

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

Telephone (805) 489-6666 FAX (805) 489-2765

www.sslocsd.org

AGENDA

BOARD OF DIRECTORS MEETING

City of Arroyo Grande, City Council Chambers

215 East Branch Street

Arroyo Grande, California 93420

Wednesday, October 2, 2013 at 6:00 P.M.

Board Members

Matthew Guerrero, Chair

Tony Ferrara, Vice Chair

Debbie Peterson, Director

Agencies

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

Alternate Board Members

Mary Lucey, Director

Jim Guthrie, Director

Glenn Marshall, Director

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

This public comment period is an invitation to members of the community to present comments, thoughts or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters which are within the jurisdiction of the District. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or presiding Board Member may:

- Direct Staff to assist or coordinate with you.
- It may be the desire of the Board to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to three (3) minutes or less.
- Your comments should be directed to the Board as a whole and not directed to individual Board members.
- Slanderous, profane or personal remarks against any Board Member, Staff or member of the audience shall not be permitted.

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Manager or Bookkeeper/Secretary at (805) 481-6903.

3. CONSENT AGENDA

The following routine items listed below are scheduled for consideration as a group. Each item is recommended for approval unless noted. Any member of the public who wishes to comment on any Consent Agenda item may do so at this time. Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

3A. Review and Approval of the Minutes of the September 4, 2013 meeting

3B. Review and Approval of the Minutes of the September 18, 2013 meeting

3C. Review and Approval of Warrants

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

A. REVIEW OF DISTRICT CREDIT CARD POLICY

Staff recommends the Board review the proposed District Credit Card Policy.

B. BOARD MEMBER APPOINTMENT TO FINANCIAL CONSULTANT STEERING COMMITTEE

Staff recommends the Board appoint a Board Member to work with the District Manager and Bookkeeper to serve ad-hoc on a financial consultant steering committee for the contract with Bartle Wells Associates.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

B. Miscellaneous Written Communications

7. ADJOURNMENT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

City of Arroyo Grande, City Council Chambers
215 East Branch Street
Arroyo Grande, California 93420

Minutes of the Meeting of Wednesday, September 4, 2013
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chair Matthew Guerrero, Oceano Community Services District; Vice Chair Tony Ferrara, City of Arroyo Grande; Director Debbie Peterson, City of Grover Beach.

District Staff in Attendance: Paul Karp, Interim District Manager; Mike Seitz, District Counsel; John Clemons, Plant Superintendent; Trini Rodriguez, Shift Supervisor; Matthew Haber, Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Director Guerrero opened the public comment period. There being none, Director Guerrero closed the public comment period.

3. CONSENT AGENDA

3A. Review and Approval of the Minutes of the August 21, 2013 meeting

Director Peterson spoke about page 2 of the minutes regarding the 4th quarter budget review and legal fees. She wondered if there was a way in which to word that so that it was more accurate as the intent was not to say that they exaggerated the fees, but what happened was that some of the fees were submitted after the year end. Counsel Seitz said that the fees incurred in one year were reported in the following year so that the attorney fees for that year were inflated.

Director Peterson said that she had a question regarding the return to open session. Regarding Item 9, she said that the Board had met in closed session and approved a contract in closed session, but she asked whether the Board needs to hear contracts in open session. Counsel Seitz said that the Board does, and he also said that the contract approval should be on the consent calendar.

Action: It was moved by Director Peterson to approve Consent Agenda Item 3A as amended. Director Ferrara seconded, and the motion was carried 3-0.

3B. Review and Approval of Warrants

Director Peterson commented on the monthly electricity bills, and she wondered if the new billing practices by PG&E would be beneficial.

Action: It was moved by Director Peterson to approve Consent Agenda Item 3B as presented. Director Ferrara seconded, and the motion was carried 3-0.

4. PLANT SUPERINTENDENT'S REPORT

Plant Superintendent Clemons presented the Plant Superintendent's Report which shows that the Plant continues to run well during the summer and is in compliance with regulatory limits. He mentioned an unusually high influent BOD of 586 mg/L experienced on August 16 which the Plant handled relatively well considering the Plant was originally designed to treat BOD loading around 250 mg/L.

Plant Superintendent Clemons also spoke about an inspection by the Environmental Laboratory Accreditation Program (ELAP) and the feedback received from the inspector.

