant Agreement and this Funding Agreement or matters

related hereto. OCSD shall maintain and shall make available at all times for such inspection accurate records of all its costs, disbursements, and receipts with respect to its activities under this Funding Agreement. Failure or refusal by OCSD to comply with this provision shall be considered a breach of this Funding Agreement, and State or FCWCD may withhold disbursements to OCSD or take any other action they deem necessary to protect their interests.

- D.26) INSPECTIONS OF PROJECT BY STATE AND FCWCD:** State and FCWCD shall have the right to inspect the work being performed at any and all reasonable times during the term of the Grant Agreement and this Funding Agreement. This right shall extend to any subcontracts, and OCSD shall include provisions ensuring such access in all its contracts or subcontracts entered into pursuant to this Funding Agreement.
- D.27) INVOICE DISPUTES:** In the event of an invoice dispute, payment will not be made until the dispute is resolved and a corrected invoice submitted. Failure to use the address exactly as provided may result in return of the invoice to the OCSD. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. Any claim that OCSD may have regarding the performance of this Funding Agreement including, but not limited to claims for additional compensation or extension of time, shall be submitted to the FCWCD Project Manager within fifteen (15) calendar days of OCSD's knowledge of the claim. FCWCD and OCSD (and State where applicable) shall then attempt to negotiate a resolution of such claim and process an amendment to the Funding Agreement to implement the terms of any such resolution.
- D.28) LABOR CODE COMPLIANCE:** The OCSD will be required to keep informed of and take all measures necessary to ensure compliance with applicable Labor Code requirements, including, but not limited to, §1720 *et seq.* of the Labor Code regarding public works, limitations on use of volunteer labor (Labor Code §1720.4), labor compliance programs (Labor Code §1771.5) and payment of prevailing wages for work done and funded pursuant to these Guidelines, including any payments to the Department of Industrial Relations under Labor Code §1771.3.
- D.29) NONDISCRIMINATION:** During the performance of this Funding Agreement, OCSD and its contractors or subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), marital status, and denial of medical and family care leave or pregnancy disability leave. OCSD and its contractors or subcontractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. OCSD and its contractors or subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285 *et seq.*). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code §12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. OCSD and its contractors or subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- OCSD shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Funding Agreement.
- D.30) NO DISCRIMINATION AGAINST DOMESTIC PARTNERS:** For contracts over \$100,000 executed or amended after January 1, 2007, the OCSD certifies by signing this Funding Agreement, under penalty of perjury under the laws of State of California that OCSD is in compliance with Public Contract Code §10295.3.
- D.31) OPINIONS AND DETERMINATIONS:** Where the terms of this Funding Agreement provide for action to be based upon, judgment, approval, review, or determination of either party hereto, such terms are not intended to be and shall never be construed as permitting such opinion, judgment, approval, review, or determination to be arbitrary, capricious, or unreasonable.

- D.32) PERFORMANCE AND ASSURANCES:** OCSD agrees to faithfully and expeditiously perform or cause to be performed all Project work as described in Exhibit A (Work Plan) and to apply State funds received only to Eligible Project Costs in accordance with applicable provisions of the law.
- D.33) PRIORITY HIRING CONSIDERATIONS:** If this Funding Agreement includes services in excess of \$200,000, the OCSD shall give priority consideration in filling vacancies in positions funded by this Funding Agreement to qualified recipients of aid under Welfare and Institutions Code § 11200 in accordance with Public Contract Code § 10353.
- D.34) PROHIBITION AGAINST DISPOSAL OF PROJECT WITHOUT STATE OR FCWCD PERMISSION:** The OCSD shall not sell, abandon, lease, transfer, exchange, mortgage, hypothecate, or encumber in any manner whatsoever all or any portion of any real or other property necessarily connected or used in conjunction with the Project, or with OCSD's service of water, without prior permission of State and FCWCD. OCSD shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of OCSD to meet its obligations under this Funding Agreement, without prior written permission of State and FCWCD. State or FCWCD may require that the proceeds from the disposition of any real or personal property be remitted to FCWCD or State.
- D.35) REMEDIES NOT EXCLUSIVE:** The use by either Party of any remedy specified herein for the enforcement of this Funding Agreement is not exclusive and shall not deprive the Party using such remedy of, or limit the application of, any other remedy provided by law.
- D.36) RETENTION:** Notwithstanding any other provision of this Funding Agreement, the OCSD acknowledges that the State shall withhold five percent (5.0%) until January 1, 2018 and ten percent (10.0%), thereafter, of the funds requested by FCWCD for reimbursement of Eligible Costs. The Project will be eligible to release its respective retention when the Project is completed and OCSD has met the requirements of Paragraph 18, "Submissions of Reports", except in the case that the Project is the last project to be completed under the Grant Agreement, in which case retention for the Project will not be disbursed until the "Grant Completion Report" is submitted to and approved by State. FCWCD shall disburse retained funds upon timely release of said funds from the State.
- D.37) RIGHTS IN DATA:** OCSD agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes and other written or graphic work produced in the performance of this Funding Agreement shall be made available to the State and FCWCD and shall be in the public domain to the extent to which release of such materials is required under the California Public Records Act., Government Code § 6250 *et seq.* OCSD may disclose, disseminate and use in whole or in part, any final form data and information received, collected and developed under this Funding Agreement, subject to appropriate acknowledgement of credit to State for financial support. OCSD shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so. The State and FCWCD shall have the right to use any data described in this paragraph for any public purpose.
- D.38) SEVERABILITY:** Should any portion of this Funding Agreement be determined to be void or unenforceable, such shall be severed from the whole and this Funding Agreement shall continue as modified.
- D.39) STATE AND FCWCD REVIEWS:** The Parties agree that review or approval of Project applications, documents, permits, plans, and specifications or other Project information by the State or FCWCD is for administrative purposes only and does not relieve the OCSD of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project.
- D.40) SUSPENSION OF PAYMENTS:** OCSD acknowledges that the Grant Agreement may be subject to suspension of payments or termination, or both, and OCSD may be subject to debarment if the State or FCWCD determines that:
- a) OCSD, its contractors, or subcontractors have made a false certification, or
  - b) OCSD, its contractors, or subcontractors violate the certification by failing to carry out the requirements noted in the Grant Agreement.

- D.41) SUCCESSORS AND ASSIGNS:** This Funding Agreement and all of its provisions shall apply to and bind the successors and assigns of the Parties. No assignment or transfer of this Funding Agreement or any part thereof, rights hereunder, or interest herein by the OCSD shall be valid unless and until it is approved by FCWCD and made subject to such reasonable terms and conditions as FCWCD may impose.
- D.42) TERMINATION BY OCSD:** Subject to State and FCWCD approval which may be reasonably withheld, OCSD may terminate this Funding Agreement and be relieved of contractual obligations. In doing so, OCSD must provide a reason(s) for termination. OCSD must submit all progress reports summarizing accomplishments up until termination date.
- D.43) TERMINATION FOR CAUSE:** The FCWCD may terminate this Funding Agreement and be relieved of any payments should OCSD fail to perform the requirements of this Funding Agreement at the time and in the manner herein, provided including but not limited to reasons of default under Paragraph 13.
- D.44) TERMINATION WITHOUT CAUSE:** The FCWCD may terminate this Funding Agreement without cause on 30 calendar days advance written notice. The OCSD shall be reimbursed for all reasonable expenses incurred up to the date of termination.
- D.45) THIRD PARTY BENEFICIARIES:** With the exception of the State, as more specifically described herein, the Parties to this Funding Agreement do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this Funding Agreement, or any duty, covenant, obligation or understanding established herein.
- D.46) TIMELINESS:** Time is of the essence in this Funding Agreement.
- D.47) TRAVEL:** OCSD agrees that travel and per diem costs shall NOT be eligible for reimbursement with State funds, and shall NOT be eligible for computing OCSD cost match. Travel includes the costs of transportation, subsistence, and other associated costs incurred by personnel during the term of this Funding Agreement.
- D.48) WAIVER OF RIGHTS:** None of the provisions of this Funding Agreement shall be deemed waived unless expressly waived in writing. It is the intention of the Parties hereto that from time to time either Party may waive any of its rights under this Funding Agreement unless contrary to law. Any waiver by either Party of rights arising in connection with this Funding Agreement shall not be deemed to be a waiver with respect to any other rights or matters, and such provisions shall continue in full force and effect.
- D.49) WORKERS' COMPENSATION:** OCSD affirms that it is aware of the provisions of §3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and OCSD affirms that it will comply with such provisions before commencing the performance of the work under this Funding Agreement and will make its contractors and subcontractors aware of this provision.

**EXHIBIT E**  
**AUTHORIZING RESOLUTION**

**[INTENTIONALLY OMITTED]**

**EXHIBIT F**  
**LOCAL PROJECT SPONSORS**

**[INTENTIONALLY OMITTED]**



**EXHIBIT G**  
**REPORT FORMATS AND REQUIREMENTS**

The following reporting formats should be utilized.

**PROGRESS REPORTS**

Progress reports shall generally use the following format. This format may be modified as necessary to effectively communicate information. Discuss the following at the task level, as organized in Exhibit A (Work Plan):

- Percent complete estimate.
- Discussion of work accomplished during the reporting period.
- Milestones or deliverables completed/submitted during the reporting period.
- Scheduling concerns and issues encountered that may delay completion of the task.

Discuss the following at the Project level, as organized in Exhibit A (Work Plan):

- Work anticipated for the next reporting period.
- Photo documentation, as appropriate.
- Any schedule or budget modifications approved by State during the reporting period.

**PROJECT COMPLETION REPORT**

Project Completion Reports shall generally use the following format.

**Executive Summary**

Should include a brief summary of Project information and include the following items:

- Brief description of work proposed to be done in the original Grant application.
- Description of actual work completed and any deviations from Exhibit A. List any official amendments to the Grant Agreement or this Funding Agreement, with a short description of the amendment(s).

**Reports and/or Products**

The following items should be provided, unless already submitted as a deliverable:

- Provide a copy of any final technical report or study, produced for this project as described in the Work Plan, if applicable
- Electronic copies of any data collected, not previously submitted
- As-built drawings
- Final geodetic survey information
- Project photos
- Discussion of problems that occurred during the work and how those problems were resolved
- A final Project schedule showing actual progress versus planned progress

**Costs and Dispositions of Funds**

A list of showing:

- Summary of Project costs including the following items:
  - Accounting of the cost of Project expenditure;
  - Include all internal and external costs not previously disclosed (i.e., additional cost share); and
  - A discussion of factors that positively or negatively affected the Project cost and any deviation from the original Project cost estimate.

**Additional Information**

- Benefits derived from the Project, with quantification of such benefits provided, if applicable.
- A final Project schedule showing actual progress versus planned progress as shown in Exhibit C.
- Certification from a California Registered Professional (Civil Engineer or Geologist, as appropriate) that the Project was conducted in accordance with the approved work plan and any approved modifications thereto.
- Submittal schedule for the Post Performance Report.

**POST-PERFORMANCE REPORT**

Report should be concise, and focus on how the Project is actually performing compared to its expected performance; whether the Project is being operated and maintained, and providing intended benefits as proposed.

