



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
6:30 PM

Oceano
Wednesday

May 26, 2010

BOARD MEMBERS

Vern Dahl, President
Mary K. Lucey, Director
Lori J. Angello, Director

Pamela Dean, Vice President
Jim Hill, Director

SECRETARY TO THE BOARD

Raffaele F. Montemurro
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. Board Member Comment *
5. Review and Approval of Minutes
 - a. February 28, 2010
 - b. April 14, 2010
 - c. April 28, 2010
 - d. May 12, 2010

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.

6. a. CLOSED SESSION, CONFERENCE WITH LEGAL COUNSEL-PENDING LITIGATION.
CLOSED SESSION – A closed session pursuant to Government Code Section 54956.9(a) to meet with the District's Legal Counsel regarding pending litigation (Dean V. Board of Directors, et. al; San Luis Obispo County Superior Court case #CV 100169)
- b. CLOSED SESSION PUBLIC EMPLOYEE PERFORMANCE EVALUATION
CLOSED SESSION – A closed session pursuant to Government Code Section 54957(b)(1) And (4) to review and evaluate the performance of a contract public employee (District Legal Counsel)
7. **Consideration of Warrants**
8. Administrative Items
 - a. By Laws RESOLUTION NO. 2010 - 05
Approve Resolution NO. 2010 – 05 Adopting By Laws that were approved by the Board at the May 12th 2010 Board Meeting.
 - b. Resolution No. 2010 – 06 The District Investment Polices.
Recommend Approval of The District Investment Polices
 - c. Recommend New Public Funds Account at Rabobank N. A.
Pursuant to District Investment Polices.
 - d. Establishment of Committees, Nominations and appointments
 - (1) Sanitation District
 - (2) Zone 3 Advisory
 - (3) Fire Oversight
 - (4) Finance
 - (5) Water and Sewer
 - (6) Fire (until 07-01-2010 JPA)
10. Fire Items
 - a. None

11. 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. Will Serve and Fire Safety Plan Letters: None
- c. Fee Letter: Takken (OCSD #6340.09)
SFR: 1515 Nabel Court; APN 062,075,009
- d. Fee Letter: Takken (OCSD #6340.18)
SFR: 1540 25th Street; APN 062,075,018
- e. Fee Letter: Takken (OCSD #6340.20)
SFR: 1520 25th Street; APN 062,075,020

12. 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 VERN DAHL
 - (1) SSLOCSO 05 – 05 - 2010 05 – 17 - 2010
 - (2) Other
- b. VICE PRESIDENT PAMELA DEAN
 - (1) Fire Oversight 05 – 19 - 2010
 - (2) Other
- c. DIRECTOR JIM HILL
 - (1) Fire Oversight 05 – 19 - 2010
 - (2) Other
- d. DIRECTOR MARY LUCEY
 - (1) Zone 3 Advisory 05 – 20 – 2010
 - (2) Other
- e. DIRECTOR LORI ANGELLO
 - (1) Other

Board of Directors Meeting
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13. General Manager Items/Discussion *
 - a. Update on the Audit
 - b. Other
14. Public Comment *
15. Board Member Discussion *
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**



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

\$1,324.22		REGULAR PAYROLL THRU 05/14/10	PR0501	2009-10
22,808.35		DIRECT DEPOSIT P/R THRU 05/14/10	PR0501	2009-10
\$46,741.24		REGULAR WARRANTS THRU 05/26/10	EX1053	2009-10
\$70,873.81				
		TOTAL WARRANTS SUBMITTED		
		FOR APPROVAL 05-26-10		
		<u>VOIDED WARRANTS:</u>		
		NONE		
		TOTAL VOIDED WARRANTS		

