



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, November 5, 2014 at 6:00 P.M.

Board Members

Matthew Guerrero, Chair

Tony Ferrara, Vice Chair

Glenn Marshall, Director

Agencies

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

Alternate Board Members

Mary Lucey, Director

Jim Guthrie, Director

Debbie Peterson, 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 District Bookkeeper/Secretary at (805) 481-6903.

3. CONSENT AGENDA

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 Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or to change the recommended course of action.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

3A. Review and Approval of the Minutes of the October 15, 2014 meeting

3B. Review and Approval of Warrants

3C. Review of Financial Report ending September 30, 2014

3D. Review of the Adopted Budget at First Quarter

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

5A. Contract for Human Resource Services with Alicia Lara

That the Board approves an agreement with Alicia Lara to provide Human Resource Services.

5B. Agreement for Engineering Services with WSC for Planning Study on a Recycled Water Project.

That the Board approve by resolution an agreement with Water System Consulting (WSC) for preparation of a planning Study for a recycled water project.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

B. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION

8. CLOSED SESSION

(1) Conference with Legal Counsel pursuant to government Code Section 54956.9; 1 case

a. Central Coast RWQCB vs. SSLOCSD et al. (pending litigation)
ACLC No. R3-2012-0030

8. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

9. 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 October 15, 2014
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

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

District Staff in Attendance: Mike Seitz, District Counsel; Rick Sweet, District Manager; John Clemons, Plant Superintendent; Amy Simpson, District Bookkeeper/Secretary

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

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

3. CONSENT AGENDA

3A. Review and Approval of the Minutes of the October 01, 2014 meeting

3B. Review and Approval of Warrants

Action: It was moved to approve the October 01, 2014 minutes 2-0. Consent Item 3B was approved unanimously as presented.

4. PLANT SUPERINTENDENT'S REPORT

Mr. Clemons presented the Superintendent's Report.

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

5. BOARD ACTION ON INDIVIDUAL ITEMS

A. BIENNIAL REVIEW OF DISTRICT'S CONFLICT OF INTEREST CODE

Action: The Board approved the Conflict of Interest Code unanimously by roll call vote and signed Resolution 2014-322.



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TO: Board of Directors
FROM: Amy Simpson, District Bookkeeper/Secretary
VIA: Rick Sweet, District Manager
DATE: November 05, 2014
SUBJECT: Financial Review as of September 30, 2014

Overall Financial Summary

As of September 30, 2014, the District has recognized total revenues of \$885,069. Of this amount, \$668,960 is for operating revenues, and \$216,109 is for non-operating revenues.

District operating expenses totaled \$518,043 and non-operating expenses totaled \$89,977 as of September 30, 2014.

As of September 30, 2014, the District revenues exceeded expenses by \$277,049.

Local Agency Investment Fund

The balance in the District's LAIF account was \$ 2,406,276 at September 30, 2014.

County of San Luis Obispo Treasury Pool

As of September 30, 2014, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$2,396,382. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

At September 30, 2014, the reconciled cash balance in the District's Rabobank account totaled \$44,503. This account has been used to process the District's contracted payroll provider service and other District expenditures. Historically, this account was funded with transfers from the Local Agency Investment Fund account. Starting in April 2014, this account will be funded with transfers from the County of San Luis Obispo Treasury Pool.



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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

MONTHLY CASH REPORT

	Cash Balance at 08/31/14	\$ 4,620,259.15
	Deposits	390,238.80
	Warrant Register 09/03/14	(34,121.41)
	Warrant Register 09/17/14	(62,330.10)
	Payroll PPE 09/05/14	(24,871.94)
	Payroll PPE 09/19/14	(32,969.14)
	Rabobank- PERS medical/retirement	(7,771.69)
	Rabobank September Activity	(1,271.19)
	Total September Activity	226,903.33
	Cash Balance at 09/30/14	4,847,162.48
	Cash by Institution	CASH BALANCE @ 09/30/14
	Cash with County Treasury	\$ 2,396,382.25
	Cash with LAIF	2,406,276.84
	Cash with Rabobank	44,503.39
		\$ 4,847,162.48



