

MEMORANDUM

TO: CITY COUNCIL

FROM: JAMES A. BERGMAN, CITY MANAGER

SUBJECT: CONSIDERATION OF A RESOLUTION OF SUPPORT FOR OCEANO COMMUNITY SERVICES DISTRICT FIRE SERVICES TAX MEASURE

DATE: JANUARY 14, 2020

SUMMARY OF ACTION:

The Council will consider adopting a Resolution supporting the Oceano Community Services District fire services tax measure (Measure A-20) on the March 3, 2020 ballot.

IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:

There is no direct financial impact.

RECOMMENDATION:

It is recommended the City Council adopt a Resolution in support of the Oceano Community Services District fire services tax measure (Measure A-20) on the March 3, 2020 ballot given the City's participation with the Five Cities Fire Authority along with Grover Beach and Oceano.

BACKGROUND:

The City of Arroyo Grande is a member of the Five Cities Fire Authority (FCFA) along with the City of Grover Beach and the Oceano Community Services District (OCSD) which provides fire and emergency medical services to approximately 40,000 residents in the three communities. On June 11, 2019, the Council adopted a Resolution approving a Second Amendment to the Five Cities Fire Authority Joint Exercise of Powers Agreement ("Second Amendment") with a revised funding formula that balances FCFA costs between member agencies in a more equitable manner (see Attachment 2). This amendment was approved by the Grover Beach City Council on June 3, 2019 and the OCSD Board of Directors on June 12, 2019. The revised funding formula is based on three equal components (population, service calls over a three-year average, and number of stations) with a "transitional" formula for FY 2019-20 reflecting the three personnel currently stationed in the Grover Beach and Arroyo Grande stations and the two personnel stationed in the Oceano station. The revised funding percentages would go in effect in FY 2020-21 pending the outcome of a fire services measure in Oceano in March 2020. Below in Table 1 is a chart showing the previous, transitional, and revised FCFA funding percentages for each community:

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Table 1 – FCFA Funding Percentages by Community

	<u>Previous</u>	<u>Transitional</u>	<u>Revised</u>
Arroyo Grande	47.0%	45.0%	43.7%
Grover Beach	34.0%	35.1%	33.3%
Oceano	19.0%	19.9%	23.0%

ANALYSIS OF ISSUES:

The Second Amendment includes language about the placement of a ballot measure by OCSD for the March 3, 2020 primary election and the actions that will occur if the ballot measure does not pass. On October 23, 2019, the OCSD Board voted to place such a measure on the March 2020 ballot which was identified as Measure A-20 by the County Elections Office. Attachment 2 contains the full text of Measure A-20 which would levy an annual tax of \$180 per parcel for fire and emergency medical services with a maximum increase of 2% annually. The measure would generate approximately \$422,000 annually and would require a 2/3's voter approval by Oceano voters. If the measure does not pass, OCSD will cease to be a member agency of the FCFA on June 30, 2021 following a 16-month "wind down period" identified in the Second Amendment that specifies distribution of assets and payment of liabilities. During this period, the transitional funding formula used in FY 2019-20 would remain in place rather than using the new funding formula included in the amendment. Staff would work with the other managers of FCFA member agencies to represent the City's interests in this process and would engage the Council in discussing options related to future provision of fire and emergency medical services in Arroyo Grande and how these options impact the City's long-term financial projections.

Given the implications of Measure A-20 to the continued success of the FCFA in the three communities, staff has worked with Grover Beach staff in drafting this staff report and the proposed Resolution of support for consideration by each city's respective City Council. The Resolution documents the role of FCFA in providing effective fire and emergency medical services to each member community and the importance of passage of Measure A-20 to ensure Oceano's continued participation in the FCFA and the continued composition of the FCFA. Pending the Council's adoption of this Resolution, staff will send a copy of the Resolution to the OCSD Board of Directors and to the Grover Beach City Council which considered and adopted this Resolution at its January 6, 2020 meeting.

ALTERNATIVES:

The following alternatives are provided for City Council consideration:

1. Adopt a Resolution in support of the Oceano Community Services District fire services tax measure (Measure A-20) on the March 3, 2020 ballot given the City's participation with the Five Cities Fire Authority along with Arroyo Grande and Oceano;
2. Do not adopt a Resolution; or
3. Provide direction to staff.

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ADVANTAGES:

Adoption of a Resolution supporting the Oceano Community Services District fire services tax measure (Measure A-20) continues Council direction and support of a Five Cities Fire Authority made up of the communities of Oceano, Grover Beach and Arroyo Grande.