CK. #	LAST NAME	F M	REGULAR	O.T.	OTHER	AUTO/BUS	GROSS	NET PAY
50658	MONTEMURRO	R F	3019.20	.00	100.00	.00	3119.20	.00
50659	DAVIS	G A	2411.76	.00	.00	.00	2411.76	.00
50660	DIAZ	A L	1563.20	.00	.00	.00	1563.20	.00
50661	PARDO	C Z	1164.80	.00	.00	.00	1164.80	.00
50662	RUIZ	C Z	639.00	.00	.00	.00	639.00	.00
50663	DAVIS	P T	2566.64	.00	.00	.00	2566.64	.00
50664	TORRES	M A	1971.04	314.13	.00	.00	2285.17	.00
50665	SILVEIRA	D P	1674.96	125.62	.00	.00	1800.58	.00
50666	LANGSTAFF	S A	1677.28	.00	.00	.00	1677.28	.00
50667	KALATA	P J	576.00	.00	.00	.00	576.00	.00
50668	WATHEN	S C	144.00	.00	.00	.00	144.00	.00
50669	SCHMIDT	M E	616.00	.00	.00	.00	616.00	.00
50670	CORSIGLIA	S L	110.00	.00	.00	.00	110.00	.00
50671	LANE	J R	264.00	.00	.00	.00	264.00	.00
50672	MIHLHAUSER	M W	576.00	.00	.00	.00	576.00	474.71
50673	BRAMLETTE	J M	240.00	.00	.00	.00	240.00	.00
50674	MCKIM	J P	30.00	.00	.00	.00	30.00	.00
50675	KENNEDY	J M	270.00	.00	.00	.00	270.00	246.37
50676	THOMAS	B A	720.00	.00	.00	.00	720.00	606.14
50677	LEATHERS	B W	2568.98	1891.18	.00	.00	4460.16	.00
50678	BOVA	J M	2568.98	997.17	.00	.00	3566.15	.00
50679	RODLIN	J M	900.00	.00	.00	.00	900.00	.00
50680	ANGELLO	C A	2226.96	.00	.00	.00	2226.96	.00
50681	FUKUHARA	B R	88.00	.00	.00	.00	88.00	.00
			28586.80	3328.10	100.00	.00	32014.90	1327.22 *

24 RECORDS PROCESSED

REGULAR PAYROLL FOR THE PERIOD ENDING 05/08/10

P/R DATE 5/08/10
CHK DATE 5/14/10

OCEANO COMMUNITY SERVICES DISTRICT
DIRECT DEPOSIT LIST

RUN: 5/14/10
15:01:30

PAGE 1
PRDDEP

EMP#	NAME	DEDUCTION	DATE	CHECK#	
1-2002	MONTEMURRO, RAFFAELE F	2,109.75	5/14/10	50658	
1-2100	DAVIS, GINA A	1,829.02	5/14/10	50659	
1-2206	REA, GINA J	.00	5/14/10		
1-2207	SUMPTER, HEATHER M	.00	5/14/10		NO CHECK THIS PAYROLL PER
1-2210	DIAZ, ALMA L	1,438.67	5/14/10	50660	NO CHECK THIS PAYROLL PER
1-2220	PARDO, CAROL ANN	972.74	5/14/10	50661	
2-3100	DAVIS, PHILIP T	1,856.83	5/14/10	50663	
2-3150	TORRES, MAXIMIANO A	2,139.82	5/14/10	50664	
2-3182	SILVEIRA, DANIEL P	967.19	5/14/10	50665	
2-3194	LANGSTAFF, STEVEN A	1,028.37	5/14/10	50666	
5-4881	LEATHERS, BRIAN W	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4891	BOVA, JOHN M	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4908	RODLIN, JIM M	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4931	ANGELLO, CRAIG A	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4954	GARCIA, GULMARO	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4956	KALATA, PAUL J	419.71	5/14/10	50667	NO CHECK THIS PAYROLL PER
5-4968	MCTIGUE, BRET H	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4972	CIECEK, DANIEL C	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4973	FUKUHARA, BRIAN R	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4977	WATHEN, SHAUN C	126.40	5/14/10	50668	
5-4978	STEELE, ANDREW J	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4979	SCHMIDT, MICHAEL E	541.83	5/14/10	50669	
5-4981	CORSIGLIA, SCOTT L	95.37	5/14/10	50670	
5-4982	LANE, JEFFREY R	235.90	5/14/10	50671	
5-4988	BENNET, IAN M	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4994	DAVIS, JASON B	.00	5/14/10		NO CHECK THIS PAYROLL PER
5-4996	BRAMLETTE, JUSTIN M	219.00	5/14/10	50673	
5-4997	MCKIM, JEREMY P	22.37	5/14/10	50674	
5-5001	CHIRCOP, MATTHEW V	.00	5/14/10		NO CHECK THIS PAYROLL PER
25-4881	LEATHERS, BRIAN W	3,134.18	5/14/10	50677	
25-4891	BOVA, JOHN M	2,491.93	5/14/10	50678	
25-4908	RODLIN, JIM M	761.05	5/14/10	50679	
25-4931	ANGELLO, CRAIG A	1,715.70	5/14/10	50680	
25-4972	CIECEK, DANIEL C	.00	5/14/10		NO CHECK THIS PAYROLL PER
25-4973	FUKUHARA, BRIAN R	79.82	5/14/10	50681	
1-2230	RUIZ, CELIA Z	622.70	5/14/10	50662	
36	-EMPS CODED FOR DIRDEP	22,808.35	TOTAL DIRECT DEPOSIT		
21	-EMPS WITH DEDUCTION				