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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

FINANCIAL SUMMARY AS OF SEPTEMBER 30, 2014

UNAUDITED

FISCAL YEAR 2014-2015

	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	TOTAL DISTRICT-WIDE
REVENUES - YTD				
OPERATING	\$ 786,557.89	\$ -	\$ -	\$ 786,557.89
NON-OPERATING				
Connection Fees	-	64,343.00	-	64,343.00
Pismo Reimbursements	-		-	
Brine Disposal	21,802.00		-	21,802.00
Lease (At&t)	6,415.47		-	6,415.47
Interest	-	1,326.43	-	1,326.43
WDR Reimbursement	-		-	
FOG Reimbursement	4,624.23		-	4,624.23
Transfers	(150,440.00)	(160,500.00)	310,940.00	-
TOTAL NON-OPERATING	(117,598.30)		310,940.00	98,511.13
		(94,830.57)		
TOTAL REVENUES	668,959.59		310,940.00	885,069.02
		(94,830.57)		
EXPENSES - YTD				
YEAR TO DATE EXPENSES	518,043.08	17,274.96	72,702.39	608,020.43
PRIOR YEAR EXPENSE				
COGEN DEBT PAYMENTS			-	-
TOTAL EXPENSES	518,043.08	17,274.96	72,702.39	608,020.43
NET INCOME (LOSS) - YTD	\$ 150,916.51	\$ (112,105.53)	\$ 238,237.61	\$ 277,048.59

NEW CONNECTIONS

	FY 2014/2015 NUMBER	FY 2014/2015 REVENUE
Arroyo Grande	17.00	\$ 64,343.00
Grover Beach	-	-
Oceano	-	-
TOTAL NEW DISTRICT CONNECTIONS	17.00	\$ 64,343.00

6. MISCELLANEOUS COMMUNICATIONS

The Board had a discussion on the agreement with WSC for the Satellite Recycled Water Project.

There was also a discussion for contracting a Human Resources Specialist to help us with HR issues at the District that should be addressed and updated.

Both these items will be on the next agenda.

7. ADJOURNMENT

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 6:20 p.m.

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



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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT					
FINANCIAL SUMMARY AS OF SEPTEMBER 30, 2014					<i>UNAUDITED</i>
FISCAL YEAR 2014-2015					
	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	TOTAL DISTRICT-WIDE	
REVENUES - YTD					
OPERATING	\$ 786,557.89	\$ -	\$ -	\$ 786,557.89	
NON-OPERATING					
Connection Fees	-	64,343.00	-	64,343.00	
Pismo Reimbursements	-		-		
Brine Disposal	21,802.00		-	21,802.00	
Lease (At&t)	6,415.47		-	6,415.47	
Interest	-	1,326.43	-	1,326.43	
WDR Reimbursement	-		-		
FOG Reimbursement	4,624.23		-	4,624.23	
Transfers	(150,440.00)	(160,500.00)	310,940.00	-	
TOTAL NON-OPERATING	(117,598.30)	(94,830.57)	310,940.00	98,511.13	
TOTAL REVENUES	668,959.59	(94,830.57)	310,940.00	885,069.02	
EXPENSES - YTD					
YEAR TO DATE EXPENSES	534,900.45	17,274.96	72,702.39	624,877.80	
PRIOR YEAR EXPENSE	12,030.45				
COGEN DEBT PAYMENTS			-	-	
TOTAL EXPENSES	546,930.90	17,274.96	72,702.39	624,877.80	
NET INCOME (LOSS) - YTD	\$ 122,028.69	\$ (112,105.53)	\$ 238,237.61	\$ 248,160.77	
	NEW CONNECTIONS		FY 2014/2015 NUMBER	FY 2014/2015 REVENUE	
	Arroyo Grande		17.00	\$ 64,343.00	
	Grover Beach		-	-	
	Oceano		-	-	
	TOTAL NEW DISTRICT CONNECTIONS		17.00	\$ 64,343.00	



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Staff Report

To: Board of Directors
From: Amy Simpson, District Bookkeeper/Secretary
Via: Rick Sweet, District Manager
Date: November 19, 2014
Subject: Fiscal Year 2014/15 Budget Review at the End of the 1st Quarter

Recommendation:

1. Review the attached Profit and Loss Statements comparing actual revenues and expenses with the adopted budget. No budget adjustments are recommended.

