



**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, February 03, 2016 at 6:00 p.m.

Board Members

John Shoals, Chair
Matthew Guerrero, Vice Chair
Jim Hill, Director

Agencies

City of Grover Beach
Oceano Community Services District
City of Arroyo Grande

Alternate Board Members

Mary Lucey, Director
Tim Brown, Director
Barbara Nicolls, Director

Oceano Community Services District
City of Arroyo Grande
City of Grover Beach

1. CALL TO ORDER AND ROLL CALL

2. PRESENTATION BY JOHN WALLACE

John Wallace will be present to address the Knudson Report of Past Management Practices.

3. 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.
- Direct Staff 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. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

4. 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.

4A. Review and Approval of Minutes of Meeting of January 06, 2016

4B. Review and Approval of Warrants

5. PLANT SUPERINTENDENT’S REPORT

6. BOARD ACTION ON INDIVIDUAL ITEMS:

6A. PIPELINE REPAIR CONTRACT

Staff recommends that the Board of Directors adopt Resolution 2016-341, authorizing the District Administrator to enter in to an agreement with HJ Construction to repair a 12 inch sewer line at the WWTP.

7. MISCELLANEOUS ITEMS

7A. Miscellaneous Oral Communications

7B. Miscellaneous Written Communications

8. VERBAL REPORT BY INTERIM DISTRICT ADMINISTRATOR

This item gives the District Administrator the opportunity to present future agenda items.

9. PUBLIC COMMENT ON CLOSED SESSION

10. CLOSED SESSION

PUBLIC EMPLOYEE APPOINTMENT (pursuant to Gov. Code section 54957(b)(1))

Title: District Administrator

11. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

12. ADJORNMENT

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 January 20, 2016
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chairman John Shoals, City of Grover Beach; Vice Chairman Matthew Guerrero, Oceano Community Services District; Director Jim Hill, City of Arroyo Grande

District Staff in Attendance: John Clemons, Interim District Administrator/Plant Superintendent; Gilbert Trujillo, District Legal Counsel; Amy Simpson, District Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Giselle Naylor asked about the Sanitation billing for the residents of Oceano.

Patty Welsh asks to see the benefits package of the District employees on a future agenda.

Ron Holt asked of the possibility of adding more District Board members.

Jeff Pineack spoke on water conservation.

Mary Lucey would like to see the Board set goals. She has concerns over the Personnel Policy Manual.

There being no more public comment, Chairman Shoals closed the public comment period.

3. CONSENT AGENDA

3A. Review and Approval of the Minutes of the January 06, 2015 Meeting

3B. Review and Approval of Warrants

Director Hill requested that the seconder to the motion be included in the minutes. He pointed out that item 5E from the minutes of January 6 should read, "There being no public comment, Chairman Shoals closed the public comment period."

Chairman Shoals opened the public comment period.

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Julie Tacker would like the District to “get out of the Litigation business.” She would also like the billings from the Knudson Report to be included with the Wallace side of the cost.

April McLaughlin is appalled that the District is still paying Mike Seitz. She would like the State Fund Workers Comp warrant be pulled.

Tim Brown commented on the Seitz bill.

Chairman Shoals closed the public comment period.

- Motion:** Vice Chair Guerrero made a motion to approve the Consent Agenda with the amended minutes.
- Second:** Director Hill seconded the motion and added that this will be the last payment to Shipsey and Seitz that the Board will pay.
- Action:** The Consent Agenda was approved unanimously with amendments made to the minutes.

Legal Counsel will review the Seitz bill and determine whether or not it will be the last billing.

4. PLANT SUPERINTENDENT’S REPORT

Superintendent Clemons presented the report. He reported that the plant is in good standing. He gave an update on maintenance, in progress, and training happening at the District. He answered questions submitted by Director Guerrero at the meeting of January 6. He emphasized that the Redundancy Project cannot be put on hold or put second to Reclamation Project. He said that the Redundancy Project will move the District closer to Reclamation. He informed the Board that the notification for the Prop 218 hearing has been mailed out. The rates will be set by the Board after the hearing.