**Reports and/or products**

- Time period of the annual report (e.g., January 2015 through December 2015)
- Short Project description
- Discussion of the Project benefits
- An assessment of any explanations for any differences between the expected versus actual Project benefits in meeting IRWM priorities as stated in the original IRWM Implementation Grant application. Where applicable, the reporting should include quantitative metrics, i.e., new acre-feet of water produced that year, acres of wildlife habitat added, etc.
- Summary of any additional costs and/or benefits deriving from the Project since its completion, if applicable.
- Continued reporting on meeting the Output Indicators and Targets discussed in the Project Monitoring Plan discussed in Paragraph 20 of this Grant Agreement.
- Any additional information relevant to or generated by the continued operation of the Project.

**EXHIBIT H**  
**REQUIREMENTS FOR STATEWIDE MONITORING AND DATA SUBMITTAL**

**Surface and Groundwater Quality Data**

Groundwater quality and ambient surface water quality monitoring data that include chemical, physical, or biological data shall be submitted to the State as described below, with a narrative description of data submittal activities included in Project reports, as described in Exhibit G.

Surface water quality monitoring data shall be prepared for submission to the California Environmental Data Exchange Network (CEDEN). The CEDEN data templates are available on the CEDEN website. Inclusion of additional data elements described on the data templates is desirable. Data ready for submission should be uploaded to your CEDEN Regional Data Center via the CEDEN website. CEDEN website:  
<http://www.ceden.org>.

If the Project's Work Plan contains a groundwater ambient monitoring element, groundwater quality monitoring data shall be submitted to the State for inclusion in the State Water Resources Control Board's Groundwater Ambient Monitoring and Assessment (GAMA) Program Information on the GAMA Program can be obtained at: [http://www.waterboards.ca.gov/gama/geotracker\\_gama.shtml](http://www.waterboards.ca.gov/gama/geotracker_gama.shtml). If further information is required, the OCSD can contact the State Water Resources Control Board (SWRCB) GAMA Program.

**Groundwater Level Data**

OCSD shall submit to State groundwater level data collected as part of the Grant. Water level data must be submitted using the California Statewide Groundwater Elevation Monitoring (CASGEM) online data submission system. OCSD should use its official CASGEM Monitoring Entity or Cooperating Agency status to gain access to the online submittal tool and submit data. If the data is from wells that are not part of the monitoring network, the water level measurements should be classified as voluntary measurements in the CASGEM system. If the OCSD is not a Monitoring Entity or Cooperating Agency, please contact the FCWCD project manager for further assistance with data submittal. The activity of data submittal should be documented in appropriate progress or final Project reports, as described in Exhibit G. Information regarding the CASGEM program can be found at <http://www.water.ca.gov/groundwater/casgem/>.

**EXHIBIT I**  
**STATE AUDIT DOCUMENT REQUIREMENTS AND FUNDING MATCH GUIDELINES FOR GRANTEES**

**State Audit Document Requirements**

The list below details the documents/records that State Auditors typically reviewed in the event of a Grant Agreement being audited. OCSD should ensure that such records are maintained for the Project. Where applicable, this list of documents also includes documents relating to the OCSD's funding match which will be required for audit purposes.

Internal Controls:

1. Organization chart (e.g., OCSD's overall organization chart and organization chart for the Grant Agreement's funded Project).
2. Written internal procedures and flowcharts for the following:
  - a) Receipts and deposits
  - b) Disbursements
  - c) State reimbursement requests
  - d) State funding expenditure tracking
  - e) Guidelines, policy(ies), and procedures on State funded Project
3. Audit reports of the OCSD's internal control structure and/or financial statements within the last two years.
4. Prior audit reports on State funded Project.

State Funding:

1. Original Grant Agreement, any amendment(s) and budget modification documents.
2. A list of all bond-funded grants, loans or subventions received from the State.
3. A list of all other funding sources for the Project.

Contracts:

1. All subcontractor and consultant contracts and related, if applicable.
2. Contracts between the OCSD, member agencies, and Project partners as related to the State funded Project.

Invoices:

1. Invoices from vendors and subcontractors for expenditures submitted to the State for payments under the Grant Agreement.
2. Documentation linking subcontractor invoices to State reimbursement requests and related Grant Agreement budget line items.
3. Reimbursement requests submitted to the State for the Grant Agreement.

Cash Documents:

1. Receipts (copies of warrants) showing payments received from the State.
2. Deposit slips or bank statements showing deposit of the payments received from the State.
3. Cancelled checks or disbursement documents showing payments made to vendors, subcontractors, consultants, and/or agents under the Grant Agreement.

Accounting Records:

1. Ledgers showing receipts and cash disbursement entries for State funding.
2. Ledgers showing receipts and cash disbursement entries of other funding sources.
3. Bridging documents that tie the general ledger to reimbursement requests submitted to the State for the Grant Agreement

Administration Costs:

1. Supporting documents showing the calculation of administration costs.

Personnel:

1. List of all contractors and OCSD staff that worked on the State funded Project.
2. Payroll records including timesheets for contractor staff and the OCSD.

Project Files:

1. All supporting documentation maintained in the Project files.
2. All Grant Agreement related correspondence.

**Funding Match Guidelines**

Funding Match consists of non-State funds including in-kind services. In-kind services are defined as work performed or items contributed (i.e., dollar value of non-cash contributions) by the OCSD (and potentially other parties involved) directly related to the execution of Exhibit A (Work Plan) (examples: volunteer services, equipment use, and facilities). The cost of in-kind service can be counted as funding match in-lieu of actual funds (or revenue) provided by the OCSD. Other funding match and in-kind service eligibility conditions may apply. Provided below is guidance for documenting funding match with and without in-kind services.

1. Although tracked separately, in-kind services shall be documented and, to the extent feasible, supported by the same methods used by the OCSD for its own employees. Such documentation should include the following:
  - a. Detailed description of the contributed item(s) or service(s)
  - b. Purpose for which the contribution was made (tied to Grant Agreement Exhibit A (Work Plan))
  - c. Name of contributing organization and date of contribution
  - d. Real or approximate value of contribution. Who valued the contribution and how the value was determined? (e.g., actual, appraisal, fair market value, etc.). Justification of rate. (See item #2, below)
  - e. For contributed labor, the person's name, the work performed, the number of hours contributed, and the pay rate applied
  - f. If multiple sources exist, these should be summarized on a table with summed charges
  - g. Source of contribution and whether it was provided by, obtained with, or supported by government funds
2. Rates for volunteer or in-kind services shall be consistent with those paid for similar work in the OCSD's organization. For example, volunteer service of clearing vegetation performed by an attorney shall be valued at a fair market value for this service, not the rate for professional legal services. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market. Paid fringe benefits that are reasonable, allowable and allocable may be included in the valuation.
3. Funding match contribution (including in kind services) shall be for costs and services directly attributed to activities included in the Grant Agreement Work Plan. These services, furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as in-kind if the activities are an integral and necessary part of the State funded Project under the Grant Agreement.
4. Cash contributions made to the Project shall be documented as revenue and in-kind services as expenditure. These costs should be tracked separately in the OCSD's accounting systems.

**EXHIBIT J**  
**PROJECT MONITORING PLAN GUIDANCE**

**Introduction**

Please include a brief description of the project (maximum ~150 words) including Project location, implementation elements, and need for project (what problem will the Project address).

**Project Monitoring Plan Components**

The Project Monitoring Plan should contain responses to the following questions:

- What are the anticipated Project physical benefits?
- What are the corresponding numeric targets for each Project benefit?
- How will proposed numeric targets be measured?
- What are baseline conditions?
- When will the targets be met (upon Project completion, five years after completion, etc.)
- How often will monitoring be undertaken (monthly yearly, etc.).
- Where are monitoring point locations (ex: meter located at..., at stream mile...)? Include relevant maps.
- How will the Project be maintained (ex: irrigation, pest management, weed abatement..)?
- What will be the frequency and duration of maintenance proposed activities?
- Are there any special environmental considerations (e.g., resource agency requirements, permit requirements, CEQA/NEPA mitigation measures)?
- Who is responsible for collecting the samples (who is conducting monitoring and/or maintenance)?
- How, and to whom, will monitoring results be reported (e.g.: paper reports, online databases, public meetings)?
- What adaptive management strategies will be employed if problems are encountered during routine monitoring or maintenance?
- What is the anticipated life of the Project?

**EXHIBIT K**  
**GRANT AGREEMENT**

Reference Documents  
 Oceano CSD – WRRP – RFP  
 October 2017

Prop 84 IRWM Grant #4600011487 OCSD WRRP	
April 2015 Recycled Water Facilities Planning Study by Water Systems Consulting Inc. (Prepared for the City of Pismo Beach)	
February 2017 Groundwater Flow Analysis; Regional Groundwater Sustainability Project; Arroyo Grande / Tri- Cities Mesa Area by Cleath-Harris Geologists (Prepared for City of Pismo Beach)	
June 2017 Recycled Water Facilities Planning Study prepared for the South San Luis Obispo County Sanitation District and the City of Arroyo Grande	
Leak Detection Reports prepared by California Rural Water Association – Three (3) files produced for testing performed on April 18, 19 and 20, 2017	
February 2004 Oceano Drainage and Flood Control Study (Prepared for the San Luis Obispo County Flood Control and Water Conservation District)	
October 2017 OCSD Water System Atlas	

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## Grant Compliance Checklist

**Name of Primary Project:** Water Resource Reliability Plan (WRRP)  
**Reference Information:** 2015 IRWM Grant No. 4600011487  
 OCSD # 02-5-4400-444

**Secondary Project:** Prop 1 – DAC Funding  
**Reference Information:** TBD (Grant has been awarded but grant agreement is in process)

**Purposes:** The first purpose of the following table is to identify the conditions associated with the 2015 IRWM grant and was developed by the General Manager by reviewing the grant agreement. The table was initially completed on July 5, 2017 - prior to preparing requests for proposals and prior to submitting grant reimbursement requests. Subsequently, discussion with DWR staff managing the DAC grant indicated that the rfp for the 2015 IRWM Grant should also address the DAC grant conditions since the rfp should identify that the successful firm would have a supplemental work item for the DAC grant work.