DIRECT DEPOSIT FOR THE PERIOD ENDING 05/08/10

PAYEE	VEND.NO.	CHECK DATE	CHECK #	CHECK AMT	PREPAID
ANTHEM BLUE CROSS	3950	52610	50687	8851.00	0
WALLACE GROUP	35841	52610	50704	7804.07	0
ARROYO GRANDE, CITY OF	2086	52610	50686	5489.58	0
CURTIS, L.N. & SONS	10098	52610	50690	4936.95	0
TODD ENGINEERS	33570	52610	50703	4773.17	0
PHILADELPHIA INSURANCE CO.	25555	51910	50682	3069.42	1
SAN LUIS OBISPO, COUNTY OF	28908	52610	50700	2503.23	0
AGP VIDEO	700	52610	50684	1770.00	0
DORAZIO TRUCKING	91005	52610	50705	1657.73	0
NOSSAMAN, GUTHNER, KNOX ETAL	23375	52610	50695	1150.24	0
PETERSEN MFG. CO., INC	91107	52610	50707	1112.81	0
CLINICAL LABORATORY OF	8135	52610	50689	560.00	0
COMMERCIAL MAINTENANCE	95580	52610	50709	479.16	0
SAN LUIS OBISPO, COUNTY OF	28611	52610	50699	447.52	0
ALERT-ALL	91028	52610	50706	361.94	0
A T & T	255	52610	50683	360.73	0
NATIONWIDE RETIREMENT	26225	52610	50698	250.00	0
BURDINE PRINTING	4548	52610	50688	224.46	0
JIM HILL	16200	52610	50693	200.00	0
QUILL CORPORATION	25743	52610	50697	159.00	0
THE GAS COMPANY	31878	52610	50701	155.69	0
J.B. DEWAR, INC.	11150	52610	50691	108.88	0
ALLSTAR FIRE EQUIPMENT, INC	1010	52610	50685	108.04	0
FIRSTLINE	13530	52610	50692	84.44	0
SILVEIRA, DAN	91211	52610	50708	46.20	0
NOBLE SAW, INC	23250	52610	50694	33.68	0
TITAN INDUSTRIAL & SAFETY SUPP	33525	52610	50702	23.30	0
O.C.S.D.	23562	52610	50696	20.00	0

46741.24 *

28 RECORDS PROCESSED

PAYEE	DETAIL OF DEMANDS	VEND. NO.	INV. NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
050210	8054816730		805481673062	01-4100-111	ADMINISTRA		168.05		120
050210	8054810085		805481008558	02-4400-111	WATER		46.14		130
050210	8054892124		805489212449	02-4400-111	WATER		85.20		140
050210	8054817760		805481776058	03-4500-111	SEWER		61.34		150
A T & T		00255				050683	360.73		
04/10 VIDEO SERV			3913	01-4100-220	ADMINISTRA		1,770.00		90
AGP VIDEO		00700				050684	1,770.00		
OPER SUPP			143536	01-4200-175	FIRE		108.04		270
ALLSTAR FIRE EQUIPMENT, INC		01010				050685	108.04		
05/10 BATT CHIEF			201007-160	01-4200-220	FIRE		2,312.75	422060220	250
05/10 FIRE CHIEF			201007-160	01-4200-220	FIRE		3,176.83	422160220	260
ARROYO GRANDE, CITY OF		02086				050686	5,489.58		
05/10 PREM			396469	01-2166-001	PAYROLL		8,851.00		110
ANTHEM BLUE CROSS		03950				050687	8,851.00		
OFF SUPP			14135	01-4100-200	ADMINISTRA		224.46		100
BURDINE PRINTING		04548				050688	224.46		
04/10 PROF SERV			907734	02-4400-220	WATER		560.00		230
CLINICAL LABORATORY OF		08135				050689	560.00		
0254OHV: OPER SUPP/EQ			1191366-00	01-4200-331	FIRE		4,936.95	25480331	220
CURTIS, L.N. & SONS		10098				050690	4,936.95		
05/17 FUEL 30017			730867	03-4500-172	SEWER		75.52	51780172	450
05/17 FUEL 6100			730867	01-4200-172	FIRE		33.36	20980172	460
J.B. DEWAR, INC.		11150				050691	108.88		
OPER SUPP			26175	01-4200-175	FIRE		84.44		440
FIRSTLINE		13530				050692	84.44		
B/S: 2 REG			043010	01-4100-225	ADMINISTRA		200.00		160
JIM HILL		16200				050693	200.00		
R&M:WEED WACKER			81898	02-4400-170	WATER		33.68		70