Director Ferrara said that he wanted to make sure that the Standard Operating Procedures (SOPs) reflect any operational changes at the Plant and that the SOPs are displayed in case of inspection.

Plant Superintendent Clemons replied that the SOPs should be completed by the end of September as well as revisions to the O&M Manual.

Director Peterson asked whether or not all files had now been returned by the Wallace Group. She was advised that 12 boxes are still outstanding and that staff will follow up on this.

Action: The Board received and filed the Plant Superintendent's report.

5. BOARD ACTION ON INDIVIDUAL ITEMS

A. ADOPTION OF RESOLUTION NO. 2014-313

Interim General Manager Karp presented the staff recommendation that the Board adopt Resolution No. 2014-313 which allows for the election by the District to become subject to the Uniform Public Construction Cost Accounting Act.

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

Action: Director Peterson moved that the Board direct Interim General Manager Karp to read Resolution No. 2014-313 by title only. Director Guerrero seconded, and the motion carried 3-0. Interim General Manager Karp read the title of Resolution No. 2014-313: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT FOR THE ADOPTION OF UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING. On the following roll call vote, to wit:

AYES: Director Peterson, Director Ferrara, Director Guerrero

NOES: None

ABSENT: None;

the foregoing resolution was passed and adopted this 4th day of September 2013.

B. INTRODUCTION OF ORDINANCE NO. 2014-1

Interim General Manager Karp presented the staff recommendation that the Board introduce Ordinance No. 2014-1 which will allow the use of the informal bidding process per the Uniform Public Construction Cost Accounting Act.

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

Action: Director Ferrara moved Staff's recommendations that the Directors introduce the attached ordinance to implement accounting procedures allowing the District to use the State established limits for informally bid public construction projects. Director Peterson seconded, and the motion was carried 3-0.

6. MISCELLANEOUS ITEMS

- A. Miscellaneous Oral Communications
- B. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

8. CLOSED SESSION

- (1) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 1 case
 - a. Brown Act "Cure and Correct" Demand (Potential Litigation)

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Counsel Seitz reported that the Board had met in closed session pursuant to Government Code Section 54956.9 to discuss a response to the "Cure and Correct" letter. The Board heard a report from Legal Counsel and had a vigorous discussion but took no reportable action.

10. ADJOURNMENT

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 7:23 p.m.

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

City of Arroyo Grande, City Council Chambers
215 East Branch Street
Arroyo Grande, California 93420

Minutes of the Meeting of Wednesday, September 18, 2013
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chair Matthew Guerrero, Oceano Community Services District; Director Jim Guthrie, City of Arroyo Grande; Director Glenn Marshall, City of Grover Beach.

District Staff in Attendance: Paul Karp, Interim District Manager; Mike Seitz, District Counsel; John Clemons, Plant Superintendent; Matthew Haber, Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Director Guerrero opened the public comment period.

Ms. Patricia Price wondered what was causing the delay in getting back the District's files and how much it has cost to do so.

There being no more comments, Director Guerrero closed the public comment period.

Director Guerrero asked Plant Superintendent Clemons if the District has received all of the records back. Plant Superintendent Clemons replied that the District has received everything but twelve boxes. Interim District Manager Karp added that it was just not boxing but cataloguing as well, and he had heard that it was between six and twelve boxes. Staff has had to use a number of records, and everything has been where it was supposed to have been. He applauded those who had worked on getting the records back to the District. Director Guerrero said that the concern is paying for getting back District records the use of which was for the convenience of Mr. Wallace but since he resigned that seemed to be no longer the case.

3. CONSENT AGENDA

3A. Review and Approval of the Minutes of the September 4, 2013 meeting

Counsel Seitz suggested that the minutes of the September 4, 2013 be moved to the next meeting as Director Guerrero was the only Board Member present at that meeting.

Action: Director Guerrero pulled the minutes of the September 4, 2013 to be reviewed at the next meeting.

3B. Review and Approval of Warrants**3C. Review of Financial Report ending August 31, 2013****3D. Approval of Contract with Garing, Taylor & Associates, Inc.**

Action: Director Marshall moved to approve Consent Items 3B – 3D as presented. Director Guthrie seconded, and the motion was carried 3-0.

