



CAMBRIA COMMUNITY SERVICES DISTRICT

REGULAR MEETING

Thursday, August 19, 2010– 12:30 PM

VETERANS MEMORIAL BUILDING, 1000 MAIN ST., CAMBRIA, CA

AGENDA

This agenda is prepared and posted pursuant to Government Code Section 54954.2. By listing a topic on this agenda, the District's Board of Directors has expressed its intent to discuss and act on each item. In addition to any action identified in the summary description of each item, the action that may be taken by the Board of Directors shall include: a referral to staff with specific requests for information; continuance; specific direction to staff concerning the policy or mission of the item; discontinuance of consideration; authorization to enter into negotiations and execute agreements pertaining to the item; adoption or approval; and disapproval.

Copies of the staff reports or other documentation relating to each item of business referred to on the agenda are on file in the Office of the District Clerk, available for public inspection during District business hours. If requested, the agenda and supporting documents shall be made available in alternative formats to persons with a disability. The District Clerk will answer any questions regarding the agenda.

1. OPENING

- A. Call to Order
- B. Pledge of Allegiance
- C. Establishment of Quorum
- D. Report from Closed Session

2. SPECIAL REPORTS

- A. SHERIFF'S DEPARTMENT REPORT
(Estimated Time: 5 minutes)

3. ACKNOWLEDGMENTS/PRESENTATIONS

- "Ready Set Go" Presentation by CCSD Fire Department and CalFire
(Estimated Time: 15 minutes)

4. AGENDA REVIEW: ADDITIONS/DELETIONS AND PULLED CONSENT ITEMS

(Estimated Time: 5 minutes)

5. PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA

Members of the public may now address the Board on any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Each speaker has up to three minutes. Speaker slips (available at the entry) should be submitted to the District Clerk.

(Estimated Time: 20 minutes)

6. MANAGER'S AND BOARD REPORTS

- A. GENERAL MANAGER'S REPORT

- B. MEMBER AND COMMITTEE REPORTS
(Estimated Time: 10 minutes)

7. CONSENT AGENDA

All matters on the consent calendar are to be approved by one motion. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may be made. Such items are pulled for separate discussion and action after the consent calendar as a whole is acted upon.

- A. Approve Expenditures for Month of July 2010

- B. Approve Minutes of Board of Directors Meeting, July 22, 2010

- C. Consider Adoption of Resolution 39-2010 Ratifying Side Letter No. 4 to SEIU Local 620 Memorandum of Understanding

- D. Consider Adoption of Resolution 40-2010 Ratifying Side Letter No. 3 to Amended Payment and Compensation Plan dated July 26, 2007 between the CCSD and Management and Confidential Employees

- E. Consider Adoption of Resolution 47-2010 Ratifying Side Letter No. 3 to IAFF (International Association of Firefighters) Local 4635 Memorandum of Understanding

- F. Adopt Resolution 42-2010 Approving the California Department of Forestry and Fire Protection Volunteer Fire Assistance Program Agreement #7FG10089

- G. Consider Adoption of Resolution 43-2010 Approving Revised Amendment No. 1 to the Project Cooperation Agreement with the U.S. Army Corps of Engineers
(Estimated Time: 15 minutes)

8. HEARINGS AND APPEALS

- A. Conduct Public Hearing to Consider Approving the Appropriation Limit for Fiscal Year 2010/2011 and Adopt Resolution 44-2010 Establishing the Appropriation Limit for the CCSD
(Estimated Time: 30 minutes)

9. REGULAR BUSINESS

- A. Consider Adoption of Resolution 45-2010 Authorizing Private Placement Refinancing of CCSD 1999 Wastewater Revenue Bonds
- B. Status Report and Direction to Staff Regarding Landwatch SLO County, Cynthia Hawley, Litigation
- C. Discuss Board Policy and Provide Direction to Staff Regarding Public Disclosure of Staff Compensation

(Estimated Time: 60 minutes)

10. PUBLIC COMMENT

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11. ADJOURN

TO: Board of Directors

AGENDA NO. **6.A.**

FROM: Tammy Rudock, General Manager

Meeting Date: August 19, 2010

Subject: MANAGER'S REPORT

ADMINISTRATION

U.S. ARMY CORPS OF ENGINEERS

Staff has prioritized its efforts these past few weeks with the ACE project team in completing the Integral Determination report (IDR) and Amended PPA (Project Partnership Agreement) as they pertain to the WRDA \$3 million credit acknowledging the CCSD's work on previous desal planning and design as a matching contribution. **The Assistant Secretary of the Army (ASA) signed the IDR on August 12, 2010.** It is anticipated that the ASA will sign the PPA early next week (August 16th). Greg Burns of Van Scoyoc Associates continues tracking progress in Washington.

The PPA is on today's Consent Agenda for approval so that President Sanders is in a position of authority to sign it once transmitted to the CCSD.

FEDERAL ADVOCATE – VAN SCOYOC ASSOCIATES

The July monthly report from the CCSD federal advocate is attached.

UPATE ON LITIGATION COSTS

Attached is a breakdown of litigation costs expended by the CCSD in defense of three active cases against the CCSD—*Lindsey*, *Landwatch I*, and *Landwatch II*. Please recall these expenditures are limited to research of available electronic records back to 2002. Also, these are TOTAL litigation expenses, not just fiscal year expenditures:

PLAINTIFF	TOTAL COSTS
<i>Berge</i>	\$ 48,540
<i>Lindsey</i>	\$ 49,659
<i>Landwatch I</i>	\$ 50,060
<i>Landwatch II</i>	\$ 2,071
TOTAL	\$150,330

We retained *Berge* on the roster because even though the litigation is concluded—**judgment in favor of the CCSD**—because Mr. Berge and representatives continue to communicate with the CCSD, thereby causing the CCSD to incur additional legal fees.

A brief update on the *Lindsey* litigation will be provided at the Board Meeting.

A separate agenda item today shall discuss the *Landwatch* petitions more fully. "*Landwatch I*" was recently concluded (August 9th) in SLO Superior Court after **Judge Martin Tangeman denied *Landwatch's* petition for writ of mandate in its entirety, ruling that the findings in the CCSD's Water Master Plan EIR were supported by substantial evidence.** "*Landwatch II*" is a petition filed against the CCSD, U.S. Army Corps of Engineers, California Coastal Commission, et al., concerning the Geotechnical Investigation environmental process.

HUMAN RESOURCES

Per Board direction, staff pursued the personnel recruitments for Utilities Manager and Sr. Wastewater Operator. A third personnel recruitment for Reserve Firefighter was also completed, which is not subject to the Board-imposed hiring freeze. Interviews were conducted; however, no employment offers have been made to date. There are preliminary background requirements that must be successfully completed before employment offers are negotiated. Directors Clift and DeMicco participated in the interview panel for the Utilities Manager recruitment.

AUGUST CALIFORNIA COASTAL COMMISSION MEETING

CCSD President Greg Sanders and I were present on August 11th at the beginning of the California Coastal Commission's regular monthly meeting held in San Luis Obispo. President Sanders welcomed Commissioners to the area and invited them to Cambria.

HOLIDAY NOTICE

CCSD administrative offices and utility field operations will be closed in observance of Labor Day on Monday, September 6, 2010. Service interruptions and emergencies may be reported by calling our 24-hour answering service at 927-6223.

MISSION COUNTRY DISPOSAL FALL 2010 CLEANUP DAYS

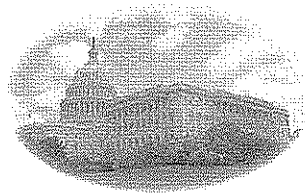
§ Fall Cleanup is scheduled for September 27th—October 1st.

During this time, extra recycling, green waste, and garbage is allowed on a customer's regular pickup day. Larger items such as appliances, mattresses, and furniture require advance arrangements are made with Mission Country for pickup and a nominal fee.

PARKS AND RECREATION

PROS COMMISSION

The PROS Commission will meet on the first Tuesday in September, December, March, and June. The next regular meeting is scheduled for Tuesday, September 7, 2010, at 10:00 a.m., at the Cambria Vets Hall (Dining Room).



VAN SCOYOC
ASSOCIATES

MEMORANDUM

From: Greg Burns
To: Cambria Community Services District
Subject: Report on Activities
Date: August 12, 2010

Integral Determination Report

Over the past several weeks, much time and energy has gone into ensuring the Integral Determination Report (IDR) is on schedule to be approved by the middle of August. In fact, the Assistant Secretary of the Army for Civil Works (ASA) Jo-Ellen Darcy was briefed on the Cambria IDR yesterday. Ms. Darcy wants to closely read the package and will either have questions for ASA staff or sign the document when “she can get to it, hopefully this week.” I believe if she is not able to sign the document this week, she will do so on Monday, August 16. If she does have questions about the IDR, it is my understanding that her staff has been able to respond to those questions within days.

The next step, which should be much less difficult, is the approval of the Project Partnership Agreement (PPA). I have spoken with Corps Headquarters staff about the PPA (which they are currently reviewing internally), and while they do not expect many comments, they believe there will be a few that will need to be resolved with the LA District office (and then the Cambria CSD) prior to forwarding the document to the ASA’s office. They agree, however, that PPA approvals by the ASA are generally much faster than the approval of a more detailed IDR.

Energy & Water Appropriations

As I discussed in the last written update, the House Appropriations Committee was scheduled to mark up their version of the FY 2011 Energy & Water Appropriations bill shortly after providing the update. With nearly \$2 million in unspent funding remaining from the ARRA bill for the Cambria desalination project, there was almost no chance that additional funding would be provided by the Appropriations Committee for our project. This held true in both the House and Senate (which marked up a few weeks later) versions of the bill.

We are tracking language proposed in the Senate version of the Energy & Water bill that would permanently alter, as of October 1, 2012, the cost share of “environmental infrastructure” projects (such as the Cambria desalination project) from 75 percent Federal to 55 percent Federal. The full Senate has not yet voted on this provision. Furthermore, we do not believe the House version of the same bill includes a similar provision (although we do not know for sure since that bill has yet to be fully made public).

**CAMBRIA COMMUNITY SERVICES DISTRICT
 RECAP OF LEGAL COSTS AS RELATED TO:
 BERGE, LINDSEY AND LANDWATCH I & II
 FOR THE PERIOD OF JULY, 2002-JULY, 2010**

POSTING DATE	BERGE	LINDSEY	LANDWATCH I	LANDWATCH II	TOTAL
August-02	45.00	358.16			
September-02	15.00	1,394.53			
October-02		355.95			
January-03	945.00	1,560.00			
February-03	481.57				
March-03	1,565.70	1,238.18			
April-03	1,554.29				
May-03	1,035.00				
June-03	3,182.56	735.00			
August-03		256.56			
September-03	45.00	1,798.26			
October-03		765.00			
December-03		1,242.50			
January-04		885.00			
April-04		30.00			
May-04		870.00			
June-04		535.13			
May-05					
May-07					
August-08	4,294.60				
September-08	2,105.80				
November-08	4,265.25	173.25			
December-08	45.00		45.00		
January-09	4,054.50	3,432.00	6,435.00		
March-09	660.00	99.00	5,907.00		
April-09	3,015.50	1,979.50	1,655.75		
June-09	5,143.00	8,580.50	8,158.95		
July-09	2,503.52	1,516.00	1,903.20		
August-09	3,240.91	1,082.50	1,326.65		
September-09	1,263.55		1,847.32		
October-09	3,126.50	2,923.00	2,666.46		
November-09	890.25	4,480.00	3,126.50		
December-09	129.50	1,058.25	1,519.70		
January-10	622.65	2,943.83	1,480.26		
February-10	3,210.70	1,258.00	224.50		
March-10	334.20	518.00	1,243.40		
April-10	81.05	160.24	2,853.76		
May-10		1,348.90	4,704.10		
June-10		3,490.85	2,668.65		
July-10	684.50	2,590.62	2,294.00	2,071.45	
	<u>48,540.10</u>	<u>49,658.71</u>	<u>50,060.20</u>	<u>2,071.45</u>	<u>150,330.46</u>

NOTE-The costs listed above are based on our review of readily available records without a search of archived records. Hence, they may be understated.

BOARD OF DIRECTORS' MEETING-AUGUST 19, 2010
ADDENDUM TO GENERAL MANAGER'S REPORT
FINANCE MANAGER'S REPORT

AUDIT-The audited financial statements for the July 1, 2008 through June 30, 2009 fiscal year have been posted to the CCSD website

BUDGET-The Fiscal Year 2010-2011 Operating Budget adopted June 24 by the CCSD Board of directors has been posted to the CCSD website. The final data regarding the Revenue and Expenditures for July 1, 2009 through June 30, 2010 is being compiled and the quarterly budget report is expected to be posted to the CCSD website by the end of August. Many material items of revenue and expenditures, such as the 911 Dispatch invoice for the fiscal year are not received until August and the final workers compensation invoice is not usually received until September or October. As it is the last report for the fiscal year, it is preferable to have all material revenue and expenditures contained in this report, as much as possible.

PROPERTY TAXES-The final reconciliation report for fiscal year 2009/2010 property taxes has been received. Compared to fiscal year 2008/2009, ad valorem (general) property taxes decreased \$40,000 or 2%, although they were approximately \$20,000 higher than budgeted. An important related note-current year secured property taxes, which represent 93% of the CCSD's total general property taxes, only decreased 0.7% (\$13,215). This is significant as this tax is based on real estate values and this relatively small decrease shows that property values in Cambria did not decrease as much as most other areas of the county, much less the state. In fact, the CCSD ranked 5th in terms of growth/decrease of assessed property value out of 31 service districts in San Luis Obispo County in fiscal year 2009/2010 with a decrease of 0.18% compared to an average decrease of 3.22%. Another item of note is that the final payment for fiscal year 2009/2010 was 15% less than it was for fiscal year 2008/2009. While this is not positive in terms of revenue, it is for Cambrians due to the fact that this payment represents the funds paid out of the teeter program. This is the program whereby the county makes up the balance of all previously unpaid property taxes. A decrease means that there were fewer Cambrians that did not pay their property taxes.

For all categories of property taxes, the largest area of decrease was in supplemental secured property taxes, which decreased 57.5% (\$32,821). Supplemental property taxes occur when there is a change in real estate ownership or when a property is remodeled. As these are most often tied to property sales, they are quite volatile and an offsetting increase is more likely to occur sooner than would be the case for other sources of property taxes.

EXPENDITURES-There were no disbursements in excess of \$100,000 during July, 2010.

REVENUE FROM THE STATE OF CALIFORNIA-The state has again missed the deadline for when it is to have a budget in place. This impacts the CCSD due to the fact that the state does not pay for goods or services when they do not have a budget. In the past, the CCSD has not locked the state for non-payment due to a lack of a budget and once the state did pass a budget, the CCSD was paid all back charges. For the period of July 1-December 31, 2009, the charges to the state's accounts for water and wastewater service were \$22,500. It is possible that the CCSD will be short this amount of revenue due to the lack of a state budget for a period of time if past practice is followed. In addition, the state

currently owes the CCSD \$9,600 for May/June 2010. As these charges are for the 2009/2010 fiscal year, payment is not expected to be delayed.

RESERVES-LAIF BALANCE-The balance in the Local Agency Investment Fund as of July 31, 2010, which includes interest for the April-June, 2010 quarter in the amount of \$6,203.73, was \$4,193,122.07. This balance is a decrease of \$313,796.27 from June 30, 2010 and an increase of \$265,621 from July 31, 2009. This represents the ninth consecutive month that the balance was higher than for the same month one year prior. The interest rate for the April-June 2010 quarter was 0.56%.

The LAIF Balance is made up as follows (restrictions, if applicable, are noted):

<u>FUND</u>	<u>AMOUNT</u>
General	\$ 3,951,844
General (Prop. 1A)	\$ 159,286
Resource Conservation (Lot Merger Program)	\$ 54,378
Water	\$ -0-
Wastewater (Capital)	\$ 27,614

With the exception of the restricted funds to offset a potential future Proposition 1A take-away, restricted amounts are determined after all other fiscal year activity is recorded, reconciled and audited, although the balances are monitored during the fiscal year to ensure that funds set-aside for specific programs, such as the Lot Merger Program, are not overspent. At this time, it is expected that Wastewater Fund’s reserves will increase and the General Fund’s reserves will decrease by an offsetting amount at the end of this process. Because the Proposition 1A funds are the result of two distinct transactions and not subject to the results of other activity, it is not necessary to wait for this process.

We are in the period where the balance in LAIF typically decreases. From July 1 to early November, the LAIF balance decreased between \$900,000 and \$1,400,000 in the prior three years with each year being a smaller decrease. This is due to this being a period of low property tax revenues, and while it does not include the largest debt services payments, it does include smaller ones as well as other significant payments, such as approximately \$70,000 for our annual liability insurance payment.

INTERNAL LOANS-As of July 31, 2010, the CCSD Board of Directors approved the following internal loans and the indicated amounts have been disbursed:

<u>LENDING FUND</u>	<u>BORROWING FUND</u>	<u>LOAN AMOUNT AUTHORIZED</u>	<u>AMOUNT OF LOAN DISBURSED TO DATE</u>	<u>PURPOSE OF LOAN</u>
General	Water	\$ 166,000	\$ 166,000	ACE Matching
General	Water	\$ 60,000	\$ 60,000	SCADA
General	Wastewater	\$ 15,000	\$ 15,000	SCADA
General	Water	\$ 34,000	\$ -0-	Western Main Street Overlay
General	Wastewater	\$ 4,000	\$ -0-	Western Main Street Overlay
General	Water	\$ 30,000	\$ -0-	Stuart Street Tank & Rodeo Grounds Pump Station Environmental Review

General	Water	\$ 17,000	\$ -0-	Stuart Street Tank & Rodeo Grounds Pump Station Environmental Review
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Total Authorized Loans from the General Fund to the Water Fund:	\$ 307,000
Total Authorized Loans from the General Fund to the Wastewater Fund:	\$ 19,000

At this time, it appears that the Wastewater Fund will have sufficient funds to pay the all of projected expenditures related to the aforementioned costs without the need to borrow from the General Fund while the Water Fund will be able to pay a portion of the costs. The final determination will be made after all other Fiscal Year 2009/2010 activity is recorded and reconciled.

EXTERNAL LOANS-As of July 31, 2010, the CCSD external debt is as shown per the attachment, including interest rates and prepayment penalty provisions.

**BOARD OF DIRECTORS' MEETING-AUGUST 19, 2010
ADDENDUM TO GENERAL MANAGER'S REPORT
FINANCE MANAGER'S REPORT ATTACHEMENT**

DESCRIPTION>	Pierce Dash Pumper	Bank Note (Funds 2006 Refund of 1995 Bonds)-65% Water	Bank Note (Funds 2006 Refund of 1995 Bonds)-35% Sewer	Series 1999B Bonds	State Revolving Fund Loan
DEBT HOLDER>	OshKosh Capital	Citizens Bank	Citizens Bank	Union Bank	SWRCB
ORIGINAL PRINCIPAL>	477,223.85	1,233,375.00	664,125.00	2,245,000.00	2,592,324.38
INTEREST RATE>	5.09%	4.50%	4.50%	3.5% at inception, 5.7% at end of term, currently 4.9%	3.00%
FUND>	General	Water	Wastewater	Wastewater	Wastewater
DEPARTMENT>	Fire	Water	Wastewater	Wastewater	Wastewater
FINAL PAYMENT DATE>	5/19/2016	5/1/2015	5/1/2015	10/1/2024	5/28/2016
AVERAGE ANNUAL PAYMENT(S)>	<u>49,065.96</u>	<u>184,211.30</u>	<u>99,190.70</u>	<u>167,000.00</u>	<u>174,056.80</u>
PRINCIPAL BALANCE @ 7/31/10>	<u>248,328.51</u>	<u>695,825.00</u>	<u>374,675.00</u>	<u>1,660,000.00</u>	<u>942,781.16</u>
PROJECTED BALANCE @ 6/30/11>	<u>211,902.47</u>	<u>542,945.00</u>	<u>292,355.00</u>	<u>1,585,000.00</u>	<u>797,008.00</u>
PROJECTED BALANCE @ 6/30/12>	<u>173,622.35</u>	<u>383,175.00</u>	<u>206,325.00</u>	<u>1,510,000.00</u>	<u>646,861.00</u>
PROJECTED BALANCE @ 6/30/13>	<u>133,393.77</u>	<u>216,190.00</u>	<u>116,410.00</u>	<u>1,430,000.00</u>	<u>492,210.00</u>
PROJECTED BALANCE @ 6/30/14>	<u>91,117.55</u>	<u>41,665.00</u>	<u>22,435.00</u>	<u>1,345,000.00</u>	<u>332,920.00</u>
PREPAYMENT PENALTY>	Yes-2% of current principal balance	No	No	Yes-1% of current principal balance until 9/30/10 then none	No

**BOARD OF DIRECTORS' MEETING
ADDENDUM TO GENERAL MANAGER'S REPORT
FIRE CHIEF'S REPORT**

Response information is attached and represents activities for the month of July 2010.

Progress updates and highlights regarding the different programs and services our department provides are identified below:

Prevention and Education (July 2010)

- **04** residential new and remodel fire plan reviews were completed.
- **12** residential and commercial technical fire inspections were conducted.
- **08** residential and commercial water appliance/conservation inspections were conducted.
- **00** engine company commercial fire and life safety inspections were conducted.
- **01** public education event
- **00** residential smoke detectors were installed and or the batteries changed.

Operations

Fire Department and Administration staff recently completed the recruitment and testing process for reserve firefighter. Twelve candidates competed for five possible openings for reserve, paid call firefighter (PCF). They completed written and physical agility testing on Saturday July 24th and moved on to an oral interview process on July 29. The top five candidates will be considered to fill openings after completing a 2-week academy. The addition of these personnel is not a staffing increase. It will keep the number of reserve firefighters consistent by replacing those lost to attrition and will not impact the CCSD budget.

Fire crews responded to a 30-acre vegetation fire on Monday August 2nd. The fire broke out near San Simeon Creek Road and Rocky Butte Truck Trail at approximately 1:15 p.m. burning two out buildings and nearly a home. The fire was contained and eventually extinguished with a full wildland response and air support. After an uncharacteristically cool summer we are beginning to see the fire season begin in earnest and residents in and around Cambria should observe all fire safe practices.

Prevention

The CCSD Fire Department has again received a commitment from the San Luis Obispo County Fire Safe Council for grant funds for community chipping. The Fire Department and the Cambria Fire Safe Focus group will be announcing a community chipping the weekend of September 18 - 19. Community members are strongly encouraged to use this opportunity to rid their property of flammable limbs and vegetation.

“Wildfire Prevention is a Community Responsibility!”

**Cambria CSD Fire Department
Response Information
January 1, 2010 - May 31, 2010**

Categories	Jan '10	Feb '10	Mar '10	Apr '10	May '10	June '10	July '10	Aug '10	Sept '10	Oct '10	Nov '10	Dec '10	Totals
Fire	0	2	1	0	2	2	3						10
Hazardous Mat.	0	0	0	0	0	0	0						0
Medical*	40	37	40	36	47	27	37						264
Vehicle TC	2	0	2	4	2	3	1						14
Hazardous Situations	50	2	5	4	1	1	1						64
Public Service Assist	8	7	2	4	11	3	6						41
False Alarms	8	3	2	3	3	8	5						32
Agency Assist	0	0	0	0	0	0	1						1
Mutual Aid	0	0	0	1	0	0	0						1
Auto Aid	0	1	0	0	0	0	0						1
Rescue	0	0	0	0	0	1	0						1
Fire Investigations	0	0	0	0	0	0	0						0
Monthly Response Totals	108	52	52	52	66	45	54	0	0	0	0	0	429
Cumulative Totals	108	160	212	264	330	375	429						
													0
													0

**BOARD OF DIRECTORS' MEETING – AUGUST 19, 2010
ADDENDUM TO GENERAL MANAGER'S REPORT
DISTRICT ENGINEER'S REPORT**

The following summarizes various capital projects from the FY10/11 operating budget, utility coordination projects with the County, key capital improvement projects, and well levels.

1. FY10/11 Operating Budget Capital Projects:

Description	Budgeted Amount	Status	Comments
<i>Water Department:</i>			
Fiscalini Tank painting & roof patching	30,000	Pending	May complete this as part of pending Stuart St. Tank CIP Project due to corrosion repairs.
Fire Hydrant Replacements along Moonstone Beach Dr.	25,000	In progress	Initial material orders were completed.
<i>Wastewater Department:</i>			
Chlorine Building Doors	15,000	In progress	Six of the seven doors are now installed. Waiting on delivery of double doors to complete project.
Manhole Repair & Rehab.	15,000	Pending	Reviewing bids.
Sewer System Safety Improvements	20,000	In progress	Radios have been installed in underground remote lift station dry wells to facilitate emergency communications. Ground fault interrupts have been installed in the laboratory and other locations required at the WWTP. Additional safety equipment has been purchased.
Influent Pump Station Control Panel Replacement	80,000	Defining scope	Scope of work for replacement of severely corroded panel is under development.

2. Utility Coordination with SLO County:

Pembrook Drive landslide repair: The County completed study of the landslide area where the roadway failed during this past February and is preparing to start the repair work around August 23rd or 24th. As part of this effort, our water and wastewater departments will be

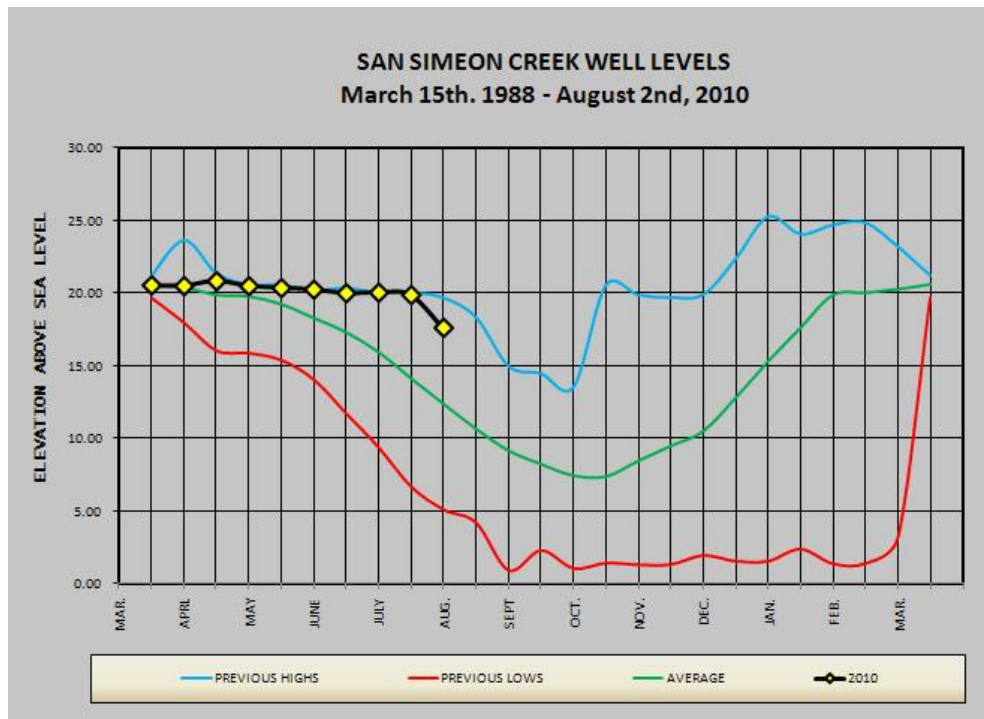
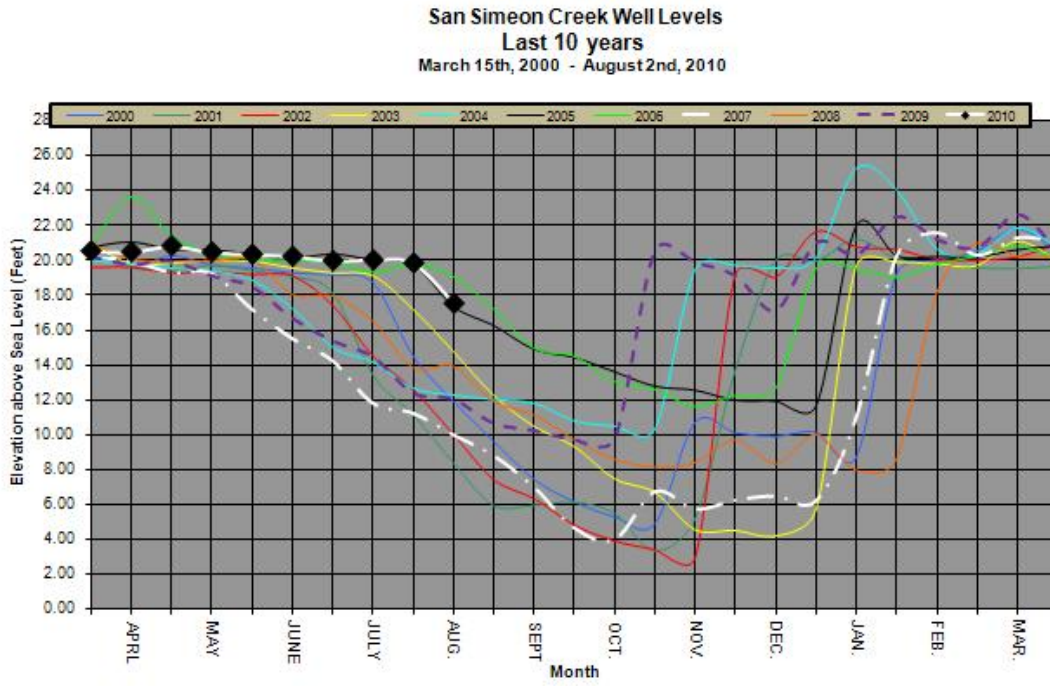
coordinating with the County on the water line replacement within the reach of failed roadway, as well as securing the interim sanitary sewer in a permanent configuration.

3. Supervisory Control and Data Acquisition (SCADA) Project. The SCADA project is currently on hold subject to future funding availability.
4. Stuart Street Tank No.3 and Rodeo Grounds Pumping Station Replacement. Staff comments to earlier administrative review drafts of the Initial Study/Negative Declarations are being finalized for submittal to RBF. Key edits being made include adding an alternative to allow moving the smaller Stuart Street tank up to the Fiscalini tank site. Staff is targeting the end of this month for forwarding their final review comments to RBF. It will then require approximately eight weeks for RBF to complete necessary updates for before issuance of public review drafts.
5. Desalination Project. Today’s agenda includes a consent calendar item for Amendment 1 to the Project Cooperation Agreement (PCA) with the Army Corps. A supporting report by Army Corps staff was approved by the Assistant Secretary of the Army (Civil Works) on August 12, 2010, which allows the Army Corps to execute the amendment. As this addendum to the General Manager’s report was being finalized for distribution (August 12, 2010), the Army Corps had yet to sign off on the PCA amendment. Therefore, a verbal update will be provided on the PCA Amendment No. 1 final approval status. PCA Amendment No. 1 culminates an effort to obtain a \$3 million dollar local credit.

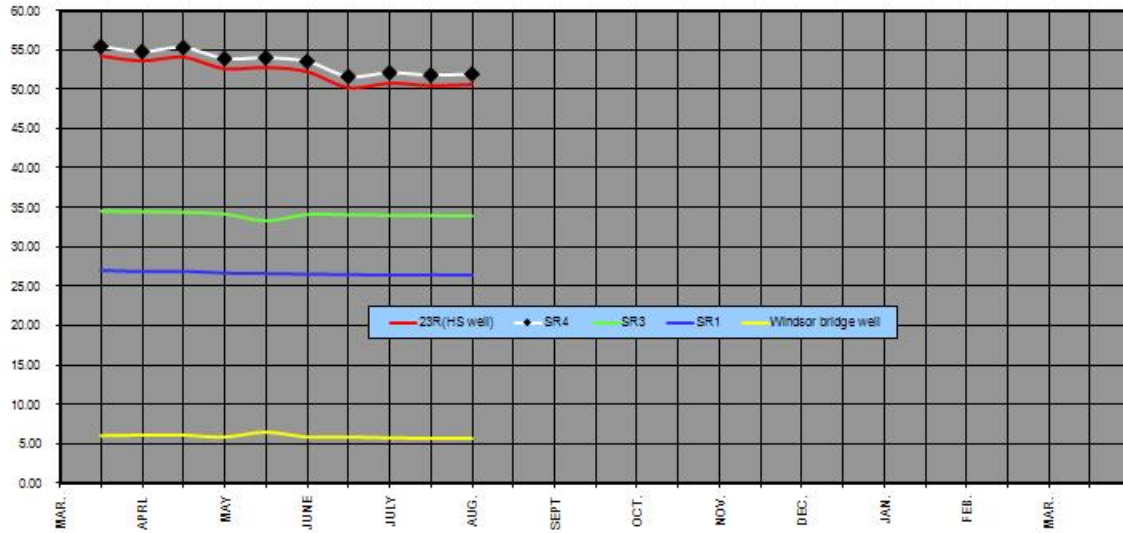
Although engineering staff was absent from the last Board meeting due to personal reasons, it was noted that a request was made for a handout summarizing the desalination project. As a starting point on this effort, print outs from our existing cambriacsd.org web site pages on the desalination project are attached for review. This summary can be expanded upon as necessary to cover certain points that may have been covered elsewhere (e.g., within the certified Water Master Plan Program EIR), or may not have otherwise been included within this earlier project summary. We can further transform the web site information into a hard copy handout, which may be of further use, particularly to those without Internet access.

