



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

AGENDA BOARD OF DIRECTORS MEETING

1655 Front Street
Oceano
6:30 P.M.

REVISED

Wednesday

September 23, 2009

BOARD MEMBERS

Barbara J. Mann, President
Vern Dahl, Director
Mary K. Lucey, Director

Jim Hill, Vice President
Pamela Dean, Director

SECRETARY TO THE BOARD

Kevin D. Walsh
Interim General Manager

DEPUTY SECRETARY TO THE BOARD

Gina A. Davis
Administrative Assistant

FIRE CHIEF

Chief Mike Hubert

UTILITY OPERATIONS SUPERVISOR

Philip T. Davis

ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION

1. Roll Call

2. Flag Salute

3. Public Comment *

Any member of the public may address the Board on any item of interest within the jurisdiction of the Board. The Board will listen to all communications; however, in compliance with the Brown Act, the Board cannot act on items not on the agenda.

4. ADJOURN TO CLOSED SESSION

The Board will adjourn to closed session to consider the following items:

a. PUBLIC EMPLOYMENT *

CLOSED SESSION – A closed session pursuant to Government Code Section 54957(B)(1) to consider the appointment or employment of a public employee. The position under consideration is the General Manager.

RULES FOR PRESENTING TESTIMONY

All persons who wish to present testimony to the Board of Directors in a public hearing must observe the following rules:

1. When beginning to speak, first identify yourself and place of residence. This is required for the public record. Boards of Directors' meetings are tape recorded.
2. All remarks must be addressed to the Chair. Conversation or debate between the speaker at the podium and a member of the audience is not permitted.
3. Please keep your remarks as brief as possible. Focus your testimony on the most important facts you wish to be considered. Avoid duplicating testimony provided by others.
4. It is important that all participants conduct themselves with courtesy, dignity and respect.
5. Whenever possible, written testimony should be presented as well as oral. Written testimony can be submitted in advance of the actual hearing date.

- b. PUBLIC EMPLOYMENT *
CLOSED SESSION – A closed session pursuant to Government Code Section 54957(B)(1) to consider the appointment or employment of a public employee. The position under consideration is the Interim General Manager.
- c. PUBLIC EMPLOYMENT *
CLOSED SESSION – A closed session pursuant to Government Code Section 54957(B)(1) to evaluate the performance of an employee. The position under consideration is the Interim General Manager.
- d. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION *
CLOSED SESSION – A closed session pursuant to Government Code Section 54956.9(b) to meet with agency's legal counsel concerning pending litigation. (Santa Maria Groundwater Litigation, Santa Clara County, Lead Case # CV 770214)

RETURN TO OPEN SESSION

- 5. Board Member Items/Discussion *
- 6. Review and Approval of Minutes
 - a. September 09, 2009
- 7. Fire Items
 - a. Vehicle Exhaust System
Award of Bid for Extraction System in Fire Apparatus Bay
- 8. Utility Items
 - a. Cleaning and Inspection of District Sewer and Water Lines
Continual Disclosure of the Emergency Declared by the Board of Directors Concerning the Cleaning and Inspection of the District Sewer and Water Mains.
 - b. Draft Water Master Plan
Discussion and Possible Action – Follow-up on Draft Report
 - c. Draft Sewer Technical Memo
Receive and File Final Memo
 - d. Status Update on Water and Sewer Rate Study
Receive Report and Give Direction to Staff
 - e. Prop 218 Procedures
Review and Discussion on Possible Prop 218 Procedures

9. Administrative Items
- a. Status Report on 2007-2008 Audit
Report from General Manager and Board Liaison
 - b. Update on State Property Tax Shift
Update on Prop 1A Loan Securitization Program
 - c. 2009-2010 Draft Budget
Discussion and Possible Action
 - d. Interim Funding for the Period September 24, through October 15, 2009, while Budget for 2009-10 is in Progress
Consideration of Resolution 2009-12, A Resolution Adopting an Interim Budget for the Period September 24, through October 15, of the Fiscal Year 2009-2010
 - e. Revised Response to 2007-2008 Audit Memo
Discussion and Possible Action on Revised Responses
 - f. Discussion and Possible Action Re: Mainframe Computer
Consider Possible Replacement of IBM AS400 – Vice President Hill
 - g. Old Business – No Status Change/No Report *
 - (1) Drainage Issues
 - (2) Review of Codification Sections
 - (3) 2009-10 District Goals
 - h. Sewer Rehabilitation Project
Review & Approval of Change Order No. 5 and Amended Contract with County of SLO
10. Reports of District Representatives *
This item gives the President and Board Members the opportunity to present reports to other members regarding committees, commissions, boards, or special projects on which they may be participating.
- a. PRESIDENT BARBARA MANN
 - (1) SSLOCSD 09 16 2009
 - (2) Fire Committee 09 21 2009
 - (3) CSDA 09 18 2009
 - (4) Other
 - b. VICE PRESIDENT JIM HILL
 - (1) SSLOCSD 09 16 2009
 - (2) Other