Discussion:

Following the end of the first quarter at September 30, 2014 (25% of fiscal year completed), District Staff reviewed the FY 2014/15 account line items under each Fund. Certain accounts stand out as having exceeded their budgeted amounts at the end of the first quarter. At this time staff recommends watching the account line items one more quarter and making no adjustments at this time.

1. Account 19-6075 Medical Reimbursement: 37.4% of annual budget expended. This account is based on a set dollar amount. This account will balance itself out over the year.
2. Account 19-7011 Communications: 64.3% of annual budget expended. No increase is recommended. The account will be reviewed at the end of the second quarter. The majority of expenses were due to consolidation of services due to changing communication providers for long term savings.
3. Account 19-7032 Equipment Rental: 46.2% of annual budget expended. The majority of the rental equipment for the year, occurred in this quarter. There is still money available in Fund 26, Replacement, for future projects.
4. Account 19-7079 Professional Services Other: 31.8% of annual budget expended. No increase is recommended at this time, this account will be further reviewed at the end of the second quarter to determine whether a budget adjustment will be recommended.
5. Account 19-7091 Utilities – Electricity: 30.1% of annual budget expended. No increase is recommended at this time, but this account will be further reviewed at the end of the second quarter to see whether a budget adjustment should be recommended at that time. The seasonal nature of electrical usage at the plant should provide lower electrical usage in the upcoming months.

6. Account 19-8020 Gas & Oil: 41.5% of annual budget expended. This amount reflects the purchase of diesel fuel to be stored and used throughout the year.

SSLOCS**Budget to Actual Quarterly Worksheet****09.30.14****Revenues**

	FY 2014/15 Budget	Earned as of 09-30-14 Amount	Percent	Recommended 1st Quarter Adjustments	Recommended Budget at 1st Quarter
Fund 19	\$ 3,157,225	\$ 819,399	25.95%	\$ -	\$ 3,157,225
Fund 20	\$ 90,200	\$ 65,669	72.80%	\$ -	\$ 90,200
Fund 26	\$ -	\$ -	n/a	\$ -	\$ -
Total	\$ 3,247,425	\$ 885,068	27.25%	\$ -	\$ 3,247,425

Fund Transfers

	FY 2014/15 Budget	Transferred as of 09-30-14 Amount	Percent	Recommended 1st Quarter Adjustments	Recommended Budget at 1st Quarter
Fund 19	\$ (300,879)	\$ (150,440)	50.00%	\$ -	\$ (300,879)
Fund 20	\$ (321,000)	\$ (160,500)	50.00%	\$ -	\$ (321,000)
Fund 26	\$ 621,879	\$ 310,940	50.00%	\$ -	\$ 621,879
Total	\$ -	\$ -	n/a	\$ -	\$ -

Expenditures

	FY 2014/15 Budget	Expended as of 09- 30-14 Amount	Percent	Recommended 1st Quarter Adjustments	Recommended Budget at 1st Quarter
Fund 19	\$ 2,828,004	\$ 518,043	18.32%	\$ -	\$ 2,828,004
Fund 20	\$ 226,000	\$ 17,275	7.64%	\$ -	\$ 226,000
Fund 26	\$ 621,879	\$ 72,703	11.69%	\$ -	\$ 621,879
Total	\$ 3,675,883	\$ 608,021	16.54%	\$ -	\$ 3,675,883

Attachments

Attachment 1: Fund 19 Profit and Loss Statement - Budget vs. Actual

Attachment 2: Fund 20 Profit and Loss Statement - Budget vs. Actual

Attachment 3: Fund 26 Profit and Loss Statement - Budget vs. Actual

SO SAN LUIS OBISPO CO SANITATION DISTRICT - OPERATING(19)