Well Levels

San Simeon and Santa Rosa aquifer well level charts follow this paragraph. As of August 2, 2010, there has been some drop (approximately 2-feet) in the San Simeon aquifer, which is typical for this time of year. The San Simeon aquifer is approximately five feet above its average for this time of year. Although the same long-term well level trends are not available for the Santa Rosa well SR-4, it is higher than 50 feet above mean sea level. Although not completely full, both aquifers appear to be in very good shape for this time of year and are above average in well levels.



SANTAROSA CREEK WELL LEVELS
March 15th, 2009 - August 2nd, 2010





Desalination

Overview

- Overview
FAQs
Documents



Desalination: Solution to Cambria's Long-Term Water Supply

CCSD's long-term water supply planning calls for continued aggressive water conservation, recycled water for non-potable uses, and seawater desalination to augment its existing potable water supply.

This review and study process culminated in a Water Master Plan that was adopted by the CCSD Board on September 25, 2008.

Background

Cambria relies solely upon two narrow and thin groundwater aquifers for its potable water supply. The CCSD's main supply aquifer is drawn down during the summer dry season and peak tourist period before being recharged during the winter rainy season.

The CCSD's service area is isolated from inland areas by the Santa Lucia mountain range to the east and the Pacific Ocean to the west. There are no nearby aqueducts from which to import freshwater into the area.

Purpose

Seawater desalination will further diversify the CCSD's water supplies, which will greatly improve overall water supply reliability. Besides addressing droughts and seasonal dry periods, such an additional water source will allow the CCSD to maintain operations during major fire emergencies.

Environmental Concerns

Key environmental concerns associated with seawater desalination include potential impacts to marine life at the intake due to impingement and entrainment, returning seawater at salinity concentrations greater than naturally occurring background levels, greenhouse gas emissions from the power used to operate the facility.

These concerns and others will need to be further analyzed to determine ways to avoid or otherwise mitigate their potential impacts within a project-level Environmental Impact Report/Environmental Impact Statement (EIR/EIS).

Seawater concentrate concerns are normally addressed through careful design of diffusers to ensure rapid mixing and dilution of the return stream; or, through blending the return stream with another water source such as treated wastewater or brackish groundwater underflow within a naturally occurring seawater-freshwater interface.

(Added page break for printing)

Costs and Funding

Desalination costs have been estimated in terms of 2008 dollars at \$14 million without including the cost of a renewable power system (solar/photovoltaic), and at \$17.2 million when including the cost of a renewable power system. These costs are for a system sized to produce 602 acre-feet of potable water over a typical dry season in Cambria, or an average span of 184 days per year. As with any supply project, costs will increase over time due to inflation. When assuming a four-percent per year inflation rate and a mid-point of construction during June of 2012, the project costs inflate to \$16.4 million without renewable power, and approximately \$20.1 million including renewable power.

Cambria was fortunate to have received a \$10.3 million Federal Water Resources Development Act (WRDA) authorization for its desalination project. The WRDA program is administered by the Army Corps, and relies upon subsequent fiscal year appropriations for actual funding. Typical WRDA project funding is based on a 75% Federal and 25% local cost sharing formula. However, because the CCSD spent a considerable effort on an earlier desalination project during the 1990s, a local credit of up to \$3 million was authorized in the 2007 WRDA bill for Cambria. This credit is currently under review by the Army Corps.

In April 2009, the Army Corps also received \$2.5 million in funding through the American Recovery and Reinvestment Act (ARRA) to develop Cambria's desalination project. This funding is part of President Barack Obama's "stimulus package" program passed in February 2009.

Besides outside funding, construction of the CCSD's desalination facility construction will rely on future connection fees from its existing water wait list customers. In addition, existing CCSD wait list customers have also proposed a Mello-Roos tax assessment on their properties to help cover the initial project costs.

Current Status

The Army Corps of Engineers is currently managing a geotechnical investigation proposed at the Santa Rosa Creek beach area. This study will be a detailed follow-up analysis to an earlier 2008 geophysical investigation commissioned by the CCSD. The earlier 2008 work found a main paleochannel with an estimated depth to bedrock of 140 feet, as well as two secondary paleochannel areas. The more detailed study to follow will focus on sampling and characterizing the nature of the deposits within the paleochannel areas to confirm whether subterranean intake and subterranean concentrate return systems could be developed for this area. If confirmed, a project alternative for this area will be developed along with the CCSD's earlier San Simeon Creek area alternative. The alternatives will then be analyzed and reviewed as part of a project-level EIR/EIS. The start of the Army Corps field investigation at the Santa Rosa Creek beach area is subject to their completion of environmental and permitting clearances that are anticipated by the fall of 2009.

Key Links

[International Desalination Association](#)
[American Membrane Technology Association](#)
[Affordable Desalination Collaboration](#)
[Ashkelon Israel Desalination Video](#)
[Perth Australia Desalination Facility and link to under water video](#)
[Tampa Bay Water Desalination Facility](#)
[Carlsbad, CA Desalination Project](#)

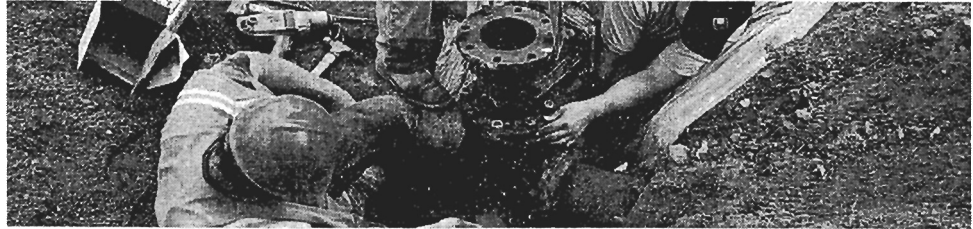


Note: The following frequently asked questions can be accessed from the Desalination project overview web page

Desalination

FAQs

- Overview
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Documents



Frequently Asked Questions

Why isn't the CCSD pursuing other water supply alternatives?

Desalination is part of a three-pronged approach towards addressing Cambria's water shortage that was recommended in the CCSD's Water Master Plan that was adopted on September 24, 2008. To complement seawater desalination, the adopted CCSD Water Master Plan recommends water conservation measures along with the use of recycled water for outdoor landscaping. The CCSD's 2005 Urban Water Management Plan Update further describes water conservation measures that have been adopted by the CCSD.

Yes, but what about pursuing other supply alternatives such as dams, Nacimiento water, and Whale Rock reservoir water? Aren't they cheaper?

The cost for various supply alternatives was considered by the CCSD along with other factors before deciding upon desalination. For a summary cost comparison and related discussion on the cost of various supply alternatives, please see response to comments pages 13-210 through 13-214 of the CCSD's adopted Water Master Plan Program Final EIR.

On a present worth cost basis, desalination costs approximately \$1,233 per acre-foot when including a renewable power system, and not discounting for any outside funding grants. On a cost per gallon basis, this equates to about four tenths of a cent per gallon. When compared to the typical metering unit of 100 cubic feet, present worth cost equates to \$2.83 per unit. The lowest billing rate charged by the CCSD's currently tiered rate structure (as of May 2009) starts at a cost of \$3.61 per unit for zero to six units. After six units, the rate ramps up to the next higher rate of \$5.51 per unit.

How is desalination going to benefit the existing ratepayers?

Once in service, the desalination facility will eliminate the need for future drought surcharges. Desalination will also provide much needed reliability to the existing supply, which can be used to augment fire flows during major fire emergencies and serve as a backup water supply during maintenance and repair of existing facilities. The quality of the water will also be improved by lowering hardness.

What's the bottom line for existing rate payers? How much will it cost me?

An earlier 2000 report estimated that operating revenues would need to be increased by 9.9 percent to cover approximately \$3.65 million in desalination facility loan repayments and annual facility operating expenses. This analysis will need to be updated after additional project definition becomes available. Future financial analyses will need to consider the alternative recommended following public review of a project-level EIR/EIS, along with any tradeoffs offered by the use of renewable power, such as reduced annual electrical power costs and the increased capital cost for solar panels, as well as the impact of inflation.

What past studies have been done by the CCSD to review the impacts of desalination?

The CCSD completed numerous environmental studies to support an earlier desalination project near the San Simeon Creek area. Depending upon the outcome of project-level EIR/EIS, the past reports will be either be used directly or augmented with additional study to support a recommended project alternative. Past environmental studies were included as appendices within a 1994 Desalination EIR, as well as a 1995 Desalination EIR addendum. Links to these reports are provided under the earlier Reports and Studies heading.

What would a Santa Rosa Creek beach alternative look like? Where would the facilities be located?

This alternative will be further defined following collection of geotechnical data. Considerations at this time include using existing CCSD property adjacent to the wastewater plant off of Heath Lane for the desalination treatment facilities. Should the geotechnical data confirm that subterranean intake and return wells are feasible at the Santa Rosa creek beach area, collector wells would likely be constructed using trenchless technology to avoid disturbing the more environmentally sensitive areas. Connecting pipelines between the wells and treatment facilities would follow an alignment along Windsor Boulevard.

What agreements are in place with the Army Corps?

A Project Cooperation Agreement Dated March 27, 2006 exists between the Army Corps and the CCSD that outlines the design and construction assistance to be performed by the Army Corps along with other conditions. To date (May 2009), the Army Corps is in the process of reviewing supporting documents for a PCA amendment that is to cover a \$3 million CCSD credit for past project expenditures.

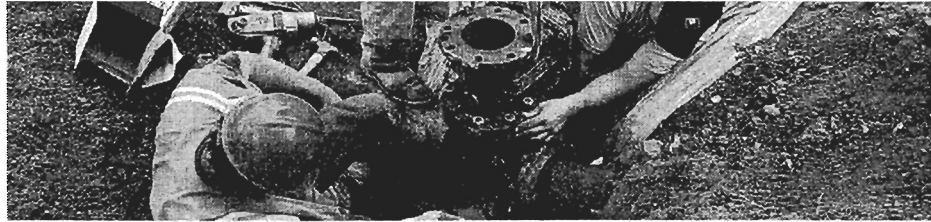


Note: The following documents page can be accessed from the Desalination project web page. For lengthy documents, the document may have been split into parts, or separate files were created for each Chapter or Section to allow quicker downloading times.

Desalination

Documents

- Overview
- FAQs
- Documents



DOCUMENTS

Water Timeline

January 2009 Board Presentation

2008 Advanced Geoscience Report

- Part One
- Part Two

Water Master Plan Program FEIR

June 2004 Long-Term Supply Alternatives WMP Report

May 2000 Kennedy-Jenks Desalination Report

1994 Desalination Project EIR

Resolution and Statement of Findings

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4 Project Description

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5 PART II - Environmental Settings, Impacts and Mitigations

6 Long Term Implications

7 Alternative to Proposed Project

8 Mitigation Measures

9 Unavoidable Significant Impacts

10 Effects Not Significant

11 Definition of Terms

12 Mitigation Monitoring Program

13 Consultants

14 Bibliography

15 Comments and Responses

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Appendix B Salinity Modeling

Appendix C Geo Bluff Stability

Appendix D Sea Floor Sampling

Appendix E Terrestrial Biology

Appendix F Marine Resources

Appendix G Archaeology

Appendix H Noise

Appendix I Air Quality

Appendix J Correspondence

1995 Desalination Project EIR Addendum

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4 Growth Inducement

5 Cumulative

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Appendix B Sub bottom Survey

Appendix C Marine Bio Impact Reduction

Appendix D Geotech Report

Appendix E Oceanographic Environmental Report

Appendix F Dilution Models

Appendix G Sea Otter Data

Appendix H Jet Probing Survey

Appendix I Drilling Fluid Specs

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VENDOR NAME	CHECK NUMBER	CHECK DATE	LINE NO.	LINE AMOUNT	LINE DESCRIPTION
ABILITY ANSWERING SERVICE	51160	7/2/2010	1	275.00	ADM/MONTHLY BASE ANSWERING SERVICE FEE 07/10
ACCURATE MAILING SERVICE	51161	7/2/2010	1	700.00	WD/POSTAGE DEPOSIT FOR MAILING UTIL BILLS 07/10
ACCURATE MAILING SERVICE	51161	7/2/2010	2	700.00	WW/POSTAGE DEPOSIT FOR MAILING UTIL BILLS 07/10
ACCURATE MAILING SERVICE	51246	7/16/2010	1	13.60	WD/POSTAGE DUE JUNE REMINDER NOTICES 6/14/10
ACCURATE MAILING SERVICE	51246	7/16/2010	2	13.60	WW/POSTAGE DUE JUNE REMINDER NOTICES 6/14/10
ACCURATE MAILING SERVICE	51246	7/16/2010	3	11.16	WD/PROF SVCS JUNE REMINDER NOTICES 6/14/10
ACCURATE MAILING SERVICE	51246	7/16/2010	4	11.16	WW/PROF SVCS JUNE REMINDER NOTICES 6/14/10
ACCURATE MAILING SERVICE	51246	7/16/2010	1	203.70	WD/POSTAGE DUE JULY UTILITY BILLS 7/13/10
ACCURATE MAILING SERVICE	51246	7/16/2010	2	203.71	WW/POSTAGE DUE JULY UTILITY BILLS 7/13/10
ACCURATE MAILING SERVICE	51246	7/16/2010	3	326.29	WD/PROF SVCS JULY UTILITY BILLS 7/13/10
ACCURATE MAILING SERVICE	51246	7/16/2010	4	326.30	WW/PROF SVCS JULY UTILITY BILLS 7/13/10
				<u>2,509.52</u>	
ADAMS, JAMES R.	51279	7/30/2010	1	45.00	WD/MONTHLY CELL PHONE SERVICE REIMB 07/10
AGP VIDEO	51252	7/21/2010	1	575.00	ADM/VIDEO PROD/DISTRICT BOD MEETING 6/24/10
AL'S SEPTIC PUMPING, INC	51183	7/12/2010	1	625.00	WD/ANNUAL CLEAN & PUMP OF SR4 5/25/10
ALPHA FIRE & SECURITY	51259	7/21/2010	1	135.00	F&R/VETS HALL MONITR ELEC FIRE SYS AUG-OCT 2010
ASHLAND, INC.	51175	7/12/2010	1	1,354.21	WW/POLYMER FOR SLUDGE 6/16/10
ASHLAND, INC.	51205	7/12/2010	1	2,031.31	WW/PRAESTOL K 6/30/10
				<u>3,385.52</u>	
AT&T PAYMENT CENTER	51172	7/12/2010	1	300.98	WD/ALARM VAN GORDAN RD JUNE 2010
AT&T PAYMENT CENTER	51260	7/21/2010	1	290.80	WD/ALARM VAN GORDON RD-WELL FIELD JULY 2010
				<u>591.78</u>	
AT&T/CALNET2	51173	7/12/2010	1	16.03	WW/FAX MONTHLY CHARGES MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	15.78	WD/TELEMETRY SYS MONTHLY CHARGES MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	653.24	WW/CIRCUIT ALARM SYSTEM MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	15.78	ADM/RADIO VAULT MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	17.37	WD/BLDG PUMP LMRT TANK MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	16.04	ADM/MONTHLY FAX CHARGES MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	276.15	ADM/MAIN OFFICE MONTHLY CHARGES MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	70.64	WD/PHONE & MONTHLY CHARGES MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	170.55	FD/MAIN OFFICE MONTHLY CHARGES MAY 2010
AT&T/CALNET2	51173	7/12/2010	1	119.03	WW/MAIN OFFICE MONTHLY CHARGES MAY 2010
AT&T/CALNET2	51224	7/13/2010	1	30.29	F&R/VETS HALL ALARM MAY 2010
AT&T/CALNET2	51263	7/21/2010	1	16.10	WW/FAX MONTHLY CHARGES JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	15.77	WD/TELEMETRY SYS MONTHLY CHARGES JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	30.44	F&R/VETS HALL ALARM JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	662.94	WW/CIRCUIT ALARM SYSTEM JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	15.77	ADM/RADIO VAULT JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	15.78	WD/BLDG PUMP LMRT TANK JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	16.19	ADM/MONTHLY FAX CHARGES JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	314.98	ADM/MAIN OFFICE MONTHLY CHARGES JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	72.45	WD/PHONE & MONTHLY CHARGES JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	169.79	FD/MAIN OFFICE MONTHLY CHARGES JUNE 2010
AT&T/CALNET2	51263	7/21/2010	1	116.73	WW/MAIN OFFICE MONTHLY CHARGES JUNE 2010
				<u>2,847.84</u>	
AVAYA	51216	7/13/2010	1	105.96	FD/PHONE & VOICEMAIL MAINTENANCE 6/16-9/15/10
AVAYA	51216	7/13/2010	1	191.28	WW/PHONE & VOICEMAIL MAINTENANCE 6/17-9/17/10
				<u>297.24</u>	
BADGER METER INC.	51285	7/30/2010	1	989.00	WD/RENEW UTLTY SOFTWARE-SVC AGRMNT 6/15-6/14/2011

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BOB WRIGHT CONSTRUCTION	51233	7/13/2010	1	220.00	WD/REPAIR SIDEWALK AFTER SVC LINE REPAIR 6/24/10
BOWER, DONNA	51191	7/12/2010	1	24.29	WD/CUSTOMER REFUND
BRENNTAG PACIFIC, INC.	51261	7/21/2010	1	487.28	WW/CHEMICALS 7/7/10
BRENNTAG PACIFIC, INC.	51261	7/21/2010	1	363.69	WD/CHEMICALS 7/7/10
BRENNTAG PACIFIC, INC.	51261	7/21/2010	1	963.99	WD/CHEMICALS 7/7/10
				<u>1,814.96</u>	
BRODY, MATT R.	51288	7/30/2010	1	406.00	FD/REIMBURSE REQUIREMENTS FOR AFG 6/1,7/7,6/18/10
BRODY, MATT R.	51288	7/30/2010	2	21.75	FD/REIMBURSE REQUIREMENTS FOR AFG 6/1,7/7,6/18/10
BRODY, MATT R.	51288	7/30/2010	1	707.95	FD/REIMB ANATOMY & PHYSIOLOGY ONLINE CLASS 3/22/10
				<u>1,135.70</u>	
BURTON'S FIRE, INC.	51176	7/12/2010	1	194.96	FD/REPLACE SEATBELT ENGINE 5791 6/15/10
BURTON'S FIRE, INC.	51248	7/21/2010	1	314.90	FD/CORK TAPE AND BFA FARBERTITE 7/7/10
				<u>509.86</u>	
CAL-COAST MACHINERY	51186	7/12/2010	1	4,994.98	F&R/REARS FLAIL MOWER 6/23/10
CALIF RURAL WATER ASSOC.	51247	7/21/2010	1	850.00	WD/ANNUAL MEMBERSHIP DUES JULY 2010-2011
CALSCIENCE ENVIRO LAB INC	51262	7/21/2010	1	1,165.00	WW/BIOSOLID LAB TESTS 7/7/10
CAMBRIA AUTO PARTS	51184	7/12/2010	1	46.04	WD/LED LAMPS,WASHER FLUID 6/7/10
CAMBRIA AUTO PARTS	51184	7/12/2010	2	4.11	WD/PESCOCK DRAIN 6/7/10
CAMBRIA AUTO PARTS	51184	7/12/2010	1	32.83	F&R/FILTER, OIL 6/26/10
CAMBRIA AUTO PARTS	51184	7/12/2010	2	32.36	F&R/BATTERY CHARGER 6/26/10
CAMBRIA AUTO PARTS	51184	7/12/2010	1	12.43	WW/CONNECTORS 6/29/10
				<u>127.77</u>	
CAMBRIA BUSINESS CENTER	51185	7/12/2010	1	66.37	WD/UPS SHIPPING TO HACH 6/23/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	1	50.30	WD/RUST DESTROYER 6/1/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	2	14.80	WD/DEPARTMENT OPERATING SUPPLIES 6/17/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	3	23.30	WD/MAINTENANCE AND REPAIR SR4 6/21/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	4	28.12	WD/MAINTENANCE & REPAIR WTR WELLS 6/21/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	5	31.46	WD/PAINT,BATTERIES,SEALANT,CHIP BRUSH 6/15/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	1	8.45	WW/NUTS, BOLTS & SCREWS, WASHER FLUID 6/7/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	2	15.43	WW/BATTERIES, TAPE, HOSE END 6/11/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	3	197.10	WW/NUTS, BOLTS AND SCREWS 6/23/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	1	4.01	F&R/NUTS, BOLTS AND SCREWS 6/4/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	2	53.24	F&R/GALV PIPE,GAL CAP,FLOOR FLANGE,DOUG FIR 6/11
CAMBRIA HARDWARE CENTER	51240	7/14/2010	3	23.25	F&R/PT REAL TUFF, BOLTS & SCREWS, MAGENT TAPE 6/3
CAMBRIA HARDWARE CENTER	51240	7/14/2010	4	16.63	F&R/HITCH RING PLATE, NUTS BOLTS & SCREWS 6/10/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	5	16.43	F&R/GALV NIPPLE, BUNGIE CORDS, NYLON CORD 6/12/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	6	0.75	F&R/MAINTENANCE & REPAIR BUILDINGS 6/11/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	7	11.23	F&R/MAINTENANCE & REPAIR BUILDINGS 6/9/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	8	12.44	F&R/GLOVES 6/14/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	9	8.65	F&R/GARDEN FUNGICIDE 6/7/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	10	10.27	F&R/BATTERIES 6/18/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	11	3.31	F&R/NUTS, BOLTS AND SCREWS 6/24/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	12	280.76	F&R/HEART REDWOOD, SHADE CLOTH, HEM FIR 6/1/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	13	55.19	F&R/FLAT ELASTOMERIC, GOPHER MIX 6/1/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	14	13.39	F&R/GOPHER MIX, BLEACH, SCOUR PAD 5/31/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	1	10.80	FD/ROUND SLIDING DISCS 6/21/10
CAMBRIA HARDWARE CENTER	51240	7/14/2010	2	3.22	FD/TARP/ROPE HOOK 6/15/10
				<u>892.53</u>	

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VENDOR NAME	CHECK NUMBER	CHECK DATE	LINE NO.	LINE AMOUNT	LINE DESCRIPTION
CAMBRIA TIRE & AUTO	51257	7/21/2010	1	760.32	WD/TIRES F350 PICKUP TRUCK LIC#1448463 6/11/10
CAMBRIA TIRE & AUTO	51296	7/30/2010	1	19.75	FD/REPAIR RIGHT REAR TIRE F-350 #1148462 7/26/10
				<u>780.07</u>	
CAMBRIA TOWING	51182	7/12/2010	1	45.00	WW/UNLOCK FORD F-150 #1192809 6/29/10
CAMBRIA VILLAGE PHARMACY	51190	7/12/2010	1	21.00	ADM/UTILITY BILL COLLECTION MAY 2010
CAMBRIA VILLAGE PHARMACY	51258	7/21/2010	1	15.00	ADM/UTILITY BILL COLLECTION JUNE 2010
				<u>36.00</u>	
CAMBRIA VILLAGE SQUARE	51168	7/2/2010	1	3,182.13	ADM/MONTHLY OFFICE LEASE PYMT 1316 TAMSON 07/10
CAMBRIA VILLAGE SQUARE	51287	7/30/2010	1	360.31	ADM/COMMON AREA MAINTENANCE MAY & JUNE 2010
				<u>3,542.44</u>	
CARMEL & NACCASHA LLP	51162	7/2/2010	1	6,600.00	ADM/MONTHLY RETAINER LEGAL SERVICES 07/10
CARMEL & NACCASHA LLP	51278	7/30/2010	1	3,861.00	ADM/LEGAL SERVICES JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	2	3,234.00	WD/LEGAL SERVICES JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	3	27.60	ADM/COPYING COST-LEGAL SERVICES JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	4	62.55	WD/COPYING COST-LEGAL SERVICES JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	5	688.50	WD/CONSULTING-LEGAL SERVICES JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	6	(6,600.00)	ADM/LESS JUNE 2010 RETAINER PAID
CARMEL & NACCASHA LLP	51278	7/30/2010	1	2,312.50	WD/LITIGATION SERVICES LANDWATCH JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	2	3,183.00	WD/LITIGATION SERVICES LINDSEY JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	3	54.90	WD/COPYING COST LANDWATCH JUNE 2010
CARMEL & NACCASHA LLP	51278	7/30/2010	4	307.85	WD/COPYING COST LINDSEY JUNE 2010
				<u>13,731.90</u>	
CAYUCOS ELECTRIC	51293	7/30/2010	1	130.00	ADM/EMERGENCY ELECTRICAL REPAIR ADMIN OFC 7/22/10
CELLULAR ONE	51174	7/12/2010	1	14.43	FD/CELLULAR PHONE SERVICE MAY 2010
CELLULAR ONE	51174	7/12/2010	2	19.45	WD/CELLULAR PHONE SERVICE MAY 2010
CELLULAR ONE	51174	7/12/2010	3	19.45	WW/CELLULAR PHONE SERVICE MAY 2010
CELLULAR ONE	51174	7/12/2010	4	36.90	F&R/CELLULAR PHONE SERVICE MAY 2010
CELLULAR ONE	51253	7/21/2010	1	36.90	F&R/CELLULAR PHONE SERVICE JUNE 2010
CELLULAR ONE	51253	7/21/2010	2	13.90	FD/CELLULAR PHONE SERVICE JUNE 2010
CELLULAR ONE	51253	7/21/2010	3	26.77	WD/CELLULAR PHONE SERVICE JUNE 2010
CELLULAR ONE	51253	7/21/2010	4	19.45	WW/CELLULAR PHONE SERVICE JUNE 2010
				<u>187.25</u>	
CENTAURI LABS	51206	7/12/2010	1	67.50	WD/COLIFORM LAB TESTS 6/8/10
CENTAURI LABS	51206	7/12/2010	1	67.50	WD/COLIFORM LAB TESTS 6/15/10
CENTAURI LABS	51206	7/12/2010	1	67.50	WD/COLIFORM LAB TESTS 6/22/10
				<u>202.50</u>	
CENTRAL COAST COFFEE	51177	7/12/2010	1	19.26	ADM/OFFICE SUPPLIES 6/29/10
CENTRAL COAST COFFEE	51249	7/21/2010	1	51.51	ADM/SUPPLIES 7/13/10
CENTRAL COAST COFFEE	51294	7/30/2010	1	38.52	ADM/SUPPLIES 7/20/10
				<u>109.29</u>	
CHAMBER OF COMMERCE	51218	7/13/2010	1	210.00	ADM/ANNUAL MEMBERSHIP DUES 2010-11
CHEMSEARCH	51207	7/12/2010	1	97.97	WD/HAND WIPES 6/16/10
COAST ELECTRONICS/RADIO	51178	7/12/2010	1	714.00	ADM/INSTALL DEDICATED CIRCUITS NEW SERVERS 6/23/10
COAST ELECTRONICS/RADIO	51295	7/30/2010	1	807.50	FD/INSTALL VEHICLE CHARGERS 2009 AFG COMM. 7/6/10
COAST ELECTRONICS/RADIO	51295	7/30/2010	1	218.15	WW/REPAIR OF KENWOOD RADIO IN F250 TRUCK 7/15/10
				<u>1,739.65</u>	
COAST UNIFIED SCHOOL DIST	51273	7/29/2010	1	26,000.00	WD/ANNUAL LEASE-EASEMENT ACCESS\ USE SR4 6/30/2011

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CORBIN WILLITS SYSTEMS	51163	7/2/2010	1	1,174.12	ADM/MONTHLY SUPPORT FINANCIAL MGT SOFTWARE 07/10
CRYSTAL SPRING WATER CO.	51187	7/12/2010	1	34.10	WW/DRINKING WATER JUNE 2010
CULLIGAN-KITZMAN WATER	51234	7/14/2010	1	38.00	FD/28 DAY WATER SOFTENER JUNE 2010
DON SPILMAN PLUMBING	51274	7/29/2010	1	385.00	WD/RELOCATED NEW WATER LINE 374 WELLINGTON 7/16/10
ECS IMAGING INC.	51275	7/29/2010	1	7,220.00	ADM/LASERFICHE SUPPORT 7/31/10-7/31/11
ENNIX INCORPORATED	51164	7/2/2010	1	2,975.00	WW/ENNIX DIGESTER OPTIMIZATN INV#6093 6/8-7/7/10
FARM SUPPLY COMPANY	51209	7/12/2010	1	(158.02)	F&R/CREDIT BARBLESS WIRE INVOICE 245269 3/31/10
FARM SUPPLY COMPANY	51209	7/12/2010	1	173.18	WW/246300 ROUND UP WEED CONTROL-WW PLANT 6/17/10
				15.16	
FEDEX	51254	7/21/2010	1	23.10	WD/SHIPPING CHARGES JUNE 2010
FEDEX	51254	7/21/2010	2	141.41	WW/SHIPPING CHARGES JUNE 2010
				164.51	
FERGUSON ENT., INC #632	51269	7/29/2010	1	415.68	WD/HIGH STD RECT VLV BX, HYD EXT RSR 7/21/10
FGL ENVIRONMENTAL	51179	7/12/2010	1	481.00	WW/INORGANIC & ORGANIC SUPPORT ANALYSIS 6/24/10
FGL ENVIRONMENTAL	51179	7/12/2010	1	123.00	WW/INORGANIC SUPPORT ANALYSIS 6/2/10
FGL ENVIRONMENTAL	51270	7/29/2010	1	242.00	WD/BACTI, INORGANIC AND SUPPORT ANALYSIS 7/8/10
FGL ENVIRONMENTAL	51270	7/29/2010	1	110.00	WD/BACTI & SUPPORT ANALYSIS 7/13/10
FGL ENVIRONMENTAL	51270	7/29/2010	1	(110.00)	WD/CREDIT MEMO FOR INVOICE 06804A 7/13/10
				846.00	
FIRE CHIEFS ASSOC. OF SLO	51197	7/12/2010	1	1,050.00	FD/ANNUAL MEMBERSHIP DUES/HAZMAT JPA 2010/2011
FIRST AMERICAN TITLE CO	51202	7/12/2010	1	248.00	RC/ESCROW FEE & RECORDATION FEE 6/22/10
FIRST AMERICAN TITLE CO	51202	7/12/2010	1	248.00	RC/ESCROW FEE & RECORDATION FEE 6/22/10
FIRST AMERICAN TITLE CO	51202	7/12/2010	1	395.00	RC/PRELIMINARY REPORT 5/18/10
FIRST AMERICAN TITLE CO	51202	7/12/2010	1	395.00	RC/PRELIMINARY REPORT 5/18/10
FIRST AMERICAN TITLE CO	51202	7/12/2010	1	395.00	RC/PRELIMINARY REPORT 5/19/10
				1,681.00	
FISERV, INC	51210	7/12/2010	1	500.00	ADM/EFT IMPLEMENTATION FEE 6/28/10
FISHER SCIENTIFIC	51271	7/29/2010	1	442.06	WW/FILTER PAPER & BUFFER PAC PH4 7/19/10
FISHER SCIENTIFIC	51271	7/29/2010	1	479.13	WW/FILTER PAPER 7/21/10
				921.19	
GIBSON, JOHNATHAN	51290	7/30/2010	1	747.90	FD/REIMB ANATOMY & PHYSIOLOGY ONLINE CLASS 3/29/10
GIBSON, JOSEPH	51289	7/30/2010	1	745.90	FD/REIMB ANATOMY & PHYSIOLOGY ONLINE CLASS 3/29/10
GONG, ROBERT MD	51286	7/30/2010	1	125.00	ADM/DMV PHYSICAL FOR EMPLOYEE 2/03/10
GOVERNMENT FINANCE	51219	7/13/2010	1	160.00	ADM/GOV FINANCE OFF MEMBRSHIP DUES 7/1-6/30/11
GRAHAM, PAMELA	51192	7/12/2010	1	5.21	WD/CUSTOMER REFUND
GRESENS, ROBERT C.	51280	7/30/2010	1	45.00	WD/MONTHLY CELL PHONE SERVICE REIMB 07/10
HACH COMPANY	51203	7/12/2010	1	(605.20)	WD/CREDIT FOR ANALYZER FLUID RETURN 6/23/10
HACH COMPANY	51203	7/12/2010	1	642.15	WD/ANALYZER FLUID WELLS MONITORING EQUIP 6/14/10
HACH COMPANY	51203	7/12/2010	1	613.58	WD/ANALYZER FLUID WELLS MONITORING EQUIP. 6/14/10
				650.53	