PAYEE	DETAIL OF DEMANDS	VEND.NO.	INV.NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
NOBLE SAW, INC		23250				050694	33.68		
04/10 LIT SERV:27.30%			371109	09-4994-362	WATER LITI		1,150.24		210
NOSSAMAN, GUTHNER, KNOX ETAL		23375				050695	1,150.24		
04/21 1655 FRONT			03054671	01-4100-290	ADMINISTRA		5.00		170
04/21 1687 FRONT			04058850	01-4200-290	FIRE		5.00		180
04/21 1685 FRONT			03047700	02-4400-290	WATER		5.00		190
04/21 1935 WILMAR			03045960	06-4900-290	GARBAGE		5.00		200
O.C.S.D.		23562				050696	20.00		
05/19/10-06/16/10 LIAB INS			04013918023	01-4100-150	ADMINISTRA		3,069.42		400
PHILADELPHIA INSURANCE CO.		25255			5/19/10	050682	3,069.42	*	
OFF SUPP			5468998	01-4100-200	ADMINISTRA		159.00		80
QUILL CORPORATION		25743				050697	159.00		
CONTRIB:PRO501			05220@050810	01-2183-000	PAYROLL		250.00		340
NATIONWIDE RETIREMENT		26225				050698	250.00		
X-CONN SERV:04/2010			IN0069149	02-4400-220	WATER		447.52		350
SAN LUIS OBISPO, COUNTY OF		28611				050699	447.52		
CONTRIB:PRO501 EMPLER 20.64%			8570	01-2182-000	PAYROLL		529.75		280
CONTRIB:PRO501 EMPLEE 11.87%			8570	01-2182-000	PAYROLL		304.66		290
CONTRIB:PRO403 EMPLER 20.64%			8570	01-2182-000	PAYROLL		529.75		300
CONTRIB:PRO403 EMPLEE 11.87%			8570	01-2182-000	PAYROLL		304.66		310
CONTRIB:PRO402 EMPLER 20.64%			8570	01-2182-000	PAYROLL		529.75		320
CONTRIB:PRO402 EMPLEE 11.87%			8570	01-2182-000	PAYROLL		304.66		330
SAN LUIS OBISPO, COUNTY OF		28908				050700	2,503.23		
05/14 1655 FRONT			14371606006	01-4100-290	ADMINISTRA		41.72		410
05/14 1689 FRONT			15211606007	01-4200-290	FIRE		40.72		420
05/13 1935 WILMAR			01761523008	02-4400-290	WATER		73.25		430
THE GAS COMPANY		31878				050701	155.69		
R&M EQUIP			1040912	01-4200-170	FIRE		23.30		480
TITAN INDUSTRIAL & SAFETY SUP		33525				050702	23.30		
8601:ANNUAL MONITORING			06202 4-10	02-4400-220	WATER		4,773.17	860160220	240