DISADVANTAGES:

There are no disadvantages in relation to the recommended action.

ENVIRONMENTAL REVIEW:

No environmental review is required for this item.

PUBLIC NOTIFICATION AND COMMENTS:

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

Attachment:

1. Second Amendment to FCFA JPA Agreement
2. Full Text of Measure A-20

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE DECLARING ITS SUPPORT OF MEASURE A-20 OF THE OCEANO COMMUNITY SERVICES DISTRICT TO FUND OCEANO'S EMERGENCY MEDICAL AND FIRE PROTECTION SERVICES

WHEREAS, the Oceano Community Services District ("OCSD") is a member agency in the Five Cities Fire Authority ("FCFA") along with the City of Grover Beach and the City of Arroyo Grande; and

WHEREAS, FCFA has identified the need for additional full-time emergency responders to ensure adequate local emergency medical and fire protection services for the member communities due in part to the continued decline of the existing reserve program and increasing operational costs; and

WHEREAS, on June 11, 2019, the City Council of the City of Arroyo Grande approved an amendment to the Five Cities Fire Authority Joint Powers Agreement ("JPA") in order to 1) fund certain priorities identified in the FCFA Strategic Plan; 2) make changes to the funding formula and funding contributions by member agencies to reflect current staffing levels; and 3) provide that the OCSD commit to the undertaking of a special tax ballot measure; and

WHEREAS, the OCSD Board of Directors has placed Measure A-20 before the voters of the OCSD at the March 3, 2020 election for approval of a proposed Ordinance to levy a special tax on real property within the District to provide 24-hours a day, 7-days a week local emergency medical services and fire protection within the OCSD and to assist with the attraction and retention of qualified professional medical responders and firefighters in Oceano; and

WHEREAS, the amendment to the JPA provides that if the proposed ballot measure fails to pass and Oceano is unable to fund its share of the funding formula of the FCFA JPA, Oceano will automatically and without further action cease to be a member of the Five Cities Fire Authority on June 30, 2021; and

WHEREAS, the passage of Measure A-20 will provide critically needed funding to provide 24-hours a day, 7-days a week staffed emergency medical and fire protection services to the Oceano Community, and create a sustainable and reliable source of funding for lifesaving fire and medical emergency services; and

WHEREAS, the passage of Measure A-20 will improve Five Cities Fire Authority's ability to provide emergency medical response, fire suppression, hazardous materials response, fire prevention, and education to Oceano residents; and

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WHEREAS, the passage of Measure A-20 will result in OCSD residents and businesses benefitting from having sustainable and reliable emergency medical and fire protection services; and

WHEREAS, the passage of Measure A-20 will enhance the quality of life enjoyed by the local community, as it will provide for staffed 24-hours a day, 7-days a week emergency medical and fire protection services.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande as follows:

1. The recitals set forth herein are true, correct and incorporated herein.
2. The City Council of the City of Arroyo Grande hereby declares its support of the passage of the Oceano Community Services District's Measure A-20 on the general election ballot of March 3, 2020.

On motion by Council Member _____, seconded by Council Member _____, and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

The foregoing Resolution was passed and adopted this 14th day of January, 2020.

**RESOLUTION NO.
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CAREN RAY RUSSOM, MAYOR

ATTEST:

KELLY WETMORE, CITY CLERK

APPROVED AS TO CONTENT:

JAMES A. BERGMAN, CITY MANAGER

APPROVED AS TO FORM:

TIMOTHY J. CARMEL, CITY ATTORNEY

**SECOND AMENDMENT TO FIVE CITIES FIRE AUTHORITY
JOINT EXERCISE OF POWERS AGREEMENT**

This Second Amendment to the Five Cities Fire Authority (“FCFA”) Joint Exercise of Powers Agreement, dated June 7, 2010 (“JPA”) (“Second Amendment”), is made and entered into as of July 1, 2019, by and between the cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District (“Oceano”), which are hereinafter referred to as “Party” and “Parties.”