Chairman Shoals opened the public comment period.

Julie Tacker, Giselle Naylor, and Brad Snook all gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

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

5. BOARD ACTION ON INDIVIDUAL ITEMS:

5A. 2014/15 AUDIT PRESENTATION

The Board received a presentation of the 2014/15 Audit which showed that the District realized and overall increase of cash and cash equivalents of \$968,159 from the previous year. However, the District realized a decrease in net position of \$207,839 from the

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previous year. The decrease in net position can be attributed to factors such as depreciation and net pension liability. Overall, the District has improved on its fiscal performance this period when compared to prior years. Cash balance increased significantly. Losses and expenditures are less than in prior years.

Chairman Shoals opened the public comment period.

Tim Brown, Andrea Seastrand, and Debbie Peterson all gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to approve the Fiscal Year 2014/15 Audit.

Second: Vice Chairman Guerrero

Action: Motion approved unanimously by roll call vote.

5B. COST OF LIVING ADJUSTMENTS FOR DISTRICT STAFF; STAFFING ALLOCATIONS; CERTIFICATION STIPEND FOR ALL OPERATORS

The Board received a presentation from Alicia Lara of Lara HR services.

Chairman Shoals opened the public comment period.

Patty Welsh, April McLaughlin, Sharon Brown, Tim Brown, Mary Lucey all gave public comment.

There being no more public comment, Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion

- To authorize a one and a half percent (1.5%) Cost of Living Adjustment (COLA) for District staff and adopt Resolution 2016-340.
- Creation of a new part-time classification of Plant Worker, the
- Summer Intern Program and
- Authorize that all operators are eligible for the Higher Operator Grade Program.

Second: Chairman Shoals

Action: Motion approved unanimously by roll call vote.

The Board took a five minute recess.

5C. REPORT ON REVIEW OF PAST MANAGEMENT PRACTICES BY KNUDSON & ASSOCIATES; REQUEST FOR FUNDING

Carl Knudson was present to present his findings. He went over the highlights listed in the Executive Summary and the Recommendations of the report. The

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majority of the recommendations have already been addressed and implemented by staff.

Chairman Shoals opened the public comment period.

Julie London, Giselle Naylor, April McLaughlin, Mike Bird, Debbie Peterson, Lean Aikens, Julie Tacker, Tim Brown, Beatrice Spencer, Andrea Seastand, Patricia Price, Ron Holt, and Jeff Pineack all gave public comment,

Chris Gardner, a Wallace Group representative, requested that the Board continue this item until the Wallace Group can provide responses and corrections.

There being no more public comment, Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to:

- to send a letter to the Wallace Group and Mike Seitz requesting return of District files immediately.
- Pursue a new contract for an auditor with a duration not to exceed 5 years. And to review other work being done by potential auditors.
- Forward the Knudson Report to District Attorney Dan Dow, State Attorney, and the FBI.
- Approve additional amount of funds to Knudson to cover the cost to complete the project.

Second: Vice Chair Guerrero

Action: Motion approved unanimously by roll call vote.

The Board gave direction to contact John Wallace and invite him to attend the next meeting to provide additional comments during the Public Comment period.

6. MISCELLANEOUS ITEMS

- A. Miscellaneous Oral Communications
None to report.
- B. Miscellaneous Written Communications
None to report.

7. VERBAL REPORT BY INTERIM DISTRICT ADMINISTRATOR

No report was given at this meeting.