5/26/10 OCEANO COMMUNITY SERVICES DISTRICT RUN: 5/21/10 PAGE 3
 1053 REGISTER OF DEMANDS 10:13:16 APWR02-U1

PAYEE	DETAIL OF DEMANDS VEND.NO.	INV.NO.	ACCOUNT	DEPT NAME	CHECK NO.	CHECK AMOUNT	JOB/PROJECT	KEY #
TODD ENGINEERS	33570				050703	4,773.17		
043010 ADMIN		29888	01-4100-222	ADMINISTRA		598.75		360
043010 GRND WTR BASIN		29889	02-4400-222	WATER		630.00		370
043010 CDBG CONST MGNT		29889	03-4500-355	SEWER		3,705.57		380
043010 SWR MSTR PLAN		29889	03-4500-357	SEWER		2,869.75		390
WALLACE GROUP	35541				050704	7,804.07		
PROF SERV		042509	02-4400-220	WATER		828.86		40
PROF SERV		042509	03-4500-220	SEWER		828.87		50
DORAZIO TRUCKING	91005				050705	1,657.73		
SUPP:FIRE PREVENTION ALERT-ALL	91028	210040278	01-4200-260	FIRE	050706	361.94 361.94		470
OPER SUPP PETERSEN MFG. CO., INC	91107	47441	01-4200-175	FIRE	050707	1,112.81 1,112.81		30
MILEAGE REIMB SILVEIRA, DAN	91211	042210	02-4400-285	WATER	050708	46.20 46.20		10
OPER SUPP COMMERCIAL MAINTENANCE	95580	30743	03-4500-175	SEWER	050709	479.16 479.16		60
CHECKS WRITTEN						43,671.82		
* PREPAID ITEMS						3,069.42	*	
TOTAL DEMANDS PAID						46,741.24		

**OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010-05**

**A RESOLUTION OF THE OCEANO COMMUNITY SERVICES DISTRICT
ADOPTING BY LAWS TO GOVERN CERTAIN
BOARD OF DIRECTOR OPERATIONS AND FUNCTIONS.**

WHEREAS, the Oceano Community Services District (the "District") Board of Directors (the "Board") has adopted BY LAWS to govern certain Board operations and functions; and

NOW, THEREFORE BE IT RESOLVED, DETERMINED AND ORDERED by the District Board that the BY LAWS attached hereto are adopted as the Board's BY LAWS.

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

AYES:

NOES:

ABSENT:

the foregoing resolution is hereby adopted this 12th day of May, 2010.

Vern Dahl
President

ATTEST:

Raffaele F. Montemurro
Board Secretary

OCEANO COMMUNITY SERVICES DISTRICT
RESOLUTION NO. 2010 - 06

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE GUADALUPE COMMUNITY SERVICES DISTRICT
ADOPTING A STATEMENT OF FINANCIAL POLICY
FOR THE DISTRICT

WHEREAS, the Board of Directors of the Oceano Community Services District ("District") has a fiduciary responsibility to assure that public funds are invested in financial instruments and institutions in accordance with State and Federal law and District guidelines; and,

WHEREAS, District funds will be available from time to time that would be beneficial to invest in financial instruments in accordance with the 2010 Investment Policy (Exhibit A) and deposited in interest bearing accounts, in banks or financial institutions having offices within the State; and,

WHEREAS, the Board of Directors finds that it is impractical to take individual action authorizing the investment of such funds into permissible investments under the Government Code, as well as the District's financial policy, and finds and determines that the District Finance Officer/Treasurer should be authorized to invest such funds in accordance with the provisions of the District's current Investment Policy and the California Government Code.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Oceano Community Services District that the District Finance Officer/Treasurer is hereby authorized to deposit for safe keeping all money belonging to, or in the custody of, the District pursuant to Exhibit A, the District's Investment Policy; and,

BE IT FURTHER RESOLVED that the District hereby adopts a Statement of Investment Policy attached hereto as Exhibit A, 2010 Investment Policy, which supersedes any previously adopted or utilized policies and that this Policy be effective immediately.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this 26th day of MAY, 2010.

ATTEST:

VERN DAHL, PRESIDENT

RAFFAELE F. MONTEMURRO, BOARD SECRETARY



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

EXHIBIT "A"

2010 INVESTMENT POLICY

OCEANO COMMUNITY SERVICES DISTRICT

1. INTRODUCTION

The purpose of this Investment Policy is to establish the guidelines for the prudent investment of Oceano Community Services District funds (herein referred to as District funds).

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, high ethical standards, and proper delegation of authority reduces the potential for any realized loss.

