



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, July 01, 2015 at 6:00 P.M.

Board Members

Jim Hill, Chair

John Shoals, Vice Chair

Matthew Guerrero, Director

Agencies

City of Arroyo Grande

City of Grover Beach

Oceano Community Services District

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. 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 Minutes of June 17, 2015

3C. Review and Approval of Warrants

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

5A. Consideration of Proposal from AGP Video Inc to Video Stream, Archive and Index SSLOCS Board Meetings.

Consideration of proposal from AGP Video Inc. to video stream, archive and index SSLOCS Board meetings. Staff recommends that the Board direct the District Manager to (1) execute an agreement with AGP Video Inc. for video production services to stream, archive and index Board meetings and (2) adjust the District budget by creating a new account entitled "Video Production," and transfer \$20,000 from Workers Compensation to Video Production.

5B. 2014 Audit 3rd Review and Request for Approval

Review of 2014 audit with clarification as directed at the June 17, 2015 Board meeting. Staff recommends that the Board approve the 2014 Audit.

5C. Wastewater Treatment Plant Replacement Schedule

Report on the replacement schedule for the waste water treatment plant. Staff recommends that the Board receives and files this report.

5D. Approval of Agreement for Recycled Water Planning Grant

Board consideration of entering into grant agreement for matching funds from the State Water Resources Control Board to help fund a recycled water planning study for the District. Staff recommends that the Board authorized the District Manager to sign this agreement on behalf of the District.

5E. Out of Class Pay for FOG Services

The duties of FOG inspections and pretreatment program administration present a significant increase to staff workload and are not included in any staff job description. Staff recommends that the Board approve a stipend of up to 5% for a qualified and certified staff member to be designated to perform the District's Environmental Compliance/Pretreatment Duties.

5F. Rules of Operation and Decorum for SSLOCSD Board Meetings

Consideration of whether to adopt Rules of Operation and Decorum for District Board meetings. Staff recommends that the Board adopt by resolution the SSLOCSD rules of Operation and Decorum for District Board meetings.

5G. OCSD Billing Services

Consideration of interim options regarding OCSD's requested payment of billing services between July 1, 2015 and execution of a written agreement. Staff recommends that the Board consider the options and direct staff how to proceed.

The staff report for this item will be made available as soon as possible and no later than at the public meeting.

6. MISCELLANEOUS ITEMS

6A. Miscellaneous Oral Communications

6B. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION

8. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

Conference with legal counsel regarding existing litigation pursuant to paragraph (1) of subdivision (d) of section 54956.9 of the Government Code (two cases).

South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) Case Number 34-2012-80001209-CU-WM-GDS)

South San Luis Obispo County Sanitation District v. SDRMA

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

10. 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 June 17, 2015
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

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

District Staff in Attendance: Rick Sweet, District Manager; Jenna Shoaf, Interim District Counsel; John Clemons, Plant Superintendent; Amy Simpson, District Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Director Hill opened the public comment period.

Julie Tacker spoke about her experience at the Coastal Commission meeting. She has concerns about sea level rise and wants the Board to seriously consider moving the plant away from the ocean. She asked about the status of \$75,000 grant for the Recycled Water Planning Study, the Bartle and Wells Rate Study, the Redundancy Project, and the ACL settlement.

Tim Brown asked about the status of having a Knox box installed at the plant.

Patty Welsh asked about RFP's. She directed negative comments at the District Manager, asked about the Past Management Practices Review and Quickbooks.

Beatrice Spenser asked for an update on AGP Video.

Ron Holt asked about the sewer bridge timeframe.

District Manager Rick Sweet believes the time frame for the sewer bridge repair project is moving along quicker than under normal circumstances. The District is looking to get an exemption from review. The bridge is not a situation where the structure is under threat.

Mary Lucey gave comment on having zero tolerance for allowing the public to humiliate staff during public comment. She hopes the Board will not allow it to happen in future meetings. She spoke of transparency and is in favor of AGP video.

April McLaughlin thanked the Board members for holding meetings that allows the public to speak and be informed.

Patricia Price agreed with Mary Lucey in that slanderous, mean remarks not be allowed at the meetings.

District Manager Rick Sweet announced that the \$75,000 grant application came back today via email for the Grant Agreement. Staff will be reviewing this agreement and this agreement will go

before the Board for approval at the next meeting. The state will execute the grant and at that point is when the District can start working on the agreement.

Director Shoals also addressed the criticism of staff. And asked that the public be respectful during the comment period. Suggested a Decorum Policy.

District Manager announced that staff is working on a Rules of Decorum policy for Board consideration.

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

3. CONSENT AGENDA

3A. Review and Approval of Minutes of May 20, 2015

3B. Review and Approval of Minutes of June 03, 2015

3C. Review and Approval of Warrants

A separate vote is needed to approve the minutes of May 20, 2015.

Director Hill pulled the warrant to OCSD for \$11,000 for separate consideration.

3B. The minutes of June 3rd, 2015 passed unanimously.

3A. The minutes of May 20, 2015 passed 2-0 with Director Guerrero abstaining.

Julie Tacker gave comment on the OCSD billing for \$11,000. She is awaiting the invoice from BBK. She noted that the Seitz bill is unusually high.

Upon further investigation, it was found that the Seitz payment included two months' worth of billing. It also included reimbursement for BBK billing.

Tim Brown requests that the OCSD bill have a discussion to figure out the agency billing. He believes it would behoove the Board to give their position on the State Water Board lawsuit.

Patty Welsh asked why the agencies all pay different rates. She appreciates John Clemons for his contributions to the District.

Mary Lucey suggests that the final warrant be marked "Final Billing" for FY 14-15. She commented on the OCSD billing.

Beatrice Spencer commented on the OCSD warrant. She asks the Board not to pay the \$11,000 on the public's behalf.

Debbie Peterson commented on the \$11,000 bill and gave examples of good business practices.

District Manager Rick Sweet explained that the OCSD item is being considered under a separate agenda item. The District received a letter from OCSD that set forth the terms of their collection of revenue and an agreement which prompted the need to be put on this agenda.

Director Shoals pulled the \$20,000 warrant to Grover Beach as well.

Action: Warrant Register was approved unanimously by roll call vote with two warrants being pulled. \$11,000 to OCS and \$20,000 to City of Grover Beach.

4. PLANT SUPERINTENDENT’S REPORT

Plant Superintendent Clemons presented the Plant Superintendent’s Report which shows that the Plant numbers remain steady and strong and are in compliance with regulatory limits. Mr. Clemons spoke about the maintenance, safety and training, and projects being done by Staff at the Plant.

Tim Brown is appreciative of the Superintendent’s follow up on public comment.

There will be follow up on the Replacement Schedule in the next Supers Report.

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

5. BOARD ACTION ON INDIVIDUAL ITEMS:

5A. REVIEW OF PAST MANAGEMENT PRACTICES; APPROVAL OF WORK PLAN

The Board reviewed and approved the Work Plan for “Review of Past Management Practices” prepared by Knudson Associates. Knudson and Associates were present to answer any questions.

Sharon Brown and Julie Tacker gave public comment on this item in regards to the boxes returned from John Wallace. Julie Tacker asked that Knudson go through the invoices paying special attention to where the words “purged and gutted” are used in the detailed invoices.

Action: The Knudson Work Plan for Review of Past Management Practices was approved unanimously by roll call vote.

5B. DEBIT CARD POLICY; PROHIBITION OF CASH WITHDRAWALS

Tim Brown, Debbie Peterson, Beatrice Spencer, and April McLaughlin all gave public comment on this item. It was recommended that the District use ACH withdraws.

The Board directed the staff to continue to pursue attaining a credit card as per the Resolution adopted in 2013.

Action: The Board reviewed and adopted the proposed District Debit Card Policy.

Direction to staff was to look into other agency’s use of credit cards and how charges are documented and bring this back to the agenda the July 15th meeting.

5C. REQUEST TO ISSUE REQUEST FOR PROPOSALS (RFP) FOR DISTRICT COUNSEL

The Board reviewed an issuance of a request for proposals (RFP) for District Counsel.

Sharon Brown and Julie Tacker gave public comment on this item.

The following four changes were made

1. The date for inquiries to be received will be no later than June 30th.
2. The word “client” will be used instead of customers.
3. The word “prices” will be changed to “fees and costs”.
4. The word “agent” will be removed.

Action: The Board approved the RFP with the above grammatical and language changes made. It was approved unanimously by roll call vote.

5D. 2014 FINAL AUDIT

Chairman Hill had 2 questions that do not discredit the audit but should be addressed and corrected if necessary for historical record before the audit is approved.

- 1) SLO Investment Pool at \$2,091,245 and State LAIF Investment Pool at \$2,404,950 seem to represent 50% each of the Districts money. Is the statement that “There are no investments in any one issuer that represents 5% or more of the total Districts investments” accurate?
- 2) Note 10- “According to the District’s staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.” This may be inaccurate as well and needs further discussion.

Action: The Board decided to table the approval of the audit to the July 1st 2015 meeting.

5E. WORKERS COMP QUOTES

Beatrice Spencer asked that the quotes come from A rated companies.

Patricia Price asked that the coverage of all the quotes be exactly the same from each company.

Action: The Board directed the District Manager to execute an agreement with the lowest cost option, of those from which quotes were sought, for Workers Compensation Insurance. This was approved unanimously by roll call vote.

5F. REQUEST FROM OCSD TO ENTER INTO AN AGREEMENT TO PAY \$22,000 ANNUALLY FOR BILLING AND COLLECTIONS SERVICES.

District Manager Rick Sweet handed out a letter received from OCSD earlier this day.

There are currently no agreements or contracts with any of the member agencies. The Board would like to see a rational discussion where all agencies uniformly come up with a policy and pay according to that policy.

Director Guerrero gave his historical recollection of this billing charge. He is fine with putting the billing on the tax role.

Ron Holt is comfortable making the payment to OCSD but is uncomfortable with the attitude from OCSD legal and the fact that OCSD has not justified their costs.

Tim Brown believes the Board has a fiduciary duty to do the correct thing. He requests that the Board take the time necessary to get agreements in a thoughtful respectful way.

Debbie Peterson is alarmed that the Grover Beach bill was pulled off the warrant register. Grover Beach did provide the formula used to justify payment. She does not think the Board made an equitable decision.

Beatrice Spencer would like the Board to wait out the payment until there is an agreement and would like the billing on the tax role.

Julie Tacker wants the District to write the agreements on the Districts terms. She would like the billing on the county tax role.

April McLaughlin believes the system is failing across the board and the Board is responsible for getting the contracts and policies in place.

Patty Welsh wants justification for charges.

Mary Lucey believes that the District has gotten here because of lack of supervision. She believes that the District Manager cannot run a District on 10 hours a week.

Director Guerrero believes that the Board should cooperate with the previously agreed upon contract between Wallace and Geaslon.

Director Shoals is not in favor of executing the proposed agreement. He is in favor of looking at how to bill the agencies. He is ok with paying the past amount to be fair but the District will not continue to pay this amount without contracts agreed upon amongst all agencies.