8. ADJOURNMENT

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 9:50p.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
WARRANT REGISTER
02/03/2016 FY 2015/16

VENDOR	BUDGET LINE ITEM	REFERENCE	WARRANT NO	ACCT	ACCT BRKDN	TOTAL
ABBA EMPLOYER SERVICES, INC	TEMPORARY LABOR	01/20/16; 01/26/16	020316-1016	6085	1,258.40	1,258.40
ALICIA LARA	ADMINISTRATION	2015-012; 2015-013; 2015-014; 2016-01	17	7076	3,520.00	3,520.00
AMERICAN BUSINESS MACHINES	OFFICE EQUIPMENT	262217	18	8015	4,724.63	4,724.63
AMY SIMPSON	MEDICAL REIMBURSEMENT		19	6075	55.00	55.00
ARAMARK	UNIFORMS	01/22/16; 16635137	20	7025	317.94	317.94
AUTOSYS, INC.	STRUCTURE MAINTENANCE	865	21	8061	4,180.00	4,180.00
CALCOAST REGRIGERATION	EQUIPMENT MAINTENANCE	20161162F	22	8030	1,992.62	1,992.62
CALPERS	HEALTH INSURANCE	1942	23	6010	16,193.07	16,193.07
CARQUEST	AUTOMOTIVE	7314-828953	24	8032	44.89	44.89
CSDA	ADMINISTRATION	SALARY & BENEFIT SURVEY	25	7076	100.00	100.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	33766	26	8030	125.28	125.28
JB DEWAR	FUEL	803841; 806212	27	8020	209.02	209.02
JIM HILL	BOARD SERVICE	JANUARY	28	7075	200.00	200.00
JOHN SHOALS	BOARD SERVICE	JANUARY	29	7075	200.00	200.00
JOSLYN HODSON ACCOUNTING	PROFESSIONAL SERVICE	14-34; 14-35	30	7079	1,397.50	1,397.50
MATHEW GUERRERO	BOARD SERVICE	JANUARY	31	7075	200.00	200.00
MICHAEL K. NUNLEY & ASSOC.	REDUNDANCY PROJECT PHASE 1	2015-005; Task 100	32	20-7080	1,773.75	1,773.75
MIDSTATE INSTRUMENTS	EQUIPMENT MAINTENANCE	MSI6270	33	8030	406.35	406.35
PG&E	ELECTRICITY		34	7091	39,416.07	39,416.07
ROYAL WHOLESALE ELECTRIC	SCADA	7842-429313	35	20-8010	3,550.00	3,550.00
SM TIRE	AUTOMOTIVE	711201	36	8032	1,702.11	1,702.11
STATE FUND WORK COMP	WORK COMP INSURANCE	FEBRUARY	37	6080	4,754.17	4,754.17
WINEMA INDUSTRIAL SUPPLY	TOOLS	327	38	8055	1,118.50	1,118.50
SUB TOTAL					\$ 87,439.30	\$ 87,439.30
SSLOCS	RABOBANK TRANSFER DECEMBER	PAYROLL 11.27; 12.11; 12.25	39		71,695.90	101,972.87
		PAYCHEX FEE		6090	308.30	
		ALLTECH		7082	370.00	
		PETTY CASH WITHDRAWL			68.80	
		AT&T		7013	263.04	
		CALPERS RETIREMENT		6060	1,982.74	
		CALPERS MEDICAL		6010	14,839.74	
		CALPERS UNFUNDED LIABILITY		6065	2,291.00	
		COMMUNICATIONS		7011	153.35	
		SLOCODATA		7076	10,000.00	
SSLOCS	PETTY CASH TRANSFER	AUTOMOTIVE	40	8055	10.79	79.59
		HOUSEHOLD		8045	68.80	
SUB TOTAL					189,491.76	\$ 189,491.76
GRAND TOTAL					\$ 189,491.76	\$ 189,491.76

We hereby certify that the demands numbered serially from 020316-1016 to 020316-1040 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: _____

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765

Date: February 3, 2016

To: SSLOCSD Board of Directors
From: John Clemons, District Superintendent
Subject: **Superintendent's Report**

Operations

Chart 1 – **Plant Data**

January 2016*	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.13	3.35	430	32	397	33	6.13	221	92.7
High	2.46	4.0	462	38	440	40	23	520	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2015 Monthly									
Average	2.17	3.42	415	29	438	36	67	194	93
High	2.42	4.8	495	43	494	47	255	402	

- * = Plant data through January 28th.

Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous value for plant effluent BOD and TSS.

Maintenance

- Replaced PLC on #1 Auger controls at headworks.
- Changed out tubing on influent and effluent composite samplers.
- Removed and replaced belt on centrifuge conveyor motor.
- Calibrated all hand held gas detectors.
- Cleared clogged drain in sludge bed #10.
- Work Orders.

In-Progress

- Garing, Taylor, and Associates is working with staff to review and ensure the integrity of the District's **A.G. Sewer Bridge**.
- Staff is working with MKN and Associates Engineers to prepare a **grit removal system RFP**.
- Staff is preparing an RFP for installation of a **mechanical bar screen** in the headworks.
- **Secondary Process Redundancy Project** – Permitting update. Interviewed design engineers.
- **Satellite Water Resource Recovery Facilities** Planning Feasibility Study
- Staff is conferring with PG&E representatives regarding possible **energy conservation projects**.
- Staff is preparing a **short-term emergency back-up plan** in case of a FFR failure.

Training

- Staff attended in-house safety training on Back Injury Prevention.

Regulatory Permits

- APCD representative performed Annual Inspection.
- Staff Submitted Annual Operations Report to Regional Water Quality Control Board

Best regards,

John Clemons
Superintendent



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To: Board of Directors
From: John Clemons, Interim District Administrator
Date: February 3, 2016
Subject: Pipeline Repair Contract

RECOMMENDATION

Staff recommends that the Board of Directors adopt Resolution 2016-341, authorizing the District Administrator to enter in to an agreement with HJ Construction to repair a 12 inch sewer line at the WWTP.

BACKGROUND

During an inspection of the 12 inch sewer line coming into the Plant from Oceano, Staff discovered two leaks in the line. One leak is approximately 4 feet from the manhole and the other leak is approximately 20 feet up the line.

DISCUSSION

Staff solicited proposals from two contractors to repair/replace the pipe. HJ construction provided the lowest bid with a complete scope of work.

FISCAL CONSIDERATIONS

The funds for this project will be taken from Fund 26-8015

Best Regards,

John Clemons III
Superintendent/Interim District Administrator

AGREEMENT FOR SEWER LINE INSTALLATION

This Agreement is made on February ____, 2016, by and between H J Construction, Inc., a California Corporation, ("Contractor") and the South San Luis Obispo County Sanitation District ("District"), in Oceano, California, based on the following recitals:

1. District needs to replace a twelve inch sewer line near the headworks of its Oceano Wastewater Treatment Plant, and does not have in-house staff to provide these services;
2. Via Resolution 2014-313, the District has adopted Uniform Construction Cost Accounting as provided in the Public Contract Code; and
3. Whereas, District Staff has investigated and solicited quotations from local firms capable of providing sewer line installation work, and Contractor has provided a proposal that appears to best fit District's needs at lowest price;
4. Hiring Contractor to provide sewer line installation services for District is consistent with District's Purchasing Guidelines, as adopted by Resolution 2014-314, which provide that the District Manager is the District's agent for purchasing services less than \$45,000 and establish objectives including that District services procurement be efficient, at lowest possible cost, of a quality to assure efficient running of the wastewater plant, and give a local preference in contracts with a bid price less than \$45,000.

NOW, THEREFORE, IT IS AGREED:

1. **Recitals true.** The above recitals are true.
2. **General.**

2.01. Term and Termination. The term of this contract is 90 days, beginning on the date first written above. This contract may be extended by mutual consent of the parties. This contract may be terminated for breach of its terms or conditions, or because of discovery of any act which violates local, state or federal law. Termination is effective 14 days after deposit of notice as specified in this Agreement.