- c. **DIRECTOR VERN DAHL**
 - (1) OAC 09 21 2009
 - (2) Zones 1/1A 09 22 2009
 - (3) Personnel 09 17 2009
 - (4) Other

- d. **DIRECTOR PAMELA DEAN**
 - (1) Fire Committee 09 21 2009
 - (2) Other

- e. **DIRECTOR MARY LUCEY**
 - (1) Personnel 09 17 2009
 - (2) Other

12. Interim General Manager Items/Discussion *

a. Sewer Rehabilitation Project

b. Halcyon Mobile Homes

13. Board Member Discussion *

14. Consideration of Warrants

15. Public Comment *

16. Written Communications

(Correspondence for the Board Received After Preparation of this Agenda is Presented by the General Manager)

Adjournment

* Oral Presentation/Discussion

ALL ITEMS APPEARING ON THE AGENDA ARE SUBJECT TO BOARD ACTION

Consistent with the American with Disabilities Act and California Government Code §54954.2 requests for disability related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires the modification or accommodation in order to participate at the referenced public meeting by contacting the District General Manager or Administrative Assistant at 805-481-6730.

P.O. Box 599/Oceano, CA 93475
1655 Front Street/Oceano, CA 93445
(805) 481-6730 / FAX (805) 481-6836
www.oceanocsd.org ocsd@oceanocsd.org

Estimate of OCSD current financial status. Per Kevin Walsh, "the Death Spiral"

The Fire Dept operated within budget last year, although no reserve funds were budgeted for the Dept. In 2009-2010, suspension of Prop 1A will cost the Fire Department 8% of property tax revenue, or \$60,000. Shortfall of tax revenue due to economic conditions will result in loss of another \$3,750, for a total of \$63,750.

The Street Lighting fund is subject to the same proportionate cuts as the Fire Department.

The 2008-2009 Budget assumed significant mid-year rate increases to balance water and sewer funds. Those rate increases could not happen in part because the District was delinquent in its financial audits. We are still delinquent in those audits and so rate increases are still not possible.

The Water fund had a budgeted deficit of \$256,000 last year. No reserves were budgeted for the Water Dept last year. Actual collections were less than projected due to economic conditions. Additional costs were incurred for groundwater monitoring. No request to transfer funds to cover the shortages was ever made. This year Lopez costs increase and the deficit will be higher.

The Sewer fund had a budgeted deficit of \$36,500 last year. No reserves were budgeted for the Sewer Dept last year. Actual collections were less than projected due to economic conditions. No request to transfer funds to cover the shortages was ever made. Sanitation District costs will rise a small amount.

2008-09 Administrative expenses were budgeted at \$651,650. Included are Admin staff salaries and Attorney fees. Administrative expenses have been a crushing burden on the Fire Department. Also the Utility operations.