WHEREAS, on June 7, 2010, the Parties entered into a JPA pursuant to Section 6500 et seq. of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, for the purpose of allowing the Parties to share a combined fire department in order to provide efficient and economical fire protection services; and

WHEREAS, in or about May of 2018, the Parties executed a Memorandum of Agreement Amending the FCFA JPA (“First Amendment”) in order to provide an opportunity for the Parties to meet and confer for the purpose of considering amendments to the JPA including, but not limited to, modifications to the funding formula contained in Exhibit B of the JPA (“Funding Formula”), the provisions regarding member withdrawal, and future staffing levels beyond Fiscal Year 2018/19; and

WHEREAS, the First Amendment required the Parties to agree upon amendments to the JPA by April 1, 2019 or the JPA would terminate as of December 31, 2019; and

WHEREAS, in March of 2019, the Parties executed an extension of the First Amendment, which extended the time for the Parties to mutually agree upon JPA Amendments to October 1, 2019; and

WHEREAS, the parties have met in good faith and now desire to amend the JPA.

NOW THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the Parties agree as follows:

1. **Recitals.** The above recitals are true and correct and incorporated herein.
2. **Strategic Plan.** The Parties agree to fund the following priorities of the five-year Strategic Plan, which was adopted by the FCFA Board of Directors in 2017 for the Fiscal Year 2019/20 budget:

Continued transition to Career Firefighter position with hiring of three (3) full-time positions to be assigned to the Grover Beach fire station.

3. **Fiscal Year 2019/2020.** Each Parties’ contributions for funding the Fiscal Year 2019/20 FCFA Budget shall be:

A. City of Arroyo Grande	\$2,580,955
45.01% _____	

B. City of Grover Beach	\$2,015,115
35.14% _____	
C. Oceano Community Services District	\$1,138,148
19.85% _____	

4. **Funding Formula.**

- A. The Funding Formula contained in Exhibit B to the JPA is hereby amended and replaced in its entirety as set forth in Attachment 1 to this Amendment. All references in the JPA to Exhibit B shall now refer to Attachment 1.
- B. For Fiscal Year 2019-20, a transitional formula is used to determine the funding contributions specified in Section 3. This transitional formula modifies component 3 of the Funding Formula related to fire stations to reflect current staffing levels. This transitional formula may be used for the subsequent Fiscal Year 2020-21 as noted in Section 5B.
- C. The Funding Formula will be reviewed by the Jurisdiction every three years in the month of January, commencing 2023.

5. **Ballot Measure.**

- A. Oceano agrees to undertake the legally required procedures to place a special tax on the March 2020 ballot in accordance with Government Code Section 61121. Oceano will seek a special tax amount sufficient to enable Oceano to be able to fund its share of the Funding Formula taking into account the priorities of the Strategic Plan as determined by the Five Cities Fire Authority Board of Directors.
- B. If the March 2020 Oceano ballot measure does not pass and Oceano is unable to fund its share of the Funding Formula, by operation of this Second Amendment and subject to the Wind Down Period (identified below), Oceano will automatically and without further action cease to be a member of the JPA on June 30, 2021. The time between when the County Clerk Recorder concludes that the 2020 Oceano ballot measure has failed and June 30, 2021 will be known as the "Wind Down Period." Oceano agrees that should it no longer be a member agency of the FCFA, the cities of Arroyo Grande and Grover Beach may continue to operate under the trademark name of Five Cities Fire Authority with no further rights of Oceano to that name. Should the March 2020 ballot measure fail, the funding obligations set forth in Section 3 above for the Fiscal Year 2019/20 FCFA Budget, shall be the same in Fiscal Year 2020/2021.