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HORTON, SEAN	51291	7/30/2010	1	618.00	FD/REIMB ANATOMY & PHYSIOLOGY ONLINE CLASS 3/18/10
INNOVATIVE CONCEPTS	51165	7/2/2010	1	839.30	FD/MONTHLY BROADBAND SERVICES 07/10
INNOVATIVE CONCEPTS	51165	7/2/2010	2	839.30	F&R/MONTHLY BROADBAND SERVICES 07/10
INNOVATIVE CONCEPTS	51165	7/2/2010	3	889.30	ADM/MONTHLY BROADBAND SERVICES 07/10
INNOVATIVE CONCEPTS	51165	7/2/2010	4	839.30	WD/MONTHLY BROADBAND SERVICES 07/10
INNOVATIVE CONCEPTS	51165	7/2/2010	5	839.30	WW/MONTHLY BROADBAND SERVICES 07/10
INNOVATIVE CONCEPTS	51211	7/12/2010	1	100.00	ADM/TECH SUPPORT 6/30/10
INNOVATIVE CONCEPTS	51236	7/14/2010	1	100.00	FD/TECH SUPPORT 6/29/10
				<u>4,446.50</u>	
J B DEWAR	51180	7/12/2010	1	1,002.12	WW/DIESEL FUEL CHARGES 6/16/10
J B DEWAR	51180	7/12/2010	1	1,427.24	WD/GASOLINE & DIESEL FUEL CHARGES 6/16/10
J B DEWAR	51180	7/12/2010	1	1,134.76	FD/GASOLINE & DIESEL FUEL CHARGES 6/16/10
J B DEWAR	51237	7/14/2010	1	1,185.83	FD/GASOLINE & DIESEL FUEL CHARGES 6/30/10
J B DEWAR	51255	7/21/2010	1	399.39	WD/GASOLINE CHARGES 6/30/10
J B DEWAR	51276	7/29/2010	1	332.01	FD/GASOLINE CHARGES 7/14/10
J B DEWAR	51276	7/29/2010	1	787.36	FD/DIESEL FUEL CHARGES 7/14/10
J B DEWAR	51276	7/29/2010	1	597.61	WD/GASOLINE CHARGES 7/14/10
J B DEWAR	51276	7/29/2010	1	409.42	WD/DIESEL FUEL CHARGES 7/14/10
				<u>7,275.74</u>	
JOBS AVAILABLE	51188	7/12/2010	1	140.00	WD/RECRUITMNT AD UTILITY MANAGER POST. 6/22/10
JOBS AVAILABLE	51188	7/12/2010	2	140.00	WW/RECRUITMNT AD UTILITY MANAGER POST. 6/22/10
				<u>280.00</u>	
KILLPACK, WALLY	51193	7/12/2010	1	76.04	WD/CUSTOMER REFUND
KNOX COMPANY	51250	7/21/2010	1	1,353.13	FD/MED VAULT SURFACE MOUNT & SOFTWARE 7/7/10
KUYKENDALL, MICHAEL	51281	7/30/2010	1	45.00	WW/MONTHLY CELL PHONE SERVICE REIMB 07/10
L.N. CURTIS & SONS	51239	7/14/2010	1	11,019.84	FD/BUNKER GEAR-VFA GRANT 6/11/10
LABOSSIERE, J. ALLEYNE	51251	7/21/2010	1	400.00	ADM/TRVL ADV PERS TRAINING IN SACRAMENTO 8/4-8/5/10
LABOSSIERE, J. ALLEYNE	51251	7/21/2010	1	30.32	ADM/REIM TRVL TO PISMO BEACH CSMFO LUNCH 7/8/10
				<u>430.32</u>	
LELAND ELECTRONICS	51238	7/14/2010	1	6,537.36	WW/RADIO EQUIP & LABOR FOR LIFT STATIONS 6/13/10
LIGHTHOUSE LITHO	51256	7/21/2010	1	1,407.25	PR/PRINTING CAMBRIA AREA TRAILS MAPS 6/11/10
LOREDO, JOSE	51194	7/12/2010	1	11.23	WD/CUSTOMER REFUND
MATHESON TRI-GAS, INC	51212	7/12/2010	1	47.90	WW/ACETYLENE CYL RENTAL JUNE 2010
MATTESON, RICHARD	51264	7/22/2010	1	80.00	WD/CUSTOMER REFUND
MCCORMICK'S TREE SERVICE	51181	7/12/2010	1	2,250.00	F&R/TREE REMOVAL FROM CCSD LOTS 6/23/10
MCCORMICK'S TREE SERVICE	51181	7/12/2010	1	720.00	F&R/TREE REMOVAL FROM CCSD LOTS 6/23/10
				<u>2,970.00</u>	
MCMaster-CARR SUPPLY CO	51213	7/12/2010	1	44.65	WW/FACE DIA HARSH ENVIRONMENT CONNECTOR 6/17/10
MCMaster-CARR SUPPLY CO	51213	7/12/2010	1	24.30	WW/MINI CONNECTOR FACE DIA RECEPTACLE 6/18/10
MCMaster-CARR SUPPLY CO	51272	7/29/2010	1	20.63	WW/MULTI-FLEX SHAFT COUPLING HUB 7/19/10
				<u>89.58</u>	
MENDOZA, CARLOS	51282	7/30/2010	1	22.50	F&R/MONTHLY CELL PHONE SERVICE REIMB 07/10
MENDOZA, CARLOS	51282	7/30/2010	2	22.50	ADM/MONTHLY CELL PHONE SERVICE REIMB 07/10
				<u>45.00</u>	

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MIERA, DOLORES	51195	7/12/2010	1	34.67	WD/CUSTOMER REFUND
MILLER, MARK	51283	7/30/2010	1	45.00	FD/MONTHLY CELLULAR PHONE SERVICE REIMB 07/10
MINER'S ACE HARDWARE	51220	7/13/2010	1	124.44	F&R/LOCK ENTRY GEO,BULB HIPRSS,DRV BIT,MISC 7/3/10
MINER'S ACE HARDWARE	51220	7/13/2010	1	39.06	ADM/FILTER AIR PLEAT FOR ADMIN OFFICE 7/7/10
MINER'S ACE HARDWARE	51220	7/13/2010	1	23.91	F&R/WRENCH GEAR 24 MM ACE 7/7/10
MINER'S ACE HARDWARE	51220	7/13/2010	1	11.95	F&R/CORD REEL W/STAND 7/2/10
				<u>199.36</u>	
MISSION LINEN SUPPLY	51214	7/12/2010	1	58.72	F&R/LINEN SERVICE & UNIFORM CLEANING JUNE 2010
MISSION LINEN SUPPLY	51214	7/12/2010	2	218.78	WD/LINEN SERVICE & UNIFORM CLEANING JUNE 2010
				<u>277.50</u>	
MUSIC FACTORY	51225	7/13/2010	1	200.00	F&R/MAINT & REPAIR VET'S HALL SOUND SYS 05/25/10
PACIFIC GAS & ELECTRIC	51241	7/15/2010	1	4.73	F&R/ELEC SVC 5/29-6/29/10-3195 RODEO GROUNDS RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	1	174.82	WW/ELEC SVC 5/29-6/29/10-990 SAN SIMEON CREEK RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	1	14.19	ADM/ELEC SVC 5/28-6/29/10-1316 TAMSEN ST STE 203
PACIFIC GAS & ELECTRIC	51241	7/15/2010	1	4.66	WD/ELEC SVC 5/1-6/29/10-7806 VAN GORDON CREEK RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	1	12.86	WD/ELEC SVC TO 6/30/10-9110 CHARING LANE
PACIFIC GAS & ELECTRIC	51241	7/15/2010	2	1,671.74	WD/ELEC SVC TO 6/30/10-1320 SAN SIMEON CREEK RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	3	36.81	WD/ELEC SVC TO 6/30/10-1330 SAN SIMEON CREEK RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	4	3,736.94	WD/ELEC SVC TO 6/30/10-1340 SAN SIMEON CREEK RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	5	558.50	WD/ELEC SVC TO 6/30/10-6425 CAMBRIA PINES RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	6	16.37	WD/ELEC SVC TO 6/30/10-988 MANOR WAY
PACIFIC GAS & ELECTRIC	51241	7/15/2010	7	3,749.87	WD/ELEC SVC TO 6/30/10-2031 RODEO GROUNDS RD
PACIFIC GAS & ELECTRIC	51241	7/15/2010	8	14.19	WD/ELEC SVC TO 6/30/10-2499 VILLAGE LANE
PACIFIC GAS & ELECTRIC	51241	7/15/2010	9	764.12	WD/ELEC SVC TO 6/30/10-1975 STUART ST
PACIFIC GAS & ELECTRIC	51241	7/15/2010	1	1,705.75	WD/ELEC SVC 6/2-6/30/10-2820 SANTA ROSA CREEK RD
				<u>12,465.55</u>	
PERS RETIREMENT SYSTEM	51171	7/8/2010	1	91.50	ADM/ADDITIONAL PERS AMT DUE ON PAYROLL 07/10 TYPE3
PERS RETIREMENT SYSTEM	51215	7/13/2010	1	1,210.16	FD/RETRO PERS RETIREMENT DUE RES FF 2005-2007
				<u>1,301.66</u>	
PITNEY BOWES PURCH POWER	51226	7/13/2010	1	1,018.99	ADM/POSTAGE DOWNLOAD TO METER 5/25/10
PUBLIC RETIREMENT	51198	7/12/2010	1	190.00	ADM/REG. PUBLIC RETIRE SEMINAR LABOSSIERE 8/5/10
PULLINGS, SARAH	51196	7/12/2010	1	27.25	WD CUSTOMER REFUND
PUMP REPAIR SERVICE CO.	51242	7/15/2010	1	5,004.68	WW/REPAIR CROWN ROTATING ASSEMBLY STN A&B 6/15/10
PUMP REPAIR SERVICE CO.	51242	7/15/2010	1	1,648.43	WW/CROWN IMPELLER FOR LIFT STATION A 6/24/10
PUMP REPAIR SERVICE CO.	51242	7/15/2010	1	5,403.24	WW/PARTS TO REPAIR PUMP AT LIFT STATION A 6/15/10
				<u>12,056.35</u>	
PUMP REPAIR SERVICE CO.	51265	7/29/2010	1	126.86	WW/SHIPPING & HANDLING FROM PUMP REPAIR MARCH 2010
QUILL CORP	51227	7/13/2010	1	97.11	ADM/COLOR PAPER,BAND-AIDS & STAMP INK 6/29/10
QUILL CORP	51266	7/29/2010	1	2.81	ADM/OFFICE SUPPLIES
				<u>99.92</u>	
RITTERBUSH REPAIR SERVICE	51267	7/29/2010	1	1,277.00	FD/MAINT & REPAIR TO FIRE ENGINES JUNE 2010
RUDOCK, TAMMY	51189	7/12/2010	1	209.00	WD/TRVL CHANGE OF COMMAND DINNER ACE 6/30-7/1/10
RUDOCK, TAMMY	51277	7/29/2010	1	233.00	WD/REIM TRVL TO LA ACE PROJECT MTG 7/19/10
RUDOCK, TAMMY	51284	7/30/2010	1	45.00	ADM/MONTHLY CELLULAR PHONE SERVICE REIMB 07/10
				<u>487.00</u>	

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SANDERS, GREGORY	51204	7/12/2010	1	164.36	WD/TRVL SANT CRUZ COASTAL COMMISION MTG 5/13/10
SCHNEIDEWIND, SUZY	51170	7/8/2010	1	500.00	ADM/PROFESSIONAL PAYROLL SVCS 7/6-7/8/10
SCRUBY, JOHN	51292	7/30/2010	1	30.00	WD/REIMBURSE FOR 2ND METER MONITOR 7/28/10
SDRMA	51159	7/1/2010	1	72,507.07	ADM/PROPERTY & LIABILITY PROGRAM RENEWAL 2010/2011
SDRMA	51169	7/7/2010	1	20,961.00	ADM/WORKERS COMP INSUR PREMIUM 1ST QTR FY 10/11
				93,468.07	
SELECT BUSINESS SYSTEMS	51243	7/15/2010	1	39.99	FD/SHARP X3500 BASE CHARGE 3000 B&W COPIES
SELECT BUSINESS SYSTEMS	51243	7/15/2010	2	27.60	FD/SHARP X3500 BASE CHARGE 300 COLOR COPIES
SELECT BUSINESS SYSTEMS	51243	7/15/2010	3	74.52	FD/SHARP X3500 810 COLOR OVER BASE
SELECT BUSINESS SYSTEMS	51243	7/15/2010	1	36.00	FD/SHARP X3500 BASE CHARGE 3000 B&W COPIES
SELECT BUSINESS SYSTEMS	51243	7/15/2010	2	27.60	FD/SHARP X3500 BASE CHARGE 300 COLOR COPIES
				205.71	
SLO COUNTY PLANNING DEPT.	51221	7/13/2010	1	88.00	RC/SLO CO MERGER FEES
SLO COUNTY PLANNING DEPT.	51222	7/13/2010	1	88.00	RC/SLO CO MERGER FEES
SLO COUNTY PLANNING DEPT.	51223	7/13/2010	1	88.00	RC/SLO CO MERGER FEES
				264.00	
SLO COUNTY PUBLIC WORKS	51199	7/12/2010	1	495.00	WD/ANNUAL UTILITY BLANKET ENCROACH. PERMIT '10-'11
SLO COUNTY PUBLIC WORKS	51199	7/12/2010	2	495.00	WW/ANNUAL UTILITY BLANKET ENCROACH. PERMIT '10-'11
				990.00	
SOUZA CONSTRUCTION, INC.	51229	7/13/2010	1	2,970.00	WD/RAISED VALVE CANS W. MAIN ST AFTER PAVING 5/31
SOUZA CONSTRUCTION, INC.	51229	7/13/2010	2	2,600.00	WW/RAISED MANHOLES W. MAIN ST AFTER PAVING 5/31/10
				5,570.00	
STATE WATER RES.CTRL.BRD.	51200	7/12/2010	1	195.00	WW/B. EASTIN GRADE 3 WASTEWATER TEST 6/25/10
STRATEGIC INSIGHTS INC	51201	7/12/2010	1	162.50	WD/1 YR LICENSE - CIP TRACKING SOFTWARE 2010/2011
STRATEGIC INSIGHTS INC	51201	7/12/2010	2	162.50	WW/1 YR LICENSE - CIP TRACKING SOFTWARE 2010/2011
				325.00	
TECHXPRESS, INC.	51166	7/2/2010	1	2,810.00	ADM/MONTHLY NETGUARD IT SERVICES 07/10
TECHXPRESS, INC.	51166	7/2/2010	2	(900.00)	ADM/CREDIT TOWARDS FIRST MONTH SVC PER AUDIT #1649
TECHXPRESS, INC.	51244	7/15/2010	1	4,300.00	ADM/SUPPORT & SERVER REPLACEMENT 7/13/10
				6,210.00	
THE CAMBRIAN	51217	7/13/2010	1	32.00	ADM/ANNUAL SUB FOR "THE CAMBRIAN" THRU 7/17/11
THE DOCUTEAM	51208	7/12/2010	1	261.99	ADM/DOCUMENT STORAGE JUNE 2010
THE GAS COMPANY	51235	7/14/2010	1	92.91	F&R/GAS SERVICE 1000 MAIN ST 6/1-6/30/10
THE GAS COMPANY	51235	7/14/2010	1	2.98	ADM/GAS SERVICE 1316 TAMSEN STE 201 6/1-6/30/10
THE GAS COMPANY	51235	7/14/2010	1	97.40	FD/GAS SERVICE 2850 BURTON DR 6/1-6/29/10
THE GAS COMPANY	51235	7/14/2010	1	0.99	ADM/GAS SERVICE 1316 TAMSEN SE 203 6/1-6/30/10
THE GAS COMPANY	51235	7/14/2010	1	2.98	FD/GAS SERVICE 5490 HEATH LANE 6/2-7/1/10
THE GAS COMPANY	51235	7/14/2010	1	31.24	WW/GAS SERVICE 5500 HEATH LN APT B 6/2-7/1/10
THE GAS COMPANY	51235	7/14/2010	1	36.23	WW/GAS SERVICE 5500 HEATH LN 6/2-7/1/10
THE GAS COMPANY	51235	7/14/2010	1	17.08	F&R/GAS SERVICE 3195 BURTON DR 6/1-6/29/10
				281.81	
TORLANO, EMILY	51228	7/13/2010	1	38.35	FD/REIMBURSE MTG SUPPLIES COUNTY T.O. MTG 6/15/10
TOWN & COUNTRY FENCING	51230	7/13/2010	1	1,850.00	WD/PART/REPAIR GATE CONTROL-YARD & WELL FIELD 6/17
TYGRIS VENDOR FINANCE INC	51245	7/15/2010	1	317.11	FD/SHARP X3500 COPIER LEASE AGREEMENT 6/7/10

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USA BLUE BOOK	51231	7/13/2010	1	121.66	WW/CHESELL PEN FOR CHART RECORDS 6/3/10
VAN SCOYOC ASSOC., INC.	51167	7/2/2010	1	6,225.00	ADM/PROF FEDL ADVOCACY FOR DESAL WASH D.C. 07/10
WINSOR CONSTRUCTION, INC.	51232	7/13/2010	1	40.00	F&R/DISPOSAL OF WOOD ROUNDS-VICTORIA WAY 6/25/10
WINSOR CONSTRUCTION, INC.	51268	7/29/2010	1	35.00	F&R/GRN WASTE DISP. RODEO GRNDS/SR CRK TRL 6/30/10
				<u>75.00</u>	
Accounts Payable Vendor Subtotal				<u>274,453.79</u>	
AFLAC (AMER FAM LIFE INS)	1684	7/9/2010	1	356.89	VOLUNTARY INS-PRETAX
AFLAC (AMER FAM LIFE INS)	1684	7/9/2010	1	77.98	VOLUNTARY INS-PRETAX
AFLAC (AMER FAM LIFE INS)	1709	7/27/2010	1	351.81	VOLUNTARY INS-PRETAX
AFLAC (AMER FAM LIFE INS)	1709	7/27/2010	1	77.98	VOLUNTARY INS-PRETAX
				<u>864.66</u>	
CAMBRIA COMMUNITY SERVICES DIS	1685	7/9/2010	1	1,300.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1685	7/9/2010	2	100.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1685	7/9/2010	3	200.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1685	7/9/2010	4	100.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1685	7/9/2010	5	150.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1710	7/27/2010	1	1,300.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1710	7/27/2010	2	100.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1710	7/27/2010	3	200.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1710	7/27/2010	4	100.00	MEDICAL REIMBURSEMNT
CAMBRIA COMMUNITY SERVICES DIS	1710	7/27/2010	5	150.00	MEDICAL REIMBURSEMNT
				<u>3,700.00</u>	
CAMBRIA FIREFIGHTERS ASSN	1713	7/27/2010	1	166.70	RESERVE FIREFTR DUES
EMPLOYMENT DEVELOPMENT DP	1687	7/9/2010	1	4,076.40	STATE INCOME TAX
EMPLOYMENT DEVELOPMENT DP	1687	7/9/2010	1	1,028.41	STATE INCOME TAX
EMPLOYMENT DEVELOPMENT DP	1712	7/27/2010	1	4,200.52	STATE INCOME TAX
EMPLOYMENT DEVELOPMENT DP	1712	7/27/2010	1	1,039.57	STATE INCOME TAX
				<u>10,344.90</u>	
FRANCHISE TAX BOARD	1688	7/9/2010	1	75.00	DEDUCTION - MISC 2
FRANCHISE TAX BOARD	1714	7/27/2010	1	75.00	DEDUCTION - MISC 2
				<u>150.00</u>	
H.O.B.-DIRECT DEPOSIT	1689	7/9/2010	1	2,799.00	Direct Deposit Flat
H.O.B.-DIRECT DEPOSIT	1689	7/9/2010	1	47,923.36	Direct Deposit Flat
H.O.B.-DIRECT DEPOSIT	1715	7/27/2010	1	2,799.00	Direct Deposit Flat
H.O.B.-DIRECT DEPOSIT	1715	7/27/2010	1	51,393.20	Direct Deposit Flat
				<u>104,914.56</u>	
H.O.B./FEDERAL TAXES	1690	7/9/2010	1	11,905.34	FEDERAL INCOME TAX
H.O.B./FEDERAL TAXES	1690	7/9/2010	1	11,666.68	FEDERAL INCOME TAX
H.O.B./FEDERAL TAXES	1690	7/9/2010	1	2,728.56	FEDERAL INCOME TAX
H.O.B./FEDERAL TAXES	1716	7/27/2010	1	11,385.43	FEDERAL INCOME TAX
H.O.B./FEDERAL TAXES	1716	7/27/2010	1	11,831.42	FEDERAL INCOME TAX
H.O.B./FEDERAL TAXES	1716	7/27/2010	1	2,767.02	FEDERAL INCOME TAX
				<u>52,284.45</u>	
ICMA-VNTGPT TRSFR AGT 401	1692	7/9/2010	1	100.00	401-INDIV CONTRIB
ICMA-VNTGPT TRSFR AGT 401	1718	7/27/2010	1	100.00	401-INDIV CONTRIB
				<u>200.00</u>	

**CAMBRIA COMMUNITY SERVICES DISTRICT
EXPENDITURE REPORT
FOR THE MONTH ENDING JULY 31, 2010**

VENDOR NAME	CHECK NUMBER	CHECK DATE	LINE NO.	LINE AMOUNT	LINE DESCRIPTION
ICMA-VNTGPT TRSFR AGT 457	1691	7/9/2010	1	2,263.46	457 DEF COMP-INDIV
ICMA-VNTGPT TRSFR AGT 457	1691	7/9/2010	1	800.00	457 DEF COMP-INDIV
ICMA-VNTGPT TRSFR AGT 457	1717	7/27/2010	1	2,163.46	457 DEF COMP-INDIV
ICMA-VNTGPT TRSFR AGT 457	1717	7/27/2010	1	600.00	457 DEF COMP-INDIV
ICMA-VNTGPT TRSFR AGT 457	1717	7/27/2010	1	200.00	457 DEF COMP-INDIV
ICMA-VNTGPT TRSFR AGT 457	1717	7/27/2010	1	801.00	457 DEF COMP-INDIV
				<u>6,827.92</u>	
PERS HEALTH BENEFIT SERV	1722	7/31/2010	1	20,777.06	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	2	(0.09)	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	3	100.11	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	4	2,806.64	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	5	968.66	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	6	5,997.18	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	7	2,676.00	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	8	2,851.46	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	9	85.97	MEDICAL INSURANC-YER
PERS HEALTH BENEFIT SERV	1722	7/31/2010	1	2,504.18	MEDICAL INSURANC-YER
				<u>38,767.17</u>	
PERS RETIREMENT SYSTEM	1693	7/9/2010	1	0.05	PERS PAYROLL REMITTANCE
PERS RETIREMENT SYSTEM	1693	7/9/2010	2	24,201.65	PERS PAYROLL REMITTANCE
PERS RETIREMENT SYSTEM	1719	7/27/2010	1	0.02	PERS PAYROLL REMITTANCE
PERS RETIREMENT SYSTEM	1719	7/27/2010	2	24,598.02	PERS PAYROLL REMITTANCE
				<u>48,799.74</u>	
PRINCIPAL LIFE INSUR COMP	1723	7/31/2010	1	2,391.66	DENTAL INSURANCE-YER
PRINCIPAL LIFE INSUR COMP	1723	7/31/2010	2	(0.08)	DENTAL INSURANCE-YER
PRINCIPAL LIFE INSUR COMP	1723	7/31/2010	1	112.84	DENTAL INSURANCE-YER
				<u>2,504.42</u>	
SEIU, LOCAL 620	1694	7/9/2010	1	252.82	SEIU UNION DUES
SEIU, LOCAL 620	1720	7/27/2010	1	259.60	SEIU UNION DUES
				<u>512.42</u>	
SLO CREDIT UNION	1686	7/9/2010	1	220.00	CREDIT UNION
SLO CREDIT UNION	1711	7/27/2010	1	220.00	CREDIT UNION
				<u>440.00</u>	
THE VARIABLE ANNUITY LIFE	1695	7/9/2010	1	75.00	DEFERRED COMP -VALIC
THE VARIABLE ANNUITY LIFE	1721	7/27/2010	1	75.00	DEFERRED COMP -VALIC
				<u>150.00</u>	
				<u>Payroll Payable Vendor Subtotal</u>	
				<u>270,626.94</u>	
				<u>TOTAL DISBURSEMENTS FOR JULY, 2010</u>	
				<u>545,080.73</u>	



ADDENDA TO MONTHLY EXPENDITURE REPORT

<i>DEPARTMENT CODES</i>	
FD	Fire Department
F&R	Facilities and Resources
ADM	Administration
RC	Resource Conservation
WD	Water Department
WW	Wastewater Department
PR	Parks & Recreation

CAMBRIA COMMUNITY SERVICES DISTRICT
 BOARD OF DIRECTORS REGULAR MEETING MINUTES
 THURSDAY, JULY 22, 2010, 12:30 PM

AGENDA ITEM	DISCUSSION OR ACTION										
1A. CALL TO ORDER	President Sanders called the meeting to order at 12:35 PM										
1B. PLEDGE OF ALLEGIANCE	President Sanders led the pledge of allegiance										
1C. ESTABLISHMENT OF QUORUM	<table style="width: 100%; border: none;"> <tr> <td style="width: 70%;">Vice President Clift</td> <td style="width: 30%;">Present</td> </tr> <tr> <td>Director Chaldecott</td> <td>Present</td> </tr> <tr> <td>Director De Micco</td> <td>Present</td> </tr> <tr> <td>Director MacKinnon</td> <td>Present</td> </tr> <tr> <td>President Sanders</td> <td>Present</td> </tr> </table> <p>Staff Present: General Manager Rudock, District Counsel Tim Carmel, District Clerk Kathy Choate</p>	Vice President Clift	Present	Director Chaldecott	Present	Director De Micco	Present	Director MacKinnon	Present	President Sanders	Present
Vice President Clift	Present										
Director Chaldecott	Present										
Director De Micco	Present										
Director MacKinnon	Present										
President Sanders	Present										
1D. REPORT FROM CLOSED SESSION	Counsel reported no closed session, nothing to report										
2. PUBLIC COMMENT FOR ITEMS NOT ON THE AGENDA	<p><u>Elizabeth Bettenhausen</u>, Cambria. "Mix those Metaphors" poem submitted for record.</p> <p><u>Catherine Hyde</u>, Cambria. Opposed action minutes.</p> <p><u>Harry Farmer</u>, Cambria. Commented on his Viewpoint article regarding desal.</p> <p><u>Valerie Benz</u>, Cambria. Opposed action minutes.</p> <p><u>Steve Figler</u>, Cambria. Commented on Ad Hoc Committees.</p> <p><u>Amanda Rice</u>, Cambria. Commented on trust and retention policies.</p>										
3. AGENDA REVIEW	Item 7.B. pulled for separate discussion. Remainder of agenda stood as published.										
4. ACKNOWLEDGEMENTS/PRESENTATIONS	None										
5. SPECIAL REPORTS											
A. Sheriff's Department Report	Commander Nefores reported on 90 calls for service in Cambria area between July 1 and July 21.										
6. MANAGER'S AND BOARD REPORTS											
A. General Manager's Report	<p>General Manager Rudock presented Manager's report.</p> <p>Public Comment:</p> <p><u>Elizabeth Bettenhausen</u>, Cambria. Commented on August 2003 Board meeting minutes and desal costs.</p> <p><u>Jeff Hellman</u>, Cambria. Commented on size of proposed desal plant.</p>										
B. Member and Committee Reports	None										

7. CONSENT AGENDA	
A. Approve Minutes of Board of Directors Meeting, June 24, 2010	
B. Approve Expenditures for Month of June 2010	<p>Pulled for separate discussion. Board discussion followed. Public Comment: <u>Jerry McKinnon</u>, Cambria. Commented on Vets Hall parking lot maintenance. Director MacKinnon moved to approve expenditures for month of June 2010. Vice President Clift seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0</p>
C. Schedule Public Hearing to Consider Approval of the Appropriation Limit for Fiscal Year 2010/2011	
D. Adopt Resolution 36-2010 Approving 2010 Conflict of Interest Local Agency Biennial Amendments	
E. Adopt Resolution 37-2010 Ratifying Side Letter No. 3 to SEIU Local 620 Memorandum of Understanding	
F. Adopt Resolution 38-2010 Authorizing Access to State Local Summary, and Federal Level Criminal History Information for CCSD Employment	<p>General Manager Rudock read for the record Items A, C, D, E, and F for the record. Vice President Clift moved to approve the consent agenda as read. Director Chaldecott seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0</p>
8. HEARINGS AND APPEALS	
A. Conduct Public Hearing on Parcels Subject to Clearing Under the CCSD's Fire Hazard Fuel Reduction (FHFR) Contract; Adopt Resolution 35-2010 Confirming FHFR Itemized Report; and Direct Staff to Submit Parcel Numbers and Charges to the SLO County Tax Collector's Office	<p>President Sanders introduced the item. General Manager Rudock presented staff's report, providing final contractor costs for two pending APNs. President Sanders opened the public hearing. Public Comment: <u>Amanda Rice</u>, Cambria. Commented on Admin Fee <u>Elizabeth Bettenhausen</u>, Cambria. Suggested a fine for property/lot owners who do not clear lots. President Sanders closed the public hearing. Director Chaldecott moved to adopt Resolution 35-2010 confirming Fire Hazard Fuel Reduction itemized report and directed staff to submit parcel numbers and charges to the SLO County Tax Collector's office. Director MacKinnon seconded. Motion carried unanimously. Ayes – 5, No – 0, Absent - 0</p>
9. REGULAR BUSINESS	None

10.	PUBLIC COMMENT	None
11.	ADJOURN	President Sanders adjourned the meeting to closed session at 2:50 PM.

DRAFT

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.C.**

FROM: Tammy Rudock, General Manager

Meeting Date: August 19, 2010 Subject: Consider Adoption of Resolution
39-2010 Ratifying Side Letter No. 4 to
SEIU Local 620 Memorandum of
Understanding

RECOMMENDATIONS:

Adopt Resolution 39-2010 ratifying Side Letter No. 4 to SEIU (Service Employees International Union) Local 620 Memorandum of Understanding (MOU).

FISCAL IMPACT:

For the period August 28, 2010, through June 30, 2014: Estimated personnel costs for SEIU Local 620 members would increase by a total of \$120,000 and SEIU Local 620 members would pay a total of \$40,000 in retirement contributions. The CCSD was already obligated for salary increases in FY 2010/2011 and FY 2011/2012 because of the existing MOU between the CCSD and SEIU Local 620. However, there was no contract obligation by SEIU Local 620 member to pay any portion of the designated employee portion of PERS retirement contribution.

In exchange for a two-year contract extension (through June 30, 2014) SEIU Local 620 members agreed to begin phased payment of the designated employee portion of the PERS retirement contribution. SEIU Local 620 members shall begin paying 2%, effective August 27, 2010. (They already received a 4% salary increase on July 1, 2010 [first full payroll].) They will pay 2% each July 1st in FY 2011/2012, FY 2012/2013, and FY 2013/2014. On July 1, 2013, the CCSD shall no longer be contributing toward the designated employee portion of PERS retirement.

BACKGROUND:

- § The MOU dated July 1, 2007 – June 30, 2012 between the CCSD and SEIU Local 620 was ratified on July 26, 2007 per Resolution 54-2007.
- § Side Letter No. 1 covered “give back” of one-half of the HRA benefit and was ratified on December 14, 2009 per Resolution 61-2009.
- § Side Letter No. 2 covered the clarification of the lowest cost healthcare plan (Blue Shield NetValue HMO) and was ratified on December 14, 2009 per Resolution 61-2010.