2.02. Services to be Performed. Contractor shall determine the method, details and means of installing a twelve in sewer line near the headworks of District's Oceano Wastewater Treatment Plant. More specifically, Contractor agrees to perform the specific services listed in Exhibit "A."

2.03 District's Duties. District's duties under this Agreement are to cooperate with Contractor in the performance of the contract and timely pay invoices.

2.04. Payment. Payment terms under this Agreement are listed in Exhibit "B."

2.05. Insurance. Contractor shall provide insurance as listed in Exhibit "C."

2.06. Exhibits. Exhibits "A," "B," and "C" are attached and incorporated.

3. **Contractor's Obligations.**

3.01. Minimum Amount of Service. Contractor shall devote sufficient time to perform services under this agreement efficiently and effectively. Contractor may represent, perform services for and be employed by additional individuals or entities, in Contractor's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with District's business.

3.02. Tools and Equipment. Except as otherwise stated in this Agreement, Contractor will supply all tools and equipment necessary to perform this Agreement.

3.03. Status. Contractor (including its employees) is an independent contractor. No employer/employee relationship exists between Contractor and the District. Contractor's assigned personnel shall not be entitled to any benefits payable to employees of the District. The District is

not required to make any deductions or withholdings from the compensation payable to Contractor under this agreement.

3.04. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend (with independent counsel approved by the District) and hold harmless the District, and its directors, officers, and employees from and against all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution) regardless of nature or type that arise out of, pertain to, or relate to the negligence, reckless, or willful misconduct of the Contractor or the acts or omissions of an employee, agent or subcontractor of the Contractor. The provisions of this paragraph survive completion of the services or the termination of this contract. The provisions of this Section are not limited by the provisions of the Section relating to insurance.

4. Miscellaneous

4.01. Notices. All communication relating to the day-to-day activities of this Agreement shall be exchanged between a designated representative of the District and a representative of Contractor, listed below. All notices shall be addressed as follows unless a written change is filed with the District:

To District:
Attn. (Interim) District Administrator
South San Luis Obispo County
Sanitation District
P.O. Box 339
Oceano, CA 93475-0339

To Contractor:
H J Construction, Inc.
Dominic Judge, President
P.O. Box 3325
San Luis Obispo, CA 93403

If the designated Representative or address of either party changes during the term of this agreement, a written notice shall be given to the other party prior to the effective date of change. Any written notices required under this agreement shall be effective five (5) days after deposit into United States mail, postage prepaid, addressed to the designated Representative, or upon confirmation of receipt of delivery if another notification process is used.

4.02. Compliance With Laws, etc. Contractor shall comply with all laws, including but not limited to the rules and policies of the District, in performing this agreement.

4.03. Integration. This agreement constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the parties.

4.04. Interpretation. This agreement shall be interpreted in accordance with the laws of the State of California.

4.05. Jurisdiction. Jurisdiction and venue of all disputes over the terms of this agreement shall be in the County of San Luis Obispo, State of California.

4.06. Warranty of authority. Each person signing this agreement on behalf of a party warrants that he or she has authority to do so.

4.07. No Waiver. Failure to enforce with respect to a default shall not be construed as a waiver.

4.08. Severability. The provisions of this agreement are severable. If any part of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by mutual written consent of the parties.

4.09. Submittals. In addition to any other submittals required by this agreement,

Contractor shall submit copies of its current business license and current certificate of workers compensation coverage to the District before beginning work on this project.

4.10 Prevailing Wage. If applicable, Contractor and all subContractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code. The Director's determination is on file and open to inspection at www.dir.ca.gov and is referred to and made a part hereof; the wage rates therein ascertained, determined and specified are referred to and made a part hereof as though fully set forth herein.

4.11 Exclusive Ownership. All plans, specifications, reports, electronic media, records, and other design documents prepared by Contractor pursuant to this agreement shall be the property of the District; District is entitled to full and unrestricted use of such plans, specifications, reports and other design documents prepared by Contractor pursuant to this agreement; such plans, specifications, reports, and other design documents prepared by Contractor pursuant to this agreement shall be used exclusively on this project and shall not be used on any other work unless deemed necessary by the District.