4. PLANT SUPERINTENDENT'S REPORT

Plant Superintendent Clemons presented the Plant Superintendent's Report which shows that the Plant numbers continue to be very good and are in compliance with regulatory limits. He mentioned two incidences of unusually high BODs both of which were the results of maintenance procedures within the Plant.

Director Guerrero asked about the review of Fats, Oils and Grease (FOG) and any changes to procedures related to the FOG program. Plant Superintendent Clemons said that District staff may be involved with the administration of the FOG program instead of utilizing the services of a consultant.

Director Guthrie asked about the operational changes which had been performed since the last meeting he had attended and whether there had been any exceedances as a result of those changes. Plant Superintendent Clemons spoke about how the changes initiated by Shannon Sweeney have been successful in moving the Plant towards the biological process for which it was designed originally.

Action: The Board received and filed the Plant Superintendent's report.

5. BOARD ACTION ON INDIVIDUAL ITEMS**A. PUBLIC HEARING ON ADOPTION OF ORDINANCE NO. 2014-1**

Interim District Manager Karp presented the staff recommendation that the Board hold a public hearing on the adoption of Ordinance No. 2014-1 which will allow the District to use informal bidding procedures allowed under the Uniform Public Construction Cost Accounting Act.

Counsel Seitz spoke about the public hearing process, and he said that if the Board would like changes to the ordinance tonight, the process would have to begin again.

Director Guerrero opened the public hearing on the adoption of Ordinance No. 2014-1. There being no public comment, Director Guerrero closed the public hearing.

Action: Director Guthrie moved to adopt Ordinance No. 2014-1 AN ORDINANCE TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT. Director Marshall seconded, and on the following roll call vote, to wit:

AYES: Director Guthrie, Director Marshall, Director Guerrero

NOES: None

ABSENT: None;

the foregoing ordinance was passed and adopted this 18th day of September 2013.

B. NEW BOILER SYSTEM CONSTRUCTION

Interim District Manager Karp presented the staff recommendation that the Board direct staff to solicit bids for the construction of a new boiler system designated as SSLOCSD Project No. 14-01. He said that staff is expecting this project to be a public contract to install a methane and natural gas boiler which is expected to cost about \$110,000. He also said that Shift Supervisor Rodriguez and other District staff will perform the piping aspect of this project. Interim District Manager Karp said that the District is spending between \$2,000 to \$2,300 per month in natural gas costs, but with the new boiler system operational, the costs should drop to close to zero. He said that the payback period for this project should therefore be four to five years.

Director Guthrie said that one of the issues with the cogen was the quality of the gas being produced by the digesters. He asked whether there had been tests on the gas. Plant Superintendent Clemons said that cogen engines are a lot more sensitive than boilers, and he does not anticipate any issues with the boiler burning the methane produced by the digesters at the Plant.

Director Guerrero asked for public comment.

Ms. Price said that she is not understanding about the cogen since there had been a boiler before the cogen, and she wondered why the District had moved away from a system which worked to one which did not. Interim District Manager Karp spoke about the greater return on the generation of electricity with the use of the cogen system when it was working.

There being no more comments, Director Guerrero closed the public comment period.

Action: The Board directed staff to solicit bids for the construction of the new boiler system.

C. AMENDMENT OF DISTRICT PURCHASING POLICY

Interim District Manager Karp presented the staff recommendation that the Board review the modifications to the District purchasing policy as set forth in Resolution No. 2014-314.

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

Action: Director Marshall moved to adopt Resolution No. 2014-314 A RESOLUTION AMENDING THE ADOPTED POLICIES AND PROCEDURES FOR THE EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION, AND SERVICES AS SET FORTH IN RESOLUTION NO. 2010-274. Director Guthrie seconded, and on the following roll call vote, to wit:

AYES: Director Marshall, Director Guthrie, Director Guerrero

NOES: None

ABSENT: None;

the foregoing ordinance was passed and adopted this 18th day of September 2013.

6. MISCELLANEOUS ITEMS

- A. Miscellaneous Oral Communications
- B. Miscellaneous Written Communications

There were no miscellaneous communications.

7. PUBLIC COMMENT ON CLOSED SESSION

Director Guerrero asked for public comment. There being no public comment, Director Guerrero closed the public comment period.