Profit & Loss Budget vs. Actual

July through September 2014

	<u>Jul - Sep 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
19-4015 Arroyo Grande Services	359,901.56	1,440,500.00	-1,080,598.44	24.98%
19-4022 Grover Beach Services	280,245.83	1,050,000.00	-769,754.17	26.69%
19-4035 OCSD Services	144,948.77	500,000.00	-355,051.23	28.99%
19-4040 Other Service Income	1,000.00			
19-4045 School Services	461.73	23,000.00	-22,538.27	2.01%
Total Income	<u>786,557.89</u>	<u>3,013,500.00</u>	<u>-2,226,942.11</u>	<u>26.1%</u>
 Gross Profit	 786,557.89	 3,013,500.00	 -2,226,942.11	 26.1%
Expense				
19-6010 Medical Insurance	54,629.87	220,000.00	-165,370.13	24.83%
19-6025 Dental Insurance	3,603.87	14,760.00	-11,156.13	24.42%
19-6030 Plant Operators	136,083.60	593,660.00	-457,576.40	22.92%
19-6040 Secretary/Bookkeeper	11,001.20	56,616.00	-45,614.80	19.43%
19-6050 S.S. & Medicare	10,656.03	50,751.00	-40,094.97	21.0%
19-6055 State Disability Insur	578.49	3,317.00	-2,738.51	17.44%
19-6060 State Retirement	22,064.90	115,000.00	-92,935.10	19.19%
19-6075 Medical Reimbursement	1,872.00	5,000.00	-3,128.00	37.44%
19-6080 Workers Compensation	26,970.56	99,900.00	-72,929.44	27.0%
19-6085 Temporary Labor Service	1,483.20	13,000.00	-11,516.80	11.41%
19-6090 Payroll Process Fee	509.35	2,700.00	-2,190.65	18.87%
19-6095 Unemployment Remiburse	0.00	1,000.00	-1,000.00	0.0%
19-7005 Advert/Legal&Recruit	56.50	2,100.00	-2,043.50	2.69%
19-7011 Communications	2,123.04	3,300.00	-1,176.96	64.34%
19-7013 COMMUNICATIONS-Teleph	1,693.07	7,300.00	-5,606.93	23.19%
19-7015 Office Equip/Comp Supp	497.35	11,300.00	-10,802.65	4.4%
19-7025 Employee Uniforms	3,462.64	14,000.00	-10,537.36	24.73%
19-7032 Equip Rental Other	2,769.13	6,000.00	-3,230.87	46.15%
19-7043 Ins, Liability/Auto	6,936.78	31,700.00	-24,763.22	21.88%
19-7050 Membships/Seminars/Mtg	2,863.59	25,000.00	-22,136.41	11.45%
19-7065 Source Ctrl Program	0.00	15,000.00	-15,000.00	0.0%
19-7068 Permits/Fees/License	6,795.24	42,400.00	-35,604.76	16.03%
19-7069 LAFCO Budget Share	2,723.01	9,800.00	-7,076.99	27.79%
19-7070 Prof Svcs - Out.Counsel	5,822.44	200,000.00	-194,177.56	2.91%
19-7071 Prof Serv-Attorney Fee	12,880.10	48,000.00	-35,119.90	26.83%
19-7072 Prof Serv - Auditing	0.00	10,000.00	-10,000.00	0.0%
19-7073 Prof Serv - AG Billing	0.00	22,000.00	-22,000.00	0.0%
19-7074 Prof Serv - OCSD Bill	0.00	22,000.00	-22,000.00	0.0%
19-7075 Prof Serv - Brd Member	1,700.00	7,500.00	-5,800.00	22.67%
19-7076 Prof Serv-Dist Admin	0.00	90,000.00	-90,000.00	0.0%
19-7077 Prof Serv-Engineering	21,288.07	100,000.00	-78,711.93	21.29%
19-7078 Prof Serv-Chem Analysis	5,055.00	25,000.00	-19,945.00	20.22%

SO SAN LUIS OBISPO CO SANITATION DISTRICT - OPERATING(19)