<b>2015 IRWM Grant Condition#</b>	<b>2016 Prop 1 Grant Condition#</b>	<b>Description</b>	<b>Status / Comments</b>	<b>File Reference</b>
8(a)		3 Years of Audits & Summary prior to 1 <sup>st</sup> disbursement	Completed 2/24/2016	<a href="#">8(a) Audit Submittals</a>
8(b)		Demonstrate groundwater compliance	Pages 14,15 IRWM Program guidelines May 2015	May not be necessary
8(c)		Submit Deliverables	Paragraph 18 funding agreement Exhibit "A" (Work Plan)	<a href="#">18(c) Project Completion Report</a>
8(d)		Preconstruction conditions	n/a	n/a
14(a)	13(a)	Urban Water Supplier requirements	n/a – OCSD is not an "Urban Water Supplier"	n/a
14(b)	13(b)	Agricultural Water Supplier requirements	n/a – OCSD is not an "Agricultural Water Supplier"	n/a
14(c)	13(c)	Surface Water diverter requirements	n/a – OCSD does not divert surface waters	n/a
14(d)	13(d)	Projects with potential groundwater impacts	n/a – OCSD is not implementing a Project (funding is for a plan).	n/a
14(e)	13(e)	Agencies designated as a monitoring entity under CSGEM	n/a – OCSD is not a CSGEM designated monitoring entity	n/a

17	16	Labor Compliance Program	OCSD was deemed exempt from this requirement pursuant to page 18 of 59; Task 2 of Grant Agreement 4600011487 between DWR and SLO County Flood Control and WCD	n/a
18(a)	17(a)	Requirement to submit quarterly progress reports	Ongoing	<a href="#">18(a) Quarterly Reports</a>
	17(b)	Requirement to submit quarterly accounting report		
18(b)	17(c)	Urban Water supplier management status reports	n/a OCSD is not an Urban Water suppliers	n/a
18(c)	17(d)	Progress Completion Report	Due within 60 days after completion	<a href="#">8(c) Work Plan Submittals</a>
18(d)	17(e)	Post-Performance Reports for Projects	n/a – OCSD is not implementing a Project	n/a
19, 20, 21		Requirement associated with projects	n/a – OCSD is not implementing a project	n/a
22(a)	21(a)	Notification of FCWCD – Re: any changes that could affect scope, schedule or budget		Only if Necessary
22(b)	21(b)	Notification of FCWCD – Re: Any public or media event at least 21 days in advance		<a href="#">22(b) Public and Media Events</a>
22(c)	21(c)	Notification of FCWCD – Re: Final inspections of a Project	n/a – OCSD is not implementing a project	n/a
Exhibit D.1)(a)	Exhibit D.1)(a)	Separate Accounting and Funding Disbursements	a/c 02-5-4400-444 established; reference to this provision needs to be included in consultant contracts.	
Ex. D.1)(b)	Ex. D.1)(b)	Fiscal Management and Accounting Standards	OCSD's current accounting system complies with this requirement	In compliance
Ex. D.1)(c)	Ex. D.1)(c)	Disposition of Money Disbursed	OCSD's administration of funds complies with this requirement	In compliance
Ex. D.1)(d)	Ex. D.1)(d)	Remittance of Unexpended Funds	Requirement to refund any funds that were obtained for ineligible costs	Only if Necessary
Ex. D.2)	Ex. D.2)	Acknowledgement of credit	Requirement to acknowledge DWR and FCWCD on a promotional materials	
Ex. D.3)	Ex. D.3)	Air or Water Pollution violations	Prohibited	In compliance

Ex. D.5)	Ex. D.5)	Requirement to comply with ADA		In compliance
Ex. D.7)	Ex. D.7)	Subject to audit and requirement to maintain records for 3 years after final billing		
Ex. D.9)	Ex. D.9)	California Conservation Corp	n/a - Requirement to use CCC for specific project activities when feasible	n/a
Ex. D.11)(a)	Ex. D.11)(a)	Child Support Compliance Act PCC 7110	Chapter 8, Sec 2200 Part 5 Division 9 of Ca Family Code	<a href="#">D.11) Child Support</a>
Ex. D.11)(b)	Ex. D.11)(b)	Child Support Compliance Act PCC 7110	Submit employee names to the EDD "New Hire Registry"	
Ex. D.13)	Ex. D.13)	Competitive Bidding	Compliance with laws and regulations	<a href="#">D.13) Competitive Procurement</a>
Ex. D.15)	Ex. D.15)	Conflict of Interest	Gov't Code 1090 & 87100; PCC 10410, 10411	<a href="#">D.15) Conflict of Interest</a>
Ex. D.18)	Ex. D.18)	Drug Free Workplace	Gov't Code	<a href="#">D.18) Drug Free Workplace</a>
Ex. D.19)	Ex. D.19)	Final Inspections	n/a – the WRRP is not a project.	n/a
Ex. D.28)		Labor Code Compliance (Sections 1720, 1720.4, 1771.5, 1771.3)	Labor Code sections are n/a since the work is a plan, and not a design or construction activity.	<a href="#">D.28) Labor Code Compliance</a>
Ex. D.29)	Ex. D.28)	Nondiscrimination; Gov't Code 12990 (a-f), CCR Title 2 Sec 7285	Requirement to include a provision in any agreement between OCSD and others	<a href="#">D.29) Nondiscrimination</a>
Ex. D.30)	Ex. D.29)	Nondiscrimination against Domestic Partners	OCSD has some obligation to ascertain whether a contractor is violating PCC 10295.3	<a href="#">D.30) Nondiscrimination against Domestic Partners</a>
Ex. D.37)	Ex. D.36)	Rights in Data	Compliance with Public Records Act GC 6250	
Ex. D.49)	Ex. D.49)	Workers Compensation	Include a contract provision to make contractors and subcontractors aware of Labor Code 3700	<a href="#">D.49) Workers Compensation</a>
		End of Document		



# 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 11, 2017

**To:** Board of Directors

**From:** Paavo Ogren, General Manager

**Subject:** **Agenda Item #9(C): Consideration of a Standby Power Evaluation for the Emergency Generator Replacement Project and a recommendation to authorize the President to execute an agreement with Wilson Engineering to prepare the final project design and electrical permit in the amount of \$8,000**

## Recommendation

It is recommended that your Board consider the attached Standby Power Evaluation for the Emergency Generator Replacement Project and a recommendation to authorize the President to execute an agreement with Gary Wilson P.E. to prepare the final project design in the amount of \$8,000.

## Discussion

Attached is a final report prepared by Wilson Engineering on standby power options. The report specifically addresses the need for emergency power to replace the obsolete and abandoned generator that previously serviced Well #8, the Sheriff station, Fire station and administrative office. The current evaluation includes upgrading the pre-existing assets from a manual operations to automatic power (within 10 seconds) to comply with the national electric code. A financial comparison of options is provided in Appendix II on page 12 of the attached report.

The evaluation included standby needs for Well #8, the Sheriff's substation, the Fire Station and the administrative offices. The high-end cost estimate was for \$165,000 including Well #8, but with uncertainties regarding replacement of existing electrical equipment. In comparison, the cost of automatic power from a single generator serving the two buildings for Sheriff, Fire and the administrative office is \$85,000. Therefore, the additional cost for Well #8 at this time is estimated to be at least \$80,000. Prior estimates provided to your Board indicated that the cost for Well #8 could be in the range of \$100,000 - \$125,000, which are still valid.

In contrast, the estimate for a portable generator for Well #8 is \$130,000, and while that is more expensive for water operations, the portable generator would provide more flexibility to use it at either Well #8 or the utilities yard, and would provide the ability to relocate a smaller generator at the yard for the Pier Avenue lift station when needed. In addition, while considering significant upcoming water fund expenditures for utility



relocations required by the County relating to the Highway One drainage project and the Airpark Drive bridge replacement project, staff is concerned about over-committing water funds at this time.

The risk at this time of not including Well #8 with the Sheriff and Fire station solution is the loss of a) water supplies from the County, b) power outage at Well #8 and c) power outage at the water yard. In the event of these multiple failures, the District would need to seek a temporary generator for use during the emergency. Impacts from the San Simeon earthquake in 2003 resulted in lost power to some north county water purveyors, and emergency generators were loaned between agencies (coordinated through the County Emergency Operations Center). If a widespread emergency were to occur prior to purchasing a generator for the water operations, similar interagency assistance may be needed for the District. Other emergency efforts would include reverse 911 calls (also coordinated through the County). In summary, staff is not recommending inclusion of Well #8 in current project efforts and instead is recommending that design is prepared for a single generator providing automatic emergency power to the Sheriff station, Fire station and administrative offices. Independently pursuing a portable emergency generator for water operations can also be initiated. Doing so will place the District in a good position to acquire the water fund asset once the costs for the County's projects are known and results from the current year budget. Tentatively, Board direction could be recommended as early as the third quarter budget report in April, 2018.

At this time, the attached report and proposal are based on proceeding with automatic power for the Sheriff station, Fire station and administrative building. Keeping the Sheriff on manual transfer for emergency power is estimated at \$65,000. The option would save an estimated \$20,000, but the actual "additional" costs could be less. The additional cost of \$20,000 includes an additional installation cost of \$15,000, which addresses uncertainties with pulling existing wires (conductors) through existing pipes (conduits) and whether complications might be encountered. To mitigate this risk, prior to proceeding with final design, additional field work will be completed. In addition to needing a parcel survey, which the District engineer DPSI will prepare, location of existing conduits and the ability to pull the conductors will be complete. Other considerations exist for providing automatic emergency power for the Sheriff station including anticipated negotiations to extend the current lease with the County over a long-term duration (as opposed to the 5-year extension rights that the County has in the current agreement). Lastly, recent discussion with FCFA Chief Liebermann indicated that a grant may be possible, and much more likely, if the Sheriff's station also benefits from emergency power upgrades.

### **Other Agency Involvement**

The County Sheriff, the Five Cities Fire Authority, the County Office of Emergency Services and the County Department of Planning and Building. On Tuesday October 10, 2017 the Board of Supervisors will be considering approval of the agreement between the District and the County regarding the collection of Public Facilities Fees by the County and use by the District, which was approved by your Board on February 22, 2017. On May 10, 2017 your Board approved the 2017 Public Facilities Fees report. The action by the Board of Supervisors is the



final inter-agency approval needed to utilize the fees to help fund that portion of project costs pertaining to the Fire station. The following is a link to the County agenda item for October 10<sup>th</sup>:

<http://agenda.slocounty.ca.gov/agenda/sanluisobispo/Proposal.html?select=7950>

### **Other Financial Considerations**

The recommendation for design services and other preconstruction efforts is included in the current budget. Prior to bidding the project, budget adjustments will be needed. Those adjustments will depend on whether the grant funding can be secured. In addition, final cost allocations will be determined based on construction bids and final costs.

### **Results**

Consideration of emergency power options supports a healthy and safe community.

### **Attachments:**

- Standby Power Evaluation by Wilson Engineering dated October 2, 2017.
- Proposal from Wilson Engineering for design and electrical permit.

## Wilson Engineering

771 Merced St., Pismo Beach, CA 93449  
(805) 748-6209  
GaryW@wilsonengineering.net

# Oceano Community Services District Standby Power Evaluation

## Final Report

Oceano CSD  
1655 Front Street  
Oceano, CA 93445

General Manager: Paavo Ogren

October 2, 2017

**Abstract:** A review of the NEC code requirements for standby power revealed the need to define which electrical circuits at the Fire Station/Office and Sheriff Substation would be classified as Emergency Circuits, Legally Required Circuits and Optional Circuits. Once these circuits are defined, the most effective type of standby power can be determined. Preliminary investigation shows that the most cost effective solution for emergency illumination is with individual battery operated lighting units that meet code requirements. Planning for extended power outages would be best served by a motor driven Standby Generator. Battery powered UPS systems are not recommended for motor loads such as AC units.

Different standby power options were investigated including estimated probable cost. After reviewing the options with Oceano CSD management it was determined that the most cost and operationally effective solution would be to install one 60 KW generator to automatically provide power to the Fire Station/Office and Sheriff Substation during power outages.