8. CLOSED SESSION

- (1) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 3 cases
 - a. Carter v. Wallace
 - b. Johnson v. Wallace
 - c. SSLOCSD v. U.S. Energy

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Counsel Seitz reported that the Board had met in closed session pursuant to Government Code Section 54956.9 and heard a report from Legal Counsel but took no reportable action.

10. ADJOURNMENT

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 7:00 p.m.

THESE MINUTES ARE DRAFT AND NOT OFFICIAL UNTIL APPROVED BY THE BOARD OF DIRECTORS AT A SUBSEQUENT MEETING.

3C - 10-02-2013 Warrant Register

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT WARRANT REGISTER 10/02/2013 FY 2013/14

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AMI PIPE AND SUPPLY	SAFETY SUPPLIES	158497	100213-8001	8056	466.45	524.64
	GASKETS	158650		8060	58.19	
AMERICAN INDUSTRIAL SUPPLY	TOOLS FOR USE ON CENTRIFUGE BASE	0257059-IN	2	20/8065	113.43	113.43
ARAMARK	SAFETY TEAM SHIRTS	15446210	3	8056	294.51	294.51
ARAMARK UNIFORM SERVICES	EMPLOYEE UNIFORMS	8175528 8192265	4	7025	480.62	480.62
BRENNTAG PACIFIC, INC	PLANT CHEMICALS	347837	5	8050	3,825.18	3,825.18
CARLOS QUINTERO	MEDICAL REIMBURSEMENT		6	6075	310.00	310.00
CARQUEST	MISC PART AND SUPPLIES	7314-647724 7314-652401 7314-653862	7	8030	132.82	322.53
	FUEL AND OIL FILTERS AND OIL	7314-642598		8032	189.71	
CENTRAL COAST ELECTRICAL	LAB EQUIPMENT CALIBRATION	9-3-2013	8	8040	210.00	210.00
CENTRAL COAST MACHINING, INC.	MECHANICAL SEAL SLEEVE	25460	9	26/8065	225.70	225.70
CHARTER	INTERNET SERVICE	OCTOBER	10	7011	59.99	59.99
DEBBIE PETERSON	BOARD SERVICE	SEPTEMBER	11	7075	100.00	100.00
EMEDCO INC	SAFETY SUPPLIES	9322289800	12	8056	90.40	90.40
FANNY MUI	MEDICAL REIMBURSEMENT		13	6075	500.00	500.00
FASTENAL	BOLTS	CAS145424	14	8060	182.62	182.62
FEDEX	SHIPPING	2-407-71568	15	8045	32.76	32.76
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	383201A 383291A	16	7078	168.00	168.00
GLENN MARSHALL	BOARD SERVICE	SEPTEMBER	17	7075	100.00	100.00
HACH	LAB SUPPLIES	8484084	18	8040	155.31	155.31
I.I. SUPPLY	SAFETY SUPPLIES	21040 21012	19	8056	337.17	2,032.20
	MISC SUPPLIES	20847		8060	369.71	
	PROJECT NO. 14-01: BOILER SUPPLIES	20848		20/8065	1,307.64	
	CENTRIFUGE AUGER PROJ SUPPLIES	20971		26/8065	17.68	
JB DEWAR INC	VEHICLE FUEL	39174	20	8020	164.44	381.91
	EQUIPMENT OIL	982105		8030	217.47	
JIM GUTHRIE	BOARD SERVICE	SEPTEMBER	21	7075	100.00	100.00
JP TOOL REPAIR	SKIL SAW CORD GUARD	36964	22	8056	19.98	19.98
LOUIE'S CRANE SERVICE	CRANE SERVICE FOR CENTRIFUGE AUGER PROJ	8505	23	26/8065	260.00	260.00
MATTHEW GUERRERO	BOARD SERVICE	SEPTEMBER	24	7075	200.00	200.00
MATTHEW HABER	MEDICAL REIMBURSEMENT		25	6075	972.70	1,847.76
	HOTEL, PARKING, FUEL, PER DIEM	CSDA ANNUAL CONFERENCE		7050	376.66	
	HOTEL REIMBURSEMENT	TRI-STATE SEMINAR: RODRIGUEZ & WOESTE		7050	498.40	
MC MASTER CARR	SHELVING	59927249	26	8035	146.87	373.25
	SAFETY SUPPLIES	60253853 60254581		8056	226.38	
OFFICE DEPOT	OFFICE SUPPLIES	ORDER NO. 678482272-001	27	8045	114.54	114.54
PC MECHANICAL INC	PUMP ALIGNMENT	40634 46638	28	8030	1,295.00	2,575.00
	FFR PUMP ALIGNMENT	30208		26/8061	1,280.00	
PERS	EMPLOYEE MEDICAL	OCTOBER	29	6010	14,975.35	18,718.48
	EMPLOYEE RETIREMENT	100000014053363 100000014057992		6060	3,543.13	
	ADMINISTRATIVE FEE	100000014114611		6060	200.00	
STATE FUND COMPENSATION	WORKERS' COMP	OCTOBER	30	6080	6,079.17	6,079.17
TIGERDIRECT	EMPLOYEE COMPUTER PURCHASE	JONES J48833130101	31	1065	1,858.32	1,858.32
TONY FERRARA	BOARD SERVICE	SEPTEMBER	32	7075	100.00	100.00
UNDERGROUND SERVICE ALERT	DIG ALERT SERVICE	13090028	33	7011	184.50	184.50
U.S. POSTAL SERVICE	STAMPED ENVELOPES		34	8045	286.55	286.55
VWR	LAB SUPPLIES	8055157131 8055261731 8055272147	35	8040	527.77	527.77
		8055277409 8055281211 8055298093				
WEST COAST ROTOR	DRIVE SHAFT - MOYNO PUMP REBUILD	22679	36	26/8061	1,389.59	1,389.59
SUB TOTAL					44,744.71	44,744.71
PAYROLL	PPE 9/20/2013				23,123.08	23,123.08
GRAND TOTAL					67,867.79	67,867.79