This Policy establishes the standards under which the District's Finance Officer/Treasurer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER/TREASURER

The Board of Directors appoints the General Manager as the District Finance Officer/Treasurer. The General Manager, acting as The Finance Officer/Treasurer, shall appoint a staff member to act in his/her absence. The staff member shall have, as a minimum, a certificate in accounting or payroll accounting from a Community College or equivalent, and be subject to Board approval. The Finance Officer/Treasurer shall obtain the Board's approval for directing transactions between investment institutions. The District's Finance Officer/Treasurer shall serve at the Board's pleasure.

3. SCOPE

The District investment portfolio shall consist of money in the District's treasury not required for the immediate necessities of the District. The District funds shall be invested in accordance with this Policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, and yield as stated in paragraphs 4.A. - 4.D. below, and in compliance with California and Federal law.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrently with cash needs.

C. YIELD

Yield shall be a consideration only after the requirement of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer/Treasurer will manage the portfolio pursuant to the "Prudent investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds in the District's investment portfolio, the Finance Officer/Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the management of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

The Finance Officer/Treasurer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer/Treasurer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code Section 61730).
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code Section 16429.1).
3. One or more FDIC insured Banks that are designated as District depositories by resolution of the Board of Directors (California Government Code Section 61737.02).
4. As per state law (GC 164291.1, 53601, 53601.8, 53635 & 53638), public funds may be deposited into collateralized bank deposits with up to a five (5) year maturity with no limit on the percentage of the overall portfolio of the public agency. It is the policy of the Oceano Community District, in accordance with state law, to have the opportunity to place funds as deemed appropriate by the Board of Directors with a bank depository when such a deposit will ensure that by doing so, the OCSD will preserve the safety of the funds, maintain the necessary liquidity to meet its operational needs and earn a rate of return that the Board deems acceptable.
5. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer/Treasurer shall not invest in:

1. Inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee of the state or federal credit union.
4. Any instrument rated lower than Bank investment grade.

C. DIVERSIFICATION

Investments, other than investments referenced in paragraphs A. (1) and (2) above, should be diversified to avoid losses that may be associated with any one investment.

7. REPORTS

A. QUARTERLY REPORT

The Finance Officer/Treasurer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report shall be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code Section 53646). Required elements of the quarterly report are as follows:

1. Type of Investment

2. Institution
3. Date of Maturity (if applicable)
4. Amount of Deposit or Cost of the Security
5. Current Market Value of Securities with Maturity in Excess of Twelve Months (if applicable)
6. Rate of Interest
7. Statement Relating the Report to the Statement of Investment Policy
8. Statement that there are Sufficient Funds to Meet the Next 30 Days' Obligations
9. Accrued Interest (if applicable)

B. ANNUAL REPORT

Prior to February 1 of each year, the Finance Officer/Treasurer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy.
2. Amend the District's then current Investment Policy.

C. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code Section 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank, in a County investment pool, or any combination of these, the Finance Officer/Treasurer may submit to the Board of Directors and the auditor of the District. The most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.A., above. This special reporting policy does not relieve the Finance Officer/Treasurer of the obligation to prepare an annual investment statement as identified in paragraph 7.B., above.



Oceano Community Services District

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

(805) 481-6730

FAX (805) 481-6836

May 26, 2010

The Old Avocado Ranch
Casey O'Connor
668 Marsh Street
San Luis Obispo, CA 93401

**SUBJECT: APN 062-075-020; OCSD PROJ #6340.20; SLO CO #: UNKNOWN
THE OLD AVOCADO RANCH / SINGLE FAMILY RESIDENCE, LOT 20**

Dear Mr. O'Connor:

Presented below is an estimate of the water and sewer fees for connection of the subject project. All connection fees must be paid to Oceano Community Services District prior to the residence being connected to the District's water and sewer services. The plans for the construction have not been approved so things could change.

Water Connection Charges

Water Meter Charge (5/8 inch)	\$ 675.00
Capacity Charge (State Water Project Charge)	3,806.52
Additional Connection Fees (Lopez Project Improvements)	<u>1,000.00</u>

TOTAL ESTIMATED WATER FEES **\$ 5,481.52**

Sewer Connection Charges

Connection fee	500.00
Inspection fee	<u>50.00</u>

TOTAL ESTIMATED SEWER FEES **550.00**

TOTAL FEES **\$6,031.52**

Agenda Item 05 26 2010 11.e.