Director Hill read a quote from Government Code 61123A which states

(a) A board of directors may charge a fee to cover the cost of any service which the district provides or the cost of enforcing any regulation for which the fee is charged. No fee shall exceed the costs reasonably borne by the district in providing the service or enforcing the regulation for which the fee is charged.

He recommends approval of recommendations 1 and 4:

That the Board review the history and status of Member Agency payments for Billing Services.

Direct the District Manager to engage in discussions with the Member Agencies to define standards, practices and costs to provide billing services and to develop agreements with each member agency for provision of billing services.

Director Shoals made a motion that the Board approve the above recommendations as well as Recommendation 3.

The Board approve payments to the member agencies in amounts billed to the District for the 2014-15 fiscal year.

Action: The Board approved Director Shoals motion by roll call vote 2-1 with Guerrero and Shoals approving and Chairman Jim Hill voting no.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

District Manager Rick Sweet will not be present at the July 1, 2015 meeting. Shannon Sweeney will be there on his behalf.

Director Shoals will not be at the meeting of August 19, 2015. His alternate will be there on his behalf.

Chairman Hill reminded staff to have AGP Video on the next agenda. He asked staff to look at paying the loan payment in full mentioned in the audit. He believes it to be a good idea to retire the current \$17,000 loan immediately and get rid of that interest payment.

It was a suggestion that all city managers and member agency managers start working on discussions to what the payment will be and what the formula will be for member agency payments.

7. PUBLIC COMMENT ON CLOSED SESSION

Director Hill asked for public comment.

There being no public comment, Director Hill closed the public comment period.

8. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

- (1) Conference with Legal Counsel regarding Existing Litigation; Pursuant to Government Code Section 54956.9;b1; South San Luis Obispo County Sanitation District vs. State Water Resources Control Board
Case Number
34-2012-80001209-CU-WM-GDS
District vs SDRMA

Action: The Board heard a report from Interim Legal Counsel and took no reportable Action.

9. ADJOURNMENT

There being no further business to come before the Board, Director Hill adjourned the meeting at approximately 9:20p.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 REVISED
 07/01/2015 FY 2015/16

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ARAMARK	UNIFORMS	6/19/2015	070115-9532	7025	223.07	223.07
AT&T	COMMUNICATION	JUNE	33	7013	256.84	256.84
B&B STEEL & SUPPLY	EQUIPMENT MAINTENANCE	478149	34	8030	366.63	366.63
BRENTAG	PLANT CHEMICALS	BPI532804	35	8050	5,435.74	5,435.74
CALIFORNIA ELECTRIC	EQUIPMENT MAINTENANCE	MULTIPLE	36	8030	1,516.72	1,516.72
CALPERS HEALTH	MEDICAL	JULY	37	6010	14,264.54	14,264.54
CA WATER ENV. ASSOC	MEMBERSHIP	CLEMONS	38	7050	156.00	156.00
CHARTER	COMMUNICATION	JULY	39	7013	291.62	291.62
CM INDUSTRIAL AND SAFETY	SAFETY SUPPLIES	TRAINING	40	8056	1,201.00	1,201.00
CSBA	AUDIT	GASB45	41	7072	1,500.00	1,500.00
ERA	LAB	759154	42	8040	1,431.91	1,431.91
FASTENAL	SAFETY SUPPLIES	CAS1413040	43	8056	40.54	40.54
FED EX	EQUIPMENT MAINTENANCE	LUBE WATCH	44	8030	18.54	18.54
FERGUSON ENTERPRISES, INC.	EQUIPMENT MAINTENANCE	DIGESTER 1	45	8030	6,179.10	6,179.10
GUERRERO, MATTHEW	BOARD SERVICE	JUNE	61	7075	200.00	200.00
HILL, JIM	BOARD SERVICE	JUNE	46	7075	200.00	200.00
JB DEWAR	FUEL	89852	47	8020	263.64	263.64
LEWIS, MARC	EDUCATION	MATERIALS	48	7050	165.35	165.35
I.I. SUPPLY	SAFETY SUPPLIES	32420	49	8056	33.33	33.33
LOUIE'S CRANE SERCICE	STRUCTURE IMPROVEMENT	9235	50	19-8060	600.00	600.00
PG&E	ELECTRIC	MAY	51	7091	13,728.45	13,728.45
RODRIGUEZ, TRINI	MEDICAL REIMBURSEMENT	FY 15/16	52	6075	465.62	465.62
ROMHILD, WILLIAM	TRAINING	PER DIEM	53	7050	45.00	45.00
SHOALS, JOHN	BOARD SERVICE	JUNE	54	7025	200.00	200.00
SWEET, RICHARD	DISTRICT ADMINISTRATION	JUNE 18, 2015	55	7076	12,000.00	12,000.00
USA BLUEBOOK	TOOLS	678675	56	8030	2,068.04	2,068.04
VWR	LAB SUPPLIES		57	8040	424.92	424.92
WOESTE, JAMES	MEDICAL REIMBURSEMENT	FY 15/16	58	6075	465.61	465.61
SUB TOTAL					\$ 63,742.21	\$ 63,742.21
SO. SLO CO. SANITATION DISTRICT	PAYROLL REIMBUSEMENT	06.12.15	59		24,894.67	24,894.67
	PERS RETIREMENT	06.19.15	60		10,548.29	10,548.29
SUB TOTAL						
GRAND TOTAL					\$ 88,636.88	\$ 88,636.88

We hereby certify that the demands numbered serially from 070115-9562 to 070115-9561 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: June 26, 2015

To: SSLOCSD Board of Directors

From: John Clemons, District Superintendent

Via: Rick Sweet, District Manager

Subject: **Superintendent's Report**

Operations

Chart 1 – **Plant Data**

May 2015*	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	3.44	385	26.38	443	35.9	19	172	93.4
High	2.31	4.00	430	39.20	480	53.2	79	313	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2014 Monthly									
Average	2.35	3.8	392	26	406	31	87	188	93.4
High	2.70	4.8	444	34	470	39	1600	250	

- * = Plant data through June 26th.

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

Treatment processes continue to operate efficiently. All KPI (key performance indicator) parameters are well within permit limits.

Maintenance

- Disassembled volute and cleaned impeller on sludge heating pump. Reset clearances between impeller and volute

- Drained and cleaned Chlorine Contact Chamber.
- Drained, opened, and cleaned spiral heat exchanger.
- Excavated and shored trench around pipeline for Grit Removal Project. Inspected pipeline.
- Cleared rags and debris from primary clarifier #1 sludge pump.
- Repaired waterline on #2 reclaimed water pump.
- Replaced ferric chloride chemical pump at headworks.
- Replaced cam-lock fitting on ferric tote.
- Completed all scheduled work orders.
- Troubleshoot problems with centrifuge. Discovered worn parts within centrifuge.

Call Outs

- No call outs this period.

In-Progress

- Garing, Taylor, and Associates is working with staff to review and ensure the integrity of the District's A.G. sewer bridge. Inspection was performed on April 22nd. Awaiting approval from Fish and Game to perform work.
- Digester #1 cleaning. Draining digester #1.
- Staff has begun work with MKA Engineers to draft an RFP for a new Grit Removal System.
- Staff has begun planning for installation of a mechanical bar screen in the headworks. Meeting with MKA to discuss development of an RFP for the project.
- Staff has begun meeting with InfoTruck (Digital Mentor Inc). to discuss scope of services and Plant specific needs.
- Staff is currently developing SCADA screens and working with AutoSys Inc. and Rockwell Automation representatives to fully implement the SCADA System.
- Replacement or repair of sewage pipeline between headworks and splitter box.

Training

- Staff attended confined space training session.
- Staff was fit tested for respiratory protection equipment.

Best regards,

John Clemons
Superintendent



Servicing the centrifuge



Cleaning the digester sludge heat exchanger



Influent pipeline inspection



Installation of controls wiring at CCT area.



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Staff Report

To: Board of Directors

From: Richard Sweet, PE, District Manager

Date: July 1, 2015

Subject: **CONSIDERATION OF PROPOSAL FROM AGP VIDEO INC TO VIDEO STREAM, ARCHIVE AND INDEX SSSLOCD BOARD MEETINGS**

RECOMMENDATION:

That the Board direct the District Manager to execute an agreement with AGP Video Inc. for video production services to stream, archive and index Board meetings;

And adjust the District budget by creating a new account entitled "Video Production," and transfer \$20,000 from Workers Compensation to Video Production.

BACKGROUND:

There have been recent discussions at Board meetings regarding the District broadcasting its meetings. The Cities of Arroyo Grande and Grover Beach presently broadcast their meetings on Channel 20. The Oceano Community Services District (OCSD) contracts for video production only of their meetings, which are subsequently cablecast on countywide government PEG Channel 21.

The Board directed that AGP Video Inc be contacted to obtain a proposal for video production services for the District.

DISCUSSION:

On June 10, 2015 the District received a proposal from AGP Video Inc (AGP), copy attached, via email. The proposal outlines costs for video production, archiving, streaming and indexing Board meetings. AGP also confirms their ability to perform these services at the Grover Beach Council Chambers, the Arroyo Grande Council Chambers or the OCSD Board Room.

The proposal from AGP identifies the cost for a two-hour meeting to be \$450. There is a \$110 charge for each additional hour. The average Board meeting commencing with this calendar year has been approximately three hours in length.

There are several options for distribution of the proceedings, some with additional costs.

- Presentation on Government Channel 21 after with live meeting will occur with no additional cost.
- To have the meetings presented on the internet, either just live or with post-meeting archiving incurs a one-time charge of \$250 to establish the streaming protocols for the District on www.slo-span.org.
- Presentation on Channel 21 after the live meeting with live streaming during the meeting on www.slo-span.org would be the video production cost (above) and \$50 per meeting, plus the one-time charge.
- Presentation on Channel 21 after the live meeting with live streaming and archiving on www.slo-span.org without indexing will be \$125 per meeting, plus the one-time charge.
- Presentation on Channel 21 after the live meeting with live streaming and archiving with Key Point Indexing (KPI) will be \$190 per meeting, plus the one-time charge. Indexing provides the viewer the ability to quickly retrieve the information that they are seeking. For instance, if a viewer would like to view the vote on agenda item "A", they can easily do so by utilizing the indexing feature.
- A DVD copy will be sent to the South County Regional Library, with DVDs made available for presentation on the Channel 20s in Arroyo Grande and Grover Beach.

A summary of the proposed annual costs for these services is identified in the table below. There is an initial setup charge of \$250 that must be added to the first year costs. The costs assume that the average meeting length is three hours.

Service	Live Streaming	With Archiving	With Archiving and Indexing
Cost	\$13,440	\$16,440	\$18,000

Due to the uncertainty of meeting lengths, it is requested that this item be funded at the level of \$20,000 for the initial year. To fund this service it is proposed that the budget be adjusted to transfer \$20,000 from the Workers Compensation budget item to a new budget item entitled "Video Production."