We hereby certify that the demands numbered serially from 100213-8001 to 100213-8036 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: _____

Chair

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Staff Report

To: Board of Directors
From: John L. Clemons, Plant Superintendent
Via: Paul J. Karp, Interim District Manager
Date: October 2, 2013
Subject: Plant Superintendent's Report

Chart 1 – **Plant Data**

August 2013	FLOW MGD	Peak MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	
Average	2.55	4.1	372	30.1	380	29.7	<50	254	
High	2.76	4.9	586	54.8	420	38.0	300	876	
Limit	5.0			40		40	2000		
Sept. 2013									
Average	*2.50	*4.1	**376	**30.1	**374	**43.7	*<28	*267	
High	*2.79	*5.0	**431	**31.1	**390	**58.0	*300	*438	

* Thru September 24, 2013

** Thru September 10, 2013

Plant data for September 2013 are as follows:

Average daily flow was 2.50 MGD. Plant maximum design flow capacity is 5.0 MGD

Average effluent biochemical oxygen demand was 30.1 mg/L

Average effluent totals suspended solids were 43.7 mg/L

Permit limits for monthly BOD and TSS averages is 40 mg/l for each.

BOD average removal efficiency was 92%

TSS average removal efficiency was 88.5%

Plant BOD values continue to be very good for the summer season. We had higher than normal (for our plant) effluent TSS values. The values seemed to have been a result of normal periodic sloughing of bio-film from the FFR media.

Corrective Maintenance

Plant staff removed, inspected, and serviced the centrifuge auger. Staff also moved centrifuge cake discharge to the west side of centrifuge building, this enables centrifuge cake to be discharged directly to sludge beds. Repaired seal on Gorman Rump pump. Repaired valve at final clarifier. Replaced unstable shelves in Lab. Fixed leak in chemical pump room. Repaired sprinkler system backflow prevention valve piping.

Safety

Safety committee performed a monthly plant inspection on September 24th. Conducted Quarterly Safety Committee meeting on September 25th.