6. Wind Down Period.

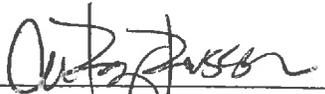
- A. During the Wind Down Period, the Parties shall establish the distribution of assets currently owned and/or in the possession of the JPA, including but not limited to major pieces of apparatus and capital equipment, which will allow Oceano to maintain sufficient apparatus and capital equipment in order to establish an independent fire service and will allow Arroyo Grande and Grover Beach to continue to operate as the FCFA.
- B. During the Wind Down Period, the Parties will establish the obligations of the Parties to pay future obligations that were incurred by the FCFA prior to April 1, 2020, including, but not limited to the following:
- a. Lease payments on Engine 2 and 3; however, the Parties mutually agree and understand that as a result of the dissociation and/or withdrawal of Oceano or any other Party, no Party will be obligated for future payment lease obligations for any Engine that does not remain in the custody, control, and possession of that Jurisdiction.
 - b. Withdrawal and/or dissociation of Oceano or any other Party shall not absolve such Party of liabilities arising out of the participation in the JPA incurred in the ordinary course of business. The Parties mutually agree and understand that as a result of the dissociation and/or withdrawal of Oceano or any other Party, all Parties will remain obligated to pay future FCFA employment related obligations incurred prior to June 30, 2021, including but not limited to pension/PERS, accrued fringe benefits etc.
 - c. During the Wind Down period, the FCFA will perform an unfunded actuarial accrued liability analysis to calculate Oceano or any other dissociating and/or withdrawing Parties' share of unfunded PERS liability, which will be due to the remaining JPA Parties or the City of Arroyo Grande should the JPA be dissolved.
 - d. During the Wind Down Period, the Parties will meet and confer in good faith in regards to the distribution of assets and liabilities as follows:
 - a. A determination as to the distribution of equipment and physical assets by October 1, 2020 (effective June 30, 2021).
 - b. An estimate as to the distribution of debt, employment liability, pension/PERS and other post-employment obligations by February 1, 2021 (effective June 30, 2021).
 - c. An estimate as to the distribution of all other assets by March 1, 2021 (effective June 30, 2021).
 - e. The parties mutually agree and understand that any liability related to unresolved claims or litigation existing prior to June 30, 2021 will remain the obligation of all Parties whether remaining members of the FCFA or not.
 - f. Prior to October 1, 2021, the Parties shall complete a post-dissociation reconciliation of all assets and liabilities incurred prior to June 30, 2021. Any party owing funds shall pay such funds to the other immediately upon

determination. The parties agree to cooperate in completing this post closing reconciliation.

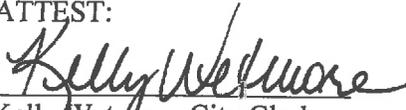
7. **Effect of Amendment.** All other provisions of the JPA shall remain unchanged and in full force and affect. To the extent there is inconsistency between this Amendment and the JPA, the terms of this Amendment shall control, including but not limited to JPA Sections 6.B, 8.B(3), and 17.
8. **Counterparts.** This Amendment may be executed in any number of counterparts and by the Parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.
9. **Severability.** If any part of this Amendment is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Amendment will remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment to be executed by their proper officers hereunto duly authorized.

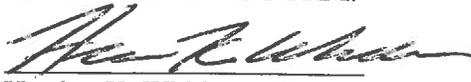
CITY OF ARROYO GRANDE


Caren Ray Russom, Mayor

ATTEST:


Kelly Wetmore, City Clerk

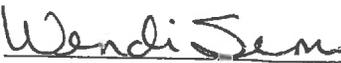
APPROVED AS TO FORM:


Heather K. Whitham, City Attorney

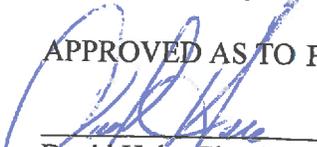
CITY OF GROVER BEACH


Jeff Lee, Mayor

ATTEST:


Wendi Sims, City Clerk

APPROVED AS TO FORM:


David Hale, City Attorney

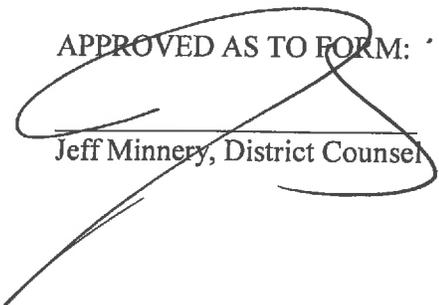
OCEANO COMMUNITY SERVICES DISTRICT


Linda Austin, President

ATTEST:


By: _____

APPROVED AS TO FORM:


Jeff Minnery, District Counsel

ATTACHMENT 1

FUNDING FORMULA

Should the ballot measure pass, effective July 1, 2020, the Parties shall bear the costs of the Five Cities Fire Authority according to the following formula, to be calculated every three years when the budget is prepared. If the ballot measure fails, the funding will be in accordance with Section 5.B of this Second Amendment.

1. 33.33% of costs shall be assessed among the Parties in proportion to the population of each Jurisdiction as most recently determined by the U.S. Census and any intervening estimates prepared by the California Department of Finance when the Fire Chief prepares each annual budget.
2. 33.33% of costs shall be assessed among the Parties in proportion to the number of annual service calls, calculated on a three-year rolling average in each Jurisdiction as most recently determined when the Fire Chief prepares each annual budget.
3. 33.33% of costs shall be assessed among the Parties in proportion to the number of fire stations located in each Jurisdiction.