## TABLE OF CONTENTS

Introduction .....	2
The NEC and Standby Power .....	3
Emergency Systems .....	3
Legally Required Standby Systems.....	3
Optional Systems.....	4
Standby Power Options.....	5
Conclusions .....	7
References .....	8
Appendix I .....	9
Appendix II .....	12
Appendix III .....	14

## INTRODUCTION

The Oceano Community Services District (OCSD) maintains electrical power for the OCSD office, fire station, Sheriff Substation and well 8 at 1655 Front Street, Oceano, Ca. Electrical power is provided by PG&E through four (4) meters. A legacy 250 KW Standby Power generator system at Well 8 used to provide standby power to Well 8, with two additional feeds; one to the Sheriff Substation and one to the Fire Station/Office. The two feeds to the Sheriff Substation and Fire Station use Manual Transfer Switches to change the power feed from PG&E to the Generator. The existing 250 KW generator is no longer operational.

Several options for providing Standby Power have been discussed in the past:

- Option 1 – Replace the existing 250 KW generator with a new 250 KW generator and install new Automatic Transfer Switches (ATS) at the Sheriff Substation and Fire Station to replace the existing Manual Transfer Switches.
- Option 2 – Replace the existing 250 KW generator with an 80 KW generator and install new Automatic Transfer Switches (ATS) at the Sheriff Substation and Fire Station to replace the existing Manual Transfer Switches. Well 8 would no longer be powered by a permanent Standby Generator but have provision to connect a portable generator if needed.
- Option 3 – Install two new 50 KW generators: one at the Sheriff Substation and one at the Fire Station/Office. Each generator would have its own ATS. Well 8 would no longer be powered by a permanent Standby Generator but have provision to connect a portable generator if needed.

Other options discussed prior to the start of this investigation included using battery power to provide an Uninterruptible Power Supply (UPS) for emergency systems only and have provision to install a portable generator for extended power outages.

The purpose of this report is to first investigate and quantify the standby electrical power demand, review standby electrical power systems and their applicability to this project, and finally to prepare an estimate of probable cost for different options for OCSD management to determine the proper solution for OCSD.

## THE NEC AND STANDBY POWER

The National Electric Code addresses how alternate power sources such as a generator or battery system should be designed, installed and operated when normal electrical supply (such as from a Utility) is interrupted. There are three types of systems that affect the design and operation of a standby power system: 1) Emergency Systems, 2) Legally Required Standby Systems, and 3) Optional Standby Systems.

### Emergency Systems – NEC 700

The 2014 National Electric Code (NEC) Article 700 defines Emergency Systems as “Those systems legally required and classed as emergency by municipal, state, federal, or other codes, or by any governmental agency having jurisdiction. These systems are intended to automatically supply illumination, power, or both, to designated areas and equipment in the event of failure of the normal supply or in the event of accident to elements of the system intended to supply, distribute, and control power an illumination essential for safety to human life.”<sup>(1)</sup>

Emergency systems include illumination of a means of egress, operation of automatic doors, and powering other essential equipment for life safety. In many cases this may only apply to illumination (lighting).

An Emergency Power System would require automatic switching equipment and must supply power within **10 seconds** of the loss of normal power *to the Emergency Circuit*.

The source of power for an Emergency System can be:

- Storage Batteries capable of supplying the total emergency load for at least 1.5 hours.
- Generator Set capable of supplying the total emergency load for at least 2 hours.
- Unit Equipment (individual units such as battery operated emergency lights) capable of providing light for at least 1.5 hours.

### Legally Required Standby Systems – NEC 701

The 2014 National Electric Code (NEC) Article 701 defines Legally Required Standby Systems as “Those systems required and so classified as legally required by municipal, state, federal, or other codes or by any governmental agency having jurisdiction. These systems are intended to automatically supply power to selected loads (other than those classified as Emergency Systems) in the event of failure of the normal source.”<sup>(1)</sup>

Legally required standby systems are typically installed to serve loads, such as heating and refrigeration systems, communication systems, ventilation and smoke removal systems, sewage disposal, lighting systems, etc., that when stopped during any interruption of the normal electrical supply could create hazards or hamper rescue or fire-fighting operations.

A Legally Required Standby System would require automatic switching equipment and must provide power within **60 seconds** of the loss of normal power *to the Legally Required Circuit*.

### Legally Required Standby Systems – NEC 701, Cont.

The source of power for a Legally Required Standby System are the same as for Emergency Systems and can be:

- Storage Batteries capable of supplying the total emergency load for at least 1.5 hours.
- Generator Set capable of supplying the total emergency load for at least 2 hours.
- Unit Equipment (individual units such as battery operated emergency lights) capable of providing light for at least 1.5 hours.

### Optional Standby Systems – NEC 702

The 2014 National Electric Code (NEC) Article 702 defines Optional Standby Systems as “Those systems intended to supply power to public or private facilities or property where life safety does not depend on the performance of the system. These systems are intended to supply on-site generated power to selected loads either automatically or manually.”<sup>(1)</sup>

Optional standby systems are typically installed to provide an alternate source of electric power for heating and refrigeration systems, data processing and communication systems, and other loads that could cause discomfort, damage to the product, etc. but not cause a life threatening situation.

There **is no time limit** as to when an Optional Standby System must provide power. Again, power transfer can be automatic or manual.

## STANDBY POWER OPTIONS

Panel G in the Sheriff Substation is only a portion of the total electrical load serviced by PG&E to the Sheriff Substation but Panel G is the only panel provided power through the existing manual transfer switch in the event of a loss of normal (PG&E) power. Panel G is not marked as an Emergency Circuit or System. The loads on Panel G include lighting that may be an emergency circuit but there are also Air Conditioning (AC) loads that most likely are not emergency circuits.

Panel AF in the Fire Station is not marked as an Emergency Circuit or System and included all the electrical loads, including potential emergency and normal loads, in the Fire Station and OCSD office building. By code, unless the total load was provided sufficient power automatically within 10 seconds, the Emergency Circuits would have to be separated from the normal circuits and the standby power system be able to supply the Emergency Circuit automatically in the event of a loss of normal power. This would most likely require installing a sub-panel to feed only the circuits determined to be the emergency circuits.

### Load Analysis

The previous analysis of the load required for standby power done by JMPE was 17 KW for Panel "AF" (Fire Station) and 23 KW for Panel "G". An 80 KW generator was recommended. Meter data provided by PG&E for the Fire Station and the Sheriff Substation quantifies the Peak KW demand based on a 15 minute average. It does not take into account the start-up current needed for such things as large motor loads associated with Air Conditioning or Air Compressors. The data shows the Peak KW demand over the past 18 months as follows:

- Fire Station                    11 KW (November 2016)
- Sheriff Substation        20 KW (November 2016 and September 2017)

The Sheriff Substation peak demand includes the complete electrical load and not just Panel G, therefore 20 KW is conservative. Based on this data the peak demand (15 minute average) for both the Fire Station and Sheriff Substation is no greater than 31 KW. Any standby power option must take into account startup current spikes and thus be sized larger than the peak demand based on a 15 minute average.

### Battery Supplied UPS

An Uninterruptible Power Supply (UPS) is allowed per NEC 700 to provide power for an emergency system. In researching the available Single Phase UPS systems available, it was determined that the maximum size for an off-the-shelf single phase unit was around 18 KW. Per the calculations by JMPE, Panel AF in the Fire Station would require 17 KW and Panel G in the Sheriff Substation would require 23 KW. This is reasonable based on the historical PG&E data. Presently both Panel AF and Panel G have Air Conditioning (AC) motor loads in their circuits. Due to the nature of how a UPS works, where power is continuously supplied by the batteries of the UPS even when normal power is available, the frequent start-up current surge from the motors of the AC units would be detrimental to the battery life of the UPS units. It is recommended that if a UPS system is to be considered for each site, the emergency circuits be identified and separated from the normal circuits and the UPS provide power for the emergency circuits only.

In order to properly size a UPS for either the Sheriff Substation or the Fire Station for the most economical configuration, the emergency circuits and corresponding loads would first need to be identified. An estimate of probably cost for the UPS equipment alone would be around \$25,000 (one 18 KW unit) for the Fire Station and \$50,000 (two 18 KW units) for the Sheriff Substation without knowing the exact emergency system load.

### Generator Set

There are several options possible if a generator set were used to provide standby power for the emergency systems for each building. It is possible to have a generator set (or sets) provide the emergency and normal power (total power) needed by each building. For Panel AF in the Fire Station per the JMPE calculations of 17 KW demand, and 23 KW for Panel G in the Sheriff Substation, an 80 KW generator set was originally recommended by JMPE. After a review of meter data supplied by PG&E it was determined that a 60 KW generator set would provide sufficient power for the anticipated starting current required and be able to provide continuous power with the only limit being the size of the fuel tank. A minimum 24 hr. fuel tank is recommended.

An estimate of probably cost for a 60 KW generator set, including two Automatic Transfer Switches (ATS) but not the materials and labor for wiring and installation, would be around \$45,000 and would be sufficient for both buildings.

Individual generator sets for each building is estimated to cost \$35,000 each assuming 40 KW generators and ATS, not including installation.

OCSD has an existing San Luis Obispo County Air Pollution Control District ( SLO APCD) permit (permit #1602) so an application to modify the existing permit would be needed before purchasing and installing a new generator. Per Dave Whitney of the SLO APCD this should not be an issue as a new engine (Tier 3 minimum) would be an improvement over the existing generator engine but SLO APCD highly recommends OCSD receive approval on the new generator engine prior to purchasing the engine.

### Unit Equipment

One option allowed per NEC 700 is individual devices, such as an emergency light, that contains its own battery that meets the 1.5 hour requirement. The lamp shall automatically come on when there is a loss of power and shall automatically charge when normal power is available. Unit Equipment can meet the code requirement that the Emergency Circuit (in this case each individual unit) is separate from the Normal Circuit without the need to rewire the existing circuits in the Fire Station or Sheriff Substation.

Individual emergency light units that meet code requirements can cost approximately \$100 to \$200 a unit with installation cost estimated at \$200 to \$400 a unit. The number of units required would need to be determined but assuming 10 units per building, an estimate of probably cost for emergency lighting would be \$3,000 to \$7,000 per building.

Presently the Sheriff Substation has backup battery power for the two automatic gates for access to the parking area. One circuit in Panel G at the Sheriff Substation is labeled Control Door and may require emergency power. Further investigation is needed to determine if any other electrical loads besides lighting exist at the Fire Station or Sheriff Substation.

## CONCLUSION

Further investigation is needed to determine what the Emergency Circuits are for the Fire Station/Office building and the Sheriff Substation. Emergency lighting (illumination) would definitely be required however there may be other circuits such as automatic doors at the Sheriff Substation that should be classified as Emergency Circuits. The most economical way to provide emergency lighting may be with individual battery operated emergency lights. In this way the emergency lighting can be isolated from the normal electrical load as required by code without extensive modification to the existing distribution system.

The legally required standby system load for the Fire Station still needs to be defined. It may not be necessary to provide standby power meeting the definition of “legally required” but prudent planning for an extended power outage may mean a generator of sufficient capacity to power the entire Fire Station load for the duration of the power outage is required.

The legally required standby system load for the Sheriff Substation also needs to be defined. It is assumed that the Sheriff Substation Panel G feeds the legally required load but it should be verified that the AC units fed by Panel G are or aren't part of the legally required load if a UPS solution is desired.