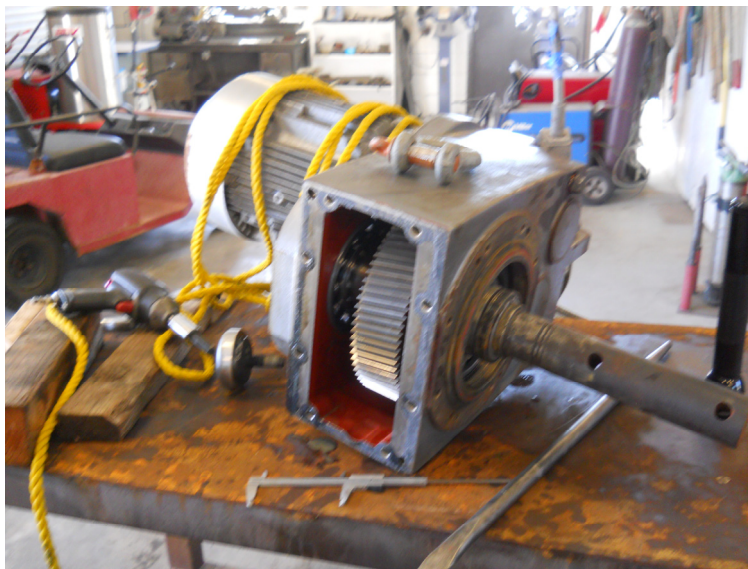
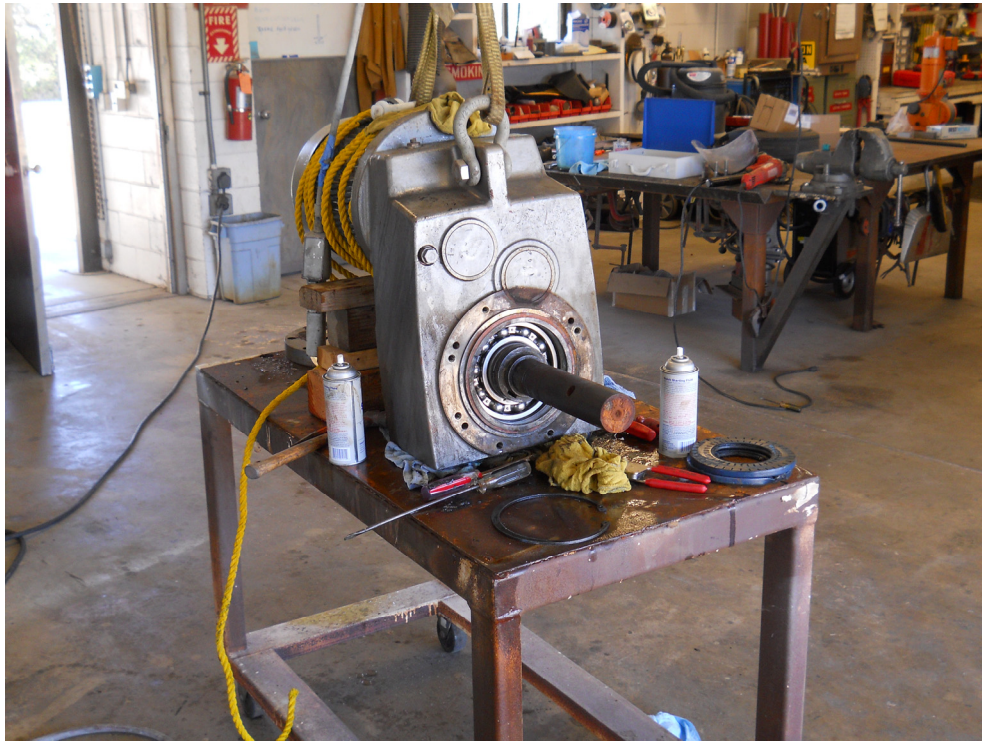
Training

Plant staff attended a training meeting for safely marking underground service alerts. Staff members T. Rodriguez and J. Woeste attended a CWEA Tri-State Conference. Matthew Haber attended the CA Special District Association Annual Conference. W. Romhild, J. Woeste and M. Jones attended a CWEA Tri Counties Section one-day conference on Sept. 18th.

Staff continues to review the Plant SOPs.











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Staff Report

To: Board of Directors
From: Paul J. Karp, Interim District Manager
Date: October 2, 2013

Subject: Review of Proposed Credit Card Policy

Recommendation:

It is the staff recommendation that the Directors review and recommend any modifications to the attached District Credit Card Policy.

Funding:

N/A

Discussion:

The auditors from Moss, Levy and Hartzheim have completed their initial fieldwork as part of the annual financial audit of the District. One of their suggestions is for the District to use credit cards instead of the District debit card for certain purchases for which the normal purchasing procedures either cannot be applied (e.g. Internet purchases) or when it is not very practical to do so (e.g. employee travel on District business).