Options

1. Decline to engage these services.
2. Choose to pursue “Live Streaming” only and provide \$15,000 in the District budget for this service.
3. Choose to pursue “Live Streaming and Archiving” only and provide \$18,000 in the District budget for this service.

Richard G. Sweet, PE
District Manager

Attachment: Email Proposal from AGP Video Inc.

From: ancy Castle <nancy@agpvideo.com>
Sent: riday, June 19, 2015 1:08 PM
To: my Simpson
Cc: rina Dougherty
Subject: GP Video Services

Amy,

Thank you for the call this morning concerning our service rates and for the information that the meetings may be held in different locations among the options of the AG Chamber, GB Chamber or the OCSD Chamber. We are very familiar with all the venues, and would have no problem with any of them.

You indicated there was a request for pricing based on different hour lengths. As I explained, it is in the District's best interest to work with our overtime rate of \$110 calculated using 15 minute intervals. If an hourly rate is preferred, it would work like this.

Up to two hours of meeting time: \$460
Up to three hours of meeting time: \$560
Up to four hours of meeting time: \$660
Up to five hours of meeting time: \$760

If a meeting went for two hours, 25 minutes, we would charge \$560 under this model. Under our "15 minute increment" model, the rate for 2 hours, 20 minutes would be \$515. With the "15 minute increment model" the \$560 rate would not be reached until the meeting went beyond 2 hours and 45 minutes.

I hope this clarifies our rate structure effectively.

Regards,

Nancy Castle, CFO
AGP Video, Inc
390 Preston Lane
Morro Bay CA 93442
805/772-2715

	Video production - distribution on Channel 21	Video production, Ch 21 live streaming*	video production, Ch 21, live streaming, archive w/o indexing*	video production, Ch21, live streaming, archive with indexing*
	\$560.00	\$610.00	\$685.00	\$750.00
24	\$13,440.00	\$14,640.00	\$16,440.00	\$18,000.00

*First year one-time fee of \$250



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Staff Report

To: Board of Directors
From: Richard Sweet, PE, District Manager
Date: July 01, 2015

Subject: **2014 AUDIT 3RD REVIEW AND REQUEST FOR APPROVAL**

RECOMMENDATION:

That the Board approve the 2014 Audit.

BACKGROUND

At the May 20, 2015 Board meeting the Board took public input and provided direction on changes to the audit. The Board directed that accounting and legal be separated in the audit report. The final was brought back for approval at the June 17, 2015 Board meeting. At this time the Board directed staff to receive clarification regarding two items.

1. The first, under Concentration of Credit Risk which states "The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represents 5% or more of the total District investments."
2. Note10 – Commitments and Contingencies "According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence."

DISCUSSION:

The District received the final 2014 Audit. The audit was presented to the Board at the meeting of June 17, 2015. The Board decided to table the approval of the audit to the July 1, 2015 meeting. The Board believes that the two questions do not discredit the audit, but would like these questions addressed and corrected.

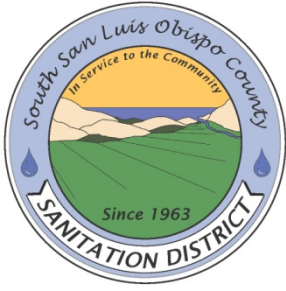
SLO Investment Pool at \$2,091,245 and State LAIF Investment Pool at \$2,404,950 represent approximately 50% each of the Districts funds. The Board is questioning the

statement that “There are no investments in any one issuer that represents 5% or more of the total Districts investments” and is asking clarification form the auditor.

Note 10- “According to the District’s staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.” The Board is questioning the accuracy of this statement and has requested clarification from the auditor.

Alex Hom from Moss, Levy & Hartzheim, LLP presence at the Board meeting has been requested to answer these and any additional questions the Board may have.

Richard G. Sweet, PE
District Manager



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

Staff Report

To: Board of Directors

From: Richard Sweet, PE, District Manager

Date: July 1, 2015

Subject: **WASTEWATER TREATMENT PLANT REPLACEMENT
SCHEDULE**

RECOMMENDATION:

That the Board receives and files this report.

BACKGROUND:

Prior to 2013, budget documents included capital projects called major budget items. Although there was some planning for projects for future years, there were no funds budgeted for replacement of plant equipment. To ensure that future budgets would properly reflect the cost of maintaining plant equipment and to prepare for rate adjustment evaluations, plant equipment was itemized, and costs and timing for replacement were estimated.

DISCUSSION:

The attached spreadsheet shows the results of itemizing plant equipment, estimating costs and timing of replacements. Previous costs and equipment life spans, or manufacturer's information was used when available. When this information was not available, best engineering, or past experience was used. The spreadsheet estimates replacement costs out ten years. By summing up the costs for plant equipment each year, annual funding becomes predictable.

Each year, equipment slated for replacement can be evaluated. If appropriate, costs can be deferred. If other equipment fails sooner than expected, then deferred costs can be applied as needed. When equipment is replaced, cost and life span are updated on the spreadsheet.

Richard G. Sweet, PE
District Manager

Attachment: Equipment Replacement Schedule



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Staff Report

To: Board of Directors

From: Richard Sweet, PE, District Manager

Date: July 1, 2015

Subject: **GRANT AGREEMENT WITH THE STATE WATER RESOURCES CONTROL BOARD FOR A WATER RECYLING PLANNING GRANT TO STUDY A SATELLITE WATER RESOURCE RECOVERY FACILITY**

RECOMMENDATION:

That the Board authorize by resolution the General Manager to enter into a grant agreement with the State Water Resources Control Board for a Water Recycling Planning Grant to study a satellite water resource recovery facility.

BACKGROUND:

At the Board meeting of October 1, 2014 a Recycled Water Project was discussed. There were comments of support from the Surf Rider representative and other members of the public.

At the November 5, 2014 Board meeting, the Board approved an agreement with Water System Consulting (WSC), the Northern Cities Management Area Engineer, for preparation of a Planning Study for a Recycled Water Project to provide supplemental water to the Northern Cities Management Area (NCMA).

The concept being evaluated is a satellite treatment facility on the sewer trunk line that serves most of Arroyo Grande. The advantages of this concept are:

1. The proposed location is outside the Coastal Zone and the jurisdiction of the Coastal Commission.
2. The proposed location would provide opportunities for groundwater recharge, landscape irrigation and agriculture irrigation water with very little distribution piping. This is a significant cost savings over many other alternatives.

3. The proposed location is in an area where the groundwater would benefit from percolation of the effluent.
4. Brine generated through the satellite treatment plant can be discharged through the existing trunk sewer line for eventual discharge at the SSLOCSO ocean discharge line.
5. The project is eligible for a planning grant: 50% local match
6. With the water bond approved last November and with significant grant opportunities for recycled water projects in the water bond, timing is excellent to take advantage of this funding opportunity.

The cost of the services within the proposal is \$6,700 for the grant preparation and \$150,000 for preparation of the planning study. Seventy five thousand dollars (fifty percent) for preparation of the planning study will be derived from the planning grant. The planning grant requires a fifty percent match. Therefore \$6,700 for preparation of the grant and a fifty percent local match comes from local revenue sources. The total local revenue sources required will be \$81,700 ($1/2 \times \$150,000 + \$6,700$). The City of Arroyo Grande has agreed to contribute fifty percent of the local match (\$40,850) and, the Board approved the District's contribution of the remaining fifty percent. The initial work within the study will consist of the development of an economic feasibility study. If the District determines that the project is **not** economically feasible the study will be terminated and no further expenses will be incurred.

At the Board Meeting of February 4, 2015, the Board reviewed and approved the submittal of a grant application for preparation of a planning study. The District has been awaiting a grant agreement from the State Water Resources Control Board (Water Board). No work completed prior to full execution of grant agreement will be reimbursable through the grant. Therefore WSC has been directed to await approval of the grant agreement before proceeding with the work.

DISCUSSION:

On June 17, 2015 the District received the grant agreement from the Water Board via email. This meeting represents the first regular meeting opportunity to adopt a resolution authorizing the General Manager to execute the Grant Agreement.

The timeline within the Grant Agreement requires submittal of a draft report by June 1, 2016 and a final report submittal on June 1, 2017. The agreement also requires that the relevant findings from the County Water Recycling Facilities Planning Study and the City of Pismo Beach Water Recycling Planning Study be addressed within the District's study.

The value of the grant has been defined at seventy four thousand eight hundred forty-nine dollars (\$74,849).

Environmental Impact:

Not applicable.

Options:

1. Do not authorize the District Manager to execute the agreement and cease study of the Satellite Water Recycling Facility.

Richard G. Sweet, PE
District Manager

Attachment: Water Recycling Grant Program Grant Agreement

**BOARD OF DIRECTORS
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

RESOLUTION NO. 2015-___

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS AUTHORIZING THE DISTRICT’S GENERAL MANAGER TO ENTER INTO
GRANT AGREEMENT NO. 14-673-550 WITH THE STATE WATER RESOURCES CONTROL BOARD
FOR PREPARATION OF A RECYCLED WATER PROJECT PLANNING STUDY**

WHEREAS, on February 4, 2015, the South San Luis Obispo County Sanitation District (“District”) filed an application for a Water Recycling Facilities Planning Grant Application (“Application”) with the State Water Resources Control Board (“SWRCB”);

WHEREAS, the SWRCB has approved the District’s Application and approved water recycling grant program funds (“Grant Funds”) for the purpose of conducting a facilities planning study that will determine the feasibility of a Satellite Water Resource Recovery Facility or scalping plan with the District’s collection system to develop recycled water as a supplemental water supply source and improve the water supply reliability for the District’s member agencies (“Facilities Planning Study”);

WHEREAS, the District received Grant Agreement No. 14-673-550 (“Grant Agreement”) from the SWRCB on June 17, 2015;

WHEREAS, in order to receive Grant Funds, the District must execute the Grant Agreement, attached hereto and incorporated herein as Exhibit A to this resolution;

WHEREAS, the Grant Agreement authorizes the SWRCB to provide a 50% match of local funding for the Facilities Planning Study up to maximum of \$74,89.00.

WHEREAS, adoption of this resolution does not constitute a “project” under California Environmental Quality Act Guidelines Section 15378(b)(4) because there would be no direct or indirect physical change in the environment.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT AS FOLLOWS:

1. The District Manager or his designee is hereby authorized and directed to enter into and sign, for and on behalf of the District, the Grant Agreement with the SWRCB in the amount not to exceed \$74,849.00 for a Facilities Planning Study.

2. The District hereby agrees and authorizes the District Manager or his designee to certify that the District has and will comply with all applicable state and federal statutory and regulatory requirements related to any Grant Funds received.
3. The District Manager or his designee is hereby authorized to negotiate and execute the Grant Agreement and any amendments or change orders thereto, and to certify disbursement of Grant Funds on behalf of the District.
4. All the recitals in this resolution are true and correct and the District so finds, determines and represents.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2015 by the following called vote:

AYES:

NOES:

ABSENT:

Jim Hill, Chairman of the Board of Directors
South San Luis Obispo County Sanitation District

ATTEST:

Amy Simpson, Clerk of the Board

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly introduced and adopted at a regular meeting of the South San Luis Obispo County Sanitation District held on the 1st day of July, 2015.