§ Side Letter No. 3 covered new hires paying 100% of the designated employee portion of the PERS retirement contribution and was ratified on July 22, 2010 per Resolution 37-2010.

DISCUSSION:

Last month, the SEIU Local 620 approached the CCSD about making further contract concessions related to union members phasing payment of the designated employee portion of the PERS retirement contributions in exchange for a two-year contract extension.

After discussion with the Board of Directors during Closed Session on July 22nd, I was directed to negotiate SEIU Local 620's contract compromise, and accordingly, the attached Side Letter No. 4 was finalized in late July. The terms agreed to are as follows:

1. Effective the first full pay period beginning August 27, 2010, SEIU Local 620 members shall pay 2% of the designated employee portion of the PERS retirement contribution. The CCSD shall pay 6% of the designated employee portion for a total designated employee share contribution of 8% of wages; and
2. The term of the MOU between the CCSD and SEIU Local 620 shall be extended for two (2) additional years, through June 30, 2014; and
3. Effective July 1, 2011 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 4%). The CCSD shall pay 4% of the designated employee portion; and
4. Effective July 1, 2012 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%). The CCSD shall pay 2% of the designated employee portion; and
5. Effective July 1, 2013 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8%, and 100% of the employee portion). The CCSD shall no longer be contributing toward the employee portion.

Attachments: Resolution 39-2010
Side Letter No. 4 between the CCSD and SEIU Local 620

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: ___ SANDERS ___ CLIFT ___ CHALDECOTT ___ DE MICCO ___ MACKINNON ___

RESOLUTION 39-2010

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT
RATIFYING SIDE LETTER NO. 4
BETWEEN THE CCSD AND SEIU LOCAL 620

The Board of Directors of the Cambria Community Services District does hereby resolve as follows:

1. Ratifies Side Letter No. 4 between the CCSD and SEIU Local 620, which requires:
 - A. Effective the first full pay period beginning August 27, 2010, SEIU Local 620 members shall pay 2% of the designated employee portion of the PERS retirement contribution. The CCSD shall pay 6% of the designated employee portion for a total designated employee share contribution of 8% of wages; and
 - B. The term of the MOU between the CCSD and SEIU Local 620 shall be extended for two (2) additional years, through June 30, 2014; and
 - C. Effective July 1, 2011 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 4%). The CCSD shall pay 4% of the designated employee portion; and
 - D. Effective July 1, 2012 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%). The CCSD shall pay 2% of the designated employee portion; and
 - E. Effective July 1, 2013 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8%, and 100% of the employee portion). The CCSD shall no longer be contributing toward the employee portion.

PASSED AND ADOPTED this 19th day of August 2010.

Gregory W. Sanders, President

ATTEST:

APPROVED AS TO FORM:

Kathy A. Choate
District Clerk

Timothy J. Carmel
District Counsel



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

SIDE LETTER NO. 4 TO MEMORANDUM OF UNDERSTANDING DATED JULY 1, 2007 – JUNE 30, 2012

BETWEEN

THE CAMBRIA COMMUNITY SERVICES DISTRICT (CCSD) AND SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 620 (SEIU)

The CCSD and SEIU Local 620 agree to this side letter to the MOU dated July 1, 2007, through June 30, 2012, providing that:

1. Effective the first full pay period beginning August 27, 2010, SEIU Local 620 members shall pay 2% of the designated employee portion of the PERS retirement contributions. The CCSD shall pay 6% of the designated employee portion for a total designated employee share contribution of 8% of wages; and
2. The term of the MOU between the CCSD and SEIU Local 620 shall be extended for two (2) additional years, through June 30, 2014; and
3. Effective July 1, 2011 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contributions (for a total of 4%). The CCSD shall pay 4% of the designated employee portion; and
4. Effective July 1, 2012 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%). The CCSD shall pay 2% of the designated employee portion; and
5. Effective July 1, 2013 (first full payroll period) SEIU Local 620 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8%, and 100% of the employee portion). The CCSD shall no longer be contributing toward the employee portion.

CAMBRIA COMMUNITY SERVICES DISTRICT

BY: 
Tammy A. Rudock, General Manager

DATE: 7/28/10

SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 620

BY: 
Mike Woods, Field Representative

DATE 7/27/2010

SEIU LOCAL 620 COMMITTEE MEMBERS

BY: Cortney Upthegrove DATE 7-27-10
Cortney Upthegrove/Administrative Technician Steward

BY: J. Buhl DATE 7-27-10
Jason Buhl/Water Treatment Steward

BY: Ben Eastin DATE 7-27-10
Ben Eastin/Wastewater Treatment Steward

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.D.**

FROM: Tammy Rudock, General Manager

Meeting Date: August 19, 2010 Subject: Consider Adoption of Resolution
40-2010 Ratifying Side Letter No. 3 to
Amended Payment and Compensation
Plan dated July 26, 2007 between the
CCSD and Management Confidential
Employees

RECOMMENDATIONS:

Adopt Resolution 40-2010 ratifying Side Letter No. 3 to Amended Payment and Compensation Plan dated July 26, 2007 between the CCSD and Management Confidential Employees (MCE).

FISCAL IMPACT:

For the period July 1, 2010, through June 30, 2014: Estimated personnel costs for MCE would increase by a total of \$230,000 and MCE would pay a total of \$86,000 in retirement contributions. MCE recently agreed to contract concessions and for FY 2010/2011 started paying 2% of the designated employee portion of the PERS retirement contribution.

The CCSD was already obligated for salary increases in FY 2010/2011 and FY 2011/2012 because of the existing agreement between the CCSD and MCE. However, there was no contract obligation by MCE to pay any portion of the designated employee portion of PERS retirement contribution.

In exchange for a 2-year contract extension (through June 30, 2014) MCE agreed to continue phased payment of the designated employee portion of the PERS retirement contribution. MCE will pay 2% each July 1st in FY 2011/2012, FY 2012/2013, and FY 2013/2014. On July 1, 2013, the CCSD shall no longer be contributing toward the designated employee portion of PERS retirement.

BACKGROUND:

§ The Payment and Compensation Plan was amended between the CCSD and MCE, and was ratified on July 26, 2007 per Resolution 55-2007.

§ Side Letter No. 1 covered “give back” of one-half of the HRA benefit and clarification of the lowest cost healthcare plan (Blue Shield NetValue HMO) and was ratified on December 14, 2009 per Resolution 59-2009.

§ Side Letter No. 2 (now Side Letter No. 2A*—see note below) covered Monique Madrid and Kathy Fry in the MCE and their “give back” of one-half of the HRA benefit and clarification of the lowest cost healthcare plan (Blue Shield NetValue HMO) and was ratified on February 1, 2010 per Resolution 04-2010.

§ Side Letter No. 2 (now Side Letter No. 2B*—see note below) covered new hires paying 100% of the designated employee portion of the PERS retirement contribution and was ratified on May 27, 2010 per Resolution 24-2010.

**Note: Staff discovered that, inadvertently, there were two side letters numbered 2, so we are making the ministerial change for clarification purposes for reference as Side Letter No. 2A and Side Letter No. 2B.*

DISCUSSION:

Last month, the SEIU Local 620 approached the CCSD about making further contract concessions related to union members phasing payment of the designated employee portion of the PERS retirement contributions in exchange for a two-year contract extension.

After discussion with the Board of Directors during Closed Session on July 22nd, I was directed to not only negotiate with SEIU Local 620 but also with MCE and IAFF Local 4635. Accordingly, the attached Side Letter No. 3 was finalized with MCE in late July. The terms agreed to are as follows:

1. The term of the Amended Payment and Compensation Plan agreement between the CCSD and MCE shall be extended for two (2) additional years, through June 30, 2014; and
2. Effective July 1, 2011 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contributions (for a total of 4%). The CCSD shall pay 4% of the designated employee portion; and
3. Effective July 1, 2012 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%). The CCSD shall pay 2% of the designated employee portion; and
4. Effective July 1, 2013 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8%, and 100% of the employee portion). The CCSD shall no longer be contributing toward the employee portion.

Attachments: Resolution 40-2010
Side Letter No. 3 between the CCSD and MCE

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: ___ SANDERS___ CLIFT___ CHALDECOTT ___ DE MICCO ___ MACKINNON___

RESOLUTION 40-2010

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT
RATIFYING SIDE LETTER NO. 3 BETWEEN
THE CCSD AND MANAGEMENT AND CONFIDENTIAL EMPLOYEES

The Board of Directors of the Cambria Community Services District does hereby resolve as follows:

1. Ratifies Side Letter No. 3 between the CCSD and Management and Confidential Employees (MCE), which requires:
 - A. The term of the Amended Payment and Compensation Plan agreement between the CCSD and MCE shall be extended for two (2) additional years, through June 30, 2014; and
 - B. Effective July 1, 2011 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 4%). The CCSD shall pay 4% of the designated employee portion; and
 - C. Effective July 1, 2012 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%). The CCSD shall pay 2% of the designated employee portion; and
 - D. Effective July 1, 2013 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8%, and 100% of the employee portion). The CCSD shall no longer be contributing toward the employee portion.

PASSED AND ADOPTED this 19th day of August 2010.

Gregory W. Sanders, President

ATTEST:

APPROVED AS TO FORM:

Kathy A. Choate
District Clerk

Timothy J. Carmel
District Counsel



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

SIDE LETTER NO. 3 TO AMENDED PAYMENT AND COMPENSATION PLAN DATED JULY 26, 2007

BETWEEN

THE CAMBRIA COMMUNITY SERVICES DISTRICT (CCSD) AND MANAGEMENT AND CONFIDENTIAL EMPLOYEES (MCE)

The CCSD and MCE agree to this side letter to the Amended Payment and Compensation Plan dated July 26, 2007, providing that:

1. The term of the Amended Payment and Compensation Plan agreement between the CCSD and MCE shall be extended for two (2) additional years, through June 30, 2014; and
2. Effective July 1, 2011 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contributions (for a total of 4%). The CCSD shall pay 4% of the designated employee portion; and
3. Effective July 1, 2012 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%). The CCSD shall pay 2% of the designated employee portion; and
4. Effective July 1, 2013 (first full payroll period) MCE employees shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8%, and 100% of the employee portion). The CCSD shall no longer be contributing toward the employee portion.

CAMBRIA COMMUNITY SERVICES DISTRICT

BY: Tammy A. Rudock
Tammy A. Rudock, General Manager

DATE: 7/27/10

MANAGEMENT AND CONFIDENTIAL EMPLOYEES

BY: Tammy A. Rudock
Tammy Rudock, General Manager

DATE: 7/27/10

BY: Bob C. Gresens
Bob Gresens, District Engineer

DATE: 7/28/2010

BY: Kathy Choate
Kathy Choate, District Clerk

DATE: 27 July 2010

BY: Alleyne LaBossier
Alleyne LaBossier, Finance Manager

DATE: 7/27/10

BY: Mark Miller
Mark Miller, Fire Chief

DATE: 7-27-10

BY: Jim Adams
Jim Adams, Water System Supervisor

DATE: 7/27/10

BY: Mike Kuykendall
Mike Kuykendall, Wastewater System Supervisor

DATE: 7-27-10

BY: Ben Boer
Ben Boer, Facilities & Resources Supervisor

DATE: 7-27-10

BY: Kathy Fry
Kathy Fry, Confidential Administrative Technician III

DATE: 7/27/10

BY: Monique Madrid
Monique Madrid, Confidential Administrative Technician III

DATE: 7/27/10

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.E.**

FROM: Tammy Rudock, General Manager

Meeting Date: August 19, 2010 Subject: Consider Adoption of Resolution 47-2010 Ratifying Side Letter No. 3 to Memorandum of Understanding between the CCSD and IAFF (International Association of Firefighters) Local 4635

RECOMMENDATIONS:

Adopt Resolution 49-2010 ratifying Side Letter No. 3 to the Memorandum of Understanding (MOU) dated April 23, 2010 – April 22, 2012, between the CCSD and IAFF Local 4635

FISCAL IMPACT:

For the period April 23, 2010, through April 22, 2014: Estimated personnel costs for IAFF Local 4635 would increase by a total of \$118,000 and IAFF Local 4635 members would pay a total of \$36,000 in retirement contributions. IAFF Local 4635 recently agreed to contract concessions and started paying 2% of the designated employee portion of the PERS retirement contribution.

The CCSD was already obligated for a potential salary increase effective April 23, 2011 (depending upon U.S. Social Security cost-of-living adjustment), because of the existing agreement between the CCSD and IAFF Local 4635. However, there was no contract obligation by MCE to pay any additional portion of the designated employee portion of PERS retirement contribution.

In exchange for a 2-year contract extension (through June 30, 2014) IAFF Local 4635 agreed to continue phased payment of the designated employee portion of the PERS retirement contribution. IAFF Local 4635 will pay 2% each April 23rd in 2011, 2012, and 2013. On April 23, 2013, the IAFF Local 4635 members will be paying 8% of the 9% designated employee portion of PERS retirement, and CCSD will be paying the remaining 1%.

BACKGROUND:

§ The MOU between the CCSD and IAFF Local 4635 was ratified on April 22, 2010 per Resolution 13-2010.

§ Side Letter No. 1 covered “give back” of one-half of the HRA benefit and clarification of the lowest cost healthcare plan (Blue Shield NetValue HMO) and was ratified on April 22, 2010 per Resolution 13-2010.

§ Side Letter No. 2 covered new hires paying 100% of the designated employee portion of the PERS retirement contribution and was ratified on April 22, 2010 per Resolution 13-2010.

DISCUSSION:

Last month, the SEIU Local 620 approached the CCSD about making further contract concessions related to union members phasing payment of the designated employee portion of the PERS retirement contributions in exchange for a 2-year contract extension.

After discussion with the Board of Directors during Closed Session on July 22nd, I was directed to not only negotiate with SEIU Local 620 but also with MCE and IAFF Local 4635. Accordingly, the attached Side Letter No. 3 was finalized with IAFF Local 4635 on August 12, 2010. The terms agreed to are as follows:

1. The term of the MOU between the CCSD and IAFF Local 4635 shall be extended for two (2) additional years, through April 22, 2014; and
2. Section 31.C. of the MOU between the CCSD and IAFF Local 4635 is eliminated; and
3. Effective April 23, 2011 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 4%); and
4. Effective April 23, 2012 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%); and
5. Effective April 23, 2013 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8% of the 9% employee portion).

The CCSD and IAFF Local 4635 further agree to reopen the MOU during the extended term for the sole purpose of discussing paramedic compensation, once the CCSD's ALS provider role is determined by the SLO County EMSA.

Attachments: Resolution 49-2010
Side Letter No. 3 between the CCSD and IAFF Local 4635

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: __SANDERS__ CHALDECOTT__ CLIFT __ DE MICCO __MAC KINNON__

RESOLUTION 49-2010

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT
RATIFYING SIDE LETTER NO. 3
BETWEEN THE CCSD AND IAFF LOCAL 4635

The Board of Directors of the Cambria Community Services District does hereby resolve as follows:

1. Ratifies Side Letter No. 3 between the CCSD and IAFF Local 4635, which requires:
 - A. The term of the MOU between the CCSD and IAFF Local 4635 shall be extended for two (2) additional years, through April 22, 2014; and
 - B. Section 31.C. of the MOU between the CCSD and IAFF Local 4635 is eliminated; and
 - C. Effective April 23, 2011 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 4%); and
 - D. Effective April 23, 2012 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%); and
 - E. Effective April 23, 2013 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8% of the 9% employee portion).
 - F. The CCSD and IAFF Local 4635 may reopen the MOU during the extended term for the sole purpose of discussing paramedic compensation, once the CCSD's ALS provider role is determined by the SLO County EMSA.

PASSED AND ADOPTED this 19th day of August 2010.

Gregory W. Sanders, President

ATTEST:

APPROVED AS TO FORM:

Kathy A. Choate
District Clerk

Timothy J. Carmel
District Counsel



CAMBRIA COMMUNITY SERVICES DISTRICT

P.O. Box 65 • Cambria, CA 93428 • Telephone: (805) 927-6223 • Fax: (805) 927-5584

SIDE LETTER NO. 3 TO MEMORANDUM OF UNDERSTANDING DATED APRIL 23, 2010 – APRIL 22, 2012

BETWEEN

THE CAMBRIA COMMUNITY SERVICES DISTRICT (CCSD) AND CAMBRIA FIREFIGHTERS/IAFF LOCAL 4635 (IAFF)

The CCSD and IAFF Local 4635 agree to this side letter to the MOU dated April 23, 2010, through April 22, 2012, providing that:

1. The term of the MOU between the CCSD and IAFF Local 4635 shall be extended for two (2) additional years, through April 22, 2014; and
2. Section 31.C. of the MOU between the CCSD and IAFF Local 4635 is eliminated; and
3. Effective April 23, 2011 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 4%); and
4. Effective April 23, 2012 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 6%); and
5. Effective April 23, 2013 (first full payroll period) IAFF Local 4635 members shall receive a 4.1% salary adjustment, and shall pay an additional 2% of the designated employee portion of the PERS contribution (for a total of 8% of the 9% employee portion).

The CCSD and IAFF Local 4635 further agree to reopen the MOU during the extended term for the sole purpose of discussing paramedic compensation, once the CCSD's ALS provider role is determined by the SLO County EMSA.

CAMBRIA COMMUNITY SERVICES DISTRICT

BY: Jammy A. Rudock
Jammy A. Rudock, General Manager

DATE: 8/12/10

CAMBRIA FIREFIGHTERS LOCAL 4635 IAFF

BY: Bill Hollingsworth
Bill Hollingsworth, President

DATE 8/12/10

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.F.**

FROM: Tammy Rudock, General Manager
Mark Miller, Fire Chief

Meeting Date: August 19, 2010 Subject: Consider Adoption of Resolution
42-2010 Approving California
Department of Forestry and Fire
Protection Volunteer Fire Assistance
Program Agreement #7FG10089

RECOMMENDATION:

Adopt Resolution 42-2010 approving the California Department of Forestry and Fire Protection Agreement Volunteer Assistance Program (Grant) Agreement #7FG10089.

FISCAL IMPACT:

This is a 50/50 grant award in the amount of \$4,952. The CCSD Fire Department will combine this grant award with matching funds from its operational budget to make an originally scheduled purchase of replacement fire hose.

Funds will be used to purchase replacement for fire hose that is over ten years old and outdated by NFPA standard. Initially, only one-half of the hose will be purchased by the CCSD, so that in the event that grant funding is upheld, the CCSD will not continue with the second half of equipment purchase in order to stay within originally approved CCSD budget constraints.

DISCUSSION:

The CCSD Fire Department routinely utilizes grant funding opportunities to defray impacts to the budget for purchasing needed tools and equipment. This funding opportunity was made available through the State of California Department of Forestry and Fire Protection, 2010 Volunteer Fire Assistance (VFA) grant. Staff applied for this grant opportunity earlier this year to assist with the necessary purchase of replacement hose. The award is in the amount of \$4,952 and will defray a necessary equipment purchase by 50 percent.

Attachment: Resolution 42-2010
VFA Grant Agreement

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: SANDERS CLIFT CHALDECOTT DE MICCO MACKINNON

A RESOLUTION BEFORE THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT,
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

RESOLUTION 42-2010

APPROVING THE CALIFORNIA DEPARTMENT OF FORESTRY AND
FIRE PROTECTION AGREEMENT #7FG10089 FOR SERVICES
FROM THE DATE OF LAST SIGNATORY ON PAGE 6 OF THE AGREEMENT
TO DECEMBER 1, 2010, UNDER THE VOLUNTEER FIRE ASSISTANCE PROGRAM
OF THE COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978

BE IT RESOLVED by the Board of Directors of the Cambria Community Services District (CCSD) that it does hereby approve Agreement #7FG10089 with the California Department of Forestry and Fire Protection dated as of the last signatory date on page 6 of the Agreement, and any amendments thereto. This agreement provides for an award, during the term of this Agreement, under the Volunteer Fire Assistance Program of the Cooperative Fire Assistance Act of 1978 during the State Fiscal Year 2010/2011 up to and no more than the amount of \$4,952.

BE IT FURTHER RESOLVED that the CCSD Board authorizes its General Manager, Tammy A. Rudock, to sign and execute said Agreement and any amendments on behalf of the Cambria Community Services District Fire Department.

The foregoing resolution was duly passed and adopted by the Board of Directors of the Cambria Community Services District, at a regular meeting thereof, held on the 19th day of August 2010 by the following vote:

AYES:

NAYS:

ABSENT:

Gregory W. Sanders
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

Kathy A. Choate
District Clerk

Timothy J. Carmel
District Counsel

**VOLUNTEER FIRE ASSISTANCE PROGRAM
AGREEMENT
PAGE 1 OF 6**

DEPARTMENT OF FORESTRY AND FIRE PROTECTION

STATE OF CALIFORNIA
The Resources Agency

Agreement for the Volunteer Fire Assistance Program of the Cooperative Forestry Assistance Act of
1978

THIS AGREEMENT, made and entered into **ON THE LAST SIGNATORY DATE ON PAGE 6**, by and between the STATE of California, acting through the Director of the Department of Forestry and Fire Protection hereinafter called "STATE", and _____

_____ hereinafter called "LOCAL AGENCY", covenants as follows:

RECITALS:

1. STATE has been approved as an agent of the United States Department of Agriculture, (USDA), Forest Service for the purpose of administering the Cooperative Forestry Assistance Act (CFAA) of 1978 (PL 95-313, United States Code, Title 16, Chapter 41, Section 2010 et seq., Volunteer Fire Assistance Program), hereinafter referred to as "VFA", and
2. The VFA has made funds available to STATE for redistribution, under certain terms and conditions, to LOCAL AGENCY to assist LOCAL AGENCY to upgrade its fire protection capability, and
3. LOCAL AGENCY desires to participate in said VFA.

NOW THEREFORE, it is mutually agreed between the parties as follows:

4. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. LOCAL AGENCY may not commence performance until such approval has been obtained.
5. **TIMELINESS:** Time is of the essence in this Agreement.
6. **FORFEITURE OF AWARD:** LOCAL AGENCY must return this Agreement and required resolution properly signed and executed to STATE at the address specified in paragraph 11, with a postmark no later than December 1, 2010 or LOCAL AGENCY will forfeit the funds.

**VOLUNTEER FIRE ASSISTANCE PROGRAM
AGREEMENT
PAGE 2 OF 6**

7. GRANT AND BUDGET CONTINGENCY CLAUSE: It is mutually understood between the parties that this **Agreement** may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if the **Agreement** were executed after that determination was made.

This **Agreement** is valid and enforceable only if sufficient funds are made available to the STATE by the United States Government for the State Fiscal Year 2010-2011 for the purpose of this program. In addition, this **Agreement** is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this **Agreement** in any manner.

The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this **Agreement** shall be amended to reflect any reduction in funds.

The STATE has the option to invalidate the **Agreement** under the 30-day cancellation clause or to amend the **Agreement** to reflect any reduction in funds.

8. REIMBURSEMENT: STATE will reimburse LOCAL AGENCY, from funds made available to STATE by the Federal Government, an amount not to exceed \$4,952 on a 50/50 matching funds basis, for the performance of specific projects and/or purchase of specific items identified in Exhibit(s) A, Application for Funding, attached hereto. **Reimbursement will be only for those projects accomplished and/or items purchased between THE LAST SIGNATORY DATE ON PAGE 6 and JUNE 30, 2011.** This sum is the sole and maximum payment that STATE will make pursuant to this Agreement. **LOCAL AGENCY must bill STATE, in triplicate, at the address specified in paragraph 11, with a postmark no later than August 31, 2011 in order to receive the funds.** The bill submitted by LOCAL AGENCY must clearly delineate the projects performed and/or items purchased. A vendor's invoice or proof of payment to vendor(s) must be included for items purchased.
9. LIMITATIONS: Expenditure of the funds distributed by STATE herein is subject to the same limitations as placed by the VFA, upon expenditure of United States Government Funds. Pursuant to Title 7 of the Code of Federal Regulations, Section 3016.32 subject to the obligations and conditions set forth in that section; title to any equipment and supplies acquired under this **Agreement** vests with the LOCAL AGENCY. For any equipment items over \$5,000, the federal government may retain a vested interest in accordance with paragraph 16 below.
10. MATCHING FUNDS: Any and all funds paid to LOCAL AGENCY under the terms of this **Agreement**, hereinafter referred to as "VFA Funds", shall be matched by LOCAL AGENCY on a dollar-for-dollar basis, for each project listed on attachment(s) hereto identified as "Exhibit(s) A". No amount of unpaid "contributed" or "volunteer" labor or services shall be used or consigned in calculating the matching amount "actually spent" by LOCAL AGENCY.

LOCAL AGENCY shall not use VFA Funds as matching funds for other federal grants, including Department of Interior (USDI) Rural Fire Assistance grants, nor use funds from other federal grants, including USDI Rural Fire Assistance grants, as matching funds for VFA Funds.

**VOLUNTEER FIRE ASSISTANCE PROGRAM
AGREEMENT
PAGE 3 OF 6**

11. ADDRESSES: The mailing addresses of the parties hereto, for all notices, billings, payments, repayments, or any other activity under the terms of the Agreement, are:

LOCAL AGENCY: _____

Attention: _____

Telephone Number(s): _____

FAX Number: _____

E-mail _____

STATE:

**Department of Forestry and Fire Protection
 Cooperative Fire Programs, Room 1653-2A
 P. O. Box 944246
 Sacramento, California 94244-2460
 PHONE: (916) 653-6179
 FAX (916) 653-9708**

12. PURPOSE: Any project to be funded hereunder must be intended to specifically assist LOCAL AGENCY to organize, train, and/or equip local firefighting forces in the aforementioned rural area and community to prevent or suppress fires which threaten life, resources, and/or improvements within the area of operation of LOCAL AGENCY.
13. COMBINING: In the event funds are paid for two or more separate, but closely related projects, the 50/50 cost-sharing formula will be applied to the total cost of such combined projects.
14. OVERRUNS: In the event that the total cost of a funded project exceeds the estimate of costs upon which this Agreement is made, LOCAL AGENCY may request additional funds to cover the **Agreement** share of the amount exceeded. However, there is no assurance that any such funds are, or may be, available for reimbursement. Any increase in funding will require an amendment.
15. UNDERRUNS: In the event that the total cost of a funded project is less than the estimate of costs upon which this **Agreement** is made, LOCAL AGENCY may request that additional eligible projects/items be approved by STATE for **Agreement** funding. However, there is no assurance that any such approval will be funded. Approval of additional projects/items, not listed on the Exhibit A application, made by STATE, will be in writing and will require an amendment.
16. FEDERAL INTEREST IN EQUIPMENT: The Federal Government has a vested interest in any item purchased with VFA funding in excess of \$5,000 regardless of the length of this **Agreement**, until such time as the fair market value is less than \$5,000. The VFA percentage used to purchase the equipment will be applied to the sale price and recovered for the Government during the sale. This percentage will remain the same even following depreciation.

**VOLUNTEER FIRE ASSISTANCE PROGRAM
AGREEMENT
PAGE 4 OF 6**

The Federal Government may not have to be reimbursed if the disposal sale amounts to a fair market value of less than \$5,000. LOCAL AGENCY will notify STATE Sacramento Property Office of the disposal of such items.

17. EQUIPMENT INVENTORY: Any single item purchased in excess of \$5,000 will be assigned a VFA Property Number by the STATE Sacramento Property Office. LOCAL AGENCY shall forward a copy of the purchase documents listing the item, brand, model, serial number, any LOCAL AGENCY property number assigned, and a LOCAL AGENCY contact and return address to STATE at the address specified in paragraph 11. The STATE Sacramento Property office will advise the appropriate STATE Unit and LOCAL AGENCY contact of the VFA Property Number assigned.
18. AUDIT: LOCAL AGENCY agrees that the STATE, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this **Agreement**. LOCAL AGENCY agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. LOCAL AGENCY agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, LOCAL AGENCY agrees to include a similar right of the State of California to audit records and interview staff in any subcontract related to performance of this **Agreement**. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).
19. DISPUTES: In the event of any dispute over qualifying matching expenditures of LOCAL AGENCY, the dispute will be decided by STATE and its decision shall be final and binding.
20. INDEMNIFICATION: LOCAL AGENCY agrees to indemnify, defend, and save harmless, the STATE, its officers, agents, and employees, from any and all claims and losses, accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this **Agreement**, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by LOCAL AGENCY in the performance of this **Agreement**.
21. DRUG-FREE WORKPLACE REQUIREMENTS: LOCAL AGENCY will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

**VOLUNTEER FIRE ASSISTANCE PROGRAM
AGREEMENT
PAGE 5 OF 6**

- b. Establish a Drug-Free Awareness Program to inform employees about:
- 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed **Agreement** will:
- 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the **Agreement**.

Failure to comply with these requirements may result in suspension of payments under the **Agreement** or termination of the **Agreement** or both and LOCAL AGENCY may be ineligible for funding of any future State **Agreement** if the department determines that any of the following has occurred: (1) the LOCAL AGENCY has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

22. **TERM:** The term of the **Agreement** SHALL COMMENCE ON THE LAST SIGNATORY DATE ON PAGE 6 and continue through August 31, 2011.
23. **TERMINATION:** This **Agreement** may be terminated by either party giving 30 days written notice to the other party or provisions herein amended upon mutual consent of the parties hereto.
24. **AMENDMENTS:** No amendment or variation of the terms of this **Agreement** shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or **Agreement** not incorporated in the **Agreement** is binding on any of the parties.
25. **INDEPENDENT CONTRACTOR:** LOCAL AGENCY, and the agents and employees of LOCAL AGENCY, in the performance of this **Agreement**, shall act in an independent capacity and not as officers or employees or agents of the STATE or the Federal Government.

**VOLUNTEER FIRE ASSISTANCE PROGRAM
AGREEMENT
PAGE 6 OF 6**

IN WITNESS WHEREOF, the parties have executed this Agreement as of the last signatory date below.

STATE OF CALIFORNIA
DEPARTMENT OF FORESTRY
AND FIRE PROTECTION

LOCAL AGENCY

By: _____
Signature

By: _____
*Signature

Dan Sendek
Printed Name

Printed Name

Staff Chief
Title
Cooperative Fire Programs

**Title

Last Signatory Date

***Date

*Ensure that the officer signing here for LOCAL AGENCY IS THE SAME Officer authorized in the Resolution to execute this Agreement.

**Ensure that the title entered here IS THE SAME title used in the Resolution for the Officer who is executing this Agreement.

***Ensure that the date LOCAL AGENCY signs IS THE SAME DATE as the Resolution date OR LATER.

FOR STATE USE ONLY

AMOUNT ENCUMBERED BY THIS DOCUMENT \$4,952	PROGRAM/CATEGORY (CODE AND TITLE) Support			FUND TITLE Federal	Department of General Services Use Only
	(OPTIONAL USE) Vendor #				
PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT \$0	ITEM 3540-001-0001	CHAPTER TBD	STATUTE 2010	FISCAL YEAR 10/11	DGS APPROVAL NOT REQUIRED PER SAM 1215
TOTAL AMOUNT ENCUMBERED TO DATE \$4,952	OBJECT OF EXPENDITURE (CODE AND TITLE) 10-9214-418.99-92671				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.			T.B.A. NO.	B.R. NO.	
SIGNATURE OF CDF ACCOUNTING OFFICER X			DATE		

CONTRACTOR

STATE AGENCY

DEPT. OF GEN. SER.

CONTROLLER

**EXHIBIT A
CALIFORNIA DEPARTMENT OF FORESTRY AND FIRE PROTECTION
APPLICATION FOR FUNDING
COOPERATIVE FORESTRY ASSISTANCE ACT OF 1978
VOLUNTEER FIRE ASSISTANCE PROGRAM - Agreement #7FG 10089**

Type or print neatly in ink. Complete in duplicate: Submit original to CAL FIRE Operational Unit and keep one copy for your file.