Casey O'Connor
May 26, 2010
Page 2

The \$50.00 inspection fee shown above is for inspecting the buildings sewer laterals between the District's cleanout and the connection to the new residences. Please give us at least 24 hours notice to schedule the required inspections.

In addition, the South San Luis Obispo County Sanitation District (SSLOCSD) WILL REQUIRE PAYMENT FOR ITS CONNECTION FEES. You may find out the precise amount of this payment by calling the SSLOCSD office between 8:00 a.m. and noon at (805) 481-6903 and speaking with Sabrina Spears, Secretary / Bookkeeper. **OCSD will require that you submit a copy of your County building permit and the receipt from the SSLOCSD before it will accept water and sewer fees due to us.**

Estimated fees could increase at any time, and will increase on January 1st of each year.

If you have any questions, please feel free to call.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

Philip T. Davis
Utility Operations Supervisor

SW



Oceano Community Services District

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(805) 481-6730

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May 26, 2010

The Old Avocado Ranch
Casey O'Connor
668 Marsh Street
San Luis Obispo, CA 93401

**SUBJECT: APN 062-075-009; OCSD PROJ #6340.09; SLO CO #: UNKNOWN
THE OLD AVOCADO RANCH / SINGLE FAMILY RESIDENCE, LOT 09**

Dear Mr. O'Connor:

Presented below is an estimate of the water and sewer fees for connection of the subject project. All connection fees must be paid to Oceano Community Services District prior to the residence being connected to the District's water and sewer services. The plans for the construction have not been approved so things could change.

Water Connection Charges

Water Meter Charge (5/8 inch)	\$ 675.00
Capacity Charge (State Water Project Charge)	3,806.52
Additional Connection Fees (Lopez Project Improvements)	<u>1,000.00</u>

TOTAL ESTIMATED WATER FEES **\$ 5,481.52**

Sewer Connection Charges

Connection fee	500.00
Inspection fee	<u>50.00</u>

TOTAL ESTIMATED SEWER FEES **550.00**

TOTAL FEES **\$6,031.52**

Agenda Item 05 26 2010 11.c.

Casey O'Connor
May 26, 2010
Page 2

The \$50.00 inspection fee shown above is for inspecting the buildings sewer laterals between the District's cleanout and the connection to the new residences. Please give us at least 24 hours notice to schedule the required inspections.

In addition, the South San Luis Obispo County Sanitation District (SSLOCSD) WILL REQUIRE PAYMENT FOR ITS CONNECATION FEES. You may find out the precise amount of this payment by calling the SSLOCSD office between 8:00 a.m. and noon at (805) 481-6903 and speaking with Sabrina Spears, Secretary / Bookkeeper. **OCSD will require that you submit a copy of your County building permit and the receipt from the SSLOCSD before it will accept water and sewer fees due to us.**

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If you have any questions, please feel free to call.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

Philip T. Davis
Utility Operations Supervisor

SW



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May 26, 2010

The Old Avocado Ranch
Casey O'Connor
668 Marsh Street
San Luis Obispo, CA 93401

**SUBJECT: APN 062-075-018; OCSD PROJ #6340.18; SLO CO #: UNKNOWN
THE OLD AVOCADO RANCH / SINGLE FAMILY RESIDENCE, LOT 18**

Dear Mr. O'Connor:

Presented below is an estimate of the water and sewer fees for connection of the subject project. All connection fees must be paid to Oceano Community Services District prior to the residence being connected to the District's water and sewer services. The plans for the construction have not been approved so things could change.

Water Connection Charges

Water Meter Charge (5/8 inch)	\$ 675.00
Capacity Charge (State Water Project Charge)	3,806.52
Additional Connection Fees (Lopez Project Improvements)	<u>1,000.00</u>

TOTAL ESTIMATED WATER FEES **\$ 5,481.52**

Sewer Connection Charges

Connection fee	500.00
Inspection fee	<u>50.00</u>

TOTAL ESTIMATED SEWER FEES **550.00**

TOTAL FEES **\$6,031.52**

Agenda Item 5 26 2010 11.c.

Casey O'Connor
May 26, 2010
Page 2

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Estimated fees could increase at any time, and will increase on January 1st of each year.

If you have any questions, please feel free to call.

Yours truly,

OCEANO COMMUNITY SERVICES DISTRICT

Philip T. Davis
Utility Operations Supervisor

SW