ORDINANCE NO. 2020-1

**OCEANO COMMUNITY SERVICES DISTRICT
AN ORDINANCE FOR LEVY OF A SPECIAL TAX ON REAL PROPERTY
LOCATED WITHIN THE DISTRICT TO FUND LOCAL EMERGENCY MEDICAL
AND FIRE PROTECTION SERVICES**

WHEREAS, the Oceano Community Services District (“OCSD”) is a member agency in the Five Cities Fire Authority (“FCFA”) along with the City of Grover Beach and the City of Arroyo Grande. The FCFA has identified the need for additional full-time emergency responders to ensure adequate local emergency medical and fire protection services for the member communities. This is due, in part, to the continued decline of the existing reserve program and increasing costs; and

WHEREAS, numerous studies have concluded that emergency response personnel staffing levels directly affect the level of community emergency medical and fire protection services and that additional full-time emergency responders are necessary to provide for the overall safety of the community; and

WHEREAS, on June 27, 2018, the OCSD Board considered a report entitled “2018 Fire Service Analysis for the Oceano Community Services District” which included eight options that were evaluated for future emergency medical and fire protection services within Oceano. The report recommended that the most viable and cost-efficient choice for the community of Oceano was to continue to provide emergency medical and fire protection services through the Five Cities Fire Authority with funding supplemented by a special tax ballot measure; and

WHEREAS, on July 1, 2019, the OCSD Board approved an amendment to the Five Cities Fire Authority Joint Powers Agreement (“JPA”) in order to 1) fund certain priorities identified in the FCFA Strategic Plan; 2) make changes to the funding formula and funding contributions by the member agencies to reflect current staffing levels; and 3) commit OCSD to the undertaking of a special tax ballot measure; and

WHEREAS, according to said amendment to the JPA, if the proposed Ordinance fails to pass and Oceano is unable to fund its share of the funding formula of the FCFA JPA, Oceano will automatically and without further action cease to be a member of the Five Cities Fire Authority on June 30, 2021; and

WHEREAS, in order to provide the best emergency medical and fire protection services to Oceano, to have a fire department staffed and prepared to provide emergency medical and fire protection services 24-hours a day, 7-days a week, and to accomplish both victim rescue and property conservation, additional funding must be sought. Therefore, the Board of Directors has placed a ballot measure before the voters at the March 3, 2020 election for approval of this Ordinance to levy a special tax on real property within the District to fund emergency medical and fire protection services.

NOW, THEREFORE, THE PEOPLE OF THE OCEANO COMMUNITY SERVICES DISTRICT DO ORDAIN as follows:

Section 1. Authority.

This Ordinance is adopted pursuant to section 4 of Article XIII A, section 4 of Article XIII B, and section 2 of Article XIII C of the California Constitution; Article 3.5 (commencing with section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code; Article 3.7 (commencing with section 53720) of Chapter 4 of Division 2 of Title 5 of the Government Code; Government Code section 53978; and Government Code section 61121(a).

Section 2. Fiscal Impact Statement [Elections Code section 13119].

Rate of tax to be levied: \$180.00 per parcel located in the Oceano Community Services District. The special tax is subject to annual maximum increases in an amount not to exceed two percent (2%) per year.

Amount of money to be raised annually: \$422,000.00 (estimated).

Duration of the tax: The authorization to levy the tax pursuant to this Ordinance shall continue until repealed by the voters.

The tax information estimates in this statement reflect the District's current determination of the number of taxable parcels, which is based on certain assumptions. The actual amount of money raised in each year the tax is levied may vary due to factors including, but not limited to, variations in the number of taxable parcels within the District and inflation.

Section 3. Tax Imposed and Purpose of Tax.

A special tax for the purpose of funding emergency medical and fire protection services shall be imposed on all parcels of real property in the Oceano Community Services District for each fiscal year, commencing with fiscal year 2020-2021. The maximum amount of the special tax for fiscal year 2020-2021 shall be \$180.00 per parcel.

Beginning with fiscal year 2021-2022, and for each fiscal year thereafter, the maximum amount the special tax shall increase is two percent (2%).

The records of the San Luis Obispo Assessor as of March 1st of each year shall be used to identify each parcel for the calculation of the special tax applicable to that parcel in the following fiscal year. For the purposes of this Ordinance, the term "parcel" shall mean a parcel of real property having a separate assessor's parcel number as shown on the last equalized assessment roll of San Luis Obispo County.

Section 4. Exemptions.

A. To the extent required by California and Federal law, the following parcels shall be exempt from the tax imposed by this Ordinance:

1. Parcels owned by Federal or State governmental agencies;
2. Parcels owned by local governmental agencies; and
3. Parcels exempt from taxation by the District pursuant to the laws or constitutions of the United States and/or the State of California.