A. DEPARTMENT/ORGANIZATION

Name: Cambria Fire Department
 Street Address: 2850 Burton Dr Cambria CA 93428
 Mailing Address: 2850 Burton Dr
 City, State, Zip: Cambria, CA 93428
 Telephone: 805-927-6240

B. AREA TO BE SERVED BY AWARD (Includes areas covered by contract or written mutual aid agreements).

Number of Communities: 3 Area: 4.5 sq. miles Congressional District #: 23
 Population: 6581 Annual Budget: \$ 1.6m Latitude 35.580600
 Longitude 121.01500

C. ACTIVITY: Average annual number of emergency incidents.

Fire: 29 EMS: 570 Other: 201 = Total: 800

D. PURPOSE OF GRANT (Check all that apply. HazMat, EMS, and Rescue equipment are not authorized).

Safety Equipment _____ Fire equipment Radio Equipment _____ Training _____

E. PROPOSED PROJECT (List individual items for funding):

<u>Item (Group by project type)</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
1. <u>Hose, 4", supply, 50'</u>	<u>10</u>	<u>\$ 384</u>	<u>\$ 3840</u>
2. <u>Hose, 2.5", 100'</u>	<u>20</u>	<u>\$ 161</u>	<u>\$ 3220</u>
3. <u>Hose, 1.75", 50'</u>	<u>16</u>	<u>\$ 120</u>	<u>\$ 1,920</u>
4. <u>Hose, 1.5" wildland, 100'</u>	<u>7</u>	<u>\$ 132</u>	<u>\$ 924</u>
5. _____	_____	_____	_____
6. _____	_____	_____	_____
7. _____	_____	_____	_____
8. _____	_____	_____	_____
9. _____	_____	_____	_____

PROJECT TOTAL COST \$ 9,904

F. TOTAL APPLICATION REQUEST (UP TO 50%; \$500 minimum; Possible \$20,000 maximum). \$ 4,952

AMOUNT FUNDED FOR THIS AGREEMENT \$ 4,952.00 OK
km

... COMMUNITY (If project includes an Indian Tribal Community, please provide):
 Population: N/A Number of Structures: N/A
 Size (acres): N/A Distance to nearest fire station (miles): N/A

H. ADDITIONAL INFORMATION (Briefly describe the area to be served: fire protection system; water system; equipment; facilities; equipment; staffing; hazards; etc.; Briefly explain purpose of project):

Cambridge Fire Department serves the four-square mile community of Cambridge, an isolated suburban community surrounded on three sides by rural/agricultural land. We are a single-station fire department staffed 24/7 with fulltime and reserve personnel, and provide auto aid with three neighboring departments and mutual aid with 17 others. Our isolated location means that twenty-minute response times for first responding auto aid units are not uncommon. The firefighting water supply is gravity fed from storage tanks; the limited storage and long distance between hydrants is always a concern. Additionally, Cambridge is designated a high wildland fire severity zone and has a large elderly population, narrow, winding roads, and dense vegetation, all of which greatly affect firefighting efforts.

This grant would fund the purchase supply and attack line to replace damaged and worn out hose and to compliment our water tender and two type 1 engines. Thank you for your time & consideration.

In addition to the original request(s), Applicants may list alternative projects for excess or unused funds, which the State will review during the initial application process. The State will determine which of the Applicant's projects are eligible for funding if excess or unused funds become available. Upon advanced written approval by the State, the applicant may use additional/excess funding, up to the contract maximum amount; to purchase State approved items in listed order of priority on their application.

Deviations from the original application are considered an amendment and require additional processing and approvals before expenditures can be approved.

The funds will be only for those projects accomplished and/or items purchased between July 1, 2010 and July 31, 2011. The Recipient agrees to provide the CAL FIRE itemized documentation of the Agreement project expenditures and bill the CAL FIRE as soon as the project is complete, but no later than September 1, 2011. The Recipient gives the CAL FIRE or any authorized representative access to examine all records, books, papers, or documents relating to the Agreement. The Recipient shall hold harmless the CAL FIRE and its employees for any liability or injury suffered through the use of property or equipment acquired under this Agreement. The applicant certifies that to the best of applicant's knowledge and belief, the data in this application is true VFA Application Contingency Clause

Mark Miller
 Authorized Representative Signature
FIRE CHIEF
 Title

MARK MILLER
 Printed Name
3-31-10
 Date

SLR 1



DEPARTMENT OF FORESTRY AND FIRE PROTECTION

P.O. Box 944246
SACRAMENTO, CA 94244-2460
Website: www.fire.ca.gov
(916) 653-7772



F53

**Grant Assurances for
Cooperative Forestry Assistance Act of 1978, Volunteer Fire Assistance**

Name of Applicant: Cambria Fire Department

Address: 2850 Burton Drive

City: Cambria State: CA Zip Code: 93428

Telephone Number: (805) 927-6240

Fax Number: (805) 927-6242

E-Mail Address: mgallagher@cambriacsd.org

As the duly authorized representative of the applicant, I certify that the applicant named above:

1. Has the legal authority to apply for the Volunteer Fire Assistance grant, of the Cooperative Forestry Assistance Act of 1978 and has the institutional, managerial and financial capability to ensure proper planning, management and completion of the grant.
2. Will assure that grant funds are used only for items requested in the application.
3. Assures that all wildland fire response employees (full-time, part-time or volunteer) are fully equipped with appropriate wildland fire response personal protective equipment that meets NFPA 1977, *Standard on Protective Clothing and Equipment for Wildland Fire Fighting*, and are trained to a proficient level in the use of the personal protective equipment. Wildland fire suppression safety clothing and equipment includes:

- Safety helmet
- Goggles
- Ear protection
- Fire resistant (i.e. Nomex) hood, shroud, or equivalent face and neck protection
- Fire resistant (i.e. Nomex) shirt and pants
- Gloves
- Safety work boots
- Wildland fire shelter
- Communications equipment

4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain for themselves or others, particularly those with whom they have family, business or other ties.
6. Will comply with all applicable requirements of all other federal laws, executive orders, regulations, program and administrative requirements, policies and any other requirements governing this program.
7. Understands that failure to comply with any of the above assurances may result in suspension, termination or reduction of grant funds.

- In compliance with NFPA 1977 and trained in the use of wildland PPE.
- Not in compliance with NFPA 1977 but applying for grant funding to purchase PPE and/or provide required training.

The undersigned represents that he/she is authorized by the above named applicant to enter into this agreement for and on behalf of the said applicant.

Signature of Authorized Agent: Mark Miller

Printed Name of Authorized Agent: MARK MILLER

Title: FIRE CHIEF Date: 3-31-10

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **7.G.**

FROM: Tammy Rudock, General Manager
Bob Gresens, District Engineer

Meeting Date: August 19, 2010

Subject: Consider Adoption of Resolution
43-2010 Approving Revised
Amendment No. 1 to the Project
Cooperation Agreement with the U.S.
Army Corps of Engineers

RECOMMENDATIONS:

Adopt Resolution 43-2010 approving a revised Amendment No. 1 to the Project Cooperation Agreement with U.S. Army Corps of Engineers.

FISCAL IMPACT:

Provides a \$3,000,000 credit towards the local match requirement of the Federal Water Resources Development Act (WRDA) by allowing for CCSD planning and design expenditures that preceded the PCA.

DISCUSSION:

During a special meeting of April 17, 2004, the CCSD Board approved Resolution 12-2004 authorizing the Board President to enter into a Project Cooperation Agreement with the U.S. Army Corps of Engineers. This agreement authorizes up to \$10.3 million in Federal Funding per WRDA, and also requires a 25 percent local match by the CCSD of \$3,425,000. Following the Corps signing of the agreement on March 27, 2006, the CCSD was successful in lobbying for a \$3,000,000 credit towards the local share for prior planning and design expenditures. This credit language was subsequently adopted in the 2007 WRDA bill. Without such credit language, prior year expenditures would not qualify if they occurred before the agreement was fully executed (e.g., March 27, 2006).

The 2007 WRDA bill included provisions that required the Army Corps to develop new procedures associated with the review and approval of such credit. The updated procedures developed by the Army Corps in response to the 2007 WRDA bill resulted in the Army Corps not being able to execute an earlier PCA Amendment No. 1 that was approved by the CCSD Board on May 22, 2008 (CCSD Resolution 13-2008). CCSD and Army Corps staff subsequently completed an extensive effort to address the requirements called for via WRDA 2007 that have led to the current revised Amendment No. 1.

For the Board's convenient reference, we are attaching the earlier April 17, 2004 Resolution Authorizing the PCA, the fully executed March 27, 2006 PCA, as well as the currently proposed Amendment No. 1 with its authorizing Resolution 43-2010.

Attachments:

- Resolution 43-2010
- Amendment No. 1 to the PCA
- Resolution 12-2004 authorizing the March 27, 2006 PCA
- March 27, 2006 PCA

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: ___ SANDERS___ CLIFT___ CHALDECOTT ___ DE MICCO ___ MACKINNON_____

RESOLUTION 43-2010
AUGUST 19, 2010

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT
AUTHORIZING AMENDMENT NO. 1 TO
ARMY CORPS OF ENGINEERS PROJECT COOPERATIVE AGREEMENT

WHEREAS, on April 17, 2004, the Cambria Community Services District (CCSD) Board adopted Resolution 12-2004 authorizing the Board President to execute a Project Cooperation Agreement (PCA) with the Department of the Army (Army) for completion of a desalination project as part of the Water Resources Development Act (WRDA); and

WHEREAS, on March 27, 2006 the Army Corps of Engineers (ACE) executed the PCA authorizing \$10.3 million in Federal funding, and requiring \$3,425,000 in local funding by the CCSD; and

WHEREAS, the Federally adopted 2007 WRDA bill provides for a \$3,000,000 local credit to the CCSD for project planning and design expenditures that preceded the PCA; and

WHEREAS, On May 22, 2008 the Board of Directors approved an Amendment No. 1 to the PCA (reference CCSD Resolution 13-2008), however, the Federally adopted 2007 WRDA bill required the ACE to develop procedures requiring additional review time and revisions that resulted in the ACE not being able to execute the earlier May 22, 2008 PCA Amendment No 1; and

WHEREAS, a revised Amendment No. 1 has been developed and is ready for approval by the Board of Directors;

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

1. Rescind the May 22, 2008 Resolution 13-2008 and its corresponding May 22, 2008 PCA Amendment No. 1; and
2. Approve the August 19, 2010 Amendment No. 1 to the March 27, 2006 Project Cooperation Agreement with the Department of the Army, subject to execution by the Assistant Secretary to the Army (Civil Works).

The foregoing resolution was duly passed and adopted by the Board of Directors of the Cambria Community Services District, at a regular meeting thereof, held on the 19th day of August 2010 by the following vote:

AYES:
NAYS:
ABSENT:

Gregory W. Sanders, President
Board of Directors

ATTEST:

APPROVED AS TO FORM:

Kathy A. Choate, District Clerk

Timothy J. Carmel, District Counsel

AMENDMENT NO. 1
TO
PROJECT COOPERATION AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
CAMBRIA COMMUNITY SERVICES DISTRICT
FOR
DESIGN AND CONSTRUCTION
OF THE
SEAWATER DESALINATION PROJECT, CAMBRIA, CALIFORNIA

THIS AMENDMENT NO. 1 is entered into this _____ day of _____, 2010, by and between the Department of the Army (hereinafter the “Government”), represented by the Assistant Secretary of the Army (Civil Works), and the Cambria Community Services District (hereinafter the “Non-Federal Sponsor”), represented by the Board President.

WITNESSETH, THAT:

WHEREAS, the Government and the Non-Federal Sponsor entered into a Project Cooperation Agreement (hereinafter the “Agreement”) on March 27, 2006, to provide design and construction assistance for the Non-Federal Sponsor’s Seawater Desalination Project in Cambria, San Luis Obispo County, California (hereinafter the “Project” as defined in Article I.A. of this Agreement);

WHEREAS, Section 5041 of the Water Resources Development Act of 2007, Public Law 110-114 amends Section 219(f)(48) of the Water Resources Development Act of 1992, Public Law 102-580, as amended, to direct the Government to credit, in accordance with section 221 of the Flood Control Act of 1970 (42 U.S.C. 1962d-5b), not to exceed \$3,000,000 toward the non-Federal share of the cost of the Project for the cost of planning and design work carried out by the non-Federal interest for the Project before the date of the Agreement;

WHEREAS, Section 221(a)(4) of the Flood Control Act of 1970, Public Law 91-611, as amended (42 U.S.C. 1962d-5b(a)(4)), authorizes the Secretary of the Army, subject to certain limitations and conditions, to afford credit toward the non-Federal share of the cost of the Project for the value of in-kind contributions that the Secretary of the Army determines are integral to the Project;

WHEREAS, the Non-Federal Sponsor desires to receive credit toward its required contribution of funds for the Project in accordance with the provisions of this Agreement for certain work not exceeding \$3,000,000 (hereinafter the “in-kind contributions” as defined in Article I.L. of this Agreement) that were determined to be integral to the Project on _____;

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform as hereinafter set forth and intend to cooperate in cost-sharing and financing of the Project in accordance with the terms of this Agreement; and

WHEREAS, the Government and the Non-Federal Sponsor, in connection with this Agreement, desire to foster a partnering strategy and a working relationship between the Government and the Non-Federal Sponsor through a mutually developed formal strategy of commitment and communication embodied herein, which creates an environment where trust and teamwork prevent disputes, foster a cooperative bond between the Government and the Non-Federal Sponsor, and facilitate the successful implementation of the Project.

NOW, THEREFORE, the Government and the Non-Federal Sponsor agree to amend the Agreement as follows:

1. ARTICLE I - DEFINITIONS AND GENERAL PROVISIONS

- a. Paragraph A. is amended by adding “The term includes the in-kind contributions described in paragraph L. of this Article.”
- b. Paragraph B. is amended by adding “the amount of credit the Government affords for in-kind contributions in accordance with Article II.D.4. of this Agreement but not to exceed \$3,000,000;” after “actual construction costs;” and before “supervision and administration costs;”.
- c. Paragraph C. is amended by striking the current paragraph and replacing it with the following paragraph:

“C. The term “financial obligations for design and construction” shall mean the financial obligations of the Government and the costs for the in-kind contributions, as determined by the Government, that result or would result in costs that are or would be included in total project costs except for obligations pertaining to the provision of lands, easements, and rights-of-way, the performance of relocations, and the construction of improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material.”

- d. Paragraph D. is amended by striking the current paragraph and replacing it with the following paragraph:

“D. The term “non-Federal proportionate share” shall mean the ratio of the sum of the costs included in total project costs for the in-kind contributions, as determined by the Government, and the Non-Federal Sponsor’s total contribution of funds required by Article II.D.2.b. of this Agreement to financial obligations for design and construction, as projected by the Government.”

e. Article I. is further amended by adding the new paragraphs L. and M. as follows:

“L. The term “in-kind contributions” shall mean planning and design activities, including development of alternatives, hydrologic profiles, biological surveys, conceptual design, and supervision and administration and other work associated with such activities, that were performed or provided prior to the effective date of this Agreement, and that were determined to be integral to the Project on _____.

M. The term “sufficient invoice” shall mean documentation provided by the Non-Federal Sponsor containing the following: (1) a written certification by the Non-Federal Sponsor to the Government that it has made specified payments to contractors, suppliers, or employees for performance of work on the Project or a functional portion of the Project in accordance with this Agreement; (2) copies of all relevant invoices and evidence of such payments; (3) written identification of such costs that have been paid with Federal program funds; and (4) a written request for credit of a sum certain amount not in excess of such specified payments.”

2. ARTICLE II – OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR

a. Paragraph D. is amended by striking the current paragraph and replacing it with the following:

“D. The Non-Federal Sponsor shall contribute not less than 25 percent of total project costs in accordance with the provisions of this paragraph.

1. In accordance with Article III of this Agreement, the Non-Federal Sponsor shall provide all lands, easements, rights-of-way, including those required for relocations, the borrowing of material, and the disposal of dredged or excavated material, shall perform or ensure performance of all relocations, and shall construct improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material that the Government determines to be required or be necessary for construction, operation, and maintenance of the Project.

2. The Non-Federal Sponsor shall provide a contribution of funds as determined below:

a. If the Government projects at any time that the collective value of the Non-Federal Sponsor’s contribution listed in the next sentence will be less than the Non-Federal Sponsor’s required minimum share of 25 percent of total project costs, the Government shall determine the amount of funds that would be necessary to meet the Non-Federal Sponsor’s required share prior to the Government affording credit for the in-kind contributions pursuant to paragraph D.4. of this Article. To determine such amount, the Government shall subtract from the Non-Federal Sponsor’s required share of 25 percent of total project costs the collective value of the following: (a) the value of the Non-Federal Sponsor’s contributions under paragraph D.1. of this Article as determined

in accordance with Article IV of this Agreement; and (b) the value of the Non-Federal Sponsor's contributions under Article V, Article X, and Article XV.A. of this Agreement.

b. The Non-Federal Sponsor shall provide a contribution of funds in the amount determined by this paragraph in accordance with Article VI.B. of this Agreement. To determine such required contribution of funds, the Government shall reduce the amount determined in accordance with paragraph D.2.a. of this Article by the amount of credit the Government projects will be afforded for the in-kind contributions pursuant to paragraph D.4. of this Article.

3. The Government, in accordance with the conditions and limitations of this paragraph, shall determine the amount of the costs for in-kind contributions that may be eligible for credit.

a. The Non-Federal Sponsor in a timely manner shall provide the Government with sufficient invoices and any other documents required by the Government to enable the Government to determine the costs of in-kind contributions that may be eligible for credit.

b. The Non-Federal Sponsor's costs for in-kind contributions that may be eligible for credit pursuant to this Agreement shall be subject to an audit in accordance with Article X.C. of this Agreement to determine the reasonableness, allocability, and allowability of such costs.

c. The Non-Federal Sponsor's costs for in-kind contributions that may be eligible for credit pursuant to this Agreement are not subject to interest charges, nor are they subject to adjustment to reflect changes in price levels between the time the in-kind contributions were completed and the time credit is afforded.

d. None of the costs for in-kind contributions paid by the Non-Federal Sponsor using Federal program funds are eligible for credit pursuant to this Agreement unless the Federal agency providing the Federal portion of such funds verifies in writing that expenditure of such funds for such purpose is expressly authorized by Federal law.

e. Costs for in-kind contributions that are in excess of the Government's estimate of the costs for the Government to have performed such work are not eligible for credit pursuant to this Agreement.

f. Costs for betterments, the provision of lands, easements, rights-of-way, relocations, or the construction of improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material are not eligible for credit as in-kind contributions.

g. Costs for in-kind contributions are not eligible for credit pursuant to this Agreement unless the Government determines through a review or on-

site inspection, as applicable, performed by the Government that the work was accomplished in a satisfactory manner and in accordance with the applicable permits and the plans and specifications approved by the Government and the provisions of this Agreement.

4. The Government, in accordance with this paragraph, shall afford credit toward the amount of funds determined in accordance with paragraph D.2.a. of this Article for the costs of the in-kind contributions determined in accordance with paragraph D.3. of this Article. However, the maximum amount of credit that can be afforded for the in-kind contributions shall not exceed the lesser of the following amounts as determined by the Government: (a) the amount of funds determined in accordance with paragraph D.2.a. of this Article; (b) the costs of the in-kind contributions determined in accordance with paragraph D.3. of this Article; or (c) the \$3,000,000 limit set forth in Section 5041 of the Water Resources Development Act of 2007, Public Law 110-114.

5. Notwithstanding any other provision of this Agreement, the Non-Federal Sponsor shall not be entitled to reimbursement of any costs for in-kind contributions that exceed the amount of credit afforded pursuant to paragraph D.4. of this Article.”

3. ARTICLE VI – METHOD OF PAYMENT

a. Article VI.A. is amended by striking the current paragraph and replacing it with the following paragraphs A. and A.1. – A.2.:

“A. In accordance with the provisions of this paragraph, the Government shall maintain current records and provide to the Non Federal Sponsor current projections of costs, financial obligations, contributions provided by the parties, the value included in total project costs for lands, easements, rights-of-way, relocations, and improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material determined in accordance with Article IV of this Agreement, and the amount of credit to be afforded for in-kind contributions pursuant to Article II.D.4. of this Agreement.

1. As of the effective date of Amendment No. 1 to this Agreement, total project costs are projected to be \$13,700,000; the value of the Non Federal Sponsor’s contributions under Article V, Article X, and Article XV.A. of this Agreement is projected to be \$150,000; the amount of funds determined in accordance with Article II.D.2.a. of this Agreement is projected to be \$3,275,000; the amount of credit to be afforded for in-kind contributions pursuant to Article II.D.4. is expected to be \$3,000,000; the Non-Federal Sponsor’s contribution of funds required by Article II.D.2.b. of this Agreement is projected to be \$275,000; the non-Federal proportionate share is projected to be 24 percent; the Non Federal Sponsor’s contribution of funds required by Article XVIII.C. of this Agreement is projected to be \$0; the value included in total project costs for lands, easements, rights-of-way, relocations, and improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material determined in

accordance with Article IV of this Agreement is projected to be \$0; and the Government's total financial obligations for the additional work to be incurred and the Non Federal Sponsor's contribution of funds for such costs required by Article II.B. and Article II.E. of this Agreement are projected to be \$0. These amounts and percentage are estimates subject to adjustment by the Government, after consultation with the Non Federal Sponsor, and are not to be construed as the total financial responsibilities of the Government and the Non Federal Sponsor.

2. By October 31, 2010 and by each quarterly anniversary thereof until the conclusion of the period of construction and resolution of all relevant claims and appeals and eminent domain proceedings, the Government shall provide the Non Federal Sponsor with a report setting forth all contributions provided to date and the current projections of the following: total project costs; the Non Federal Sponsor's contribution of funds required by Article II.D.1. of this Agreement; the value of the Non Federal Sponsor's contributions under Article V, Article X, and Article XV.A. of this Agreement; the amount of funds determined in accordance with Article II.D.2.a. of this Agreement; the amount of credit to be afforded for in-kind contributions pursuant to Article II.D.4 of this Agreement; the Non Federal Sponsor's contribution of funds required by Article II.D.2.b. of this Agreement; the non-Federal proportionate share; the Non Federal Sponsor's total contribution of funds required by Article XVIII.C. of this Agreement; the total contribution of funds required from the Non Federal Sponsor for the upcoming fiscal year; the value included in total project costs for lands, easements, rights-of-way, relocations, and improvements required on lands, easements, and rights-of-way to enable the disposal of dredged or excavated material determined in accordance with Article IV of this Agreement; and the Government's total financial obligations for additional work incurred and the Non Federal Sponsor's contribution of funds for such costs required by Article II.B. and Article II.E. of this Agreement."

b. Paragraph VI.B. is amended by striking "cash contribution" and replacing it with "contribution of funds".

c. Paragraph VI.B.2.a. is amended by inserting ", after consideration of the credit the Government projects will be afforded for the in-kind contributions pursuant to Article II.D.4. of this Agreement," after "of the funds the Government determines to be required from the Non-Federal Sponsor" and before "to meet".

d. Paragraph VI.B.2.b. is amended by inserting ", after consideration of the credit the Government projects will be afforded for the in-kind contributions pursuant to Article II.D.4. of this Agreement," after "of the funds the Government determines to be required from the Non-Federal Sponsor" and before "to meet".

e. Paragraph VI.B.3. is amended by inserting ", after consideration of the credit the Government projects will be afforded for the in-kind contributions pursuant to Article II.D.4. of this Agreement," after "such sums as the Government deems necessary" and before "to cover".

4. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the Agreement which shall become effective upon the date it is signed by the Assistant Secretary of the Army (Civil Works).

DEPARTMENT OF THE ARMY

CAMBRIA COMMUNITY SERVICES
DISTRICT

BY: _____

Jo-Ellen Darcy
Assistant Secretary of the
Army (Civil Works)

BY: _____

Gregory W. Sanders
Board President

DATE: _____

DATE: _____

CERTIFICATE OF AUTHORITY

I, Timothy Carmel, do hereby certify that I am the principal legal officer of the Cambria Community Services District, that the Cambria Community Services District is a legally constituted public body with full authority and legal capability to perform the terms of the Amendment No. 1 to the Agreement between the Department of the Army and the Cambria Community Services District in connection with the Seawater Desalination Project, Cambria, California, and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Amendment No. 1 to the Agreement and that the persons who have executed this Amendment No. 1 to the Agreement on behalf of the Cambria Community Services District have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this _____ day of _____, 20____.

Timothy J. Carmel
District Legal Counsel

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Gregory W. Sanders
Board President

DATE: _____



CAMBRIA COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 12-2004
APRIL 17, 2004

A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE CAMBRIA COMMUNITY SERVICES DISTRICT
AUTHORIZING A PROJECT COOPERATION AGREEMENT WITH THE DEPARTMENT OF
THE ARMY FOR COMPLETION OF A DESALINATION PROJECT

WHEREAS, on March 30, 2001 the Board authorized a letter to Congresswoman Lois Capps confirming the Board's request to include a \$10.3 million authorization for a desalination project as part of the Water Resources Development Act; and

WHEREAS, on November 15, 2001 the Board declared a Water Shortage Emergency;
and

WHEREAS, on March 21, 2002 the Board authorized a letter to Congresswoman Lois Capps requesting an appropriation from the Water Resources Development Act for a desalination project; and

WHEREAS, the District has received a \$10.3 million authorization for a desalination project as part of the Water Resources Development Act; and

WHEREAS, funds for projects appropriated from the Water Resources Development Act are administered through the Army Corps of Engineers; and

WHEREAS, approximately \$600,000 in Water Resources Development Act funds have been appropriated to the Army Corps of Engineers to date for the District's desalination project.

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

The Board President is authorized to execute a Project Cooperation Agreement with the Department of Army for purposes of completing a desalination project.

The foregoing resolution was adopted at a Special Meeting of the Board of Directors of the Cambria Community Services District held on April 17, 2004.

Joan Cobin, President
Board of Directors

ATTEST:

Kathy Choute, District Clerk

APPROVED AS TO FORM:

Arthur R. Montandon, District Counsel

PROJECT COOPERATION AGREEMENT
BETWEEN
THE DEPARTMENT OF THE ARMY
AND
CAMBRIA COMMUNITY SERVICES DISTRICT
FOR
DESIGN AND CONSTRUCTION
OF THE
SEAWATER DESALINATION PROJECT, CAMBRIA, CALIFORNIA

THIS AGREEMENT is entered into this 27TH day of March, 2006, by and between the Department of the Army (hereinafter the "Government"), represented by the Assistant Secretary of the Army (Civil Works), and Cambria Community Services District (hereinafter the "Non-Federal Sponsor"), represented by the Board President.

WITNESSETH, THAT:

WHEREAS, the Secretary of the Army is authorized to provide design and construction assistance for water-related environmental infrastructure and resource protection and development projects (hereinafter the "Section 219 Program") pursuant to Section 219 of the Water Resources Development Act of 1992 (Public Law 102-580), as amended;

WHEREAS, the provision of design and construction assistance for the Seawater Desalination Project in Cambria, San Luis Obispo County, California (hereinafter the "Project", as defined in Article I.A. of this Agreement) is authorized by Section 219(f)(48) of the Water Resources Development Act of 1992 (Public Law 102-580), as amended;

WHEREAS, the Government and the Non-Federal Sponsor desire to enter into a Project Cooperation Agreement (hereinafter the "Agreement") for design and construction of the Project;

WHEREAS, Section 219 of the Water Resources Development Act of 1992 (Public Law 102-580), as amended, specifies the cost-sharing requirements applicable to the Project and provides that the Non-Federal share of total project costs shall not be less than 25 percent;

WHEREAS, Section 219(f)(48) of the Water Resources Development Act of 1992 (Public Law 102-580), as amended, provides that \$10,300,000 in Federal funds is authorized to be appropriated for the Project;

WHEREAS, the Government and Non-Federal Sponsor have the full authority and capability to perform as hereinafter set forth and intend to cooperate in cost-sharing and financing of the design and construction of the Project in accordance with the terms of this Agreement.

NOW, THEREFORE, the Government and the Non-Federal Sponsor agree as follows:

ARTICLE I - DEFINITIONS AND GENERAL PROVISIONS

For purposes of this Agreement:

A. The term "Project" shall mean the design and construction of a seawater desalination plant which includes a subsurface seawater intake, pumping and pipeline facilities to transport the seawater to the plant, a reverse osmosis (RO) desalination treatment process, a groundwater blending system, solar panels to supplement energy requirements, pumping facilities to pump the treated water into the distribution system, pumping and pipeline facilities for seawater brine return and a subsurface exfiltration gallery in Cambria, San Luis Obispo County, California as generally described in the, District's Program Planning Document, set forth in the Letter Report dated May 23, 2005.

B. The term "total project costs" shall mean all costs incurred by the Non-Federal Sponsor and the Government in accordance with the terms of this Agreement directly related to design and construction of the Project. Subject to the provisions of this Agreement, the term shall include, but is not necessarily limited to: advanced engineering and design costs; preconstruction engineering and design costs; the Government's engineering and design costs during construction; the costs of investigations to identify the existence and extent of hazardous substances in accordance with Article XV.A. of this Agreement; costs of historic preservation activities in accordance with Articles XVIII.A. and XVIII.C. of this Agreement; actual construction costs; supervision and administration costs; costs of participation in the Project Coordination Team in accordance with Article V of this Agreement; costs of contract dispute settlements or awards; the value of lands, easements, rights-of-way, relocations, suitable borrow and dredged or excavated material disposal areas and permit costs for which the Government affords credit toward total project costs in accordance with Article IV of this Agreement; and costs of audit in accordance with Article X of this Agreement. The term does not include any costs for operation, maintenance, repair, replacement, or rehabilitation; any costs due to betterments; any costs of dispute resolution under Article VII of this Agreement; or the Non-Federal Sponsor's costs of negotiating this Agreement.

C. The term "financial obligations for design and construction" shall mean a financial obligation of the Government, other than an obligation pertaining to the provision of lands, easements, rights-of-way, relocations, and borrow and dredged or excavated material disposal areas, that results or would result in a cost that is or would be included in total project costs.

D. The term "non-Federal proportionate share" shall mean the ratio of the Non-Federal Sponsor's total cash contribution required in accordance with Article II.D.2. of this Agreement to total financial obligations for design and construction, as projected by the Government.

E. The term "period of design and construction" shall mean the time period from execution of this Agreement to the date that the U.S. Army Engineer for the Los Angeles District (hereinafter the "District Engineer") notifies the Non-Federal Sponsor in writing of the Government's determination that construction of the Project is complete.

F. The term "highway" shall mean any public highway, roadway, street, or way, including any bridge thereof.

G. The term "relocation" shall mean providing a functionally equivalent facility to the owner of an existing utility, cemetery, highway or other public facility, or railroad (including any bridge thereto) when such action is authorized in accordance with applicable legal principles of just compensation. Providing a functionally equivalent facility may take the form of alteration, lowering, raising, or replacement and attendant removal of the affected facility or part thereof.

H. The term "fiscal year" shall mean one fiscal year of the Government. The Government fiscal year begins on October 1 and ends on September 30.

I. The term "functional portion of the Project" shall mean a portion of the Project that is suitable for tender to the Non-Federal Sponsor to operate and maintain in advance of completion of the entire Project. For a portion of the Project to be suitable for tender, the District Engineer must notify the Non-Federal Sponsor in writing of the Government's determination that the portion of the Project is complete and can function independently and for a useful purpose, although the balance of the Project is not complete.

J. The term "betterment" shall mean a change in the design and construction of an element of the Project resulting from the application of standards that the Government determines exceed those that the Government would otherwise apply for accomplishing the design and construction of that element.

K. The term "Federal program funds" shall mean funds or grants provided directly to the Non-Federal Sponsor by a Federal agency, other than the Department of the Army, and any non-Federal matching share required therefor.

ARTICLE II - OBLIGATIONS OF THE GOVERNMENT AND THE NON-FEDERAL SPONSOR

A. The Government, subject to receiving funds appropriated by the Congress of the United States (hereinafter, the "Congress") and using those funds and funds provided by the Non-Federal Sponsor, shall expeditiously design and construct the Project, applying those procedures usually applied to Federal projects, pursuant to Federal laws, regulations, and policies.

1. The Government shall afford the Non-Federal Sponsor the opportunity to review and comment on the solicitations for all contracts, including relevant plans and specifications, prior to the Government's issuance of such solicitations. The Government shall not issue the solicitation for the first design or construction contract until the Non-Federal Sponsor has confirmed in writing its willingness to proceed with the Project. To the extent possible, the Government shall afford the Non-Federal Sponsor the opportunity to review and comment on all contract modifications, including change orders, prior to the issuance to the

contractor of a Notice to Proceed. In any instance where providing the Non-Federal Sponsor with notification of a contract modification or change order is not possible prior to issuance of the Notice to Proceed, the Government shall provide such notification in writing at the earliest date possible. To the extent possible, the Government also shall afford the Non-Federal Sponsor the opportunity to review and comment on all contract claims prior to resolution thereof. The Government shall consider in good faith the comments of the Non-Federal Sponsor, but the contents of solicitations, award of contracts, execution of contract modifications, issuance of change orders, resolution of contract claims, and performance of all work on the Project (whether the work is performed under contract or by Government personnel), shall be exclusively within the control of the Government.