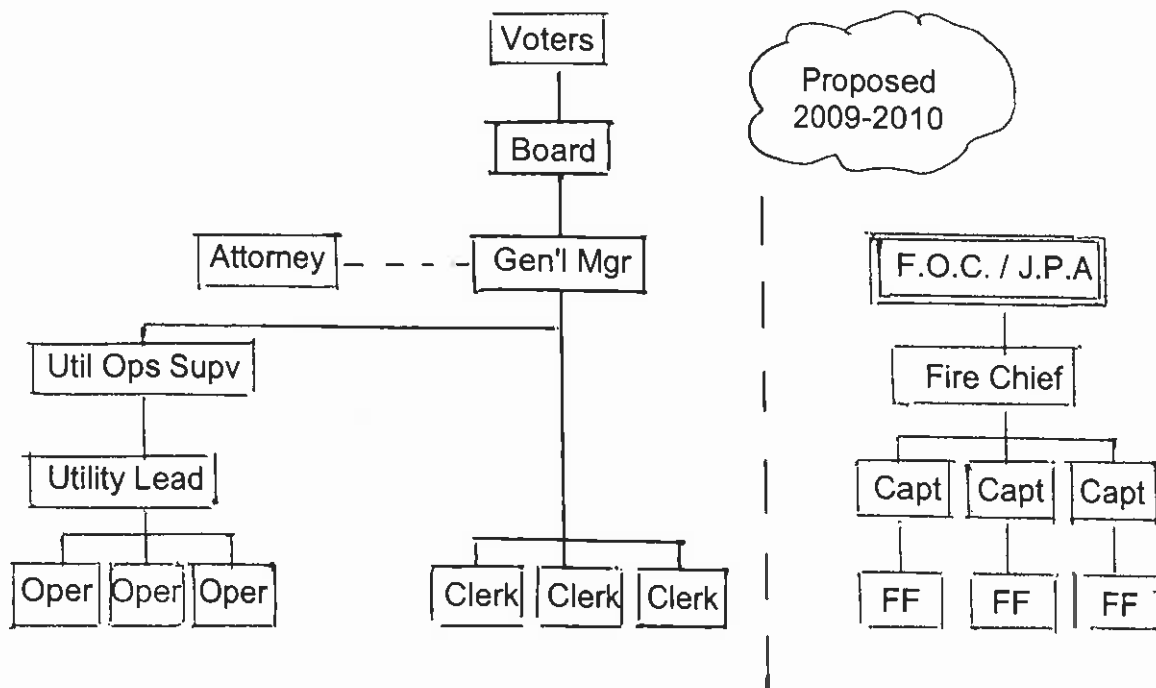
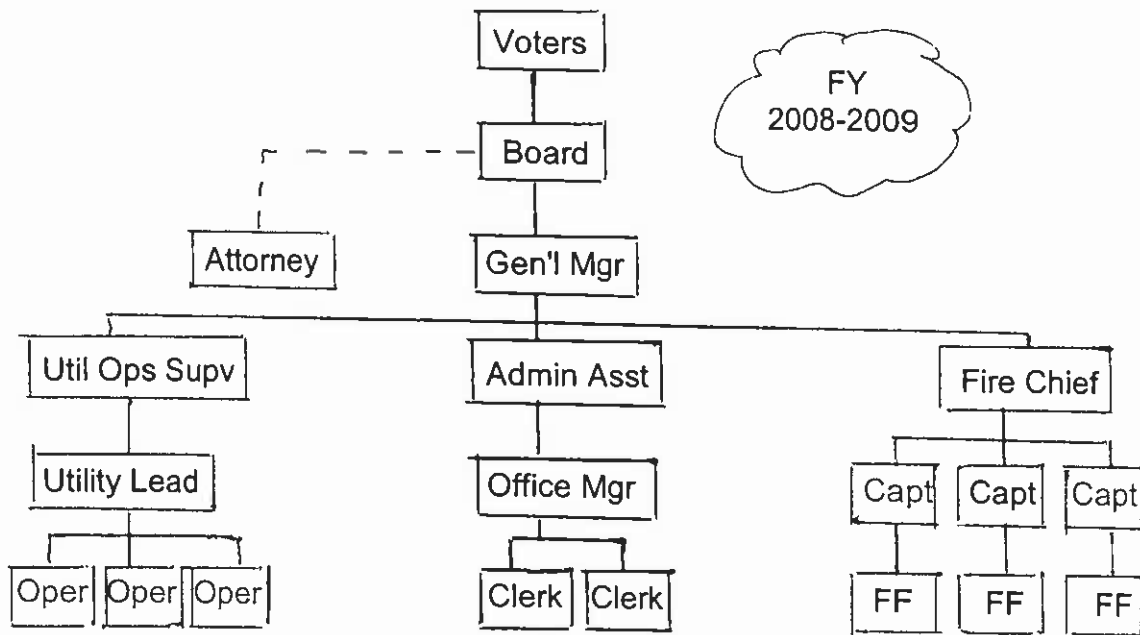
Although the Board has budgeted \$20,000 for the past two years to fund a more efficient and less costly accounting system, no exploration of such has been undertaken.

Legal costs exceeded budget by \$50,000. These expenses were not carried on the District's books and have still not been accounted for.

Projected shortfalls:	Fire Dept:	\$ 63,750.00
	Water Dept:	\$295,000.00
	Sewer Dept:	<u>\$ 40,000.00</u>
		<\$398,750.00>

Projected cost savings:	Elimination of AA position:	\$ 68,976.00
	Elimination of Office Mgr:	\$ 52,000.00
	Less additional Acct Clerk:	<u><\$ 36,400.00></u>
		\$ 84,576.00

Attachment for 9/23 BOD Agenda Item 9d



Attachment for 9/23 BOD Agenda Item 9d.