B. Any person or entity claiming an exemption from the tax imposed by this Ordinance shall file a verified statement of exemption on a form prescribed by the Oceano Community Services District General Manager prior to June 30th of the first fiscal year for which the exemption is sought.

Section 5. Ballot Question.

Pursuant to the California Elections Code, the abbreviated statement of the proposition, as it appears on the ballot is as follows:

To maintain rapid response times for 911 medical emergency/fire protection services, provide 24-hours a day, 7-days a week staffed medical emergency/fire vehicles, shall Oceano Community Services District Ordinance No. 2020-1 levying an annual special tax of \$180.00 per parcel, providing \$422,000 a year, subject to annual maximum increases capped at 2%, until repealed by voters, and requiring independent citizen oversight and annual reports, be adopted?

YES

NO

Section 6. Use of Tax Proceeds.

The proceeds of the special tax shall be deposited in a special account, created and maintained by the District and will be used solely for the purpose of providing 24-hours a day, 7-days a week staffed emergency medical and fire protection services within the District and for the costs of administering the special tax, including, but not limited to, the costs of collection. Proceeds of this special tax will not be used for any other purpose and will not be used to offset other District obligations.

(a) For purposes of this Ordinance, "emergency medical and fire protection services" include, but are not limited to, fire protection services, rescue services, emergency medical services, hazardous material emergency response services, ambulance services, and other services relating to the protection of lives and property that are critical to the public peace, health, and safety of the District's residents and members of the public.

(b) For the purposes of this Ordinance, the District's costs of "providing 24-hours a day, 7-days a week staffed emergency medical and fire protection services" include, but are not limited to, the following: salaries, benefits, training, and all other personnel related costs; the costs of acquiring or leasing, operating, and maintaining equipment and apparatus used for fire and emergency services; the costs of operating, maintaining, repairing, renovating, and equipping fire facilities.

Section 7. Method of Collection.

The special tax imposed by this ballot measure is due from each owner of record of a parcel within the District as reflected upon the rolls of the County Assessor at the same time the ad valorem tax is due and is to be collected in the same manner. The San Luis Obispo County Tax Collector shall collect the tax and any penalty or interest due hereunder; provided however, that the District Board of Directors may authorize other appropriate methods of collection of the special tax by appropriate resolution(s). The special tax shall have the same lien priority, and be subject to the same penalties and the same procedure and sale in cases of delinquency, as provided for ad valorem taxes.

Section 8. Accountability Measures.

- A. Account. Upon the levy and collection of the tax authorized by this Ordinance, an account shall be created into which the proceeds of the tax will be deposited. The proceeds of the tax authorized by this Ordinance shall be applied only to the specific purposes identified in this Ordinance.
- B. Annual Report. An annual report that complies with the requirements of Government Code section 50075.3 shall be filed with the District Board of Directors no later than January 1st of each fiscal year in which the tax is levied.

Section 9. Citizen Oversight Committee.

The Board of Directors shall establish a Citizen Oversight Committee (the "Committee"). The Committee shall review and evaluate annual expenditures made by the District from the proceeds of the special tax ("special tax proceeds"). The Committee may receive and review copies of the Report prepared pursuant to Section 8 of this Ordinance, and may inspect all facilities and contracts entered into for which special tax proceeds have been or will be expended. The Committee shall consist of a minimum of three (3) members appointed by the District Board of Directors or as otherwise deemed appropriate. To be a qualified candidate for the Committee, a person must be at least 18 years of age and reside within the District's geographic boundaries. The Committee may not include any employee or officer of the District, or any vendor, contractor, or consultant of the District.

Section 10. Severability.

If any section, subsection, subdivision, paragraph, sentence, or clause of this Ordinance or any part thereof is for any reason held to be unlawful, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The People of the Oceano Community Services District hereby declare that they would have passed each section, subsection, subdivision, paragraph, sentence, or clause thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, or clause be declared unlawful.

Section 11. Recitals.

That the recitals set forth hereinabove are true, correct, and valid.

Section 12. Effective Date.

This Ordinance shall not become effective unless approved at the March 3, 2020 election by a two-thirds (2/3) majority of the voting registered voters within the District. This Ordinance shall become effective ten (10) days after the vote is certified by San Luis Obispo County.

PASSED AND ADOPTED by the People of the Oceano Community Services District at an election held on March 3, 2020.

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