A motor driven generator unit with an ATS at the Fire Station and at the Sheriff Substation appears to be the most effective way to meet Emergency, Legally Required and Optional electric loads with the minimum amount of adjustments to the existing circuits. Furthermore, a motor driven generator unit would provide longer duration standby power at the lowest cost.

After meeting with OCSD management on October 2, 2017, it was determined that the best solution was for a single 60 KW generator to supply power for both the Fire Station and Sheriff Substation with Automatic Transfer Switches at both locations to automatically (within 10 seconds) provide power when normal (utility) power is unavailable. This would meet all the requirements of Emergency, Legally Required and Optional power.

## REFERENCES

[1] NFPA 70, *2014 National Electric Code*, National Fire Protection Association



**APPENDIX I: Panel AF and Panel G Circuit Directories (Existing)**

## CIRCUIT DIRECTORY PANEL AF

	Description	Breaker		Breaker	Description	
1	Back Bldg Light	20		60	Air Comp Bauer	2
	CSD	20				
3	Front/Side Bldg Lites	20		30	Air Comp	6
	CSD	20				
5	Landscape LTS	20		20	Exit Lights	8
	CSD	20				
7	Parking LTS	20		20	Fire Signal Lights	10
9	Parking LTS	20		20	FAU	12
11	Multipurpose Rm Receptacles	20		20	SPARE	14
	CSD	20				
13	Multipurpose Rm Receptacles	20		20	Garage Receptacles	16
15	Kitchen Appliance	20		20	Outside Receptacles	18
17	" "	20		20	Multipurpose Rm Lights	20
19	" "	20		20	"	22
21	" "	20		20	Office Reception Lights	24
23	Operations Rm Receptacles	20		20	Manager/Operations/Bath/Hall	26
25	Office Area Receptacles	20		20	Kitchen/Operations/Storage	28
27	" " "	20		20	Sub Panel	30
29	Computer Isolation CKT	20		20	AC	32
31	Receptionist Receptacles	20		40	Garbage	34
33	Manager Recepts	20		30	X	36
35	Conference/Booth Receptacles	20		20		38
37	FACP (Alarm)	20		20		40
39	Irrigation	20				42

## CIRCUIT DIRECTORY PANEL G

	Description	Breaker		Breaker	Description	
1	RECEPTACLES	20		60	AC-1	2
3	COPIER	20			AC-1	4
5	EOC RECEP	20		50	AC-3	6
7	EOC RECEP	20			AC-3	8
9	COMM RECEP	20		50	AC-4	10
11	SPARE	20			AC-4	12
13	REPORTS	20			SPACE	14
15	OFFICE	20		20	EXTERIOR LIGHTS	16
17	LIGHTS	20		20	RECEP FRONT OFFICE	18
19	LIGHTS	20		20	RECEP FRONT OFFICE	20
21	GATE OPERATOR 3/4 HP (has battery backup)	20			X	22
23	GATE OPERATOR 3/4 HP (has battery backup)	20			X	24
25	CONTROL DOOR	20			X	26
27	X				X	28
29	X				X	30
31	X				X	32
33	X				X	34
35	X				X	36
37	X				X	38
39	X				X	40
41	X				X	42

## **APPENDIX II: Cost Estimate Spreadsheet**

Oceano CSD  
Standby Power Alternatives  
Financial Comparison

Option	Source of Power	Description	Cost			Total	See Notes:
			Equipment (a)	Design/Permit	Installation (b)		
1	Generator	250 KW Well 8, Sheriff Substation, Fire Station	\$ 105,000.00	\$ 10,000.00	\$ 50,000.00	\$ 165,000.00	1
2		<b>60 KW Fire Station and Sheriff Substation on ATS</b>	\$ 45,000.00	\$ 10,000.00	\$ 30,000.00	\$ <b>85,000.00</b>	<b>2</b>
3		60 KW Fire Station on ATS; Sheriff Substation remains manual transfer	\$ 43,000.00	\$ 7,000.00	\$ 15,000.00	\$ 65,000.00	3
	UPS						
4		18 KW Fire Station Only	\$ 25,000.00	\$ 5,000.00	\$ 15,000.00	\$ 45,000.00	4
5		36 KW Sheriff Substation Only	\$ 50,000.00	\$ 5,000.00	\$ 15,000.00	\$ 70,000.00	4
	Unit Equipment						
6		Lights Fire Station @ \$200/unit for 10 units	\$ 2,000.00	\$ 1,000.00	\$ 4,000.00	\$ 7,000.00	5
7		Lights Sheriff Substation @ \$200/unit for 10 units	\$ 2,000.00	\$ 1,000.00	\$ 4,000.00	\$ 7,000.00	5
	Generator and Unit Equipment Combination						
	Options						
		1 250 KW Gen & Existing Manual Transfer Switches	\$ 109,000.00	\$ 12,000.00	\$ 58,000.00	\$ 179,000.00	6
		3 & 7	\$ 45,000.00	\$ 8,000.00	\$ 19,000.00	\$ 72,000.00	7
		4 & 5	\$ 75,000.00	\$ 10,000.00	\$ 30,000.00	\$ 115,000.00	8

Notes:

1. The cost estimate for installation of a new 250 KW generator is very rough. It is unknown how much of the existing equipment can be reused.
2. **This is the recommended option.** The cost estimate for installation depends on what path the communication circuit from the Sheriff Substation transfer switch location is.
3. This is the lowest estimated cost solution for standby power.
4. A single phase UPS system is not advised for starting motor loads such as Air Conditioners as the battery life can be adversely affected.
5. This is the lowest estimated cost for providing only Emergency Lighting per code. Where and how much illumination is required would still need to be determined.
6. This option may meet code requirements if the only Emergency System needed is Emergency Lighting.
7. This option meets the Fire Station requirement for Emergency Power. The Sheriff Substation Emergency Power requirements still need to be determined.
8. The UPS option is not recommended for providing Optional Standby System power.

(a) Equipment is for Power Source and ATS only.

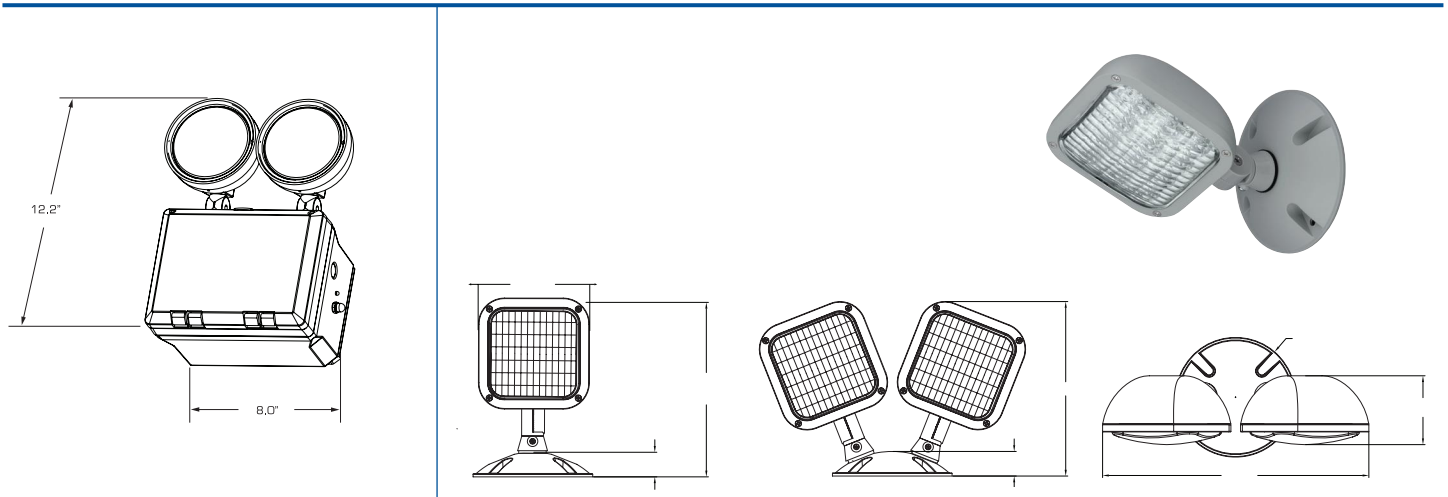
(b) Installation cost estimate includes equipment, such as switch gear and conduit, as well as concrete pads and conduit trenches.

### **APPENDIX III: Typical Unit Emergency Light**



tradeSELECT®





# Wilson Engineering

771 Merced St., Pismo Beach, CA 93449  
(805) 748-6209  
gmwilson888@sbcglobal.net

October 6, 2017

Attn: Paavo Orgen  
General Manager  
Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

**SUBJECT: OCEANO CSD STANDBY POWER ELECTRICAL PERMIT**

Dear Mr. Orgen:

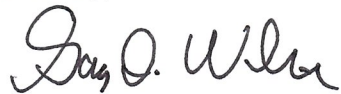
Thank you for the opportunity to propose on designing and preparing the electrical permit for a standby electrical power generator for the Oceano CSD infrastructure at 1655 Front Street in Oceano, CA.

Per our discussion by phone on October 5<sup>th</sup>, 2017, you would like a design for a 60 KW generator to supply emergency backup power for the Fire Station and OCSD Office building, as well as for the Sheriff Substation.

I propose to prepare a plan set to be used for obtaining an electrical permit from the County of San Luis Obispo and to be used for construction.

I am looking forward to working with you on this. Please return the signed Acceptance of Proposal which will serve as my notice to proceed. The fees quoted in this proposal are valid for 60 days from this date.

Sincerely,



Gary D. Wilson, PE  
E 19856

GDW:gdw



**PROJECT UNDERSTANDING AND APPROACH**

My understanding of the project is that Oceano CSD, hereon referred to as Client, would like Wilson Engineering, hereon referred to as Consultant, to provide Electrical Engineering consulting services to prepare a plan set for an electrical permit to construct and install a standby generator for the Fire Station/OCSD Office building and the Sheriff Substation as detailed in the Scope of Work, below.

**SCOPE OF WORK**

A plan set for a 60 KW Standby Generator will be developed in order to obtain an Electrical Permit with the San Luis Obispo County Building Department and to be used for bidding and construction. The following steps will be taken to create the plan set:

1. Assist in pot holing by hand with a shovel to determine location of existing conduits from the existing Well 8 motor starter equipment to the fence line of the Well 8 lot.
2. Create site plan showing the location of the standby generator using a surveyed topographic/boundary plan provided by the Client.
3. Upon approval by the site plan by the Client, a plan set will be designed and include the following drawings:
  - a. Title Sheet
  - b. Notes Sheet
  - c. Electrical Site Plan
  - d. Single Line Diagram
  - e. Elevation Plan (including Concrete Pad)
  - f. Grounding Plan
  - g. Grounding Details

The Consultant will assist in preparing the permit application and submit the plans to San Luis Obispo County Building Department.

**DELIVERABLES**

- One Electronic (PDF) copy of the plan set.
- Four (4) hard copies, 24x36, of the plan set, signed.

**ASSUMPTIONS AND EXCLUSIONS**

The following assumptions and exclusions apply to this proposal:

It is assumed that the Client will provide a topographic survey showing surface evidence of existing conditions and property boundaries in ACAD 2013 compatible format.