2. Throughout the period of design and construction, the District Engineer shall furnish the Non-Federal Sponsor with a copy of the Government's Written Notice of Acceptance of Completed Work for each contract for the Project.

3. Notwithstanding paragraph A.1. of this Article, if, upon the award of any contract for design or construction of the Project, cumulative financial obligations for design and construction would exceed \$13,700,000, the Government and the Non-Federal Sponsor agree to defer award of that contract and all subsequent contracts for design or construction of the Project until such time as the Government and the Non-Federal Sponsor agree to proceed with further contract awards for the Project, but in no event shall the award of contracts be deferred for more than three years. Notwithstanding this general provision for deferral of contract awards, the Government, after consultation with the Non-Federal Sponsor, may award a contract or contracts after the Assistant Secretary of the Army (Civil Works) makes a written determination that the award of such contract or contracts must proceed in order to comply with law or to protect life or property from imminent and substantial harm.

4. As of the effective date of this Agreement, \$174,000 of Federal funds is currently projected to be available for the Project. The Government makes no commitment to request Congress to provide additional Federal funds for the Project. Further, the Government's financial participation in the Project is limited to the Federal funds that the Government makes available to the Project. In the event the Government projects that the amount of Federal funds the Government will make available to the *Project* through the then-current *fiscal year*, or the amount of Federal funds the Government will make available through the upcoming *fiscal year*, is not sufficient to meet the Federal share of the cost of work on the *Project*, the Government shall notify the Non-Federal Sponsor in writing of the insufficiency of funds and of the date the Government projects that the Federal funds that will have been made available for the *Project* will be exhausted. Upon the exhaustion of Federal funds made available by the Government to the *Project*, future performance under this Agreement shall be suspended and the parties shall proceed in accordance with Article XIV.B. of this Agreement. To provide for this eventuality, the Government may reserve a percentage of total Federal funds available for the Project and an equal percentage of the total funds contributed by the Non-Federal Sponsor in accordance with Article II.D.2. of this Agreement, as applicable, as a contingency to pay costs of termination, including any costs of resolution of contract claims and contract modifications.

B. The Non-Federal Sponsor may request the Government to accomplish betterments. Such requests shall be in writing and shall describe the betterments requested to be accomplished. If the Government in its sole discretion elects to accomplish the requested betterments or any portion thereof, it shall so notify the Non-Federal Sponsor in a writing that sets forth any applicable terms and conditions, which must be consistent with this Agreement. In the event of conflict between such a writing and this Agreement, this Agreement shall control. The Non-Federal Sponsor shall be solely responsible for all costs due to the requested betterments and shall pay all such costs in accordance with Article VI.C. of this Agreement.

C. When the District Engineer determines that the entire Project is complete or that a portion of the Project has become a functional portion of the Project, the District Engineer shall so notify the Non-Federal Sponsor in writing and furnish the Non-Federal Sponsor with an Operation, Maintenance, Repair, Replacement, and Rehabilitation Manual (hereinafter the "OMRR&R Manual") and with copies of all of the Government's Written Notices of Acceptance of Completed Work for all contracts for the Project or the functional portion of the Project that have not been provided previously. Upon such notification, the Non-Federal Sponsor shall operate, maintain, repair, replace, and rehabilitate the entire Project or the functional portion of the Project in accordance with Article VIII of this Agreement.

D. The Non-Federal Sponsor shall contribute not less than 25 percent of total project costs in accordance with the provisions of this paragraph.

1. In accordance with Article III of this Agreement, the Non-Federal Sponsor shall provide all lands, easements, rights-of-way, and suitable borrow and dredged or excavated material disposal areas that the Government determines the Non-Federal Sponsor must provide for the construction, operation, and maintenance of the Project, and shall perform or ensure performance of all relocations that the Government determines to be necessary for the construction, operation, and maintenance of the Project.

2. If the Government projects that the value of the Non-Federal Sponsor's contributions under paragraph D.1. of this Article and Articles V, X, and XV.A. of this Agreement will be less than 25 percent of total project costs, the Non-Federal Sponsor shall provide an additional cash contribution, in accordance with Article VI.B. of this Agreement, in the amount necessary to make the Non-Federal Sponsor's total contribution equal to 25 percent of total project costs.

E. The Non-Federal Sponsor may request the Government to provide lands, easements, rights-of-way, and suitable borrow and dredged or excavated material disposal areas or perform relocations on behalf of the Non-Federal Sponsor. Such requests shall be in writing and shall describe the services requested to be performed. If in its sole discretion the Government elects to perform the requested services or any portion thereof, it shall so notify the Non-Federal Sponsor in a writing that sets forth any applicable terms and conditions, which must be consistent with this Agreement. In the event of conflict between such a writing and this Agreement, this Agreement shall control. The Non-Federal Sponsor shall be solely responsible for all costs of the requested services and shall pay all such costs in accordance with Article VI.C. of this

Agreement. Notwithstanding the provision of lands, easements, rights-of-way, and suitable borrow and dredged or excavated material disposal areas or performance of relocations by the Government, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for the costs of cleanup and response in accordance with Article XV.C. of this Agreement.

F. The Government shall perform a final accounting in accordance with Article VI.D. of this Agreement to determine the contributions provided by the Non-Federal Sponsor in accordance with paragraphs B., D., and E. of this Article and Articles V, X, and XV.A. of this Agreement and to determine whether the Non-Federal Sponsor has met its obligations under paragraphs B., D., and E. of this Article.

G. During the period of design and construction, the Government shall develop and coordinate as required, the Environmental Assessment and either an Environmental Impact Statement or a Finding of No Significant Impact necessary to inform the public regarding the environmental impacts of the Project in accordance with the National Environmental Policy Act of 1969 (hereinafter "NEPA"). Compliance with NEPA is a prerequisite to undertaking construction of the Project. Any costs incurred by the Government relating to compliance with this paragraph shall be included in total project costs and shared in accordance with the provisions of this Agreement.

H. No construction shall be undertaken until all applicable environmental laws and regulations have been complied with, including, but not limited to NEPA and Section 401 of the Federal Water Pollution Control Act (33 U.S.C. 1341).

I. The Non-Federal Sponsor shall not use Federal program funds to meet the Non-Federal Sponsor's share of total project costs under this Agreement unless the Federal agency providing the Federal program funds verifies in writing that the expenditure of such funds is expressly authorized by statute.

ARTICLE III - LANDS, RELOCATIONS, DISPOSAL AREAS, AND PUBLIC LAW 91-646 COMPLIANCE

A. The Government, after consultation with the Non-Federal Sponsor, shall determine the lands, easements, and rights-of-way required for the construction, operation, and maintenance of the Project, including those required for relocations, borrow materials, and dredged or excavated material disposal. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of the lands, easements, and rights-of-way that the Government determines the Non-Federal Sponsor must provide, in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with acquisition of such lands, easements, and rights-of-way. Prior to the end of the period of design and construction, the Non-Federal Sponsor shall acquire all lands, easements, and rights-of-way set forth in such descriptions. Furthermore, prior to issuance of the solicitation for each

construction contract, the Non-Federal Sponsor shall provide the Government with authorization for entry to all lands, easements, and rights-of-way the Government determines the Non-Federal Sponsor must provide for that contract. For so long as the Project remains authorized, the Non-Federal Sponsor shall ensure that lands, easements, and rights-of-way that the Government determines to be required for the operation and maintenance of the Project and that were provided by the Non-Federal Sponsor are retained in public ownership for uses compatible with the authorized purposes of the Project.

B. The Government, after consultation with the Non-Federal Sponsor, shall determine the improvements required on lands, easements, and rights-of-way to enable the proper disposal of dredged or excavated material associated with the construction, operation, and maintenance of the Project. Such improvements may include, but are not necessarily limited to, retaining dikes, wasteweirs, bulkheads, embankments, monitoring features, stilling basins, and de-watering pumps and pipes. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions of such improvements in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with construction of such improvements. Prior to the end of the period of design and construction, the Non-Federal Sponsor shall provide all improvements set forth in such descriptions. Furthermore, prior to issuance of the solicitation for each Government construction contract, the Non-Federal Sponsor shall prepare or ensure the preparation of plans and specifications for all improvements the Government determines to be required for the proper disposal of dredged or excavated material under that contract, submit such plans and specifications to the Government for approval, and provide such improvements in accordance with the approved plans and specifications.

C. The Government, after consultation with the Non-Federal Sponsor, shall determine the relocations necessary for construction, operation, and maintenance of the Project, including those necessary to enable the removal of borrow materials and the proper disposal of dredged or excavated material. The Government in a timely manner shall provide the Non-Federal Sponsor with general written descriptions, including maps as appropriate, of such relocations in detail sufficient to enable the Non-Federal Sponsor to fulfill its obligations under this paragraph, and shall provide the Non-Federal Sponsor with a written notice to proceed with such relocations. Prior to the end of the period of design and construction, the Non-Federal Sponsor shall perform or ensure the performance of all relocations as set forth in such descriptions. Furthermore, prior to issuance of the solicitation for each Government construction contract, the Non-Federal Sponsor shall prepare or ensure the preparation of plans and specifications for, and perform or ensure the performance of, all relocations the Government determines to be necessary for that contract.

D. The Non-Federal Sponsor in a timely manner shall provide the Government with such documents as are sufficient to enable the Government to determine the value of any contribution provided during the period of design and construction pursuant to paragraphs A., B. or C. of this Article. Upon receipt of such documents the Government, in accordance with Article IV of this Agreement and in a timely manner, shall determine the value of such contribution, include such value in total project costs, and afford credit for such value toward the Non-Federal Sponsor's

share of total project costs.

E. The Non-Federal Sponsor shall comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended by Title IV of the Surface Transportation and Uniform Relocation Assistance Act of 1987 (Public Law 100-17), and the Uniform Regulations contained in 49 C.F.R. Part 24, in acquiring lands, easements, and rights-of-way required for the construction, operation, and maintenance of the Project, including those necessary for relocations, borrow materials, and dredged or excavated material disposal, and shall inform all affected persons of applicable benefits, policies, and procedures in connection with said Act.

ARTICLE IV - CREDIT FOR VALUE OF LANDS, RELOCATIONS, AND DISPOSAL AREAS

A. The Non-Federal Sponsor shall receive credit toward its share of total project costs for the value of the lands, easements, and rights-of-way, and suitable borrow and dredged or excavated material disposal areas that the Non-Federal Sponsor must provide for construction, operation, and maintenance of the Project pursuant to Article III of this Agreement, and for the value of the relocations that the Non-Federal Sponsor must perform or for which it must ensure performance pursuant to Article III of this Agreement but such credit shall not exceed 25 percent of total project costs. However, the Non-Federal Sponsor shall not receive credit for the value of any lands, easements, rights-of-way, relocations, or borrow and dredged or excavated material disposal areas that have been provided previously as an item of cooperation for another Federal project. The Non-Federal Sponsor also shall not receive credit for the value of lands, easements, rights-of-way, relocations, or borrow and dredged or excavated material disposal areas that are provided using Federal program funds unless the Federal agency providing the Federal program funds verifies in writing that such credit is expressly authorized by statute.

B. For the sole purpose of affording credit in accordance with this Agreement, the value of lands, easements, and rights-of-way, including those necessary for relocations, borrow materials and dredged or excavated material disposal, shall be the fair market value of the real property interests, plus certain incidental costs of acquiring those interests, as determined in accordance with the provisions of this paragraph.

1. Date of Valuation. The fair market value of lands, easements, or rights-of-way owned by the Non-Federal Sponsor on the effective date of this Agreement shall be the fair market value of such real property interests as of the date the Non-Federal Sponsor provides the Government with authorization for entry thereto. The fair market value of lands, easements, or rights-of-way acquired by the Non-Federal Sponsor after the effective date of this Agreement shall be the fair market value of such real property interests at the time the interests are acquired.

2. General Valuation Procedure. Except as provided in paragraph B.3. of this Article, the fair market value of lands, easements, or rights-of-way shall be determined in

accordance with paragraph B.2.a. of this Article, unless thereafter a different amount is determined to represent fair market value in accordance with paragraph B.2.b. of this Article.

a. The Non-Federal Sponsor shall obtain, for each real property interest, an appraisal that is prepared by a qualified appraiser who is acceptable to the Non-Federal Sponsor and the Government. The appraisal must be prepared in accordance with the applicable rules of just compensation, as specified by the Government. The fair market value shall be the amount set forth in the Non-Federal Sponsor's appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor's appraisal, the Non-Federal Sponsor may obtain a second appraisal, and the fair market value shall be the amount set forth in the Non-Federal Sponsor's second appraisal, if such appraisal is approved by the Government. In the event the Government does not approve the Non-Federal Sponsor's second appraisal, or the Non-Federal Sponsor chooses not to obtain a second appraisal, the Government shall obtain an appraisal, and the fair market value shall be the amount set forth in the Government's appraisal, if such appraisal is approved by the Non-Federal Sponsor. In the event the Non-Federal Sponsor does not approve the Government's appraisal, the Government, after consultation with the Non-Federal Sponsor, shall consider the Government's and the Non-Federal Sponsor's appraisals and determine an amount based thereon, which shall be deemed to be the fair market value.

b. Where the amount paid or proposed to be paid by the Non-Federal Sponsor for the real property interest exceeds the amount determined pursuant to paragraph B.2.a. of this Article, the Government, at the request of the Non-Federal Sponsor, shall consider all factors relevant to determining fair market value and, in its sole discretion, after consultation with the Non-Federal Sponsor, may approve in writing an amount greater than the amount determined pursuant to paragraph B.2.a. of this Article, but not to exceed the amount actually paid or proposed to be paid. If the Government approves such an amount, the fair market value shall be the lesser of the approved amount or the amount paid by the Non-Federal Sponsor, but no less than the amount determined pursuant to paragraph B.2.a. of this Article.

3. Eminent Domain Valuation Procedure. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted after the effective date of this Agreement, the Non-Federal Sponsor shall, prior to instituting such proceedings, submit to the Government notification in writing of its intent to institute such proceedings and an appraisal of the specific real property interests to be acquired in such proceedings. The Government shall have 60 days after receipt of such a notice and appraisal within which to review the appraisal, if not previously approved by the Government in writing.

a. If the Government previously has approved the appraisal in writing, or if the Government provides written approval of, or takes no action on, the appraisal within such 60-day period, the Non-Federal Sponsor shall use the amount set forth in such appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

b. If the Government provides written disapproval of the appraisal, including the reasons for disapproval, within such 60-day period, the Government and the Non-

Federal Sponsor shall consult in good faith to promptly resolve the issues or areas of disagreement that are identified in the Government's written disapproval. If, after such good faith consultation, the Government and the Non-Federal Sponsor agree as to an appropriate amount, then the Non-Federal Sponsor shall use that amount as the estimate of just compensation for the purpose of instituting the eminent domain proceeding. If, after such good faith consultation, the Government and the Non-Federal Sponsor cannot agree as to an appropriate amount, then the Non-Federal Sponsor may use the amount set forth in its appraisal as the estimate of just compensation for the purpose of instituting the eminent domain proceeding.

c. For lands, easements, or rights-of-way acquired by eminent domain proceedings instituted in accordance with sub-paragraph B.3. of this Article, fair market value shall be either the amount of the court award for the real property interests taken, to the extent the Government determined such interests are required for the construction, operation, and maintenance of the Project, or the amount of any stipulated settlement or portion thereof that the Government approves in writing.

4. Incidental and Permit Costs. For lands, easements, or rights-of-way acquired by the Non-Federal Sponsor within a five-year period preceding the effective date of this Agreement, or at any time after the effective date of this Agreement, the value of the interest shall include the documented incidental costs of acquiring the interest, as determined by the Government, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of costs. Such incidental costs shall include, but not necessarily be limited to, closing and title costs, appraisal costs, survey costs, attorney's fees, plat maps, and mapping costs, as well as the actual amounts expended for payment of any Public Law 91-646 relocation assistance benefits provided in accordance with Article III.E. of this Agreement. In addition, the Non-Federal Sponsor shall receive credit toward its share of total project costs all reasonable costs incurred by the Non-Federal Sponsor that are associated with obtaining permits necessary for the construction, operation, and maintenance of the Project on publicly owned or controlled land subject to an audit in accordance with Article X of this Agreement to determine reasonableness, allowability, and allocability of costs.

5. Waiver of Appraisal. Except as required by paragraph B.3. of this Article, the Government may waive the requirement for an appraisal if it determines that an appraisal is unnecessary because the valuation problem is uncomplicated and that the estimated fair market value of the real property interest is \$5,000 or less based upon a review of available data. In such event, the Government and the Non-Federal Sponsor must agree in writing to the value of such real property interest in an amount not in excess of \$5,000.

C. After consultation with the Non-Federal Sponsor, the Government shall determine the value of relocations in accordance with the provisions of this paragraph.

1. For a relocation other than a highway, the value shall be only that portion of relocation costs that the Government determines is necessary to provide a functionally equivalent facility, reduced by depreciation, as applicable, and by the salvage value of any removed items.

2. For a relocation of a highway, the value shall be only that portion of relocation costs that would be necessary to accomplish the relocation in accordance with the design standard that the State of California would apply under similar conditions of geography and traffic load, reduced by the salvage value of any removed items.

3. Relocation costs shall include, but not necessarily be limited to, actual costs of performing the relocation; planning, engineering and design costs; supervision and administration costs; and documented incidental costs associated with performance of the relocation, but shall not include any costs due to betterments, as determined by the Government, nor any additional cost of using new material when suitable used material is available. Relocation costs shall be subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of costs.

4. Any credit afforded for the value of relocations performed within the Project boundaries is subject to satisfactory compliance with applicable Federal labor laws covering non-Federal construction, including, but not limited to, 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)). Crediting may be withheld, in whole or in part, as a result of the Non-Federal Sponsor's failure to comply with its obligations under these laws.

D. The value of the improvements made to lands, easements, and rights-of-way for the proper disposal of dredged or excavated material shall be the costs of the improvements, as determined by the Government, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of costs. Such costs shall include, but not necessarily be limited to, actual costs of providing the improvements; planning, engineering and design costs; supervision and administration costs; and documented incidental costs associated with providing the improvements, but shall not include any costs due to betterments, as determined by the Government.

ARTICLE V - PROJECT COORDINATION TEAM

A. To provide for consistent and effective communication, the Non-Federal Sponsor and the Government, not later than 30 days after the effective date of this Agreement, shall appoint named senior representatives to a Project Coordination Team. Thereafter, the Project Coordination Team shall meet regularly until the end of the period of design and construction. The Government's Project Manager and a counterpart named by the Non-Federal Sponsor shall co-chair the Project Coordination Team.

B. The Government's Project Manager and the Non-Federal Sponsor's counterpart shall keep the Project Coordination Team informed of the progress of design and construction and of significant pending issues and actions, and shall seek the views of the Project Coordination Team on matters that the Project Coordination Team generally oversees.

C. Until the end of the period of design and construction, the Project Coordination Team shall generally oversee the Project, including issues related to design; completion of all necessary NEPA coordination; development of plans and specifications; scheduling; real property and relocation requirements; real property acquisition; contract awards and modifications; contract costs; the application of and compliance with 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a *et seq.*), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 *et seq.*) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)) for relocations; the Government's cost projections; final inspection of the entire Project or functional portions of the Project; preparation of the proposed OMRR&R Manual; anticipated requirements and needed capabilities for performance of operation, maintenance, repair, replacement, and rehabilitation of the Project; and other related matters. This oversight shall be consistent with a project management plan developed by the Government after consultation with the Non-Federal Sponsor.

D. The Project Coordination Team may make recommendations that it deems warranted to the District Engineer on matters that the Project Coordination Team generally oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider the recommendations of the Project Coordination Team. The Government, having the legal authority and responsibility for design and construction of the Project, has the discretion to accept, reject, or modify the Project Coordination Team's recommendations.

E. The costs of participation in the Project Coordination Team shall be included in total project costs and shared in accordance with the provisions of this Agreement.

ARTICLE VI - METHOD OF PAYMENT

A. The Government shall maintain current records of contributions provided by the parties and current projections of total project costs and costs due to betterments. By the beginning of the second full fiscal year quarter after execution of this Agreement, and at least quarterly thereafter during the period of design and construction, the Government shall provide the Non-Federal Sponsor with a report setting forth all contributions provided to date and the current projections of total project costs, of total costs due to betterments, of the components of total project costs, of each party's share of total project costs, of the Non-Federal Sponsor's total cash contributions required in accordance with Articles II.B., II.D., and II.E. of this Agreement, of the non-Federal proportionate share, and of the funds the Government projects to be required from the Non-Federal Sponsor for the upcoming contract or upcoming fiscal year. On the effective date of this Agreement, total project costs are projected to be \$13,700,000, and the Non-Federal Sponsor's cash contribution required under Article II.D. of this Agreement is projected to be \$3,425,000. Such amounts are estimates subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Non-Federal Sponsor.

B. The Non-Federal Sponsor shall provide the cash contribution required under Article II.D.2. of this Agreement in accordance with the provisions of this paragraph.

1. Not less than 30 calendar days prior to the scheduled date for issuance of the solicitation for the first contract for design of the Project or commencement of design of the Project using the Government's own forces, the Government shall notify the Non-Federal Sponsor in writing of such scheduled date and the funds the Government determines to be required from the Non-Federal Sponsor to meet: (a) the non-Federal proportionate share of financial obligations for design and construction incurred prior to the commencement of the period of design and construction; (b) the projected non-Federal proportionate share of financial obligations for design and construction through the first contract; and (c) the projected non-Federal proportionate share of financial obligations for design and construction using the Government's own forces through the first fiscal year. Not later than such scheduled date, the Non-Federal Sponsor shall provide the Government with the full amount of the required funds by delivering a check payable to "FAO, USAED, Los Angeles District" to the District Engineer, or verifying to the satisfaction of the Government that the Non-Federal Sponsor has deposited the required funds in an escrow or other account acceptable to the Government, with interest accruing to the Non-Federal Sponsor, or by presenting the Government with an irrevocable letter of credit acceptable to the Government for the required funds, or by providing an Electronic Funds Transfer of the required funds in accordance with procedures established by the Government.

2. Thereafter, until the construction of the Project is complete, the Government shall notify the Non-Federal Sponsor in writing of the funds the Government determines to be required from the Non-Federal Sponsor, and the Non-Federal Sponsor shall provide such funds in accordance with the provisions of this paragraph.

a. The Government shall notify the Non-Federal Sponsor in writing, no later than 60 calendar days prior to the scheduled date for issuance of the solicitation for each remaining contract for the Project, of the funds the Government determines to be required from the Non-Federal Sponsor to meet the projected non-Federal proportionate share of financial obligations for design and construction for that contract. No later than such scheduled date, the Non-Federal Sponsor shall make the full amount of the required funds available to the Government through any of the payment mechanisms specified in paragraph B.1. of this Article.

b. The Government shall notify the Non-Federal Sponsor in writing, no later than 60 calendar days prior to the beginning of each fiscal year in which the Government projects that it will make financial obligations for design and construction of the Project using the Government's own forces of the funds the Government determines to be required from the Non-Federal Sponsor to meet the projected non-Federal proportionate share of financial obligations for design and construction using the Government's own forces for that fiscal year. No later than 30 calendar days prior to the beginning of that fiscal year, the Non-Federal Sponsor shall make the full amount of the required funds for that fiscal year available to the Government through any of the payment mechanisms specified in paragraph B.1. of this Article.

3. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary to cover: (a) the non-Federal proportionate share of financial obligations for design and construction incurred prior to the commencement of the period of design and construction, and (b) the non-Federal proportionate share of financial obligations for design and construction as financial obligations for design and construction are incurred by the Government. If at any time the Government determines that additional funds will be needed from the Non-Federal Sponsor to cover the Non-Federal Sponsor's share of such financial obligations for the current contract or to cover the Non-Federal Sponsor's share of such financial obligations for work performed using the Government's own forces in the current fiscal year, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within 30 calendar days from receipt of such notice, the Non-Federal Sponsor shall provide the Government with the full amount of the additional required funds through any of the payment mechanisms specified in paragraph B.1. of this Article

C. In advance of the Government incurring any financial obligation associated with additional work under Article II.B. or II.E. of this Agreement, the Non-Federal Sponsor shall provide the Government with the full amount of the funds required to pay for such additional work through any of the payment mechanisms specified in B.1 of this Article. The Government shall draw from the funds provided by the Non-Federal Sponsor such sums as the Government deems necessary to cover the Government's financial obligations for such additional work as they are incurred. In the event the Government determines that the Non-Federal Sponsor must provide additional funds to meet its cash contribution, the Government shall notify the Non-Federal Sponsor in writing of the additional funds required and provide an explanation of why additional funds are required. Within 30 calendar days thereafter, the Non-Federal Sponsor shall provide the Government with the full amount of the additional required funds through any of the payment mechanisms specified in paragraph B.1 of this Article.

D. Upon completion of the Project or termination of this Agreement, and upon resolution of all relevant claims and appeals, the Government shall conduct a final accounting and furnish the Non-Federal Sponsor with the results of the final accounting. The final accounting shall determine total project costs, each party's contribution provided thereto, and each party's required share thereof. The final accounting also shall determine costs due to betterments and the Non-Federal Sponsor's cash contribution provided pursuant to Article II.B. of this Agreement.

1. In the event the final accounting shows that the total contribution provided by the Non-Federal Sponsor is less than its required share of total project costs plus costs due to any betterments provided in accordance with Article II.B. of this Agreement, the Non-Federal Sponsor shall, no later than 90 calendar days after receipt of written notice, make a cash payment to the Government of whatever sum is required to meet the Non-Federal Sponsor's required share of total project costs plus costs due to any betterments provided in accordance with Article II.B. of this Agreement by delivering a check payable to "FAO, USAED, Los Angeles District" to the District Engineer or providing an Electronic Funds Transfer in accordance with procedures

established by the Government.

2. In the event the final accounting shows that the total contribution provided by the Non-Federal Sponsor exceeds its required share of total project costs plus costs due to any betterments provided in accordance with Article II.B. of this Agreement, the Government shall, subject to the availability of funds, refund the excess to the Non-Federal Sponsor no later than 90 calendar days after the final accounting is complete. In the event existing funds are not available to refund the excess to the Non-Federal Sponsor, the Government shall seek such appropriations as are necessary to make the refund.

ARTICLE VII - DISPUTE RESOLUTION

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The parties shall each pay 50 percent of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VIII – OPERATION, MAINTENANCE, REPAIR, REHABILITATION, and REPLACEMENT (OMRR&R)

Upon notification in accordance with Article II.C. of this Agreement and for so long as the Project remains authorized, the Non-Federal Sponsor shall operate, maintain, repair, replace, and rehabilitate the entire Project or the functional portion of the Project, at no cost to the Government, in a manner compatible with the Project's authorized purposes and in accordance with applicable Federal and State laws as provided in Article XI of this Agreement and specific directions prescribed by the Government in the OMRR&R Manual and any subsequent amendments thereto. As between the Government and the Non-Federal Sponsor, the Government shall have no responsibility to operate, maintain, repair, rehabilitate, or replace the Project or functional portion of the Project.

ARTICLE IX - INDEMNIFICATION

The Non-Federal Sponsor shall hold and save the Government free from all damages arising from the design, construction, operation, maintenance, repair, rehabilitation, and replacement of the Project and any Project-related betterments, except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE X - MAINTENANCE OF RECORDS AND AUDIT

A. Not later than 60 calendar days after the effective date of this Agreement, the Government and the Non-Federal Sponsor shall develop procedures for keeping books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to this Agreement. These procedures shall incorporate, and apply as appropriate, the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments at 32 C.F.R. Section 33.20. The Government and the Non-Federal Sponsor shall maintain such books, records, documents, and other evidence pertaining to design and construction in accordance with these procedures and for a minimum of three years after the period of design and construction and resolution of all relevant claims arising therefrom. To the extent permitted under applicable Federal laws and regulations, the Government and the Non-Federal Sponsor shall each allow the other to inspect such books, documents, records, and other evidence.

B. Pursuant to 32 C.F.R. Section 33.26, the Non-Federal Sponsor is responsible for complying with the Single Audit Act Amendments of 1996, 31 U.S.C. Sections 7501-7507, as implemented by Office of Management and Budget (OMB) Circular No. A-133 and Department of Defense Directive 7600.10. Upon request of the Non-Federal Sponsor and to the extent permitted under applicable Federal laws and regulations, the Government shall provide to the Non-Federal Sponsor and independent auditors any information necessary to enable an audit of the Non-Federal Sponsor's activities under this Agreement. The costs of any non-Federal audits performed in accordance with this paragraph shall be allocated in accordance with the provisions of OMB Circulars A-87 and A-133, and such costs as are allocated to the Project shall be included in total project costs and shared in accordance with the provisions of this Agreement.

C. In accordance with 31 U.S.C. Section 7503, the Government may conduct audits in addition to any audit that the Non-Federal Sponsor is required to conduct under the Single Audit Act Amendments of 1996. Any such Government audits shall be conducted in accordance with Government Auditing Standards and the cost principles in OMB Circular No. A-87 and other applicable cost principles and regulations. The costs of Government audits performed in accordance with this paragraph shall be included in total project costs and shared in accordance with the provisions of this Agreement.

ARTICLE XI - FEDERAL AND STATE LAWS

In the exercise of their respective rights and obligations under this Agreement, the Non-Federal Sponsor and the Government agree to comply with all applicable Federal and State laws and regulations, including, but not limited to: Section 601 of the Civil Rights Act of 1964, Public Law 88-352 (42 U.S.C. 2000d) and Department of Defense Directive 5500.11 issued pursuant thereto; Army Regulation 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army"; and all applicable Federal labor standards requirements including, but not limited to, 40 U.S.C. 3141-

3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.) and the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)).

ARTICLE XII - RELATIONSHIP OF PARTIES

A. In the exercise of their respective rights and obligations under this Agreement, the Government and the Non-Federal Sponsor each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other.

B. In the exercise of its rights and obligations under this Agreement, neither party shall provide, without the consent of the other party, any contractor with a release that waives or purports to waive any rights such other party may have to seek relief or redress against such contractor either pursuant to any cause of action that such other party may have or for violation of any law.

ARTICLE XIII - OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, nor any resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

ARTICLE XIV - TERMINATION OR SUSPENSION

A. If at any time the Non-Federal Sponsor fails to fulfill its obligations under Article II.B., II.D., II.E., VI, or XVIII.C. of this Agreement, the Assistant Secretary of the Army (Civil Works) shall terminate this Agreement or suspend future performance under this Agreement unless he determines that continuation of work on the Project is in the interest of the United States or is necessary in order to satisfy agreements with any other non-Federal interests in connection with the Project.

B. If the Government fails to receive annual appropriations in amounts sufficient to meet Project expenditures for the then-current or upcoming fiscal year, the Government shall so notify the Non-Federal Sponsor in writing, and 60 calendar days thereafter either party may elect without penalty to terminate this Agreement or to suspend future performance under this Agreement. In the event that either party elects to suspend future performance under this Agreement pursuant to this paragraph, such suspension shall remain in effect until such time as the Government receives sufficient appropriations or until either the Government or the Non-Federal Sponsor elects to terminate this Agreement.

C. If after completion of the design phase of the Project both parties mutually agree in writing not to proceed with the construction phase of the Project, both parties shall conclude their

activities relating to the Project and proceed to a final accounting in accordance with Article VI.D. of this Agreement.

D. In the event that either party elects to terminate this Agreement pursuant to this Article or Article XV of this Agreement, both parties shall conclude their activities relating to the Project and proceed to a final accounting in accordance with Article VI.D. of this Agreement.

E. Any termination of this Agreement or suspension of future performance under this Agreement in accordance with this Article or Article XV of this Agreement shall not relieve the parties of liability for any obligation previously incurred. Any delinquent payment owed by the Non-Federal Sponsor shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13-week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3-month period if the period of delinquency exceeds 3 months.

ARTICLE XV - HAZARDOUS SUBSTANCES

A. After execution of this Agreement and upon direction by the District Engineer, the Non-Federal Sponsor shall perform, or cause to be performed, any investigations for hazardous substances that the Government or the Non-Federal Sponsor determines to be necessary to identify the existence and extent of any hazardous substances regulated under the Comprehensive Environmental Response, Compensation, and Liability Act (hereinafter "CERCLA"), 42 U.S.C. Sections 9601-9675, that may exist in, on, or under lands, easements, and rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for the construction, operation, and maintenance of the Project. However, for lands that the Government determines to be subject to the navigation servitude, only the Government shall perform such investigations unless the District Engineer provides the Non-Federal Sponsor with prior specific written direction, in which case the Non-Federal Sponsor shall perform such investigations in accordance with such written direction. All actual costs incurred by the Non-Federal Sponsor for such investigations for hazardous substances shall be included in total project costs and shared in accordance with the provisions of this Agreement, subject to an audit in accordance with Article X.C. of this Agreement to determine reasonableness, allocability, and allowability of costs.