There are numerous benefits to the use of credit cards including the greater opportunity to save on costs by having the flexibility to choose vendors from which the District otherwise would not be able to make purchases (i.e. those which either cannot or will not grant account credit but which allow credit card purchases); greater security with less financial liability to the District compared to the use of the District debit card; and greater financial control and accountability as purchases are transparent and payments to credit card accounts must be approved and made through the normal warrant process.

For these reasons, it is the staff recommendation that the Board review and recommend any changes to the proposed District Credit Card Policy which will then be brought back to the Board for final review and adoption at the next, regularly-scheduled Board meeting.

Attachment: South San Luis Obispo County Sanitation District Credit Card Policy (Draft)

1.0. Purpose: To establish guidelines and procedures for the use of South San Luis Obispo County Sanitation District (“the District”) credit cards.

2.0. Policy: Credit cards shall only be used to make purchases or pay for services when the normal procedures will not be accepted by a vendor or when the employee is in a position where he/she cannot access the normal purchasing procedures.

3.0. Procedures:

- 3.1. Availability: The credit card may be issued to employees of the District for District business upon approval of the District Manager or his/her appointee.
- 3.2. Lost/Stolen Cards: If a credit card is lost or stolen, it is to be reported to the District Manager or his/her appointee immediately. The District Manager or his/her appointee shall contact the appropriate credit card carrier to report the card lost and to freeze future purchases. If the card cannot be located, the account will be closed and a new card shall be requested.
- 3.3. Credit Card Accounts: Accounts related to credit cards including fuel cards are opened as government accounts and put in the name of the District. The District Manager shall be listed as the responsible party if so requested by the issuing bank or company. All authorized District employees shall be vested with the authority to utilize the cards issued.
- 3.4. Credit Limits: General credit cards shall have a credit limit as specified by the issuing bank.
- 3.5. Purchases: When practical, requests for purchases shall be submitted on an approved order form or a signed purchase order prior to the purchase. When the purchase has been completed, all receipts shall be forwarded to the District Bookkeeper. Receipts shall be obtained for each purchase.
- 3.6. Account Payment: Balances for credit purchases shall be paid in full each month to ensure the availability of the full credit amount. Each purchase shall be assigned to the appropriate budget account line item.

4.0. Provisions:

- 4.1. Limitation of Policy. No provision of this policy shall: **(a)** affect the purchasing authority of any District employee under the District’s Purchasing Policy as specified in Resolution No. 2014-314 or subsequent resolution, **(b)** limit the applicability of any legal authority requiring competitive bidding, or **(c)** allow any District employee to use a credit card in a way that creates a conflict of interest.
- 4.2. Public Resource, No Privacy in Use. A District credit card is a public resource owned by the District. Misuse or mismanagement of a credit card in violation of this policy, whether intentional or negligent, shall have consequences. No employee shall have any expectation of privacy in documents that relate to the use of a District credit card.

- 4.3. Violations of Policy. Within the discretion of the District and other lawful authorities, an employee's violation of this policy, shall subject an employee to personnel/disciplinary action up to and including termination, and also to criminal, civil or administrative liability. Each employee using a District credit card shall be accountable per this policy for any violation of same that said employee knew or reasonably should have known would arise from a particular action, omission or purchase.
- 4.4. Not a Right. District Manager to Issue. No employee has a right to a District credit card. The possession of a credit card is a privilege granted by an exercise in discretion. The District Manager alone shall have the authority to issue a credit card to a District employee.
- 4.5. Authorized Employees Only. Only employees serving in the capacities or working in the positions as authorized by the Board as listed in Exhibit "A" of Resolution No. 2014-311 or a subsequent resolution may receive a District-issued credit card.
- 4.6. District Business Only. Employees shall only use a District-issued credit card in order to accomplish tasks and fulfill responsibilities related to District business. "District business" means activity exclusively limited to the course and scope of an employee's official duties on behalf of the District. Activity that fails to specifically advance a specific District purpose to some degree is not District business.
- 4.7. No Personal Purpose. No District employee shall use a District credit card for any personal purpose. "Personal purpose" means any activity, a primary purpose of which is personal enjoyment, private gain or advantage, or any employee endeavor not related to District business. The use of a District credit card for a personal purpose shall not be excused because of an employee's intent or action to reimburse District after such use. Furthermore, except as otherwise required by law, the District will deem personal purpose to include even the incidental and minimal use of a District credit card.
- 4.8. Suspected Abuse. Every District employee is encouraged to report to his/her direct supervisor any reasonable belief that another employee has engaged in conduct representing a violation of this policy. In the event that an employee reasonably believes that his/her direct supervisor has violated this policy, that employee is encouraged to report the conduct in question to the Plant Superintendent. In the event that an employee reasonably believes that the Plant Superintendent has violated this policy, that employee is encouraged to report the conduct in question to the District Manager. In the event that an employee reasonably believes that the Plant Superintendent has violated this policy, that employee is encouraged to report the conduct in question to the Chair of the District Board of Directors.
- 4.9. Purchase Orders Preferred. The District prefers the use of a purchase order to the use of a credit card. In each case, when the use of a purchase order, considered and approved per standard District purchasing policies and procedures, does not limit the District's ability to do business efficiently (i.e. in a time, place and manner consistent with maximum benefit), a purchase order shall be used. Credit card use is allowed to enhance the District's efficiency. The only exception to the preference for the use of purchase orders shall apply to employee