It is assumed that the Client will assist the Consultant in potholing by hand to determine the location of existing electrical conduit for the old standby power system.

The Client shall pay all permit fees.

No Structural Design is part of this proposal. If Structural Design is required by San Luis Obispo County Building Department for such items as the concrete pad for the standby generator, a structural engineer shall be hired by the Client.

**CONTRACT TERMINATION**

Either party may terminate this agreement without cause upon thirty (30) days' notice in writing. If either party breaches this agreement, the non-defaulting party may terminate this agreement after giving seven (7) days' notice to remedy such breach. On termination of this agreement, the Client shall forthwith pay for the services performed to the date of termination. Non-payment by the Client of the Consultant's invoices within 30 days of the Consultant rendering same is agreed to constitute a material breach of this agreement and, upon written notice as prescribed above, the duties obligations and responsibilities of the Consultant are terminated.

**CONTRACT TIME**

Commencement Date: At receipt of signed contract but no earlier than October 30, 2017.

Estimated Completion Date:

Plan Set: One month after receipt of Topographic Survey.

**FEES**

This project will be billed as Fixed Fee.

**Fixed Fee:** **\$ 8,000.00**

Any additional work requested by the Client in addition to the propose scope of work will be charged at an hourly rate of \$145/hr.

Any additional reimbursable expenses, such as additional reproductions or materials will be charged at cost plus 10%.

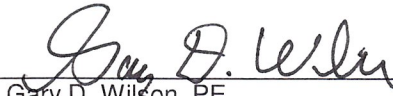
Proposal: Oceano CSD Standby Power Electrical Permit

**ACCEPTANCE OF PROPOSAL**

Proposal Date: October 6, 2017  
Client: Oceano CSD  
1655 Front Street  
Oceano, CA 93475  
  
Project: Oceano CSD Standby Power Electrical Permit  
  
Scope of Work: Prepare a plan set for Electrical Permit for a Standby Generator for Oceano CSD  
  
Fee: Fixed Fee of \$8,000.00

Please indicate your review and acceptance of the 6 pages of this proposal and the 4 pages of OCSD Condition of Purchase by signing below and returning a copy to Wilson Engineering.

Client: Oceano CSD Wilson Engineering

x Paavo Orgen, General Manager Gary D. Wilson, PE  
  
E 19856

Date: \_\_\_\_\_ Date: Oct 6, 2017

## GENERAL PROVISIONS

1. Client and Consultant agree to cooperate with each other in order to fulfill their responsibilities and obligations under this agreement. Both Client and Consultant shall endeavor to maintain good working relationships among members of the project team.
2. County and City Fees. All County and City fees are to be paid by the client including checking fees, recording fees, application fees, processing fees, etc.
3. Ownership of Work Product. Client acknowledges that all original papers, documents, maps, surveys and other work product of Consultant and copies thereof, produced by Consultant pursuant to this agreement, except documents which are required to be filed with public agencies, shall remain the property of the Consultant and that Consultant has the unrestricted right to use any such work product for any purpose whatsoever without the consent of Client. Consultant agrees to provide Client with copies of any and all such documentation pertinent to the project as requested by the client.
4. Use of Work Product. Client may use work product prepared by Consultant for the purpose of development or improvement of the property delineated in the agreement. If the work product is to be used as part of a construction package and all or portions of the work product are reproduced and/or copied a note shall be included on the copy or reproduction stating that Consultant produced the work product. At no time may the work product be sold to others by the Client.
5. Copyright. All work product identified in this agreement as within the scope of work of Consultant, shall be deemed protected as if such work product was within the protections against third party use and disclosure of the general copy right law of the United States as well as California, including common law and statutory law, whether or not such work product actually is so copyrighted and without regard to whether or not such copyright law actually applies to such work product.
6. All fees and other charges will be billed to Client at the completion of work or in stages as work progresses, and shall be due and payable at Consultant's office at the time of the billing unless otherwise specified in this agreement. Client agrees that the amount due stated on the billing is correct, conclusive and binding on Client unless Client, **within 10 days from the date of the billing** notifies Consultant in writing of the particular item that is alleged to be incorrect. **BILLING WILL BE SENT VIA EMAIL** unless client does not carry an email address. In that case billing will be via standard mail.
7. Client agrees to pay a **LATE PAYMENT SERVICE CHARGE** which will be computed at the periodic rate of 1.50% per month, which is an annual percent rate of 18.0% and will be applied to any unpaid balance commencing 15 days after the date of the original invoice. If this rate is found unenforceable, then Client agrees to pay the highest legally permissible rate of interest on the amount owing. If payment is not timely made after invoices are rendered, Consultant may pursue collection in any manner provided by law. Client shall pay the actual attorney's fees incurred by Consultant in the event of default on behalf of Client, whether or not an action has been filed. Client agrees that \$500 is a reasonable sum to be incurred to Consultant's attorney to review the matter in the event of default and to prepare a demand letter on behalf of Client. In addition to attorney's fees incurred by Consultant, Client shall reimburse Consultant all costs incurred in connection with collection of sums owing by Client. Any time spent by Consultant to appear in Court and prepare the case will be added to the amount due based upon the current hourly rate of the Consultant. Client acknowledges the right to Consultant to a mechanic's lien against the real property which is the subject of the work performed by Consultant.
8. In the event that Client fails to pay Consultant within 30 days after invoices are rendered, Client agrees that Consultant shall have the right to consider said default a total breach of this agreement and upon written notice to Client, the duties, obligations and responsibilities of Consultant under this agreement shall be terminated. In such event, Client shall then promptly pay the Consultant for all the services provided by the Consultant, plus any late charges which may have accrued.
9. Client acknowledges Consultant has the right to complete all services agreed to be rendered pursuant to this agreement. In the event this agreement is terminated before completion of all services, unless Consultant is responsible for such early termination, Client agrees to release Consultant from all liability for services performed. In the event all or any portion of the services by Consultant are suspended, abandoned, or otherwise terminated, Client shall pay Consultant all fees and charges for services provided prior to termination not to exceed the contract limits specified herein, if any. Client acknowledges if the project services are suspended and restarted, there will be additional charges due to suspension of the services which shall be paid for by Client as extra services in accordance with Consultant's billing rate utilized for this agreement.
10. If the scope of services contained in this agreement does not include construction-phase services for this project, Client acknowledges such construction-phase services will be provided by others and Client assumes all responsibility for interpretation of the contract documents and for construction observation and supervision and waives any claim against Consultant that may in any way be connected thereto. In addition, Client agrees to indemnify and hold Consultant harmless from any loss, claim, or cost, including reasonable attorneys' fees and costs of defense, arising or resulting from the performance of such services by other persons entities and from any and all claims arising from the modification, clarification, interpretation, adjustments or changes made to the contract documents to reflect changed field or other conditions, except for claims arising from the sole negligence or willful misconduct of Consultant.
11. All work performed will be in accordance with the accepted local standards of professional practice.

12. Consultant is not responsible for delay nor shall Consultant be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, natural disasters, inclement weather or the failure of Client or his agents to furnish timely information or documents or to approve or disapprove Consultant's work promptly or by reason of delay or faulty performance by Client, his agents or other contractors or governmental agencies.
13. In the event any provision of this agreement shall be deemed to be invalid or unenforceable, the other provisions of this agreement shall be valid and binding on the parties hereto.
14. This agreement shall inure to the benefit of and shall be binding upon each of the parties hereto and such party's partners, successors, executors, administrators and assigns.
15. This agreement shall be effective when received at Consultant's office, duly signed by both parties.
16. When the services rendered require the submittal of any maps or documents by the Consultant to any governmental agency, it is agreed that payment of fees due for services shall not be contingent upon the final approval by said agency of said maps or documents. It is agreed that the first submittal of said maps or documents shall constitute completion of portions of services or of all services and payment shall be due as delineated elsewhere herein.
17. The Client agrees that the Consultant shall not be subject to any retention or "hold back" of any portion of his fees for any purpose.
18. The fees and terms delineated in this contract are valid if the contract is executed within ninety (90) days of the date it was signed by the Consultant. If executed by the Client after said date this contract shall be deemed void, unless work is commenced under this agreement and no other agreement has been prepared by Consultant.
19. The Client acknowledges that any maps or documents furnished by the Consultant which are stamped "PRELIMINARY" constitute unchecked work in progress and that the Consultant is not responsible for errors and/or omissions contained therein.
20. The location of underground utilities, if delineated by the Consultant, are acknowledged by the Client to be derived from data supplied by the various utility companies and/or agencies or from markings on the ground made by such utility companies and/or agencies. The delineation of said underground facilities shall be considered approximate and, if necessary, shall be confirmed by excavation at the Client's expense. Any design or use of such locations shall be at the discretion of the owner or his representatives and any liability, cost or charge incurred as a result of locations of underground utilities being different than that shown on the survey map shall not be the responsibility of the Consultant.
21. Any and all fees, which are incurred by any government agency for checking the work of the Consultant, are to be paid by the Client. This includes fees charged to check, supply corrections to or advise of changes necessary to the maps, plans and documents prepared by the Consultant.
22. The Client's Standard Conditions of Purchase are attached hereto and incorporated into these General Provisions by reference. To the extent any conflict exists between the Consultant's General Provisions and the Client's Conditions of Purchase, then Client's Conditions of Purchase shall be controlling.

## Conditions of Purchase

1. The only terms that will be honored are those issued by the Oceano Community Services District (District).
2. No acknowledgment of this order is required. If this purchase order is the result of a written bid or quotation, the purchase order shall serve as acceptance thereof. If this purchase order is the result of an informal oral or written quote, acceptance will be assumed unless otherwise advised within (10) days of the date of the order. Unless otherwise specified, the U.S. Mail shall be the accepted means of communication.
3. Purchase order numbers shall appear on all invoices, packages, crates, boxes, etc.
4. Invoices must include only items shown on this order. In the event any item included on this order is not delivered, please notify the District at once as to the reason for the delay and the date we can expect delivery. Do not include any item which is back ordered on your invoice. Any invoice or claim on this contract must be presented within 1 year from delivery of goods or services.
5. Changes of any kind are not authorized without permission from the District.
6. The District reserves the right to cancel any or all items not shipped within the time specified on the order.
7. No charges for transportation, containers, packing, etc. will be allowed unless specified on the order.
8. All material furnished must be as specified and will be subject to inspection and approval of the District after delivery. The right is reserved to reject and return at the risk and expense of the supplier such portion of any shipment which may be defective or fail to comply with specifications without invalidating the remainder of the order. Rejected material will be held for disposition at the expense and risk of the seller.
9. This order is subject to sales tax, exempt from federal tax. Certificate of exemption will be provided upon request.
10. All goods and/or services shall be in compliance with all federal, state and local law including but not limited to OSHA and CAL OSHA.
11. The seller shall provide the District with a Material Safety Data Sheet for each product containing substances on the List of Hazardous Substances published by the California Administrative Code, Title S, Section 5194. These sheets must be sent to Oceano Community Services District at P O Box 599, Oceano, CA 93475-0599. Please reference the above purchase order number.

# INSURANCE REQUIREMENTS

## INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend and hold harmless the District and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with Contractor's performance or attempted performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by sole negligence or willful misconduct of the District.