B. In the event it is discovered through any investigation for hazardous substances or other means that hazardous substances regulated under CERCLA exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for the construction, operation, and maintenance of the Project, the Non-Federal Sponsor and the Government shall provide prompt written notice to each other, and the Non-Federal Sponsor shall not proceed with the acquisition of the real property interests until both parties agree that the Non-Federal Sponsor should proceed.

C. The Government and the Non-Federal Sponsor shall determine whether to initiate construction of the Project, or, if already in construction, whether to continue with work on the

Project, suspend future performance under this Agreement, or terminate this Agreement for the convenience of the Government, in any case where hazardous substances regulated under CERCLA are found to exist in, on, or under any lands, easements, or rights-of-way that the Government determines, pursuant to Article III of this Agreement, to be required for the construction, operation, and maintenance of the Project. Should the Government and the Non-Federal Sponsor determine to initiate construction or continue with construction after considering any liability that may arise under CERCLA, the Non-Federal Sponsor shall be responsible, as between the Government and the Non-Federal Sponsor, for the costs of clean-up and response, to include the costs of any studies and investigations necessary to determine an appropriate response to the contamination. Such costs shall not be considered a part of total project costs. In the event the Non-Federal Sponsor fails to provide any funds necessary to pay for clean up and response costs or to otherwise discharge the Non-Federal Sponsor's responsibilities under this paragraph upon direction by the Government, the Government may, in its sole discretion, either terminate this Agreement for the convenience of the Government, suspend future performance under this Agreement, or continue work on the Project.

D. The Non-Federal Sponsor and the Government shall consult with each other in accordance with Article V of this Agreement in an effort to ensure that responsible parties bear any necessary clean up and response costs as defined in CERCLA. Any decision made pursuant to paragraph C. of this Article shall not relieve any third party from any liability that may arise under CERCLA.

E. As between the Government and the Non-Federal Sponsor, the Non-Federal Sponsor shall be considered the operator of the Project for purposes of CERCLA liability. To the maximum extent practicable, the Non-Federal Sponsor shall operate, maintain, repair, replace, and rehabilitate the Project in a manner that will not cause liability to arise under CERCLA.

ARTICLE XVI - NOTICES

A. Any notice, request, demand, or other communication required or permitted to be given under this Agreement shall be deemed to have been duly given if in writing and either delivered personally or by telegram or mailed by first-class, registered, or certified mail, as follows:

If to the Non-Federal Sponsor:
Cambria Community Services District
ATTN: General Manager
1316 Tamson Dr., Suite 201
(P.O. Box 65)
Cambria, CA 93428

If to the Government:
Department of the Army
Corps of Engineers

Los Angeles District
ATTN: CESPL-PM-C
P.O. Box 532711
Los Angeles, CA 90053-2325

B. A party may change the address to which such communications are to be directed by giving written notice to the other party in the manner provided in this Article.

C. Any notice, request, demand, or other communication made pursuant to this Article shall be deemed to have been received by the addressee at the earlier of such time as it is actually received or seven calendar days after it is mailed.

ARTICLE XVII - CONFIDENTIALITY

To the extent permitted by the laws governing each party, the parties agree to maintain the confidentiality of exchanged information when requested to do so by the providing party.

ARTICLE XVIII - HISTORIC PRESERVATION

A. The costs of identification, survey and evaluation of historic properties shall be included in total project costs and shared in accordance with the provisions of this Agreement.

B. As specified in Section 7(a) of Public Law 93-291 (16 U.S.C. Section 469c(a)), the costs of archeological data recovery activities associated with historic preservation shall be borne entirely by the Government and shall not be included in total project costs, up to the statutory limit of one percent of total project costs for the Project.

C. The Government shall not incur costs for archeological data recovery that exceed the statutory one percent limit specified in paragraph B. of this Article unless and until the Assistant Secretary of the Army (Civil Works) has waived that limit, and the Secretary of the Interior has concurred in the waiver, in accordance with Section 208(3) of Public Law 96-515 (16 U.S.C. Section 469c-2(3)). Any costs of archeological data recovery that exceed the one percent limit shall be included in total project costs and shared in accordance with the provisions of this Agreement.

ARTICLE XIX – LIMITATION ON GOVERNMENT EXPENDITURES

In accordance with Section 219(f)(48) of the Water Resources Development Act of 1992 (Public Law 102-580), as amended, the Government's financial participation in the Project is limited to \$10,300,000 unless otherwise authorized by law, which shall include all Federal funds expended by the Government for planning, design, and construction of the Project except for costs incurred on behalf of the Non-Federal Sponsor in accordance with Article II.B. or Article

II.D. of this Agreement. Notwithstanding any other provision of this Agreement, the Non-Federal Sponsor shall be responsible for all costs in excess of this amount.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the Deputy Assistant Secretary of the Army (Management and Budget), Office of the Assistant Secretary of the Army (Civil Works).

DEPARTMENT OF THE ARMY

CAMBRIA COMMUNITY SERVICES DISTRICT

BY: 

BY: 

Alex C. Dornstauder
Colonel, US Army
District Engineer
Los Angeles District

Peter Chaldecott
Board President

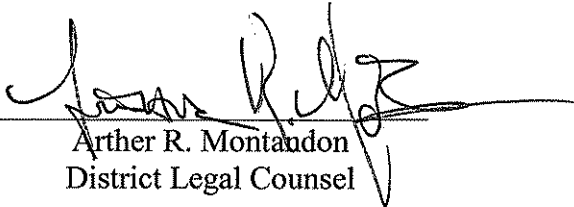
DATE: March 27, 2006

DATE: March 27, 2006

CERTIFICATE OF AUTHORITY

I, Arther R. Montandon, do hereby certify that I am the principal legal officer of the Cambria Community Services District, that the Cambria Community Services District is a legally constituted public body with full authority and legal capability to perform the terms of the Agreement between the Department of the Army and the Cambria Community Services District in connection with the Seawater Desalination Project, Cambria, California, and to pay damages in accordance with the terms of this Agreement, if necessary, in the event of the failure to perform, and that the persons who have executed this Agreement on behalf of the Cambria Community Services District have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this
27TH day of MAY, 2006.


Arther R. Montandon
District Legal Counsel

CERTIFICATION REGARDING LOBBYING

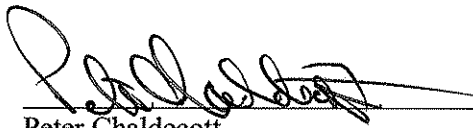
The undersigned certifies, to the best of his or her knowledge and belief that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.



Peter Chaldecott
Board President

DATE: March 27, 2006

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **8.A.**

FROM: Alleyne LaBossiere, Finance Manager

Meeting Date: August 19, 2010 Subject: Conduct Public Hearing to Consider Approving the Appropriation Limit for Fiscal Year 2010/2011, and Adopt Resolution 44-2010 Establishing the Appropriation Limit for the CCSD

RECOMMENDATION:

1. Conduct public hearing to approve the appropriation limit for Fiscal Year 2010/2011.
2. Adopt Resolution 44-2010 establishing the CCSD appropriation limit for Fiscal Year 2010/2011, and direct staff to submit the resolution to the SLO County Auditor-Controller.

FISCAL IMPACT:

There is no fiscal impact as the CCSD is below the calculated limit; however, the annual appropriation limit calculation is still required.

DISCUSSION:

This is an annual item required by State law, which limits the amount of property tax revenue that may be spent by local governments, including special districts, on activities other than education. The appropriation limit is submitted to the CCSD's auditor and becomes part of the annual audit review.

In 1979 California voters passed Proposition 4, known as the Gann Limit. The Gann Limit placed limits on local government spending using the 1978/1979 expenditure year as the base year. The calculation is adjusted annually based on population growth and California per capita personal income changes, pursuant to Proposition 111.

Resolution 44-2010 establishes the FY 2010/2011 Appropriation Limit and Budgeted Appropriation Subject to Limit. Revenue subject to the limit is property tax revenue. The CCSD's Appropriation Limit for FY 2010/2011 is \$2,169,999, and when compared to the budgeted appropriation of \$1,872,903, the CCSD falls under the limit by \$297,076. The financial analysis is attached for reference.

Attachments: Resolution 44-2010
FY 2010/2011 Appropriation Limit and Budgeted Appropriation Subject to Limit

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: __ SANDERS __ CLIFT __ CHALDECOTT __ DE MICCO __ MACKINNON __

RESOLUTION 44-2010

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE CAMBRIA COMMUNITY SERVICES DISTRICT
APPROVING THE PROPOSITION 4 APPROPRIATION LIMIT
FOR THE FISCAL YEAR 2010/2011

WHEREAS, the State of California Department of Finance staff notified the CCSD of the change in the California per capita personal income and population changes in the unincorporated portions of San Luis Obispo County in 2010, which are used to calculate the appropriations limit adjustment; and

WHEREAS, the calculation factor to adjust the appropriation limit in Fiscal Year 2010/2011 is 0.9915, which is applied to the prior year appropriation limit of \$2,188,602 to yield an appropriation limit of \$2,169,999 for Fiscal Year 2010/2011; and

WHEREAS, pursuant to California Constitution Article XIII B, Section 1, Government Code Section 7900, and pursuant to the subsequent guidelines set forth by Proposition 111, the CCSD appropriation limit must be adjusted for changes for Fiscal Year ending June 30, 2011; and

WHEREAS, the CCSD plans to appropriate approximately \$1,872,903 in direct property tax revenue proceeds during Fiscal Year 2010/2011.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors for the Cambria Community Services District approves the Appropriation Limit for the CCSD for Fiscal Year ending June 30, 2011, in the amount of \$2,169,999. This limit is greater than the expected total tax proceeds appropriation of \$1,872,903 budgeted in the current fiscal year.

PASSED AND ADOPTED this 19th day of August 2010.

Gregory W. Sanders,
President, Board of Directors

ATTEST:

APPROVED AS TO FORM:

Kathy A. Choate, District Clerk

Timothy J. Carmel, District Counsel

**CAMBRIA COMMUNITY SERVICES DISTRICT
2010-2011 APPROPRIATION LIMIT AND BUDGETED APPROPRIATION
SUBJECT TO LIMIT**

2009-2010 APPROPRIATION COMPARISON

Limit for 2009-2010	2,188,602
Budgeted Appropriation Subject to Limitation	<u>1,891,126</u>
Amount Under Limit	<u><u>297,476</u></u>

2010-2011 LIMIT COMPARISON

Consumer Price Index & Population Ratio (Unincorporated SLO County):		
Per Capital Cost of Living Increase:	-0.254%	
Converted to Ratio		0.9746
Population Increase:	<u>1.73%</u>	
Converted to Ratio		<u>1.0173</u>
Calculation of Factor FFY 2009-2010		0.9915
2010-2011 Limit: 0.9915 X \$2,188,602 = 2,169,999		

2009-2010 BUDGETED APPROPRIATION SUBJECT TO LIMITATION

Secured and Unsecured Taxes	1,853,857
Special District Augmentation Fund	0
Home Owner Property Tax Relief	<u>19,046</u>
Total	<u><u>1,872,903</u></u>

2010-2011 APPROPRIATION COMPARISON

Limit for 2010-2011	2,169,999
Budgeted Appropriation Subject to Limitation	<u>1,872,903</u>
Amount Under Limit	<u><u>297,096</u></u>

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **9. A.**

FROM: Tammy Rudock, General Manager
Alleyne LaBossiere, Finance Manager

Meeting Date: August 19, 2010 Subject: Consider Adoption of Resolution
45-2010 Authorizing Private Placement
Refinancing of CCSD 1999 Wastewater
Revenue Bonds

RECOMMENDATIONS:

Adopt Resolution 45-2010 authorizing private placement refinancing of the CCSD's 1999 B Wastewater Revenue Bonds and authorize the General Manager to sign all appropriate related documents.

FISCAL IMPACT:

Estimated savings would be \$206,322 over the 13-year term of the loan. This is net of the estimated \$26,000 cost of issuance, which has been added to the principal balance to be refinanced in one scenario. Savings of approximately \$2,200-\$3,100 a year would be realized for the first 12 years and \$171,700 in savings would occur in the year 2024.

If the CCSD were to pay the issuance costs of \$26,000 up-front, it would result in additional savings of \$7,280 of interest costs over the remaining 13-year term of the loan. This savings would be offset by the foregone interest revenue on the \$26,000. While interest rates are quite low currently, it is impossible to forecast what rates will be over the term of the debt and how much interest revenue would be lost.

An analysis of each scenario is attached.

No liability has been incurred to date although the placement agents and bond counsel have spent considerable time on the refinancing documents.

In general for these types of financings, the lower the amount borrowed, the higher the interest rate and any material pay down of the existing bond debt prior to refinancing may result in a higher interest rate.

DISCUSSION:

The bonds to be refinanced will have an outstanding principal balance of \$1,585,000 after making the scheduled October 1, 2010 debt service payment. As of October 1, 2010, there is no prepayment penalty for paying off the bonds early. The average interest rate for the remaining term of the bonds is 5.66%. The current bond payment schedule calls for total annual payments averaging \$167,221 through October 1, 2024. Staff met with Directors Chaldecott and MacKinnon on July 27, 2010 and discussed the refinancing details as well as presented different options.

- Overall Debt Service savings of over \$206,000 net of issuance costs.
- Decreases average interest rate of debt from 5.66% to 4.55%.
- Decreases the life of the debt by 1 year with no additional annual cost.
- No trustee fees. These are \$2,500-\$2,900/year. This savings is included in the information noted above.
- The refinancing can close within 45 days of Board approval.

This is a private placement. The loan is with a private lender, in this case a bank. The debt will be held as an investment in the bank's investment portfolio. The same net wastewater revenues pledged for the current bonds will be pledged for the loan with no additional collateral.

There are prepayment penalties on the proposed new loan. In years 1 through 3, it is not prepayable. In years 4 through 6, the penalty is 3% of the outstanding principal. In years 7 through 10, the penalty is 2% of the outstanding principal. After 10 years, there is no prepayment penalty. As a comparison, bonds typically have a longer period where prepayment is not allowed, For instance, the 1999 B Bonds in question had a 9-year period where there was no ability to prepay, although after that, it was only a 2% penalty for 1 year and a 1% penalty for the subsequent year. This actually represents the one argument against refinancing the bonds at this time. If interest rates were to drop further, the prepayment penalty would almost assuredly make it not cost effective to take advantage of the lower rate. However, as the CCSD will save over \$200,000 by refinancing now and as rates are at low levels now, Staff recommends taking advantage of the sure savings.

The refinancing of the 1999 B Bonds will be a joint effort by W. J. Fawell and Municipal Finance Corporation, which will act as private placement agents for the refinancing with a financial institution. The CCSD worked with Municipal Finance Corporation on its successful refinancing of its 1995 COPs (bonds) in 2006. Since 1994, these firms have refinanced 33 tax-exempt bond issues totaling over \$74 million for California local government agencies using tax-exempt, private placement, direct lender loan financing.

The CCSD also solicited and received a proposal to refinance by issuing new bonds. While the bond interest rate was lower than the bank interest rate, due to the higher costs associated with bond issues, the saving were materially lower. Issuing new bonds would result in costs being higher by \$77,600 as compared to the bank loan being proposed. These costs include annual bond administration fees, which a bank loan does not incur. In fact, the bond firm's representative suggested that bank financings are more cost effective for small debt issuances, such as this. The CCSD solicited proposals from two local banks, but did not receive a proposal from either bank. While Heritage Oaks Bank might have been interested in such a refinancing, they had not previously done a governmental financing and it was felt that it was in the CCSD's best interest to use a bank experienced in such transactions. Rabobank's representative stated that they were in the process of hiring an employee that would handle transactions such as this, but had no further information. With both banks, there was significant delay in receiving any response from the CCSD's initial inquiry.

As part of its research, the CCSD also contacted the California Special Districts Association (CSDA). While the CSDA does not directly make loans, it does assist agencies in obtaining financing. As such, it is an independent, expert source. The CSDA representative felt that an interest rate of 4.6% (this was the rate in effect when the CSDA was contacted, it was

subsequently lowered to 4.55%) was a very competitive rate at this time and that the issuance costs were consistent with recent financing activity. As a side-note, government funded financing was discussed with the CSDA and the CCSD was advised that such funding was not available for refinancing. To confirm this, Staff contacted the State Water Resources control Board, with whom the CCSD has a separate Wastewater Fund loan, and it was confirmed.

Chick Adams, Managing Partner, of Jones Hall, a well respected bond counsel firm based in San Francisco, will prepare all of the financial documents which will insure that the refinancing fully complies with all State and Federal regulations regarding tax exempt financing. Jones Hall assisted the CCSD with refinancing its 1995 COPs in 2006. Additionally, Grant Thornton, a nationally recognized CPA firm that specializes in public finance, will verify the 1999 B Bonds payoff amount and debt service savings that will be achieved with the proposed refunding, as well as assist with structuring the proposed refunding financing.

The CCSD submitted unaudited, pro forma financial statements projecting a Cash & Investments Balance for the CCSD's Wastewater Fund as of June 30, 2010 of \$252,000; the placement agents felt that this would meet the bank's requirements. If the CCSD were to refinance by issuing new bonds, a year's worth of payments would be required to be placed with a fiscal agent (a bank of the bond issuers choosing) and the CCSD would have no access to them. There is no such restriction with a bank loan.

Attachments: Resolution 45-2010
 Analysis of Refinancing 1999 Bonds (2)

BOARD ACTION: Date _____ Approved: _____ Denied: _____
UNANIMOUS: __ SANDERS __ CLIFT __ CHALDECOTT __ DE MICCO __ MACKINNON __

RESOLUTION 45-2010
AUGUST 19, 2010

RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAMBRIA COMMUNITY
SERVICES DISTRICT AUTHORIZING
THE BORROWING OF FUNDS FROM
MUNICIPAL FINANCE CORPORATION TO REFINANCE
OUTSTANDING 1999 WASTEWATER INSTALLMENT PAYMENTS

The Board of Directors of the Cambria Community Services District (CCSD) does hereby resolve as follows:

WHEREAS, the CCSD owns and operates certain facilities and property for the collection, treatment and disposal of wastewater (the "Wastewater System"), and in order to finance improvements to the Wastewater System the CCSD has previously entered into an Installment Purchase Agreement dated as of September 1, 1999 (the "1999 Installment Purchase Agreement"), between the CCSD and the California Statewide Communities Development Authority (the "Authority"), under which the CCSD is obligated to make semiannual installment payments (the "1999 Installment Payments") in the aggregate principal amount of \$2,245,000; and

WHEREAS, CCSD has determined that it is in its best interest at this time to refinance the 1999 Installment Payments and thereby realize interest rate savings, and in order to provide funds for that purpose the CCSD has determined to borrow an amount not to exceed \$1,625,000 (the "Loan") from Municipal Finance Corporation (the "Lender"); and

WHEREAS, the Lender intends to assign its rights under the financing to City National Bank, which will provide the funds with which to make the loan to the CCSD to refinance the 1999 Installment Payments; and

WHEREAS, the CCSD is authorized to borrow amounts for the purpose of refinancing the 1999 Installment Payments under the laws of the State of California, including the provisions of Article 10, Chapter 3, Part 1, Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code; and

WHEREAS, the Board of Directors approves all of said transactions in furtherance of the public purposes of the CCSD and the Board of Directors wishes at this time to authorize all proceedings relating to the borrowing of funds from the Lender for the purpose of refinancing the 1999 Installment Payments;

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

Section 1. Approval of Loan. The Board of Directors hereby approves the borrowing of funds from the Lender in the maximum principal amount of \$1,625,000, under the Loan Agreement between the CCSD and the Lender in substantially the form on file with the District Clerk together with any ministerial changes therein or additions thereto deemed advisable by the Finance Manager and General Manager. The Board of Directors hereby authorizes and directs the General Manager to execute, and the District Clerk to attest and affix the seal of the CCSD to, the final form of the Loan Agreement for

and in the name of the CCSD. The Board of Directors hereby further approves the assignment by the Lender of its rights under the Loan Agreement to City National Bank in accordance with an Assignment of Loan Agreement.

Section 2. Approval of Escrow Deposit and Trust Agreement. The Board of Directors hereby approves the refunding of the 1999 Installment Payments and the corresponding portion of the related bonds issued by the Authority, in accordance with the Escrow Deposit and Trust Agreement between the CCSD and Union Bank, N.A., in substantially the form on file with the District Clerk together with any ministerial changes therein or additions thereto deemed advisable by the Finance Manager and General Manager. The Board of Directors hereby authorizes and directs the General Manager to execute the final form of the Escrow Deposit and Trust Agreement for and in the name of the CCSD.

Section 3. Official Actions. The General Manager or the President of the CCSD are each authorized and directed in the name and on behalf of the CCSD to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and documents approved under this Resolution. Whenever in this resolution any officer of the CCSD is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

The foregoing Resolution was duly and regularly introduced, passed, and adopted by the Board of Directors of the Cambria Community Services District at a regular meeting thereof held on the 19th day of August, 2010.

Gregory W. Sanders, President
Board of Directors

APPROVED AS TO FORM:

Timothy J. Carmel,
District Counsel

ATTEST:

Kathy A. Choate
District Clerk

**CAMBRIA COMMUNITY SERVICE DISTRICT
ANALYSIS OF REFINANCING OF 1999 BONDS
COMPARISON OF EXISTING BONDS VS. BANK LOAN-EARLY PAYOFF**

YEAR	EXISTING TERMS OF BONDS				NEW TERMS OF BANK LOAN				INCREASE/ (DECREASE) IN TOTAL ANNUAL PAYMENTS	
	PAYMENT DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	TOTAL CALENDAR YEAR	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT		TOTAL CALENDAR YEAR
2011	4/1/2011		44,373	44,373			36,650	36,650		
	10/1/2011	75,000	44,373	119,373	163,745	91,000	36,650	127,650	164,301	556
2012	4/1/2012		42,498	42,498			34,580	34,580		
	10/1/2012	80,000	42,498	122,498	164,995	96,000	34,580	130,580	165,160	165
2013	4/1/2013		40,458	40,458			32,396	32,396		
	10/1/2013	85,000	40,458	125,458	165,915	101,000	32,396	133,396	165,792	(123)
2014	4/1/2014		38,078	38,078			30,098	30,098		
	10/1/2014	95,000	38,078	133,078	171,155	111,000	30,098	141,098	171,197	42
2015	4/1/2015		35,418	35,418			27,573	27,573		
	10/1/2015	95,000	35,418	130,418	165,835	111,000	27,573	138,573	166,146	311
2016	4/1/2016		32,758	32,758			25,048	25,048		
	10/1/2016	100,000	32,758	132,758	165,515	115,000	25,048	140,048	165,096	(420)
2017	4/1/2017		29,958	29,958			22,432	22,432		
	10/1/2017	105,000	29,958	134,958	164,915	120,000	22,432	142,432	164,863	(52)
2018	4/1/2018		27,018	27,018			19,702	19,702		
	10/1/2018	115,000	27,018	142,018	169,035	130,000	19,702	149,702	169,403	368
2019	4/1/2019		23,798	23,798			16,744	16,744		
	10/1/2019	120,000	23,798	143,798	167,595	134,000	16,744	150,744	167,488	(107)
2020	4/1/2020		20,378	20,378			13,696	13,696		
	10/1/2020	125,000	20,378	145,378	165,755	138,000	13,696	151,696	165,391	(364)
2021	4/1/2021		16,815	16,815			10,556	10,556		
	10/1/2021	135,000	16,815	151,815	168,630	147,000	10,556	157,556	168,112	(518)
2022	4/1/2022		12,968	12,968			7,212	7,212		
	10/1/2022	140,000	12,968	152,968	165,935	152,000	7,212	159,212	166,424	489
2023	4/1/2023		8,978	8,978			3,754	3,754		
	10/1/2023	155,000	8,978	163,978	172,955	165,000	3,754	168,754	172,508	(448)
2024	4/1/2024		4,560	4,560						
	10/1/2024	160,000	4,560	164,560	169,120				0	(169,120)
Current Bonds		1,585,000	756,100	2,341,100	2,341,100					
Refinance Costs		<u>26,000</u>								
New Note		<u>1,611,000</u>	<u>560,879</u>	<u>2,171,879</u>	<u>2,171,879</u>	<u>1,611,000</u>	<u>560,879</u>	<u>2,171,879</u>	<u>2,171,879</u>	<u>(169,222)</u>
Difference		<u>26,000</u>	<u>(195,222)</u>	<u>(169,222)</u>	<u>(169,222)</u>					
Foregone Bond Administration costs (\$2,650 per year)					<u>(37,100)</u>					
TOTAL PROJECTED SAVINGS					<u><u>(206,322)</u></u>					

**CAMBRIA COMMUNITY SERVICE DISTRICT
ANALYSIS OF REFINANCING OF 1999 BONDS
COMPARISON OF EXISTING BONDS VS. BANK LOAN-EARLY PAYOFF**

YEAR	EXISTING TERMS OF BONDS				NEW TERMS OF BANK LOAN				INCREASE/ (DECREASE) IN TOTAL ANNUAL PAYMENTS	
	PAYMENT DATE	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT	TOTAL CALENDAR YEAR	PRINCIPAL DUE	INTEREST DUE	TOTAL PAYMENT		TOTAL CALENDAR YEAR
2011	4/1/2011		44,373	44,373			36,059	36,059		
	10/1/2011	75,000	44,373	119,373	163,745	87,000	36,059	123,059	159,118	(4,628)
2012	4/1/2012		42,498	42,498			34,080	34,080		
	10/1/2012	80,000	42,498	122,498	164,995	94,000	34,080	128,080	162,159	(2,836)
2013	4/1/2013		40,458	40,458			31,941	31,941		
	10/1/2013	85,000	40,458	125,458	165,915	99,000	31,941	130,941	162,882	(3,033)
2014	4/1/2014		38,078	38,078			29,689	29,689		
	10/1/2014	95,000	38,078	133,078	171,155	109,000	29,689	138,689	168,378	(2,778)
2015	4/1/2015		35,418	35,418			27,209	27,209		
	10/1/2015	95,000	35,418	130,418	165,835	109,000	27,209	136,209	163,418	(2,417)
2016	4/1/2016		32,758	32,758			24,729	24,729		
	10/1/2016	100,000	32,758	132,758	165,515	113,000	24,729	137,729	162,459	(3,057)
2017	4/1/2017		29,958	29,958			22,159	22,159		
	10/1/2017	105,000	29,958	134,958	164,915	118,000	22,159	140,159	162,317	(2,598)
2018	4/1/2018		27,018	27,018			19,474	19,474		
	10/1/2018	115,000	27,018	142,018	169,035	128,000	19,474	147,474	166,948	(2,087)
2019	4/1/2019		23,798	23,798			16,562	16,562		
	10/1/2019	120,000	23,798	143,798	167,595	132,000	16,562	148,562	165,124	(2,471)
2010	4/1/2020		20,378	20,378			13,559	13,559		
	10/1/2020	125,000	20,378	145,378	165,755	136,000	13,559	149,559	163,118	(2,637)
2011	4/1/2021		16,815	16,815			10,465	10,465		
	10/1/2021	135,000	16,815	151,815	168,630	146,000	10,465	156,465	166,930	(1,700)
2012	4/1/2022		12,968	12,968			7,144	7,144		
	10/1/2022	140,000	12,968	152,968	165,935	150,000	7,144	157,144	164,287	(1,648)
2013	4/1/2023		8,978	8,978			3,731	3,731		
	10/1/2023	155,000	8,978	163,978	172,955	164,000	3,731	167,731	171,462	(1,493)
2014	4/1/2024		4,560	4,560						
	10/1/2024	160,000	4,560	164,560	169,120				0	(169,120)
Current Bonds		1,585,000	756,100	2,341,100	2,341,100					
New Note		1,585,000	553,599	2,138,599	2,138,599	1,585,000	553,599	2,138,599	2,138,599	(202,502)
Difference		0	(202,502)	(202,502)	(202,502)					
Foregone Bond Administration costs (\$2,650 per year)					(37,100)					
Refinance Costs					26,000					
TOTAL PROJECTED SAVINGS					(213,602)					

After almost two (2) years, Landwatch I was recently concluded (August 9th) in SLO Superior Court after **Judge Martin Tangeman denied Landwatch's petition for writ of mandate in its entirety, ruling that the findings in the CCSD's Water Master Plan EIR were supported by substantial evidence.**

As the prevailing party in Landwatch I, the CCSD is entitled to recover certain costs of litigation from Landwatch SLO County, namely, the administrative costs (e.g., staff time, materials and supplies, etc.) involved in preparing the voluminous Administrative Record. Staff recommends that the CCSD pursue that recovery and seeks Board direction in this regard. **Thousands of dollars are involved.**

LANDWATCH II

Landwatch SLO County represented by Cynthia Hawley filed another petition for writ of mandate against the CCSD, U.S. Army Corps of Engineers, California Coastal Commission, et al., (CV 108226) on July 6, 2010, challenging the Geotechnical Investigation environmental process. District Counsel Mike McMahon is again representing the CCSD. Mr. McMahon has notified Mrs. Hawley of the ineffective service upon the CCSD. The U.S. Army Corps of Engineers recently removed the case to the U.S. District Court.

BOARD ACTION: Date _____ Approved: _____ Denied: _____
UNANIMOUS: ___ SANDERS ___ CLIFT ___ CHALDECOTT ___ DE MICCO ___ MACKINNON ___

CAMBRIA COMMUNITY SERVICES DISTRICT

TO: Board of Directors

AGENDA NO. **9.C.**

FROM: Tammy Rudock, General Manager

Meeting Date: August 19, 2010

Subject: Discuss Board Policy and Provide Direction to Staff Regarding Public Disclosure of Staff Compensation

RECOMMENDATIONS:

Discuss Board policy and provide direction to Staff regarding public disclosure of Staff compensation.

FISCAL IMPACT:

None.

DISCUSSION:

Vice President Clift will lead a discussion on proposed Board policy concerning public disclosure of Staff compensation. He provided the attachments as background information.

- Attachments:
1. 7/30/10 DRAFT "Potential Elements of the Public Compensation Disclosure Act of 2010" by Ralph Him of the CSDA Legislative Committee
 2. Proposed AB 1955 "Cities' Officials Compensation" – Senate Local Government Committee
 3. Amended Proposed AB 1955 – 8/10/10
 4. Amendments to SB 501 – 8/9/10 (re: disclosure of anyone required to file Form 700)

BOARD ACTION: Date _____ Approved: _____ Denied: _____

UNANIMOUS: SANDERS CHALDECOTT CLIFT DE MICCO MAC KINNON

Potential Elements of the Public Compensation Disclosure Act of 2010

In enacting this Act, the Legislature finds and declares that open access to the compensation paid to public officials and public employees is necessary to advance the transparency of government and is critical to a functioning democratic process and ensures public accountability.

Section 1. New Compensation Disclosure Requirement. By March 1, 2011, and each year thereafter, publish on the agency's website, if it has one, and immediately make available:

- The salaries of all elected officials and the current adopted salary ranges for each employee position in the agency;
- The total taxable compensation (reported on W-2) in the prior calendar year of all elected officials
- The total taxable compensation (reported on W-2) in the prior calendar year of all appointed officials or employees earning more than \$100,000 in total taxable compensation.
- The total payments in the prior calendar year (reported on Form 1099) to contractors providing public official or public employee services.
- All current contracts with employees
- All current contracts with private firms carrying out similar duties that exceed \$100,000 in the previous calendar year.

Section 2. Extended Notice for Contracts With Continuous (“Evergreen”)

Provisions. Amend the Brown Act to require no less than 7 days (current 72 hours) notice if a local agency is considering approval of an agreement with an employee (or multiple employees) making over \$100,000 per year total taxable compensation that contains provisions that increase the compensation to increase automatically without further action by the legislative body, unless the increase is consistent with increases for the local agency's other employees.

Section 3. Prohibit Approval of Employment Contracts in Closed Sessions.

Adopt clarifying amendment to the Brown Act making it absolutely clear that final action on the proposed compensation of one or more unrepresented employees may only be taken in open session after being included in the public agenda packet.