IN WITNESS WHEREOF, this agreement is executed by the parties on the date first written above.

CONTRACTOR

SOUTH SAN LUIS OBISPO COUNTY SANITATION
DISTRICT

By: Dominic Judge, President

By: John Clemons
Interim District Administrator

By:

APPROVED AS TO FORM:

District Counsel

EXHIBIT "A"

The terms of Contractor's quote to South San Luis Obispo County Sanitation District dated January 22, 2016, concerning 12" Sewer Line Replacement, are hereby incorporated by reference.

EXHIBIT "B"

The District agrees to pay Contractor a not-to-exceed price of \$29,811 to complete the work referenced in Exhibit "A." Contractor will invoice the District as follows: The Contractor will invoice the District on a monthly basis for services and materials.

EXHIBIT "C"
INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contact insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his/her agents, representatives, or employees.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office Business Auto Coverage Form Number CA 0001, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the Contractor's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. Minimum Limits of Insurance

Contractor shall maintain limits no less than:

1. General Liability - \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability - \$1,000,000 per accident for bodily injury and property damage.
3. Employee's Liability - \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability - \$1,000,000 per occurrence.

C. Deductibles and Self-insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of the District, either: the insurer shall

reduce or eliminate such deductibles or self-insured retentions as respects the District, its trustees, officers, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its trustees, officers, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor.

2. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the District, its trustees, officers, employees and volunteers. Any insurance or self-insurance maintained by the District, its trustees, officers, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice stating the title of this contract has been given to the District. **All notices provided pursuant to this Agreement shall be given to the District representative listed for notice in this agreement and shall specify the title of this Agreement.** Notice may be given by overnight mail, facsimile with confirmation of receipt, or certified mail with return-receipt requested. In the case of a reduction in coverage, the Contractor shall provide thirty (30) days' prior written notice as provided in this subparagraph.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

F. Verification of Coverage

Contractor shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the District or on other than the District's forms provided those endorsements conform to District requirements. All certificates and endorsements are to be received and approved by the District before work commences. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

RESOLUTION NO.

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS
OBISPO COUNTY SANITATION DISTRICT AUTHORIZING AND
DIRECTING THE INTERIM DISTRICT ADMINISTRATOR TO
ENTER INTO AN AGREEMENT WITH H J CONSTRUCTION, INC.
FOR THE INSTALLATION OF A TWELVE-INCH SEWER LINE**

WHEREAS, South San Luis Obispo County Sanitation District needs the services of a contractor for a twelve-inch sewer line installation project and does not have employee staff available to provide these services; and

WHEREAS, South San Luis Obispo County Sanitation District obtained quotes from qualified firms to provide the needed services; and

WHEREAS, after a review of the quotes, District staff has determined that HJ Construction, Inc. has submitted the most favorable proposal based on the criteria stated in the District's Purchasing Guidelines, as adopted by Resolution 2014-314; and

WHEREAS, HJ Construction, Inc. is willing to sign an agreement in a form acceptable to District Counsel with District;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of South San Luis Obispo County Sanitation District as follows:

1. An Agreement for Sewer Line Installation with H J Construction, Inc. is hereby approved in substantially the form attached hereto as Exhibit "1;" and
2. The Interim District Administrator, or his/her designee, is hereby authorized and directed to execute the Agreement on behalf of the District, to take all steps necessary to implement the project, and, if appropriate, to enter into amendments to the Agreement necessary to implement the project.

PASSED AND ADOPTED at a regular meeting of the South San Luis Obispo County Sanitation District held February 3, 2016.

Board Chair

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO FORM:

BY: _____
DISTRICT COUNSEL

CONTENTS:

BY: _____
DISTRICT ADMINISTRATOR