Richard Sweet
District Manager

Jim Hill
Chairman of the Board of Directors,
South San Luis Obispo County Sanitation District

APPROVED AS TO FORM:

Jena Shoaf
District Legal Counsel

EXHIBIT A

PROPOSITION 13 – WATER RECYCLING GRANT PROGRAM
GRANT AGREEMENT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD, hereinafter called “State” or “State Water Board”
AND

South San Luis Obispo County Sanitation District, hereinafter called “Grantee”

Satellite Water Resource Recovery Facility, hereinafter called “Project”

GRANT AGREEMENT NO. 14-673-550

State and Grantee hereby agree as follows:

PROVISION(S). The following provision(s) authorize the State Water Board to enter into and fund this of Grant Agreement:

Water Code § 79140 (Proposition 13 Water Recycling)

The State Water Board, pursuant to the State Water Board Study Plan Approval dated June 9, 2015, has authorized Water Recycling Grant Program funds for the Project.

PURPOSE. The State shall provide a grant to and for the benefit of Grantee for the purpose of conducting a facilities planning study that will determine the feasibility of a Satellite Water Resource Recovery Facility (SWRRF) or scalping plant within the District’s collection system to develop recycled water as a supplemental water supply source and improve the water supply reliability for the Member Agencies.

GRANT AMOUNT. The maximum amount payable under this Agreement shall not exceed \$74,849. Global Positioning System (GPS) locations for any monitoring must be identified for this Project prior to any disbursements.

TERM OF AGREEMENT. The term of the Agreement shall begin on June 10, 2015, and continue through final payment plus thirty-five (35) years unless otherwise terminated or amended as provided in the Agreement. **HOWEVER, ALL WORK SHALL BE COMPLETED BY December 10, 2018. ABSOLUTELY NO FUNDS MAY BE REQUESTED AFTER January 31, 2019.**

Project Representatives. The Project Representatives during the term of this Agreement will be:

State Water Resources Control Board	Grantee: South San Luis Obispo CSD
Name: Mr. Daniel Newton, Grant Manager	Name: Rick Sweet, Project Director
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: P.O. Box 339 Oceano, CA 93475
Phone: (916) 324-8404	Phone: (805) 489-6666
Fax: (916) 341-5707	Fax:
e-mail: Daniel.Newton@waterboards.ca.gov	e-mail: Rick.Sweet@comcast.net

Direct all inquiries to:

State Water Resources Control Board	Grantee: South San Luis Obispo CSD
Section/Unit: Division of Financial Assistance	Section/Unit:
Attention: Mr. Jody Hack, Project Manager	Attention: Rick Sweet, Grant Contact
Address: 1001 I Street, 16th Floor Sacramento, CA 95814	Address: P.O. Box 339 Oceano, CA 93475
Phone: (916) 341-5811	Phone: (805) 489-6666
Fax: (916) 341-5707	Fax:
e-mail: Jody.Hack@waterboards.ca.gov	e-mail: Rick.Sweet@comcast.net

Either party may change its Project Representative upon written notice to the other party.

STANDARD PROVISIONS. The following exhibits are attached and made a part of this Agreement by this reference:

Exhibit A SCOPE OF WORK

Exhibit B DISBURSEMENT, BUDGET DETAIL, AND REPORTING PROVISIONS

Exhibit C STATE WATER BOARD - GENERAL CONDITIONS

GRANTEE REPRESENTATIONS. The Grantee accepts and agrees to comply with all terms, provisions, conditions, and commitments of this Agreement, including all incorporated documents, and to fulfill all assurances, declarations, representations, and commitments made by the Grantee in its application, accompanying documents, and communications filed in support of its request for grant funding. Grantee shall comply with and require its contractors and subcontractors to comply with all applicable laws, policies and regulations.

IN WITNESS THEREOF, the parties have executed this Agreement on the dates set forth below.

By: _____
Grantee Signature

By: _____
Darrin Polhemus, Deputy Director
Division of Financial Assistance,
State Water Resources Control Board

Grantee Typed/Printed Name

Date

Title

Reviewed by:
Office of Chief Counsel
Date:

Date

EXHIBIT A – SCOPE OF WORK

1. The Final Facilities Planning Report submittal date is hereby established as **June 10, 2017**. Division staff may approve an extension of up to 12 months for good cause without further action by the Deputy Director of the Division. (The recipient must submit a request for extension at least thirty (30) days prior to the established Final Report date.)
2. The title of the Planning Report is known as the Satellite Water Resource Recovery Facility.
3. The Recipient agrees to ensure that its final Request for Disbursement is received by the Division no later than **January 31, 2019**, unless prior approval has been granted by the Division. Otherwise, the undisbursed balance of this Agreement will be de-obligated.
4. The tentative Planning schedule is summarized as follows:

RECIPIENT MILESTONES	DATE ¹
Eligible Start Date	June 10, 2015
Draft Facilities Planning Report submittal	June 1, 2016
Mid-course Meeting	July 15, 2016
Final Facilities Planning Report submittal	June 1, 2017
Final Disbursement Request/End of Draw	January 31, 2019
¹ These are estimated dates, which may be adjusted as necessary during the draw period. However, all milestones must be achieved with relevant deliverables approved by the Division, and the final invoice submitted, prior to January 31, 2019 .	

5. Scope of Work

During the development of the Water Recycling Facilities Planning Study (WRFPS), multiple Satellite Water Resource Recovery Facility (SWRRF) and recycled water end use alternatives will be evaluated. It is anticipated that the treatment and use alternatives evaluated will include disinfected tertiary for unrestricted irrigation, disinfected tertiary with partial reverse osmosis for agricultural irrigation and advanced treatment for groundwater recharge.

The County of San Luis Obispo recently completed a Regional Recycled Water Strategic Plan, which included an evaluation of recycled water alternatives for the District. The City of Pismo Beach, which is adjacent to the Member Agencies' service areas to the north, is also nearing completion of a WRFPS for its wastewater treatment plant. The relevant findings from these studies will be incorporated into the evaluation of the SWRRF alternatives.

Additionally, several prior studies, including the District's Desalination Funding Study, the Lopez Lake Spillway Raise Project and the Urban Water Management Plan for the City of Arroyo Grande have identified a few potential alternative supplemental water supply sources. The findings from these non-recycled water alternative studies will be summarized in the WRFPS and compared against the proposed recycled water alternatives.

The alternatives for this WRFPS will be developed using consistent planning and design requirements (e.g. delivery and system pressure, peak delivery and storage criteria, level of treatment, cost basis, etc.). The identified alternatives, along with non-recycled water alternatives, will then be evaluated to develop a preferred project alternative.

Documents referenced above are hereby incorporated into this Grant Agreement in their entirety.

EXHIBIT B – DISBURSEMENT, BUDGET DETAIL AND REPORTING PROVISIONS

1. Request for Disbursement

- 1.1 An original Disbursement Request (Form 260) along with an original Grantee invoice shall be submitted to the State Water Board's Disbursement Coordinator. The Grantee may submit disbursement requests initially after this Agreement has been executed and subsequently not more frequently than every thirty (30) calendar days. Also required for disbursement of funds for Construction projects is a Construction Spreadsheet (Form 259). All disbursement forms and supporting documentation must be completed in accordance with the supplied instructions. All documents must have original signatures and dates (in ink) by Grantee's Authorized Representative, designee, or Project Director. Final disbursement requests shall be clearly marked "FINAL" and submitted NO LATER THAN **January 31, 2019**.

The address for submittal is:

State Water Resources Control Board
Division of Financial Assistance
Attention: Disbursement Coordinator
17th Floor, Administration Unit
P.O. Box 944212
Sacramento, CA 94244-2120

Street Address: 1001 I Street, 17th Floor
Sacramento, CA 95814

- 1.2 Payment will be made only after receipt of a complete, adequately supported, properly documented and accurately addressed Form 260. Forms received by the State Water Board that are not consistent with the approved format will cause delay in disbursement. In the event of a delayed disbursement, the State Water Board's Disbursement Coordinator will notify the Grantee. Full payment will not be made until the issue(s) for the delay are resolved. Failure to use the address exactly as provided above may result in return of the invoice or payment request to the Grantee. Payment shall be deemed complete upon deposit of the payment, properly addressed, postage prepaid, in the United States mail. The State Water Board's Grant Manager must approve all payments.
- 1.3 Notwithstanding any other provision of this Agreement, no disbursement shall be required at any time or in any manner which is in violation of or in conflict with Federal or State laws, rules, or regulations, or which may require any rebates to the Federal Government, or any loss of tax-free status on State bonds, pursuant to any Federal statute or regulation.
- 1.4 Grantee shall use disbursement amounts to pay outstanding costs incurred immediately, if Grantee has not already paid such costs.

2. Budget Contingency Clause

The maximum amount to be encumbered under this Agreement for the **2014-15** fiscal year ending **June 30, 2015**, shall not exceed **seventy four thousand eight hundred forty-nine dollars and zero cents (\$74,849.00)**.

The Grantee agrees to pay any and all costs associated with the completion of the Project, including without limitation, any and all Project costs exceeding the State Water Board approved grant amount.

If federal or other state funding assistance for Project costs is made available, the Grantee may retain all federal or other state funds received up to an amount that equals the Grantee's local share of Project costs. Any excess funds received, up to the total amount of the State Water Board grant funds received, shall be remitted to the State Water Board to the extent not prohibited by the requirements of the other funding sources. Any residue shall be the property of the Grantee.

Except as may be otherwise provided in this Agreement, disbursement of Grant Project Funds will be made as follows:

Only costs incurred after the date of approval of the Study Plan Approval are eligible for grant reimbursement. Disbursements may be requested in two (2) installments. The first disbursement may be requested upon submittal and approval of a draft facilities plan for an amount up to fifty percent (50%) of the total estimated grant amount. The second disbursement may be requested upon submittal and approval of the final facilities plan for an amount equal to fifty percent (50%) of total eligible costs incurred, not to exceed the maximum amount specified herein and less the amount of any previous disbursements. Disbursement requests must be approved by the State Water Board Grant Manager.

If during the course of the Study the Grantee determines that a water recycling project is not feasible for the study area, the Grantee, after consultation with and approval from the Grant Manager may terminate planning efforts prior to completion of all of the tasks specified in the plan of study. The results of the work completed and the basis for the conclusion shall be documented in a report. After submittal of the report, the Grantee may request a disbursement for an amount equal to fifty percent (50%) of the total eligible costs incurred, not to exceed seventy-five percent (75%) of the maximum amount specified herein and less the amount of any previous disbursement. The Grant Manager must approve the disbursement request.