SENATE LOCAL GOVERNMENT COMMITTEE

BILL NO: AB 1955
AUTHOR: De La Torre
VERSION: 8/10/10

HEARING: 8/12/10
FISCAL: Yes
CONSULTANT: Detwiler

CITY OFFICIALS' COMPENSATION (URGENCY)

Existing Law

General law cities may pay salaries to their council members, using a statutory schedule based on population:

Up to and including 35,000 residents	\$300 a month
Over 35,000 and up to and including 50,000	\$400 a month
Over 50,000 and up to and including 75,000	\$500 a month
Over 75,000 and up to and including 150,000	\$600 a month
Over 150,000 and up to and including 250,000	\$800 a month
Over 250,000 residents	\$1,000 a month

By ordinance, a city council can increase its salaries beyond these statutory amounts, but a raise can't exceed 5% a year since the last increase. State law prohibits automatic salary increases. With majority-voter approval, city council members can receive higher or lower salaries than the statute prescribes.

Unless specifically authorized by state law, general law cities can't provide higher compensation for their council members' service on other commissions, committees, boards, or authorities. Some state laws limit the compensation that city council members can receive when they serve on other bodies. For example, if a city council in a city with less than 200,000 residents appoints itself as the community redevelopment agency, state law limits the council members' compensation to \$30 a meeting for a maximum of four meetings a month. However, if another statute allows compensation, but does not set an amount, state law limits the maximum amount to \$150 a month.

These statutory limits on general law cities do not apply to what a city can provide its council members for retirement, health and welfare, and federal social security benefits, if the city pays the same benefits for its employees. These statutory limits do not apply to the reimbursement of council members' actual and necessary expenses (AB 11, De La Torre, 2005).

General law cities --- like all local agencies, except school districts --- must adopt written policies that control their reimbursements for expenses. In addition, if a local agency compensates its governing body or key staff, those local officials must receive ethics training every two years (AB 1234, Salinas, 2005).

The California Constitution allows cities to adopt local charters with majority-voter approval. The Constitution allows *charter cities* to control their own municipal affairs. Relying on the municipal affairs doctrine, the 119 charter cities can set their city council members' compensation.

Background

Adopted in November 2005, the City of Bell's charter limits council members' compensation for service as council members to the amounts that general law cities of similar populations can receive under state law. With an estimated 38,867 city residents in 2010, Bell's council members could receive \$400 a month under the statutory schedule which applies to cities that have more than 35,000 residents and up to and including 50,000 residents.

Newspaper articles report that Bell's city council members receive salaries that total \$1,800 annually for their council service. At \$150 a month, those salaries are below the statutory schedule for similarly sized cities. However, these same reports say that most of Bell's city council members also received annually:

\$18,895 for serving on the Public Financing Authority.

\$18,895 for serving on the Surplus Property Authority.

\$18,895 for serving on the City Housing Authority.

\$18,895 for serving on the Planning Commission.

\$720 for serving on the Community Redevelopment Agency.

Because Bell is a charter city, its city council does not have to follow the limits set by the 2005 De La Torre bill.

Proposed Law

I. Excess compensation cities. General law cities must follow the compensation limits set by state law, but charter cities can use their constitutional authority to control municipal affairs to set their own compensation. Assembly Bill 1955 defines an "excess compensation city" as any city, including a charter city, that compensates any city council member in excess of the amounts set by state law. However, if a city charter specifies that council members must devote their entire time to their council duties, that city is outside the definition. If a city's mayor is independently elected, a city can show that the mayor's additional compensation is provided by ordinance or charter.

If the Attorney General determines that a city is an "excess compensation city," AB 1955 requires the Attorney General to notify the city council and provide a hearing. At the hearing, the city can demonstrate that it is not an "excess compensation city" by showing that it is in compliance with the statutory compensa-

tion limits. The city can show that the voters approved higher salaries or that the salary increases are not more than the 5% increases allowed by state law.

If, after the hearing, the Attorney General determines that the city has failed to demonstrate that it is not an “excess compensation city,” AB 1955 requires the Attorney General to notify the city, the Franchise Tax Board, and the city’s redevelopment agency. If a city later complies with the statutory compensation limits, it may ask the Attorney General to be relieved of its status as an “excess compensation city.” If the Attorney General agrees, AB 1955 requires the Attorney General to notify the city, the Franchise Tax Board, and the city’s redevelopment agency of this change in status.

When notified by the Attorney General that its city is an “excess compensation city,” AB 1955 prohibits a redevelopment agency from:

- Adopting new or amending existing redevelopment plans.
- Issuing bonds, notes, interim certificates, debentures, or other obligations.
- Encumbering funds or spending money, except for seven specified types of existing obligations and debts.

AB 1955 imposes an additional 50% tax on the gross income of city council members in an “excess surplus city” for income that exceeds the compensation amounts set by state law. The state personal income tax provisions relating to credits, filing status and recomputation of income tax brackets, and joint returns do not apply to this additional tax.

II. Open meetings. Current law requires the governing bodies of all local agencies, including school districts, to ratify their executive employees’ contracts of employment in open session and reflect those decisions in their minutes. This requirement applies to superintendents, deputy superintendents, assistant superintendents, associate superintendents, community college presidents, community college vice presidents, community college deputy vice presidents, general managers, city managers, county administrators, or similar chief administrative or executive officers. Copies of these employment contracts and settlement agreements must be publicly available (SB 1996, Hart, 1992).

The Ralph M. Brown Act requires local agencies’ meetings to be “open and public,” with specific exceptions. For example, a local agency’s legislative body may meet in closed session to consider the appointment, employment, evaluation, discipline, or dismissal of an employee unless the employee requests a public session. However, the Brown Act prohibits local officials from taking final action in a closed session on an unrepresented employee’s compensation.

Assembly Bill 1955 declares that all individual contracts of employment with an employee who is or will be employed by and report directly to the local agency’s legislative body must be ratified in open session of the legislative body. At least seven days before ratification, the legislative body must disclose contract infor-

mation, including the employee's name, the position, the total amount of salary, benefits, retirement, and any other compensation. AB 1955 requires the local agency to disclose this information in a publicly accessible location and on the agency's Internet Web site, if it maintains one. Consistent with these requirements, AB 1955 declares that final actions on the compensation of unrepresented employees who are or will be employed by and report directly to the local agency's legislative body must occur in open session.

III. Legislative declarations. In addition to its substantive provisions, Assembly Bill 1955 declares that the disclosure of officers and employees' compensation is an issue of statewide concern and not a municipal affair; its provisions apply to charter cities. AB 1955 also contains legislative declarations in support of the bill's urgency clause.

Comments

1. **Truth and consequences.** This summer's controversy over the compensation that the City of Bell paid to its council members and employees caused many legislators to ask how the 480 cities set their salaries, determine benefits, and reimburse costs. Bell's adoption of a city charter in 2005 gave it constitutional control over its municipal affairs, including the compensation paid to the council members. When it was a general law city, Bell had to comply with the statutes that restrict council members' compensation, but as a charter city it can avoid those statewide limits. AB 1955 does not stop Bell --- or any other charter city --- from compensating its city council with whatever amounts are warranted by local conditions and circumstances. However, charter cities that pay more than what state law allows for general law cities trigger the AB 1955's two consequences. City council members must pay a higher personal income tax rate on their excess compensation. Redevelopment officials in an excess compensation city can't use create new or expand existing redevelopment projects, can't create new redevelopment debt, and can't spend redevelopment money except to meet obligations. While the Legislature can't stop charter cities from making unwise compensation decisions, AB 1955 creates consequences that may deter them.

2. **Home rule.** Because of the constitutional municipal affairs doctrine, charter cities answer to their own voters and not to the California Legislature. When the 2005 De La Torre bill set limits on what the general law cities can pay their council members, legislators knew that those reforms would not apply to the charter cities. Some say that Sacramento is in no position to tell communities how to run their local governments. Because cities are closer to the people than the Legislature and the Governor, compensation decisions belong at the local level. Instead of poking into local politics, legislators should let a community's voters control their elected officials. That's why the constitutional home rule provision exists.

3. Not inconsequential. While AB 1955 doesn't prevent cities from paying high salaries to their council members, two consequences occur if cities exceed the limits that apply to general law cities --- the city's redevelopment agency can't engage in new activities and the council members pay a 50% personal income tax rate on their excess income. Because California's personal income tax laws don't distinguish among the sources of income, this tax consequence is unusual. Nevertheless, the concept is similar to the so-called "AIG bonus tax" that the U.S. House of Representatives passed in March; a 90% tax rate on individual's earnings above \$250,000 that came from a company which had received more than \$5 billion in federal bailout aid. The Committee may wish to consider whether the redevelopment and income tax consequences in AB 1955 will be adequate to deter the salaries that the bill wants to discourage. Instead of (or in addition to) those consequences, the Committee may wish to consider:

- Canceling enterprise zone benefits within the excess compensation cities.
- Directing the State Board of Equalization to stop collecting sales taxes on behalf of the excess compensation cities.
- Directing the State Board of Equalization to slow down sales tax revenue payments to the excess compensation cities from quarterly to annually.
- Prohibiting the excess compensation cities from using state statutes to impose special taxes, benefit assessments, and property-related fees, forcing them to rely solely on their municipal affairs powers.

4. Cities and other agencies. The compensation provisions of AB 1955 apply only to cities, not to counties or special districts. That approach reflects how those other agencies' set their governing boards' compensation. The California Constitution requires county supervisors in general law counties to set their own compensation by referendable ordinances, without any statutory schedule. Charter counties must provide for the supervisors' compensation in their charters. Nearly all of the state laws that govern special districts avoid monthly salaries for their governing boards, instead allowing only stipends for each meeting or day of service. Nevertheless, the Brown Act amendments in AB 1955 apply to all local agencies: cities, counties, special districts, and school districts.

5. Recalibration needed. The statutory schedule for compensating general law city councils hasn't budged since 1984, the last time that legislators adjusted the amounts for inflation. But many general law cities pay their council members more than the amounts listed in state law. That's possible because the statute gives general law cities two ways to pay more than the statutory schedule. First, a city council can adopt an ordinance that increases its salary, provided that the raise doesn't exceed 5% a year since the last pay hike. Like all city ordinances, an ordinance raising city council salaries is referendable. Second, a city's voters can raise (or lower) their city council members' salaries. Like general law cities, some charter cities may pay their council members more than the statutory schedule appears to allow. To avoid an "excess compensation city" designation under AB 1955, a charter city with higher salaries will need to produce a paper trail show-

ing how its compensation fits within the adjustments that state law already permits for general law cities.

6. Cat and mouse. The Legislature passed the 2005 reforms for general law cities after learning how the Huntington Park City Council appointed itself to several highly compensated boards and commissions. Although the council members received modest salaries for their city council service, they used statutory loopholes to pay themselves large stipends and salaries for serving on the other boards and commissions. For example, Huntington Park's community development commission's monthly salaries were 16 times the maximum amount of what the statute allowed for a redevelopment agency's stipends. The 2005 legislation put an end to those practices, but Bell has apparently used its charter city status to avoid the statewide limits. Legislators should be vigilant and watch how cities react to consequences created by AB 1955.

7. Related bill. AB 1955 is not the only measure that legislators will consider after learning about Bell's compensation practices. Senator Correa intends to amend his SB 501 on the Assembly Floor and insert new language that requires local officials to disclose their salaries, benefits, reimbursement payments, and other perquisites. The Assembly Local Government Committee is likely to hear SB 501 during the week of August 16. The Senate Local Government Committee will hear the Correa bill when it returns to the Senate for concurrence in the Assembly amendments.

8. Legislative history. AB 1955 failed to pass the Senate Local Government Committee on June 30 by the vote of 1-3. At that time, the bill would have amended the statutes prohibiting public officials from holding incompatible offices. The author did not request reconsideration of the failed bill; June 30 was the Committee's final regular hearing for the 2009-10 legislative session. During July, however, newspaper accounts appeared regarding the City of Bell's compensation decisions. In response, the author amended AB 1955 on August 10. With the appropriate rule waivers, the Committee can grant reconsideration and then hear the amended bill on August 12.

Assembly Actions

Not relevant to the August 10 version of the bill.

Support and Opposition (8/10/10)

Support: Unknown.

Opposition: Unknown.

AMENDED IN SENATE AUGUST 10, 2010
AMENDED IN SENATE JUNE 23, 2010
AMENDED IN ASSEMBLY APRIL 12, 2010
AMENDED IN ASSEMBLY MARCH 18, 2010
CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1955

Introduced by Assembly Member De La Torre

February 17, 2010

~~An act to amend Section 1099 of the Government Code, relating to public officers.~~ *An act to amend Section 54957.6 of, and to add Sections 12531 and 54957.05 to, the Government Code, to add Section 33138 to the Health and Safety Code, and to add Section 17043.5 to the Revenue and Taxation Code, relating to public officers, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1955, as amended, De La Torre. ~~Public officers: incompatible offices.~~ *Local government: compensation.*

(1) Existing law charges the Attorney General with various duties, including, among others, attending the Supreme Court and prosecuting or defending all causes to which the state, or any state officer is a party in his or her official capacity.

Existing law authorizes a city council to enact an ordinance providing each member of the city council a salary based on the population of the city, and to provide for other forms of compensation, as specified.

This bill would require the Attorney General to determine whether a city is an excess compensation city, as defined. The bill would require

the Attorney General to notify the Franchise Tax Board and the redevelopment agency in the city of the city's status as an excess compensation city.

(2) The Community Redevelopment Law authorizes the establishment of redevelopment agencies in communities to address the effects of blight, as defined, in blighted areas in those communities known as project areas, and authorizes the agency to issue bonds.

This bill would prohibit the agency, once the agency has received written notice from the Attorney General that the city is an excess compensation city, from adopting a redevelopment plan for a new project area or amending an existing redevelopment plan for existing project areas; from issuing new bonds, notes, interim certificates, debentures, or other obligations, as specified; and from encumbering any funds or expending any moneys derived from any source except as specified.

(3) The Personal Income Tax Law imposes taxes based upon taxable income.

This bill would, for taxable years beginning on or after January 1, 2011, increase the tax rate applicable to 50% on that portion of the gross income of a city council member of an excess compensation city, as defined, that is in excess of the allowable amount.

(4) Existing law, the Ralph M. Brown Act, requires that all meetings of a legislative body of a local agency be open and public and all persons be permitted to attend unless a closed session is authorized. The act authorizes a legislative body to hold a closed session with the local agency's designated representatives regarding various issues, including compensation, regarding its represented and unrepresented employees, but the legislative body is prohibited from taking final action on the proposed compensation of one or more unrepresented employees.

Existing law also requires that all contracts of employment with a local agency, as defined, for certain positions be ratified in an open session of the governing body and be reflected in the governing body's minutes.

This bill would require that any individual contract of employment with an employee who is or will be employed by, and report directly to, the legislative body of the local agency be ratified in an open session of the legislative body after prescribed information regarding the contract is made available on the local agency's Internet Web site, if it maintains one, and in a location that is freely accessible to the public, no later than 7 days prior to the meeting to ratify the contract. By

expanding the duties of local officials, these provisions would impose a state-mandated local program.

This bill would also specify that final action on the proposed compensation of one or more unrepresented employees who are to be employed by, and report directly to, the legislative body of the local agency only be taken in open session, consistent with the prescribed disclosure requirements. By expanding the duties of local officials, these provisions would impose a state-mandated local program.

(5) The bill would express a legislative finding and declaration that, to ensure the statewide integrity of local government, disclosure of compensation paid to officers and designated employees is an issue of statewide concern and not a municipal affair and that, therefore, all cities, including charter cities, would be subject to the provisions of the bill.

(6) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(7) This bill would declare that it is to take effect immediately as an urgency statute.

~~Existing law prohibits a public officer, including, but not limited to, an appointed or elected member of a governmental board, commission, committee, or other body, from simultaneously holding 2 incompatible public offices, as specified.~~

~~This bill would provide examples of situations when 2 public offices are incompatible, and specify when a member holds an office that may exercise powers over another office, as provided.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: ~~no~~^{yes}. State-mandated local program: ~~no~~^{yes}.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12531 is added to the Government Code,
- 2 to read:
- 3 12531. (a) If the Attorney General determines that a city is an
- 4 excess compensation city, as defined in subdivision (e), the Attorney

1 *General shall notify the city council of that city in writing and*
2 *provide the city a hearing on the matter.*

3 *(b) At the hearing, the city shall be provided opportunity to*
4 *demonstrate that the city is not an excess compensation city, by*
5 *showing, among other things, evidence of compliance with Section*
6 *36516, evidence of submission of a salary ordinance to voters,*
7 *and evidence of an increase in salary of city council members of*
8 *no more than 5 percent per year over the base amount specified*
9 *in subdivision (a) of Section 36516.*

10 *(c) If, after notice and hearing, the Attorney General determines*
11 *that the city has failed to demonstrate that it is not an excess*
12 *compensation city, the Attorney General shall notify the city in*
13 *writing, and notify the Franchise Tax Board and the redevelopment*
14 *agency in that city, in writing, of the city’s status as an excess*
15 *compensation city.*

16 *(d) A city that has been found to be an excess compensation city*
17 *may bring itself into compliance with Section 36516. Once the city*
18 *is in compliance with Section 36516, the city council may submit*
19 *a written request to the Attorney General to be relieved of the*
20 *status as an excess compensation city. If the Attorney General*
21 *determines that the city is in compliance with Section 36516, the*
22 *Attorney General shall immediately notify the Franchise Tax Board*
23 *and the city’s redevelopment agency, in writing, of the change in*
24 *status.*

25 *(e) (1) For purposes of this section, “excess compensation city”*
26 *means any city, including a charter city, that compensates any*
27 *member of that city council in excess of the amounts specified in*
28 *Section 36516. An “excess compensation city” does not include*
29 *a charter city that specifies in the charter that the city council*
30 *members shall devote their entire time to duties related to their*
31 *office.*

32 *(2) Notwithstanding paragraph (1), if the office of mayor is*
33 *independently elected, the city may demonstrate that additional*
34 *compensation paid to the mayor other than compensation for the*
35 *mayor’s position as a council member, has been provided by*
36 *ordinance or in the city’s charter.*

37 *SEC. 2. Section 54957.05 is added to the Government Code,*
38 *to read:*

39 *54957.05. Notwithstanding any other law, any individual*
40 *contract of employment with an employee who is or will be*

1 employed by, and report directly to, the legislative body of the
2 local agency shall be ratified in an open session of the legislative
3 body. Prior to ratifying the contract, the legislative body shall
4 disclose information regarding the contract, including, but not
5 limited to, the employee's name, the position, and the total amount
6 of salary, benefits, retirement, and any other forms of
7 compensation, on the local agency's Internet Web site, if it
8 maintains one, and in a location that is freely accessible to
9 members of the public, no later than seven days prior to the
10 meeting to ratify the contract.

11 SEC. 3. Section 54957.6 of the Government Code is amended
12 to read:

13 54957.6. (a) Notwithstanding any other provision of law, a
14 legislative body of a local agency may hold closed sessions with
15 the local agency's designated representatives regarding the salaries,
16 salary schedules, or compensation paid in the form of fringe
17 benefits of its represented and unrepresented employees, and, for
18 represented employees, any other matter within the statutorily
19 provided scope of representation.

20 However, prior to the closed session, the legislative body of the
21 local agency shall hold an open and public session in which it
22 identifies its designated representatives.

23 Closed sessions of a legislative body of a local agency, as
24 permitted in this section, shall be for the purpose of reviewing its
25 position and instructing the local agency's designated
26 representatives.

27 Closed sessions, as permitted in this section, may take place
28 prior to and during consultations and discussions with
29 representatives of employee organizations and unrepresented
30 employees.

31 Closed sessions with the local agency's designated representative
32 regarding the salaries, salary schedules, or compensation paid in
33 the form of fringe benefits may include discussion of an agency's
34 available funds and funding priorities, but only insofar as these
35 discussions relate to providing instructions to the local agency's
36 designated representative.

37 Closed sessions held pursuant to this section shall not include
38 final action on the proposed compensation of one or more
39 unrepresented employees. *Final action on the proposed*
40 *compensation of one or more unrepresented employees who are*

1 *or will be employed by, and report directly to, the legislative body*
 2 *of the local agency shall occur in open session, and consistent*
 3 *with the disclosure requirements of Section 54957.05.*

4 For the purposes enumerated in this section, a legislative body
 5 of a local agency may also meet with a state conciliator who has
 6 intervened in the proceedings.

7 (b) For the purposes of this section, the term “employee” shall
 8 include an officer or an independent contractor who functions as
 9 an officer or an employee, but shall not include any elected official,
 10 member of a legislative body, or other independent contractors.

11 *SEC. 4. Section 33138 is added to the Health and Safety Code,*
 12 *to read:*

13 *33138. (a) Upon written notification by the Attorney General*
 14 *that the city in which the agency is established is an excess*
 15 *compensation city, pursuant to Section 12531 of the Government*
 16 *Code, all of the following shall apply:*

17 *(1) The agency shall not adopt redevelopment plans for a new*
 18 *project area or amend an existing redevelopment plan for existing*
 19 *project areas.*

20 *(2) The agency shall not issue new bonds, notes, interim*
 21 *certificates, debentures, or other obligations, whether funded,*
 22 *refunded, assumed, or otherwise, pursuant to Article 5*
 23 *(commencing with Section 33360) of Chapter 4.*

24 *(3) The agency shall not encumber any funds or expend any*
 25 *moneys derived from any source, except that the agency may*
 26 *encumber funds and expend funds to pay, if any, all of the*
 27 *following:*

28 *(A) Bonds, notes, interim certificates, debentures, or other*
 29 *obligations issued by an agency before the imposition of the*
 30 *prohibition in paragraph (2), whether funded, refunded, assumed,*
 31 *or otherwise, pursuant to Article 5 (commencing with Section*
 32 *33360) of Chapter 4.*

33 *(B) Loans or moneys previously advanced to the agency,*
 34 *including, but not limited to, loans from federal, state, or local*
 35 *agencies, or a private entity.*

36 *(C) Contractual obligations that, if breached, could subject the*
 37 *agency to damages or other liabilities or remedies.*

38 *(D) Obligations incurred pursuant to Section 33445.*

39 *(E) Indebtedness incurred pursuant to Section 33334.2 or*
 40 *33334.6.*

1 (F) Obligations incurred pursuant to Section 33401.
 2 (G) Payments required under subdivision (a) of Section 33690
 3 or subdivision (a) of Section 33690.5.

4 (b) The prohibitions identified in subdivision (a) shall be lifted
 5 after the Attorney General determines that the city is no longer an
 6 excess compensation city pursuant to subdivision (d) of Section
 7 12531 of the Government Code.

8 SEC. 5. Section 17043.5 is added to the Revenue and Taxation
 9 Code, to read:

10 17043.5. (a) For each taxable year beginning on or after
 11 January 1, 2011, in addition to any other taxes imposed by this
 12 part, an additional tax shall be imposed at the rate of 50 percent
 13 on that portion of a qualified taxpayer’s gross income that is
 14 derived from the excess compensation city that is in excess of the
 15 amounts specified in Section 36516 of the Government Code.

16 (b) For purposes of this section:

17 (1) “Qualified taxpayer” means a member of a city council of
 18 an excess compensation city.

19 (2) “Excess compensation city” means a city that has been
 20 determined by the Attorney General to be an excess compensation
 21 city pursuant to Section 12531 of the Government Code.

22 (c) The following shall not apply to the tax imposed by this
 23 section:

24 (1) The provisions of Section 17039, relating to the allowance
 25 of credits.

26 (2) The provisions of Section 17041, relating to filing status
 27 and recomputation of the income tax brackets.

28 (3) The provisions of Section 17045, relating to joint returns.

29 SEC. 6. The Legislature finds and declares that the fiscal
 30 integrity and stability of local governmental agencies in this state,
 31 including charter cities, has a direct impact on the long-term
 32 well-being of all the residents of this state. The likelihood of
 33 businesses locating to or staying in the state is affected by the
 34 perception of a functioning, transparent, and practical
 35 governmental structure in the local governmental bodies in
 36 California. Therefore, the Legislature finds and declares that to
 37 ensure the statewide integrity of local government, the disclosure
 38 of compensation paid to officers and designated employees is an
 39 issue of statewide concern and not a municipal affair, as that term

1 *is used in Section 5 of Article XI of the California Constitution.*

2 *Therefore, this act shall apply to all cities, including charter cities.*

3 *SEC. 7. If the Commission on State Mandates determines that*
 4 *this act contains costs mandated by the state, reimbursement to*
 5 *local agencies and school districts for those costs shall be made*
 6 *pursuant to Part 7 (commencing with Section 17500) of Division*
 7 *4 of Title 2 of the Government Code.*

8 *SEC. 8. This act is an urgency statute necessary for the*
 9 *immediate preservation of the public peace, health, or safety within*
 10 *the meaning of Article IV of the Constitution and shall go into*
 11 *immediate effect. The facts constituting the necessity are:*

12 *In order to preserve fiscal integrity and stability of local*
 13 *government agencies in this state and the perception of a*
 14 *functioning, transparent, and practical governmental structure in*
 15 *the local government bodies in California at the earliest possible*
 16 *time, it is necessary for this measure to take effect immediately.*

17 ~~SECTION 1. Section 1099 of the Government Code is amended~~
 18 ~~to read:~~

19 ~~1099. (a) A public officer, including, but not limited to, an~~
 20 ~~appointed or elected member of a governmental board, commission,~~
 21 ~~committee, or other body, shall not simultaneously hold two public~~
 22 ~~offices that are incompatible. Offices are incompatible when any~~
 23 ~~of the following circumstances are present, unless simultaneous~~
 24 ~~holding of the particular offices is compelled or expressly~~
 25 ~~authorized by law:~~

26 ~~(1) Either of the offices may audit, overrule, remove members~~
 27 ~~of, dismiss employees of, or exercise supervisory powers over the~~
 28 ~~other office or body.~~

29 ~~(2) Based on the powers and jurisdiction of the offices, there~~
 30 ~~is a possibility of a significant clash of duties or loyalties between~~
 31 ~~the offices.~~

32 ~~(3) Public policy considerations make it improper for one person~~
 33 ~~to hold both offices.~~

34 ~~(b) Examples of situations in which public offices are~~
 35 ~~incompatible under subdivision (a) include, but are not limited to,~~
 36 ~~the following:~~

37 ~~(1) An office has the power of eminent domain over property~~
 38 ~~that is under the geographic jurisdiction of the other office.~~

39 ~~(2) An office has the power to set a fee or a rate or to impose a~~
 40 ~~tax or a levy that may directly or indirectly affect the other office.~~

- 1 ~~(e) When two public offices are incompatible, a public officer~~
2 ~~shall be deemed to have forfeited the first office upon acceding to~~
3 ~~the second. This provision is enforceable pursuant to Section 803~~
4 ~~of the Code of Civil Procedure.~~
5 ~~(d) This section does not apply to a position of employment,~~
6 ~~including a civil service position.~~
7 ~~(e) This section shall not apply to a governmental body that has~~
8 ~~only advisory powers.~~
9 ~~(f) For purposes of paragraph (1) of subdivision (a), a member~~
10 ~~of a multimember body holds an office that may audit, overrule,~~
11 ~~remove members of, dismiss employees of, or exercise supervisory~~
12 ~~powers over another office when the body has any of these powers~~
13 ~~over the other office or over a multimember body that includes~~
14 ~~that other office.~~
15 ~~(g) For purposes of subdivisions (a) and (b), a member of a~~
16 ~~multimember body holds an office that may exercise powers over~~
17 ~~another office when the body has power over the other office or~~
18 ~~over a multimember body that includes the other office.~~
19 ~~(h) This section codifies the common law rule prohibiting an~~
20 ~~individual from holding incompatible public offices.~~

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AMENDMENTS TO SENATE BILL NO. 501
AS AMENDED IN SENATE APRIL 20, 2009

Amendment 1

Below line 1 of the heading, insert:

(Principal coauthor: Assembly Member De La Torre)
(Coauthor: Assembly Member Norby)

Amendment 2

Strike out lines 1 and 2 of the title and insert:

An act to add Section 53060.2 to the Government Code, relating to local government.

Amendment 3

On page 2, before line 1, insert:

SECTION 1. Section 53060.2 is added to the Government Code, to read:
53060.2. (a) For purposes of this section, the following terms have the following meanings:

(1) "City" means a general law city or a charter city.

(2) "Designated employee" means a designated employee of a county, city, city and county, school district, special district, or joint powers agency formed pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1) who is required to file a statement of economic interests pursuant to Chapter 7 (commencing with Section 87100) of Title 9.

(3) "Officer" means an elected or appointed officer of a county, city, city and county, school district, special district, or joint powers agency formed pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1) who is required to file a statement of economic interests pursuant to Chapter 7 (commencing with Section 87100) of Title 9.

(b) Each officer or designated employee shall annually file a compensation disclosure form that provides compensation information for the preceding year, pursuant to this section. The annual filing deadline for a compensation disclosure form shall be the same as the filing deadline established for annual statements of economic interest, pursuant to Sections 87203 and 87302.

(c) (1) An officer or designated employee shall file his or her compensation disclosure form with the same office that receives that officer's or designated employee's statement of economic interest pursuant to Section 87500. The office receiving the compensation disclosure form shall make and retain a copy and return the original to the officer or designated employee.

(2) If the county, city, city and county, school district, special district, or joint powers agency maintains an Internet Web site, it shall post the information contained on the filed compensation disclosure form on that Internet Web site.



(d) The compensation disclosure form, which shall be developed by the Secretary of State, shall, at a minimum, provide for the disclosure of each of the following by an officer and a designated employee:

- (1) Salaries and stipends paid.
- (2) Reimbursements received for expenses.
- (3) The employer's cost of providing benefits.
- (4) Any other monetary or nonmonetary perquisites provided.

(e) The items disclosed pursuant to subdivision (d) shall also include any items received by an officer or designated employee as a result of membership with, or employment by, any local agency, municipal corporation, public benefit corporation, or community redevelopment agency, if the membership of the officer's or designated employee's governing body is sufficient in number to constitute a quorum or a majority of the governing body membership of the local agency, municipal corporation, public benefit corporation, or community redevelopment agency.

(f) The compensation disclosure form filed pursuant to this section is a public record for purposes of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1), and shall be provided to a person, upon request, pursuant to Section 6253.

(g) (1) The district attorney or any interested person may commence an action by mandamus or injunction to compel an officer, designated employee, county, city, city and county, school district, special district, or joint powers agency to comply with the requirements of this section. Nothing in this section shall be construed to prevent an officer, designated employee, county, city, city and county, school district, special district, or joint powers agency from curing or correcting an action challenged pursuant to this section.

(2) Prior to any action being commenced pursuant to this subdivision, the district attorney or interested person shall make a demand of the officer, designated employee, county, city, city and county, school district, special district, or joint powers agency to cure or correct the action alleged to have been taken in violation of this section. The demand shall be in writing and clearly describe the nature of the alleged violation.

(3) Within 30 days of receipt of the demand, the officer, designated employee, county, city, city and county, school district, special district, or joint powers agency shall cure or correct the alleged violation or inform the demanding party in writing of its decision not to cure or correct the alleged violation.

(4) Within 15 days of receipt of the written notice of the decision to cure or correct an alleged violation, or not to cure or correct, or within 15 days of the expiration of the 30-day period to cure or correct, whichever is earlier, the demanding party shall be required to commence the action pursuant to this subdivision or thereafter be barred from commencing the action.

(5) If the officer, designated employee, county, city, city and county, school district, special district, or joint powers agency takes no action within the 30-day period, the inaction shall be deemed a decision not to cure or correct the alleged violation, and the 15-day period to commence the action described in paragraph (1) shall commence to run the day after the 30-day period to cure or correct expires.

(6) During any action seeking a judicial determination pursuant to this subdivision if the court determines, pursuant to a showing that an alleged violation has been cured

or corrected by a subsequent action, the action filed pursuant to this subdivision shall be dismissed with prejudice.

SEC. 2. In enacting this act, the Legislature finds and declares that the disclosure of compensation paid to officers and designated employees furthers the intent and purposes of Section 3 of Article I of the California Constitution which declares that the people have the right of access to information concerning the conduct of the people's business.

SEC. 3. The Legislature finds and declares that the fiscal integrity and stability of local governmental agencies in this state, including charter cities, has a direct impact on the long-term well-being of all the residents of this state. The likelihood of businesses locating to or staying in the state is affected by the perception of a functioning, transparent, and practical governmental structure in the local governmental bodies in California. Therefore, the Legislature finds and declares that to ensure the statewide integrity of local government, the disclosure of compensation paid to officers and designated employees is an issue of statewide concern and not a municipal affair, as that term is used in Section 5 of Article XI of the California Constitution. Therefore, this act shall apply to all cities, including charter cities.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

Amendment 4

On page 2, strike out lines 1 to 34, inclusive, and strike out pages 3 and 4

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