## INSURANCE COVERAGE

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

## MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL); Insurance Services Office (ISO) Form CG 0001 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed, operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damages.
3. Worker Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. If Contractor will provide leased employees, or is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 O1 A) naming the District as the Alternate Employer, and the endorsement form shall be modified to provide that District will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.  
*(Not required if Contractor provides written verification it has no employees)*

If the contractor maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained by the contractor.

### **OTHER INSURANCE PROVISIONS**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### *Additional Insured Status:*

The District, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by, or on behalf of the Contractor; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

#### *Primary Coverage*

For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance of self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

#### *Notice of Cancellation*

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days prior written notice (10 days for non-payment) has been given to the District.

#### *Failure to Maintain Insurance*

Contractor's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract upon which the District immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. The District, at its sole discretion, may obtain damages from Contractor resulting from said breach.

#### *Waiver of Subrogation*

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said Contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

#### *Deductibles and Self-Insured Retentions*

Any deductibles or self-insured retentions must be declared to and approved by the District. The District may require the Contractor to provide proof of ability to pay losses and related investigation, claim administration, and defense expenses within the retention.

#### *Acceptability of Insurers*

Insurance is to be placed with insurers with a current A.A. Best's rating of no less than A:VII, unless otherwise acceptable to the District.



### *Claims Made Policies*

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work;
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work;
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years.

### *Separation of Insured's*

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separate of insured's provision with no insured versus insured exclusions or limitation.

### *Verification of Coverage*

Contractor shall furnish the District with original certificates and mandatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The District reserves the right to required complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Certificates and copies of any required endorsements shall be sent to:

Oceano Community Services District  
P.O. Box 599  
Oceano, CA 93475-0599

### *Subcontractors*

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

### *Special Risks or Circumstances*

District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.



# 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 11, 2017

**To:** Board of Directors

**From:** Paavo Ogren, General Manager

**Subject:** **Agenda Item #10: A public hearing to consider a recommendation to adopt an Ordinance to reduce water rates by implementing Post Drought Consumption Charges and by reducing the Supplemental Water Charge established in Ordinance 2015-01**

## **Recommendation**

It is recommended that your Board adopt the attached Ordinance to reduce water rates by implementing Post Drought Consumption Charges and by reducing the Supplemental Water Charge established in Ordinance 2015-01

## **Discussion**

On July 26, 2017, your Board set a hearing for October 11, 2017 to consider a reduction in water rate "consumption charges" by implementing "post drought consumption charges." At your meeting of September 27, 2017, the attached ordinance was introduced, including an optional rate schedule that deferred water rate reductions at this time.

The reduction in water rates can be implemented over a 3 year transition period pursuant to Ordinance 2015-01, which established the District's Schedule of Water System Services Charges in accordance with Proposition 218. In addition, similar reductions in the Supplemental Water Charge are provided for in Ordinance 2015-01. The primary goal of reducing the District's water charges is to maintain "revenue neutrality" while customers are increasing post-drought water consumption.

The attached analysis and graphs have been prepared to provide a basis for considering how to reduce the consumption charges. Attachment "A" illustrates revenue targets in existing rates versus actual revenues during fiscal years 2015-16 and 2016-17. Overall, and as previously reviewed with your Board, actual revenues were lower than targets because water conservation was greater than the 20% factor used to develop the consumption charges. The revenue shortfall in 2015-16 was \$(121,003) and in 2016-17 was \$(80,828). In both years, costs savings covered the revenue shortfalls. For the two billing periods ending in the current fiscal year, the revenues exceed target by \$17,732 due to the increase in post-drought water consumption.



## Oceano Community Services District

Board of Directors Meeting

Attachment "B" illustrates consumption data. It provides historical data including calendar year 2013 since that was the year established by the Governor to base conservation targets. As illustrated, the conservation achieved by the community in 2015 was 22.12% and in 2016 was 20.26%. Notably, 2016 conservation of 20.26%, which was nearly exact to target, but resulted in a 3.3% revenue shortfall.

### Implementing Post Drought Consumption Charges

The following table illustrates the "simulated" revenue shortfall that would have resulted in the July 2017 billing period if water rates had already been reduced.

	100% Transition to Post Drought Charges	50% Transition to Post Drought Charges	25% Transition to Post Drought Charges	10% Transition to Post Drought Charges
July 2017 Simulated Revenue Shortfall	<b>\$ (58,061)</b>	<b>\$ (27,394)</b>	<b>\$ (12,181)</b>	<b>\$ (2,776)</b>
Annual Projected Revenue Shortfall	<b>\$ (310,983)</b>	<b>\$ (146,727)</b>	<b>\$ (65,241)</b>	<b>\$ (14,869)</b>

As a result of the simulated revenue analysis, the draft ordinance was developed incorporating a 10% transition to post drought charges because the potential revenue shortfall was negligible in comparison to budgeted revenues. In addition, post-drought consumption is anticipated to continue to increase. At the Board meeting of September 27<sup>th</sup>, an additional graph was provided (see Attachment "C") that illustrates the September billing and the increase realized to date in post-drought revenues. The ordinance also provides for annual review, at a minimum, to consider further reduction in rates. Staff also intends on providing your Board with consumption and revenue updates after each billing period, and to schedule an agenda item for Board consideration after this year's rainy season.

In the event that the Board chooses to not adjust the charges at this time, adoption of the optional schedule introduced on September 27, 2017 would be necessary. If the Board chooses take "no action" the Post Drought Charges and reduced Supplemental Charge would fully go into effect, and based on current consumption, the District would face an immediate and significant revenue shortfall and budget deficit.

### **Other Agency Involvement**

n/a

### **Other Financial Considerations**

n/a



## Results

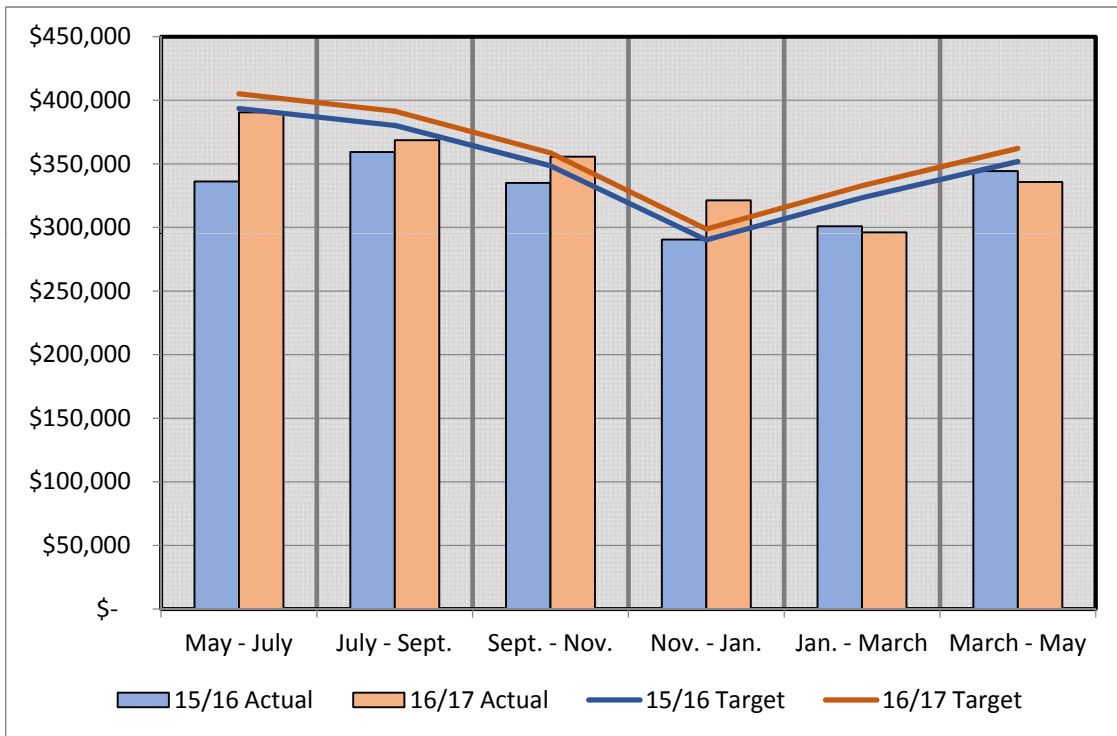
Adopting the recommended ordinance will initiate post-drought water system rate reductions as intended when Ordinance 2015-01 was adopted.

### Attachments:

- "A" – Revenue Data
- "B" – Consumption Data
- "C" – September billing supplemental information
- Ordinance Implementing Post Drought Consumption Charges established in Ordinance 2015-01
- Optional Exhibit for "no change" in rates at this time

**Oceano Community Services District**  
**Revenue Comparisons - Target to Actual**  
**Billing Periods Ending in:**  
**Fiscal Years 2015/16 and 2016/17**

	<u>15/16 Target</u>	<u>15/16 Actual</u>	<u>16/17 Target</u>	<u>16/17 Actual</u>
May - July	\$ 393,460	\$ 336,187	\$ 405,040	\$ 390,467
July - Sept.	\$ 380,230	\$ 359,329	\$ 391,420	\$ 368,608
Sept. - Nov.	\$ 348,369	\$ 334,971	\$ 358,621	\$ 355,697
Nov. - Jan.	\$ 290,136	\$ 290,531	\$ 298,675	\$ 321,261
Jan. - March	\$ 323,358	\$ 300,986	\$ 332,874	\$ 296,186
March - May	\$ 351,803	\$ 344,349	\$ 362,157	\$ 335,738
Totals	<u>\$ 2,087,356</u>	<u>\$ 1,966,353</u>	<u>\$ 2,148,787</u>	<u>\$ 2,067,956</u>
Shortfall		<u>\$ (121,003)</u>		<u>\$ (80,831)</u>