If the State Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no force and effect. This provision shall be construed as a condition precedent to the obligation of the State Water Board to make any payments under this Agreement. In this event, the State shall have no liability to pay any funds whatsoever to Grantee or to furnish any other considerations under this Agreement and Grantee shall not be obligated to perform any provisions of this Agreement. Nothing in this Agreement shall be construed to provide the Grantee with a right of priority for payment over any other Grantee.

If this Agreement's funding for any fiscal year is reduced or deleted by the Budget Act, by Executive Order, or by order of the Department of Finance, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to the Grantee to reflect the reduced amount.

3. Line Item Budget

Description	Grant Amount
Planning	\$74,849
Total	\$74,849

4. Reports.

4.1 Completion of the Study, for purposes of the grant, consists of submittal of a final facilities planning report that fully documents all aspects of the study. The facilities planning report must include an analysis of all of the essential components of potential projects and must be in accordance with the Water Recycling Funding Guidelines.

4.2 The Grantee agrees to expeditiously provide, during work on the Project and throughout the term of this Agreement, such reports, data, information, and certifications as may be reasonably required by the State Water Board.

5. Payment of Project Costs. The Grantee agrees that it will provide for payment of its full share of Project costs, and that all costs connected with the Project will be paid by the Grantee on a timely basis.

6. Final Disbursement. Notwithstanding any other provision of this Agreement, the Grantee agrees that the State Water Board may retain an amount equal to ten percent (10%) of the grant amount specified in this

Agreement until completion of the Project to the reasonable satisfaction of the State Water Board. Any retained amounts due to the Grantee will be promptly disbursed to the Grantee, without interest, upon completion of the Project.

7. Audit Disallowances. The Grantee agrees it shall return any audit disallowances to the State Water Board.
8. Failure To Submit Report. Failure to submit any reports pursuant to this Exhibit required by the State Water Board shall constitute a breach of a material provision of this Agreement. The Grantee understands and acknowledges that upon failure to provide any such report pursuant to this Exhibit, the Division of Financial Assistance (Division) will stop processing any pending and future applications for new loans or grants and withhold payments on any existing loans and grants that the Grantee may have with the State Water Board until the report has been submitted to the Grant Manager's reasonable satisfaction. Further, upon failure to submit a report pursuant to this Exhibit, the Division shall issue a notification and request for the report and initiate administrative proceedings pursuant to Water Code sections 13267 and 13268 or use any other legal means to obtain the report. The Grantee further acknowledges that failure to submit required reports may result in termination of this Agreement and immediate repayment of all grant funds disbursed hereunder.
9. Fraud and Misuse of Public Funds. All invoices submitted shall be accurate and signed under penalty of perjury. Any and all costs submitted pursuant to this Agreement shall only be for the tasks set forth herein or incorporated by reference. The Grantee shall not submit any invoice containing costs that are ineligible or have been reimbursed from other funding sources unless required and specifically noted as such (i.e., match costs). Any eligible costs for which the Grantee is seeking reimbursement shall not be reimbursed from any other source. Double or multiple billing for time, services, or any other eligible cost is illegal and constitutes fraud. Any suspected occurrences of fraud, forgery, embezzlement, theft, or any other misuse of public funds may result in suspension of disbursements of grant funds and/or termination of this Agreement requiring the repayment of all funds disbursed hereunder. Additionally, the Deputy Director of the Division of Financial Assistance may request an audit pursuant to Exhibit C, paragraph 4 and refer the matter to the Attorney General's Office or the appropriate district attorney's office for criminal prosecution or the imposition of civil liability. (Civ. Code, §§ 1572-1573; Pen. Code, §§ 470, 489-490.)
10. Prohibition of Indirect Costs. The grant funds for this Agreement are the proceeds from the sale of general obligation bonds. As such, grant funds may not be used for any indirect costs. "Indirect Costs" means those costs that are incurred for a common or joint purpose benefiting more than one cost objective and are not readily assignable to the Project (i.e., costs that are not directly related to the Project). Examples of Indirect Costs include, but are not limited to: central service costs; general administration of the Grantee; non-project-specific accounting and personnel services performed within the Grantee organization; depreciation or use allowances on buildings and equipment; the costs of operating and maintaining non-project-specific facilities; tuition and conference fees; and, generic overhead or markup. Any invoice submitted including Indirect Costs will cause that invoice, in its entirety, to be disputed and will not be paid until the dispute is resolved. This prohibition applies to the Grantee and any subcontract or sub-agreement for work on the Project that will be reimbursed with grant funds pursuant to this Agreement. (Gov. Code, § 16727.)

EXHIBIT C — STATE WATER BOARD GENERAL CONDITIONS

1. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
2. **APPROVAL:** The Grantee will not proceed with any work on the Project until authorized in writing by the State Water Board.
3. **ASSIGNMENT:** This grant is not assignable by the Grantee, either in whole or in part, without the written consent of the State Water Board.
4. **AUDIT:** The Grantee agrees that the State Water Board, the Bureau of State Audits, the Governor of the State, or the Internal Revenue Service, or any authorized representative of the foregoing shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. The Division of Financial Assistance (Division), at its option, may call for an audit of financial information relative to the Project, where the Deputy Director of the Division determines that an audit is desirable to assure program integrity or where such an audit becomes necessary because of federal requirements. Where such an audit is called for, the audit shall be performed by a certified public accountant independent of the Grantee and at the cost of the Grantee. The audit shall be in the form required by the Division. The Grantee agrees to maintain such records for a possible audit for a minimum of thirty-five (35) years after final payment, unless a longer period of records retention is stipulated. The Grantee agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Grantee agrees to include a similar right of the State to audit records and interview staff in any contract related to performance of this Agreement. The Grantee agrees it shall return any audit disallowances to the State Water Board. (Gov. Code, § 8546.7; Pub. Contract Code, § 10115 et seq.)
5. **BONDING:** Where contractors are used, the Grantee shall not authorize construction to begin until each such contractor has furnished a performance bond in favor of the Grantee in the following amounts: faithful performance (100%) of contract value; labor and materials (100%) of contract value. This requirement shall not apply to any contract for less than \$25,000.00. Copies of performance bonds must be submitted to the Grant Manager prior to the authorization of construction activities. (Civ. Code, § 9550; Pub. Contract Code, § 7103.
6. **COMPLIANCE WITH LAW, REGULATIONS, ETC.:** The Grantee agrees that it will, at all times, comply with and require its contractors and subcontractors to comply with all applicable federal and state laws, rules, guidelines, regulations, and requirements. Without limitation of the foregoing, the Grantee agrees that, to the extent applicable, the Grantee will comply with the provisions of the adopted environmental mitigation plan for the term of this Agreement, or the useful life of the Project, whichever is longer.
7. **COMPUTER SOFTWARE:** The Grantee certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
8. **CONFLICT OF INTEREST:** The Grantee certifies that it is in compliance with applicable state and/or federal conflict of interest laws.
9. **CONTINUOUS USE OF PROJECT; LEASE OR DISPOSAL OF PROJECT:** The Grantee agrees that, except as provided in the Agreement, it will not abandon, substantially discontinue use of, lease, or dispose of the Project or any significant part or portion thereof during the useful life of the Project without prior written approval of the Deputy Director of the Division. Such approval may be conditioned as determined to be appropriate by the Deputy Director of the Division, including a condition requiring repayment of all grant funds or any portion of all remaining grant funds covered by this Agreement together with accrued interest and any penalty assessments that may be due. The Grantee shall not take any action, including but not limited to actions relating to user fees, charges, and assessments that could adversely affect the ability of the Grantee

to meet its obligations under this Agreement, without prior written permission of the Deputy Director of the Division.

10. **DAMAGES FOR BREACH AFFECTING TAX EXEMPT STATUS:** In the event that any breach of any of the provisions of this Agreement by the Grantee shall result in the loss of tax exempt status for any state bonds, or if such breach shall result in an obligation on the part of the State to reimburse the federal government by reason of any arbitrage profits, the Grantee shall immediately reimburse the State in an amount equal to any damages paid by or loss incurred by the State due to such breach.
11. **DATA MANAGEMENT:** This Project includes appropriate data management activities so that Project data can be incorporated into appropriate statewide data systems.
12. **DISPUTES:** The Grantee shall continue with its responsibilities under this Agreement during any dispute. Any dispute arising under this Agreement which is not otherwise disposed of by agreement shall be decided by the Deputy Director of the Division, or his or her authorized representative. The decision shall be reduced to writing and a copy thereof furnished to the Grantee and to the State Water Board's Executive Director. The decision of the Division shall be final and conclusive unless, within thirty (30) calendar days after mailing of the Division decision to the Grantee, the Grantee mails or otherwise furnishes a written appeal of the decision to the State Water Board's Executive Director. The decision of the State Water Board's Executive Director shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal under this clause, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Grantee shall continue to fulfill and comply with all the terms, provisions, commitments, and requirements of this Agreement. This clause does not preclude consideration of legal questions, provided that nothing herein shall be construed to make final the decision of the State Water Board, or any official or representative thereof, on any question of law.
13. **ENVIRONMENTAL CLEARANCE (CEQA/NEPA/STREAMBED ALTERATION):**
 - a. No work that is subject to the California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) may proceed under this Agreement until documents that satisfy the CEQA/NEPA process are received by the Grant Manager and the State Water Board has given environmental clearance. No work that is subject to an Environmental Impact Report or a Mitigated Negative Declaration may proceed until and unless approved by the Deputy Director of the Division. Such approval is fully discretionary and shall constitute a condition precedent to any work for which it is required. Proceeding with work subject to CEQA and/or NEPA without environmental clearance by the State Water Board shall constitute a breach of a material provision of this Agreement.
 - b. If this Project includes modification of a river or stream channel, it must fully mitigate environmental impacts resulting from the modification. The Grantee must provide documentation that the environmental impacts resulting from such modification will be fully mitigated considering all of the impacts of the modification and any mitigation, environmental enhancement, and environmental benefit resulting from the Project, and whether, on balance, any environmental enhancement or benefit equals or exceeds any negative environmental impacts of the Project.
14. **FISCAL MANAGEMENT SYSTEMS AND ACCOUNTING STANDARDS:** The Grantee agrees that, at a minimum, its fiscal control and accounting procedures will be sufficient to permit tracing of grant funds to a level of expenditure adequate to establish that such funds have not been used in violation of state law or this Agreement. The Grantee further agrees that it will maintain separate Project accounts in accordance with generally accepted accounting principles.
15. **GOVERNING LAW:** This grant is governed by and shall be interpreted in accordance with the laws of the State of California.
16. **GRANTEE'S RESPONSIBILITY FOR WORK:** The Grantee shall be responsible for all work and for persons or entities engaged in work performed pursuant to this Agreement, including, but not limited to, contractors,

subcontractors, suppliers, and providers of services. The Grantee shall be responsible for any and all disputes arising out of its contracts for work on the Project, including but not limited to payment disputes with contractors and subcontractors. The State will not mediate disputes between the Grantee and any other entity concerning responsibility for performance of work.