travel on District business and expenses associated therewith. In the case of this exception, credit card use is allowed as an alternative to a purchase order in light of the direct and absolute transparency provided via credit card use with respect to activity that must encourage public confidence in the District.

- 4.10. Credit Card Transaction Log. Each employee issued a District credit card shall complete and submit a "Credit Card Transaction Log." Each employee using a District credit card shall make a log entry for each transaction within 24 hours of occurrence. Each "description of purpose" in such a log shall include a clear and succinct statement of the official purpose of the District business transaction noted.
- 4.11. Prohibited Credit Card Transactions. No District credit card shall be used to purchase, make payment for, or otherwise acquire: **(a)** professional services, **(b)** general services, including payment for parts or materials used to perform services, as long as supplying the parts or materials in question was incidental to providing the service, **(c)** alcohol, **(d)** a cash advance, **(e)** meals between one or more employees in the normal course of business, unless in relation to travel on District business and in compliance with the District's Personnel Policies, **(f)** any item for use in pursuit of a personal purpose, **(g)** any payment due per a lease, **(h)** rental space or equipment, **(i)** gasoline for an employee's personal vehicle, **(j)** any item not directly related to District business, **(k)** any item the use of which is prohibited by the District's Personnel Policies.
- 4.12. Additional Requirements. **(a)** District credit cards may be used per this policy for purchases made via telephone, mail or the Internet. **(b)** Each employee bears and accepts responsibility and is fully accountable for the use and negligent loss or damage of a District credit card. **(c)** Each employee shall surrender his/her District credit card upon the conclusion of his/her employment with the District.
- 4.13. Administration. The District Manager or his/her designee shall administer this policy.



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Staff Report

To: Board of Directors
From: Paul J. Karp, Interim District Manager
Date: October 2, 2013

Subject: Request for Appointment of a Board Member to Serve Ad Hoc on a Financial Consultant Steering Committee

Recommendation:

It is the staff recommendation that the Directors appoint one of the Board Members to work with the District Manager and Bookkeeper as part of the steering committee for the Bartle Wells contract to provide the District with financial services.

Funding:

No expenditures are expected with this assignment.

Discussion:

The District Board of Directors has entered into a contract with Bartle Wells Associates to provide the District with financial services relating to analysis of existing funds and revenue structures, to generally advise the District with regard to availability of alternative funding sources to aid in the continued work necessary to implement required projects and ordinary maintenance and operations activities, to recommend appropriate changes to rate or fee structures if such are deemed appropriate, and if necessary, to assist staff with Proposition 218 procedures.

Over the last couple of weeks, the consultant has been reviewing materials copied and sent to them by the District Bookkeeper to familiarize themselves with current rate and fee structures, audits, the capital project program, and the District's operations and maintenance requirements. On October 15, 2013, the District is scheduled to meet with the consultant to discuss the materials and address issues prerequisite to move forward on the project. At this writing, staff offers the Board an opportunity to assign one member to work with staff during a couple of meetings that will be conducted with Bartle Wells during the progress of their contract. If the Board would prefer, staff will work directly with the consultant and merely update the Board as necessary and when Board input is required.