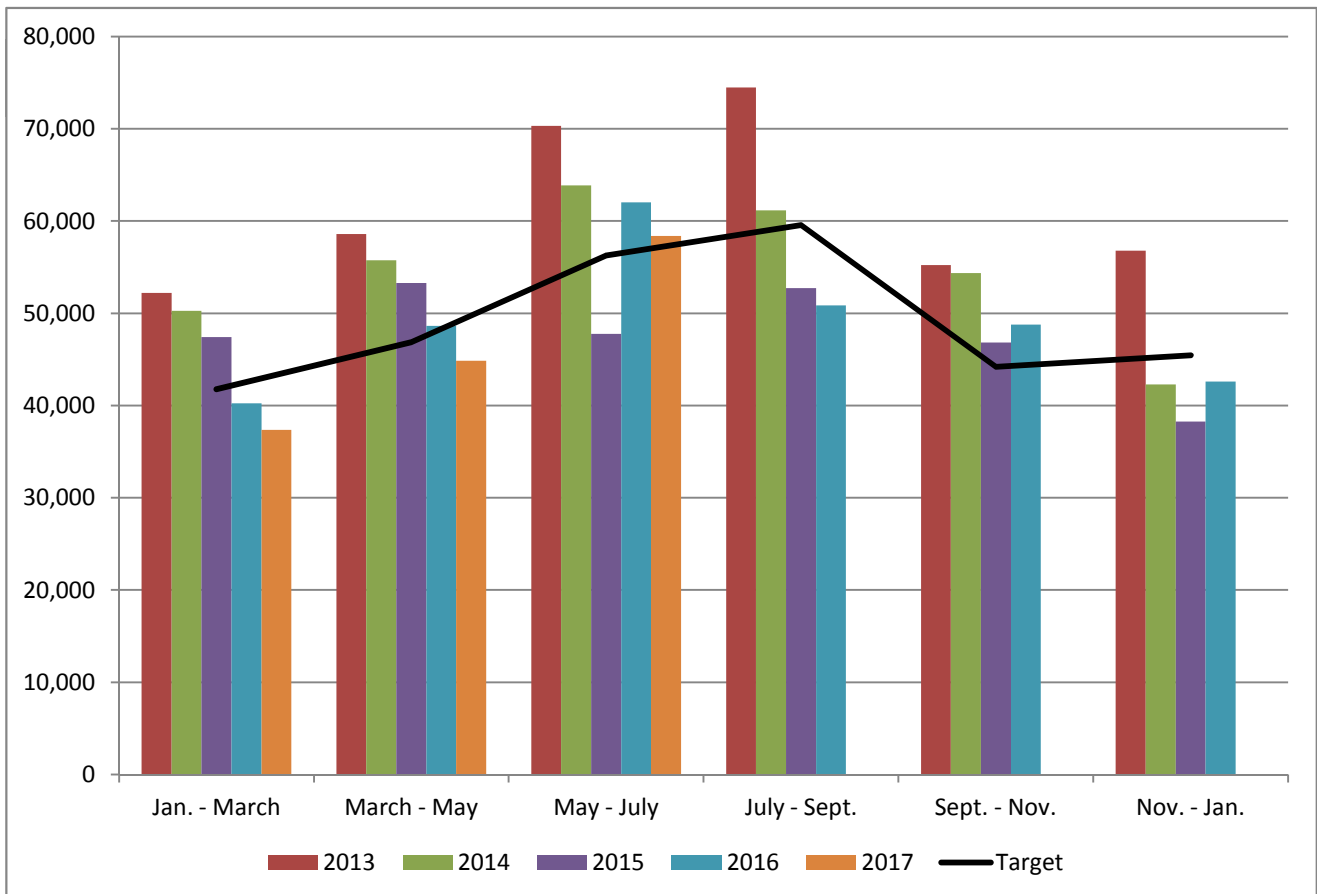
# Oceano Community Services District

## Summary of Consumption

### 2013-2017

	<u>Target</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Jan. - March	41,756	52,195	50,258	47,406	40,228	37,357
March - May	46,856	58,570	55,757	53,288	48,634	44,856
May - July	56,254	70,318	63,857	47,755	62,034	58,363
July - Sept.	59,571	74,464	61,165	52,731	50,840	
Sept. - Nov.	44,176	55,220	54,349	46,815	48,776	
Nov. - Jan.	45,423	56,779	42,268	38,243	42,579	
	<b>294,037</b>	<b>367,546</b>	<b>327,654</b>	<b>286,238</b>	<b>293,091</b>	<b>140,576</b>
Conservation Achieved	20.00%	100%	10.85%	22.12%	20.26%	

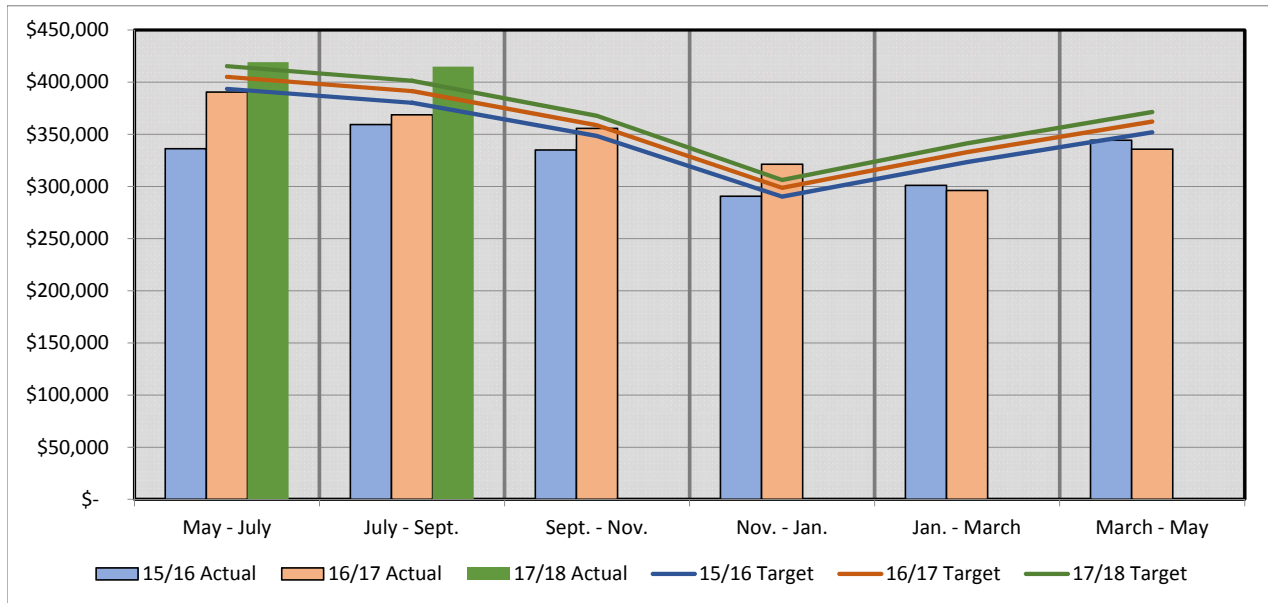
Quantities: 1 unit = 100 cubic feet = 748 gallons



**Oceano Community Services District**  
**Revenue Comparisons - Target to Actual**  
**Billing Periods Ending in:**  
**Fiscal Years 2015/16, 2016/17, Partial 2017/18**

	<u>15/16 Target</u>	<u>15/16 Actual</u>	<u>16/17 Target</u>	<u>16/17 Actual</u>	<u>17/18 Target</u>	<u>17/18 Actual</u>
May - July	\$ 393,460	\$ 336,187	\$ 405,040	\$ 390,467	\$ 415,276	\$ 419,060
July - Sept.	\$ 380,230	\$ 359,329	\$ 391,420	\$ 368,608	\$ 401,313	\$ 414,901
Sept. - Nov.	\$ 348,369	\$ 334,971	\$ 358,621	\$ 355,697	\$ 367,685	\$ -
Nov. - Jan.	\$ 290,136	\$ 290,531	\$ 298,675	\$ 321,261	\$ 306,223	\$ -
Jan. - March	\$ 323,358	\$ 300,986	\$ 332,874	\$ 296,186	\$ 341,287	\$ -
March - May	\$ 351,803	\$ 344,349	\$ 362,157	\$ 335,738	\$ 371,309	\$ -
Totals	<u>\$ 2,087,356</u>	<u>\$ 1,966,353</u>	<u>\$ 2,148,787</u>	<u>\$ 2,067,956</u>	<u>\$ 2,203,093</u>	<u>\$ 833,961</u>
Shortfall		<u>\$ (121,003)</u>		<u>\$ (80,831)</u>		<u>\$ 17,372</u>

**Cumulative Revenue Shortfall: \$ (184,461)**



ORDINANCE NO.

ORDINANCE DECREASING WATER SYSTEM  
SERVICE CHARGES BY IMPLEMENTING POST  
DROUGHT CONSUMPTION CHARGES AND  
REDUCING A SUPPLEMENTAL WATER CHARGE  
ESTABLISHED IN ORDINANCE 2015-01

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 April 20, 2015, the District conducted a public hearing to consider a rate increase pursuant to Section 6 of Article XIII D of the California Constitution; and

WHEREAS, based on facts and analysis, the Board of Directors adopted Ordinance 2015-01, which established the District’s new Schedule of Water System Charges; and

WHEREAS, the duly adopted Schedule of Water System Charges includes “Consumption Charges (Drought Emergency Rates)” and a “Supplemental Water Charge” and provides that within ninety (90) days after the Board of Directors determines that the current drought is over, the Board of Directors may conduct a public hearing for the purpose of considering an ordinance that would reduce the Consumption Charges to the Post Drought Consumption Charges and which would also reduce the Supplemental Water Charge over a period of time not to exceed three years; and

WHEREAS, the District intends to reduce the Consumption Charges over a period of time not to exceed three (3) years to those specified as Post Drought Consumption Charges and to also reduce the Supplemental Water Charges over the same period of time, which have been and will continue to be adjusted pursuant to Section 3 of Ordinance 2015-01; and

WHEREAS, Exhibit “A” represents a reduction in Consumption Charges that is initiating implementation of the Post Drought Consumption Charges, and a reduction in the Supplemental Water Charge, which will go into effect for the first billing period that begins thirty (30) days after the adoption of this Ordinance; and

WHEREAS, the District Board of Directors will continue to monitor District revenues and consumption at least annually to further consider reducing the Schedule of Water System Charges and to fully implement the Post Drought Consumption Charges and the reduction in the Supplemental Water Charge within three years, as provided in Ordinance 2015-01.



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

SECTION 1: In accordance with District Ordinance 2015-01, the attached Schedule of Post Drought Consumption Charges and a Supplemental Water Charge is hereby approved as specified in Exhibit "A" hereto, which Exhibit "A" reflects a reduction in Service Charges and 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 for the first billing cycle that begins 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.

INTRODUCED at a regular meeting of the Board of Directors held on the \_\_\_\_\_ day of, \_\_\_\_\_ 2017, and PASSED, APPROVED and ADOPTED by the Board of Directors of the Oceano Community Services District, this \_\_\_\_\_, day of \_\_\_\_\_ 2017, 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: September 27, 2017

**EXHIBIT "A"**  
**SCHEDULE OF POST DROUGHT CONSUMPTION CHARGES**  
**AND A SUPPLEMENTAL WATER CHARGE**

- 1) Post Drought Consumption Charges.
  - i. Base Tier: \$0.00 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: \$3.31 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 600 cubic feet, up to and including 1,200 cubic feet; plus,
  - iii. Tier Three: \$3.66 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,200 cubic feet, up to and including 1,800 cubic feet; plus,
  - iv. Tier Four: \$4.09 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,800 cubic feet, up to and including 2,400 cubic feet; plus,
  - v. Tier Five: \$4.30 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 2,400 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.

- 2) A "Supplemental Water Charge" of \$1.62 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water.

**EXHIBIT "A" (Optional)**  
**SCHEDULE OF POST DROUGHT CONSUMPTION CHARGES**  
**AND A SUPPLEMENTAL WATER CHARGE**

- 1) Post Drought Consumption Charges.
  - i. Base Tier: \$0.00 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: \$3.41 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 600 cubic feet, up to and including 1,200 cubic feet; plus,
  - iii. Tier Three: \$3.78 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,200 cubic feet, up to and including 1,800 cubic feet; plus,
  - iv. Tier Four: \$4.20 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 1,800 cubic feet, up to and including 2,400 cubic feet; plus,
  - v. Tier Five: \$4.41 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water over 2,400 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.

- 2) A "Supplemental Water Charge" of \$1.66 per 100 cubic feet of water, or fraction thereof, for the bi-monthly use of water.