17. **INCOME RESTRICTIONS:** The Grantee agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Grantee under this Agreement shall be paid by the Grantee to the State, to the extent that they are properly allocable to costs for which the Grantee has been reimbursed by the State under this Agreement.
18. **INDEPENDENT ACTOR:** The Grantee, and its agents and employees, if any, in the performance of this Agreement, shall act in an independent capacity and not as officers, employees or agents of the State Water Board.
19. **INSPECTION:** The State Water Board, the Bureau of State Audits, or any authorized representative of the foregoing, shall have suitable access to the Project site at all reasonable times during Project implementation and thereafter for the useful life of the Project to ascertain compliance with this Agreement and its goals. The Grantee acknowledges that the Project records and location are public records.
20. **INSURANCE:** Throughout the useful life of the Project, the Grantee shall provide and maintain insurance against fire, vandalism and other loss, damage, or destruction of the facilities or structures constructed pursuant to this Agreement, if any. This insurance shall be issued by a company or companies admitted to transact business in the State of California. The insurance policy shall contain an endorsement specifying that the policy will not be cancelled or reduced in coverage without thirty (30) days prior written notice to the State Water Board. In the event of any damage to or destruction of the Project or any larger system of which it is a part, the net proceeds of insurance shall be applied to the reconstruction, repair or replacement of the damaged or destroyed parts of the Project or its larger system. The Grantee shall begin such reconstruction, repair, or replacement as expeditiously as possible and shall pay out of such net proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the larger system shall be free of all claims and liens.
21. **NONDISCRIMINATION:**
 - a. During the performance of this Agreement, the Grantee and its consultants and contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave.
 - b. The Grantee, its consultants, and contractors shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
 - c. The Grantee, its consultants, and contractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12990.) and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.
 - d. The Grantee, its consultants, and contractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement, if any.
 - e. The Grantee shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement. Failure by the Grantee to carry out these requirements and applicable requirements of 40 C.F.R. part 33 is a breach of a material provision of this Agreement which may result in its termination

22. **NO THIRD PARTY RIGHTS:** The parties to this Agreement do not create rights in, or grant remedies to, any third party as a beneficiary of this Agreement, or of any duty, covenant, obligation or undertaking established herein.
23. **NOTICE:**
- a. The Grantee shall notify the State Water Board prior to conducting construction, monitoring, demonstration, or other implementation activities such that State Water Board and/or Regional Water Quality Control Board (Regional Water Board) staff may observe and document such activities.
 - b. The Grantee shall promptly notify the State Water Board of events or proposed changes that could affect the scope, budget, or work performed under this Agreement. The Grantee agrees that no substantial change in the scope of the Project will be undertaken until written notice of the proposed change has been provided to the State Water Board, and the State Water Board has given written approval for such change.
 - c. The Grantee shall promptly notify the State Water Board of the discovery of any potential archeological or historical resource. Should a potential archeological or historical resource be discovered during construction of the Project, the Grantee agrees that all work in the area of the find will cease until a qualified archeologist has evaluated the situation and made recommendations regarding preservation of the resource, and the Deputy Director of the Division has determined what actions should be taken to protect and preserve the resource. The Grantee agrees to implement appropriate actions as directed by the Division.
 - d. The Grantee shall promptly notify the State Water Board of the discovery of any unexpected endangered or threatened species, as defined in the federal or California Endangered Species Acts. Should a federal or state protected species be unexpectedly encountered during construction of the Project, the Grantee agrees to promptly notify the Deputy Director of the Division. This notification is in addition to the Grantee's obligations under the federal or state Endangered Species Acts.
 - e. The Grantee shall notify the State Water Board at least ten (10) working days prior to any public or media event publicizing the accomplishments and/or results of this Agreement and provide the opportunity for attendance and participation by State Water Board representatives.
 - f. The Grantee shall promptly notify the State Water Board in writing of completion of work on the Project.
 - g. The Grantee shall promptly notify the State Water Board in writing of any cessation of all major construction work on the Project where such cessation of work is expected to or does extend for a period of thirty (30) days or more and of any circumstance, combination of circumstances, or condition, which is expected to or does delay completion of construction for a period of ninety (90) days or more beyond the estimated date of completion of construction previously provided.
24. **OPERATIONS & MAINTENANCE:** The Grantee shall maintain and operate the facility and structures constructed or improved as part of the Project throughout the useful life of the Project, consistent with the purposes for which this Grant was made. The Grantee assumes all operations and maintenance costs of the facilities and structures; the State Water Board shall not be liable for any cost of such maintenance, management or operation. The Grantee may be excused from operations and maintenance only upon the written approval of the Deputy Director of the Division. For purposes of this Agreement, "operation costs" include direct costs incurred for material and labor needed for operations, utilities, insurance, and similar expenses. "Maintenance costs" include ordinary repairs and replacements of a recurring nature necessary to prolong the life of capital assets and basic structures, and the expenditure of funds necessary to replace or reconstruct capital assets or basic structures.
25. **PERMITS, CONTRACTING, AND DEBARMENT:** The Grantee shall procure all permits and licenses necessary to accomplish the work contemplated in this Agreement, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work. Any contractors, outside associates, or consultants required by the Grantee in connection with the services covered by this Agreement

shall be limited to such individuals or firms as were specifically identified and agreed to during negotiations for this Agreement, if any, or as are specifically authorized by the State Water Board's Grant Manager during the performance of this Agreement. Any substitutions in, or additions to, such contractors, associates, or consultants, shall be subject to the prior written approval of the State Water Board's Grant Manager. The Grantee shall not contract with any party who is debarred or suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549, "Debarment and Suspension." The Grantee shall not contract with any individual or organization on USEPA's List of Violating Facilities. (40 C.F.R. § 31.35; Gov. Code, § 4477) www.sam.gov. The Grantee certifies to the best of its knowledge and belief, that it and its principals:

- a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department, the California Department of Industrial Relations (DIR), or Grantee;
 - b. Have not within a three (3)-year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (b) of this certification; and
 - d. Have not within a three (3)-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default.
26. **PREVAILING WAGES AND LABOR COMPLIANCE:** If applicable, the Grantee agrees to be bound by all the provisions of the Labor Code regarding prevailing wages and shall monitor all contracts subject to reimbursement from this Agreement to assure that the prevailing wage provisions of the Labor Code are being met. Current DIR requirements may be found at <http://www.dir.ca.gov/lcp.asp>. For more information, please refer to DIR's *Public Works Manual* at: <http://www.dir.ca.gov/dlse/PWManualCombined.pdf>.
27. **PROFESSIONALS:** The Grantee agrees that only licensed professionals will be used to perform services under this Agreement where such services are called for. All technical reports required pursuant to this Agreement that involve planning, investigation, evaluation, or design, or other work requiring interpretation and proper application of engineering or geologic sciences, shall be prepared by or under the direction of persons registered to practice in California pursuant to Business and Professions Code, sections 6735, 7835, and 7835.1. To demonstrate compliance with California Code of Regulations, title 16, sections 415 and 3065, all technical reports must contain a statement of the qualifications of the responsible registered professional(s). As required by these laws, completed technical reports must bear the signature(s) and seal(s) of the registered professional(s) in a manner such that all work can be clearly attributed to the professional responsible for the work.
28. **RECORDS:** Without limitation of the requirement to maintain Project accounts in accordance with generally accepted accounting principles, the Grantee agrees to:
- a. Establish an official file for the Project which shall adequately document all significant actions relative to the Project;
 - b. Establish separate accounts which will adequately and accurately depict all amounts received and expended on this Project, including all grant funds received under this Agreement;
 - c. Establish separate accounts which will adequately depict all income received which is attributable to the Project, especially including any income attributable to grant funds disbursed under this Agreement;
 - d. Establish an accounting system which will adequately depict final total costs of the Project, including both direct and indirect costs;

- e. Establish such accounts and maintain such records as may be necessary for the state to fulfill federal reporting requirements, including any and all reporting requirements under federal tax statutes or regulations; and
 - f. If a Force Account is used by the Grantee for any phase of the Project, establish an account that documents all employee hours, and associated tasks charged to the Project per employee.
29. RELATED LITIGATION: Under no circumstances may a Grantee use funds from any disbursement under this Grant Agreement to pay costs associated with any litigation the Grantee pursues against the State Water Board or any Regional Water Board. Regardless of the outcome of any such litigation, and notwithstanding any conflicting language in this Agreement, the Grantee agrees to complete the Project funded by this Agreement or to repay all of the grant funds plus interest.
30. RIGHTS IN DATA: The Grantee agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, audio and video recordings, notes, and other written or graphic work produced in the performance of this Agreement shall be in the public domain. The Grantee may disclose, disseminate and use in whole or in part, any final form data and information received, collected, and developed under this Agreement, subject to appropriate acknowledgement of credit to the State Water Board for financial support. The Grantee shall not utilize the materials for any profit-making venture or sell or grant rights to a third party who intends to do so.
31. STATE REVIEWS AND INDEMNIFICATION: The parties agree that review or approval of Project applications, documents, permits, plans and specifications or other Project information by the State Water Board is for administrative purposes only and does not relieve the Grantee of its responsibility to properly plan, design, construct, operate, maintain, implement, or otherwise carry out the Project. To the extent permitted by law, the Grantee agrees to indemnify, defend and hold harmless the State Water Board and the State against any loss or liability arising out of any claim or action brought against the State Water Board and/or the State from and against any and all losses, claims, damages, liabilities or expenses, of every conceivable kind, character and nature whatsoever arising out of, resulting from, or in any way connected with (1) the Project or the conditions, occupancy, use, possession, conduct or management of, work done in or about, or the planning, design, acquisition, installation or construction, of the Project or any part thereof; (2) the carrying out of any of the transactions contemplated by this Agreement or any related document; (3) any violation of any applicable law, rule or regulation, any environmental law (including, without limitation, the Federal Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the California Hazardous Substance Account Act, the Federal Water Pollution Control Act, the Clean Air Act, the California Hazardous Waste Control Law and California Water Code § 13304, and any successors to said laws), rule or regulation or the release of any toxic substance on or near the System; or (4) any untrue statement or alleged untrue statement of any material fact or omission or alleged omission to state a material fact necessary to make the statements required to be stated therein, in light of the circumstances under which they were made, not misleading with respect to any information provided by the Grantee for use in any disclosure document utilized in connection with any of the transactions contemplated by this Agreement. To the fullest extent permitted by law, the Grantee agrees to pay and discharge any judgment or award entered or made against the State Water Board and/or the State with respect to any such claim or action, and any settlement, compromise or other voluntary resolution. The provisions of this section shall survive the term of this Agreement.
32. STATE WATER BOARD ACTION, COSTS, AND ATTORNEY FEES: The Grantee agrees that any remedy provided in this Agreement is in addition to and not in derogation of any other legal or equitable remedy available to the State Water Board as a result of breach of this Agreement by the Grantee, whether such breach occurs before or after completion of the Project, and exercise of any remedy provided by this Agreement by the State Water Board shall not preclude the State Water Board from pursuing any legal remedy or right which would otherwise be available. In the event of litigation between the parties hereto arising from this Agreement, it is agreed that each party shall bear its own filing costs and attorney fees.
33. SUPPLEMENTAL ENVIRONMENTAL PROJECTS: Grant Funds shall not be used for supplemental environmental projects required by Regional Water Boards.

34. **TERMINATION, IMMEDIATE REPAYMENT, INTEREST:** This Grant Agreement may be terminated by written notice at any time prior to completion of the Project, at the option of the State Water Board, upon violation by the Grantee of any material provision after such violation has been called to the attention of the Grantee and after failure of the Grantee to bring itself into compliance with the provisions of this Agreement within a reasonable time as established by the State Water Board. In the event of such termination, the Grantee agrees, upon demand, to immediately repay to the State Water Board an amount equal to the amount of grant funds disbursed to the Grantee prior to such termination. In the event of such termination, interest shall accrue on all amounts due at the highest legal rate of interest from the date that notice of termination is mailed to the Grantee to the date of full repayment by the Grantee.
35. **TIMELINESS:** Time is of the essence in this Agreement. The Grantee shall proceed with and complete the Project in an expeditious manner.
36. **TRAVEL AND PER DIEM:** Any reimbursement for necessary travel and per diem shall be at rates not to exceed those set by the California Department of Human Resources. These rates may be found at: <http://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx>. Reimbursement will be at the State travel and per diem amounts that are current as of the date costs are incurred by the Grantee. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the Grant Manager.
37. **UNENFORCEABLE PROVISION:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement shall continue to have full force and effect and shall not be affected thereby.
38. **URBAN WATER MANAGEMENT:** The Grantee certifies that this Project complies with the Urban Water Management Planning Act (Water Code, § 10610 et seq.). This shall constitute a condition precedent to this Agreement.
39. **USEFUL LIFE OF PROJECT:** For the purpose of this Agreement, the useful life of any constructed portions of this Project begins upon completion of construction and continues until fifty (50) years thereafter for pipelines and structures and twenty (20) years for all else.
40. **VENUE:** The State Water Board and the Grantee hereby agree that any action arising out of this Agreement shall be filed and maintained in the Superior Court in and for the County of Sacramento, California, or in the United States District Court in and for the Eastern District of California. The Grantee hereby waives any existing sovereign immunity for the purposes of this Agreement.
41. **WAIVER AND RIGHTS OF THE STATE WATER BOARD:** Any waiver of rights with respect to a default or other matter arising under the Agreement at any time by either party shall not be considered a waiver of rights with respect to any other default or matter. Any rights and remedies of the State provided for in this Agreement are in addition to any other rights and remedies provided by law.
42. **WATER CONSERVATION AND EFFICIENCY PROGRAMS:** The Grantee acknowledges that it has appropriate water conservation and efficiency programs in place, and that this provision constitutes a condition of the grant award. A web link with examples of water conservation and efficiency programs is available at: http://www.waterboards.ca.gov/waterrights/water_issues/programs/drought/conservation.shtml. The Grantee also agrees to comply with the State Water Board's Drought Emergency Water Conservation regulations in sections 863-865 of title 23 of the California Code of Regulations. If applicable, the Grantee agrees to include a discussion of progress and compliance in its reports submitted pursuant to Exhibit B of this Agreement.
43. **WATER RIGHTS:** The Grantee acknowledges that its eligibility for this Grant award is conditioned on its compliance with Water Code section 5103(e)(1), if applicable. The Grantee further certifies that it is not required to file a Statement of Diversion and Use pursuant to Water Code section 5101.
44. **WATERSHED MANAGEMENT PLAN CONSISTENCY:** The Grantee certifies that any watershed protection activity undertaken as part of this Project will be consistent with the applicable, adopted, local watershed

management plans and the applicable Water Quality Control Plan (Basin Plan and/or Statewide) adopted by a Regional Water Board or the State Water Board, where such plans exist.

45. WITHHOLDING OF GRANT DISBURSEMENTS: The State Water Board may withhold all or any portion of the grant funds provided for by this Agreement in the event that the Grantee has materially violated, or threatens to materially violate, any term, provision, condition, or commitment of this Agreement; or the Grantee fails to maintain reasonable progress toward completion of the Project.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

www.sslocsd.org

To: Board of Directors
From: Rick Sweet, District Manager
Date: July 01, 2015
Subject: Stipend for Environmental Compliance Duties

Recommendation:

That the Board considers a stipend of up to 5% for a qualified and certified staff member who is designated and performs the District's Environmental Compliance/Pretreatment Duties.

Background:

The District previously contracted out Fats, Oils and Grease (FOG) and pretreatment duties to engineering firms. Based on industry standards, certified in-house staff typically completes these duties. After a management assessment, it was determined current trained staff could better provide these services, as the in-house process was more efficient and cost effective given the activity levels.

Also, there is better compliance control as the process involves obtaining samples at the vendor site, maintaining an appropriate chain-of-custody, evaluating the samples and providing a level of expertise that supports findings.

The State Water Resources Control Board also requires certification to perform these duties, as there has been increased regulatory focus on FOG-related sanitary processes. The duties included in the proposed stipend cover FOG/pretreatment inspections, monitoring and evaluating the District's Brine Receiving Program, collecting brine/pretreatment samples, evaluating sample test results for compliance, and completing the associated documentation and reports for the above-mentioned duties.

Last year the Oceano Community Services District (OCSD) contracted to have District staff administer their FOG program. To date, that arrangement has been effective. In the past two years the District has issued two "new" Significant Industrial User (SIU) permits to large vendors for discharge into the District's sewer system and WWTP. Neither of the two entities have had a current permit

since at least 2011. In addition, the District has added seven brine receiving accounts over the past two years.

Discussion:

The duties of FOG inspections and pretreatment program administration have recently presented a significant increase to the staff workload.

Duties associated with the administration of the pretreatment program are not included in any staff job description. These duties may be considered to be additional duties with regard to all District staff operator-level positions. The District currently allows for a 3.0% pay increase for designation and performance as the District's Laboratory Technician (with the exception of the Operator/Lab Tech position). This recommendation is in keeping with that practice, while recognizing the performance of these duties.

There is currently one staff member qualified and certified to perform these duties. There will also be cross-training opportunities for other staff to provide coverage, in the absence of the designated individual. Only one person will be given the stipend at a time, while "assigned" to perform these duties.

Cost:

FOG, pretreatment, and brine programs all generate revenue through permitting and fees. The revenues generated are meant to cover the cost of administering the programs, which includes staff field and laboratory time. The funds for the stipend would come from fund 19-7065- Source Control Program. Given the current staff salary, the annual cost to the District will range between \$2,500 and \$3,400. The District currently has \$15,000 budgeted for the Source Control Program in fund 19-7065. In addition, the cost of administering these programs in-house is still a savings to having it contracting to an engineering firm.

Options:

1. Authorize the stipend.
2. Decline to authorize the stipend of up to 5%.
3. Direct staff to resume contracting these services to an outside engineering firm.
4. Direct staff to research other options.

Richard G. Sweet, PE
District Manager



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Staff Report

To: Board of Directors

From: Richard Sweet, PE, District Manager
Via Jena Shoaf, District Counsel

Date: July 1, 2015

Subject: **RULES OF OPERATION AND DECORUM FOR SOUTH SAN LUIS
OBISPO COUNTY SANITATION DISTRICT BOARD MEETINGS**

RECOMMENDATION:

That the Board adopt by resolution the South San Luis Obispo County Sanitation District Rules of Operation and Decorum for District Board meetings.

BACKGROUND:

At the Board meeting of June 17, 2015 the District Board directed staff to prepare a decorum policy to govern conduct at District Board meetings. Based on this direction, we have prepared the attached policy for consideration.

DISCUSSION:

The advantages of adopting the attached resolution establishing Rules of Operation and Decorum for District Board meetings include:

1. Clearly stated expectations of conduct for the District Board Members, District Staff and members of the public.
2. Increased efficiency at District Board meetings.
3. Clearly outlined procedure for disagreements.

The proposed Rules of Operation and Decorum are standard among California public agencies.

ENVIRONMENTAL IMPACT:

Not applicable.

OPTIONS

1. Adopt the resolution establishing Rules of Operation and Decorum for South San Luis Obispo County Sanitation District Board meetings.
2. Do not adopt the resolution establishing Rules of Operation and Decorum for South San Luis Obispo County Sanitation District Board meetings.

Richard G. Sweet, PE
District Manager

Attachment: Resolution establishing Rules of Operation and Decorum for South San Luis Obispo County Sanitation District Board meetings

**BOARD OF DIRECTORS
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

RESOLUTION NO. 2015-330

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
BOARD OF DIRECTORS ESTABLISHING RULES OF OPERATION AND DECORUM
FOR DISTRICT BOARD MEETINGS**

WHEREAS, it is in the public interest that meetings of the South San Luis Obispo County Sanitation District (“District Board”) be conducted in an efficient, thorough and courteous manner so that the public’s business can be properly transacted; and

WHEREAS, proper conduct of the District Board meetings in such manner will be aided by the District Board’s adoption of Rules of Operation and Decorum.

WHEREAS, the District’s adoption of the Rules of Operation and Decorum provided in this Resolution supersede any previously adopted rules on the same subject.

NOW, THEREFORE, the District Board for the South San Luis Obispo County Sanitation District (“District”) does hereby resolve that the Rules of Operation and Decorum for District Board meetings set forth below are adopted.

**RULES OF OPERATION AND DECORUM
FOR DISTRICT BOARD MEETINGS**

I. Rules for District Board Members.

A. Decorum. Members of the District Board shall conduct themselves in an orderly and business-like manner to ensure that the business of the District shall be attended to efficiently and thoroughly and to ensure that the integrity of the deliberative process of the District Board is maintained at all times. Members of the District Board shall maintain a polite, respectful and courteous manner when addressing one another, District staff and members of the public during the meetings.

B. Role of the Presiding Officer. The presiding officer of the District Board shall be responsible for maintaining the order and decorum of meetings. It shall be the duty of the presiding officer to ensure that the Rules of Operation and Decorum contained herein are observed. The presiding officer shall maintain control of communications between District Board Members and between the District Board and members of the public.

C. Communication with District Board Members.

1. District Board Members should request the floor from the presiding officer before speaking.

2. A District Board Member who is speaking shall respect that the purpose of the District Board meeting is to attend to and resolve District business. District Board Members shall avoid repetition and shall endeavor to limit their comments to the subject matter at hand. District Board Members should endeavor to express their views without engaging in lengthy debates. A District Board Member failing to follow these regulations may be called to order by a point of order.

3. A District Board Member, once recognized, shall not be interrupted while speaking, unless called to order by the presiding officer, or unless a point of order or personal privilege is raised by another District Board Member, or unless the speaker chooses to yield to a question by another District Board Member. If a District Board Member, while speaking, is called to order, he shall cease speaking until the question of order is determined; if the District Board Member is determined to be in order, he may proceed.

4. Members of the District Board must observe order and decorum and shall not, by conversation or otherwise, delay or interrupt the proceedings of the District Board or in any way disturb any other member of the District Board while speaking, or refuse to obey the orders of the District Board or the presiding officer, except as provided in these rules or by law.

D. Communication with Members of the Public Addressing the District Board.

1. District Board Members may question the person addressing the District Board at the conclusion of the person's comments or upon expiration of the person's time to speak.

2. District Board Members shall not engage the person addressing the District Board in a dialogue with the District Board or District staff, but shall confine communication to a question and answer format.

3. If a member of the audience has addressed the District Board on matters which are not on the agenda, District Board Members shall refrain from extended discussion of the matter. If a District Board Member so wishes, the District Board Member may direct the District Manager to place the matter on the next agenda.

E. Placement of Items on the Agenda. Items to be placed on the agenda must be submitted to the District Manager no later than noon on the Thursday before the regular District Board meeting. No item shall be placed on the agenda unless District staff has reviewed and prepared a report on the item and it is ready for District Board action.

II. Rules for District Staff.

A. Decorum. District staff shall not engage in dialogue with members of the public during public meetings, or respond directly to questions from members of the public. All staff responses shall be directed to the District Board.

B. Gaining the Floor. Members of District staff, after being recognized by the presiding officer, shall hold the floor until completion of their remarks or until recognition is withdrawn by the presiding officer.

C. Role of the District Manager. The District Manager's duties during District Board meetings include keeping a record of concerns raised by the District Board regarding staff matters and directions for future staff action.

III. Rules for the Public.

A. Members of the Audience. Members of the audience shall not engage in disorderly or boisterous conduct, including the utterance of loud, threatening or abusive language, whistling, cheering, loud clapping, stamping of feet or other acts which disturb, disrupt, impede or otherwise interfere with the orderly conduct of District Board meetings.

B. Persons Addressing the District Board.

1. The purpose of oral presentation at District Board meetings, as well as written presentations, is to formally communicate to the District Board on matters pertaining to District business or citizen concerns. Such presentations are helpful to the District Board in its decision-making process. However, except where a public hearing is held or special circumstances require public testimony, public presentation before the District Board is not a matter of right and the same may be controlled or precluded by the District Board. Normally, the District Board welcomes information and expressions of opinion from members of the public on any item which it may be considering. However, the District Board is not required to provide a public forum for remarks or conduct in violation of these rules.

2. No person shall address the District Board without first being recognized by the presiding officer.

3. Persons addressing the District Board shall be given three (3) minutes to speak. The presiding officer or the District Board, by majority vote, may extend the time to speak, as may be appropriate based on the particular facts or circumstances of the matter being considered by the District Board.

4. Persons addressing the District Board shall confine the subject matter of their remarks to the particular matter before the District Board.

5. Each person addressing the District Board shall do so in an orderly manner and shall not make repetitious, slanderous or irrelevant remarks, or engage in any other disorderly conduct which disrupts, disturbs, or otherwise impedes the orderly conduct of the District Board meeting. Any person who so disrupts the meeting may, at the discretion of the presiding officer or a majority of the District Board, be subject to ejection from that meeting as provided by law.

6. Persons addressing the District Board Members shall address the District Board as a whole and shall not engage in a dialogue with individual District Board Members, District staff or members of the audience. No questions shall be asked of a District Board Member or a member of District staff without first obtaining permission of the presiding officer. The presiding officer shall determine whether, or in what manner, an answer will be provided. Any person violating this rule while addressing the District Board shall be called to order by the presiding officer.

C. **Written Communications.** Persons who anticipate oral presentations exceeding three (3) minutes are encouraged to submit comments in writing, in advance, care of the District Clerk, for prior distribution to the District Board and other interested parties. Such written comments will be distributed to District Board Members and considered as the District Board in its judgment may deem appropriate.

V. **Enforcement.**

A. Upon a violation of the rules of order and decorum established in Section III of this Resolution, the procedure to enforce the rules shall be as follows:

1. **Warning.** The presiding officer shall request that a person who is violating the rules of decorum cease such conduct. If, after receiving a warning from the presiding officer, the person persists in disturbing the District Board meeting, the presiding officer shall order the person to leave the District Board meeting, as provided by law.

2. **Ejection.** A member of the audience engaging in conduct specified in Section III(A) shall, at the discretion of the presiding officer or a majority of the District Board, be subject to ejection from the meeting as provided by law.

3. **Clearing the Room.** If a meeting of the District Board is disturbed or disrupted in such a manner as to make infeasible or improbable the restoration of order, the presiding officer or a majority of the District Board may exercise the authority granted in the California Government Code section 54957.9 by ordering the meeting room cleared and continuing in session in the manner authorized by Section 54957.9 of the Government Code.

4. **Motion to Enforce.** If the presiding officer of the District Board fails to enforce the rules of order and decorum set forth in Section III, any member of the District Board may move to require the presiding officer to do so, and an affirmative vote of a majority

of the District Board shall require the presiding officer to do so. Similarly, any member of the District Board may appeal to the entire District Board the ruling of the presiding officer that a person be removed from the District Board meeting, in which event the decision of the District Board majority shall govern and conclusively determine such question. If the presiding officer fails to carry out the will of the majority of the District Board, the majority may designate another member of the District Board to act as presiding officer for the limited purpose of enforcing the rules of order and decorum established in Section III of this Resolution.

VII. Miscellaneous Matters.

A. In order to expedite matters and to avoid repetitious presentations, whenever any group of persons wishes to address the District Board on the same subject matter, the presiding officer may request that a spokesperson be chosen by the group. If additional matters are to be presented by any other member of the group, the presiding officer may direct that such testimony be limited to facts not presented by the group's spokesperson. A specific time limit may also be set for the total presentation.

B. Any of the foregoing rules may be waived by majority vote of the District Board Members present when it is deemed that there is good cause to do so based upon the particular facts and circumstances involved.

C. The rules set forth above are not exclusive and do not limit the inherent power and general legal authority of the District Board, or of its presiding officer, to govern the conduct of District Board meetings as may be considered appropriate from time to time or in particular circumstances for purposes of orderly and effective conduct of the affairs of the District.

PASSED, APPROVED AND ADOPTED this 1st day of July, 2015 by the following called vote:

AYES:

NOES:

ABSENT:

Jim Hill, Chairman of the Board of Directors
South San Luis Obispo County Sanitation District

ATTEST:

Amy Simpson, Clerk of the Board

I do hereby certify that the foregoing is a full, true and correct copy of a resolution duly introduced and adopted at a regular meeting of the South San Luis Obispo County Sanitation District held on the 1st day of July, 2015.

Richard Sweet
District Manager

Jim Hill
Chairman of the Board of Directors,
South San Luis Obispo County Sanitation District

APPROVED AS TO FORM:

Jena Shoaf
District Legal Counsel



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Staff Report

To: Board of Directors

From: Richard Sweet, PE, District Manager

Date: July 1, 2015

Subject: **CONSIDERATION OF INTERIM OPTIONS REGARDING OCSD'S
REQUESTED PAYMENT OF DISTRICT CUSTOMER BILLING
SERVICES RENDERED FOR THE PERIOD COMMENCING JULY
1, 2015**

RECOMMENDATION:

Staff recommends that the Board consider the options set forth in this staff report and direct staff how to proceed.

BACKGROUND:

At the Board meeting of June 17, 2015, staff presented the Board with background on the District's payments to member agencies for billing services. As stated in the staff report for that meeting, for many years the District's member agencies (Oceano Community Services District (OCSD) and the Cities of Arroyo Grande and Grover Beach) have billed their customers for the wastewater treatment and conveyance services that the District provides. In return, the District has compensated the member agencies for this service. Since 2013, the District has paid approximately \$12,000/year to the City of Arroyo Grande, \$20,000/year to the City of Grover Beach, and \$22,000/year to OCSD for these services. The per customer rate for each member is different.

At the Board meeting of June 17, 2015, the Board directed staff to negotiate with member agencies in order to develop a written agreement outlining the billing fees and costs going forward.

This item—consideration of interim options—has been placed on the July 1, 2015 agenda based on the Board's direction at the June 17, 2015 Board Meeting and staff's subsequent discussions with OCSD's general counsel regarding billing services beginning July 1, 2015. The urgency of this item is that OCSD has requested that the

District agree to reimburse OCSD for its billing services commencing July 1, 2015. The July 1 Board Meeting provides the only opportunity to timely address this issue.

DISCUSSION:

Acknowledging the importance of this issue to the District, staff has split discussion and consideration of member agency billing into two separate phases.

Phase 1

The first phase, which will be presented at the July 1, 2015 Board meeting, will consider interim options for reimbursement for billing services undertaken during the period between July 1, 2015 and execution of a written agreement with each of the member agencies providing service. These options include:

Option 1: Authorize the District Manager to enter into a letter agreement with all three (3) members that the District will continue to pay each member at the member's current annual rate, pro-rated monthly for the period July 1 – August 31, 2015. For OCSD, the pro-rated amount for the two-month period would be approximately \$3,666.00. If an agreement is reached among the parties by August 31, 2015, the agreement may provide that the agreed-upon rate would apply retroactively to July 1, 2015. OCSD's legal counsel has expressed that OCSD would be willing to continue billing the District's customers under this arrangement.

Option 2: Authorize the District Manager to set aside a reasonable amount of funds in a District reserve account to pay for the costs of all customer billing services provided by the members to the District for the period beginning July 1, 2015 and until such time as a long-term agreement is negotiated with the member agencies or an alternative method of billing is established. This option would require a future agreement between the District and the billing parties regarding the rate to be applied for the period beginning July 1, 2015. It is unknown whether OCSD would support this option.

Option 3: Investigate all legally feasible options for billing services beginning July 1, 2015, but make no commitments for the interim period. Under this option, the District would proceed without considering how to pay for billing services rendered by member agencies in the case that a negotiated agreement is not reached. This option risks OCSD refusing to provide continued billing services for the period beginning July 1, 2015 without the District's commitment to pay OCSD for services rendered.

Phase 2

The second phase would involve a broader investigation and analysis of the District's customer billing issue. In order to prepare for this discussion, district counsel has begun researching the District's various options for collecting fees for the District's services, including the possibility of having the County collect the District's fees on the property tax rolls, and negotiating an agreement with all member agencies. These options, among others, will be presented to the Board at a later Board meeting.

Options

1. Authorize the District Manager to enter into a letter agreement with all three (3) member agencies to continue paying each agency at the current rate for the interim period of July 1, 2015 -- September 1, 2015. In the event a long-term agreement with the three agencies is achieved prior to September 1, 2015, the agreement may provide for an alternative payment for the interim period.
2. Authorize the District Manager to set aside a reasonable amount of funds in a reserve account to pay for the costs of billing services rendered on behalf of the District until such time as a long-term agreement is reached.
3. Begin investigation and analysis of legally feasible options for customer billing, but make no commitments for the interim period.

Richard G. Sweet, PE
District Manager