Profit & Loss Budget vs. Actual

July through September 2014

	<u>Jul - Sep 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
19-7079 Prof Serv-Other Bill	1,590.00	5,000.00	-3,410.00	31.8%
19-7081 Prof Serv-GB Bill	0.00	22,000.00	-22,000.00	0.0%
19-7082 FEMA Expenditures	0.00	5,000.00	-5,000.00	0.0%
19-7083 WDR Reporting	0.00	10,300.00	-10,300.00	0.0%
19-7084 FOG (Parent Agencies)	3,833.90	30,900.00	-27,066.10	12.41%
19-7085 Solids Handling	15,821.03	90,000.00	-74,178.97	17.58%
19-7086 Brine Disposal Exp	1,016.35	5,000.00	-3,983.65	20.33%
19-7087 WDR & SSMP DISTRCT EXP	1,280.00	30,000.00	-28,720.00	4.27%
19-7089 Rate Study	0.00	27,500.00	-27,500.00	0.0%
19-7091 Util-Elec	55,090.55	183,000.00	-127,909.45	30.1%
19-7092 Util-Gas	237.77	10,000.00	-9,762.23	2.38%
19-7093 Util-Rubbish	330.32	1,800.00	-1,469.68	18.35%
19-7094 Util-Water	235.64	1,500.00	-1,264.36	15.71%
19-7095 Zone 1/1A Agreement	480.00	25,000.00	-24,520.00	1.92%
19-7096 CogenEISA(Debt Serv)	0.00			
19-8010 Capital Equipment	0.00	15,000.00	-15,000.00	0.0%
19-8015 Trunk Sewer Maint	773.43	25,000.00	-24,226.57	3.09%
19-8020 Gas & Oil	4,421.86	10,000.00	-5,578.14	44.22%
19-8030 Equipment Maint-Reg	26,105.44	100,000.00	-73,894.56	26.11%
19-8032 Automotive Maint	1,212.45	8,400.00	-7,187.55	14.43%
19-8035 Household Expense	454.31	4,000.00	-3,545.69	11.36%
19-8040 Lab Supplies	3,467.22	20,000.00	-16,532.78	17.34%
19-8045 Office Supplies&Exp	1,614.86	8,500.00	-6,885.14	19.0%
19-8050 Plant Chemicals	39,959.23	200,000.00	-160,040.77	19.98%
19-8055 Small Tools	1,426.19	13,000.00	-11,573.81	10.97%
19-8056 Safety Supplies	1,654.87	14,000.00	-12,345.13	11.82%
19-8060 Structure Maint-Reg	9,357.98	50,000.00	-40,642.02	18.72%
19-8061 Struct Maint - Major	1,560.65	45,000.00	-43,439.35	3.47%
Total Expense	518,043.08	2,828,004.00	-2,309,960.92	18.32%
 Net Ordinary Income	 268,514.81	 185,496.00	 83,018.81	 144.76%
 Other Income/Expense				
Other Income				
19-4050 Brine Disposal Service	21,802.00	80,000.00	-58,198.00	27.25%
19-4055 Lease (AT&T)	6,415.47	22,525.00	-16,109.53	28.48%
19-5015 Interest	0.00	500.00	-500.00	0.0%
19-5022 WDR Reimbursement	0.00	10,300.00	-10,300.00	0.0%
19-5023 FOG Reimbursement	4,624.23	30,900.00	-26,275.77	14.97%
19-8079 Transfer to Replacement	-150,440.00	-300,879.00	150,439.00	50.0%
Total Other Income	-117,598.30	-156,654.00	39,055.70	75.07%
 Net Other Income	 -117,598.30	 -156,654.00	 39,055.70	 75.07%

SO SAN LUIS OBISPO CO SANITATION DISTRICT - OPERATING(19)

Profit & Loss Budget vs. Actual

July through September 2014

	<u>Jul - Sep 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Net Income	<u>150,916.51</u>	<u>28,842.00</u>	<u>122,074.51</u>	<u>523.25%</u>

So San Luis Obispo Co Sanitation District-Expansion(20)

Profit & Loss Budget vs. Actual

July through September 2014

	<u>Jul - Sep 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
20-4010 AG Connections	64,343.00	45,000.00	19,343.00	142.98%
20-4020 GB Connections	0.00	30,000.00	-30,000.00	0.0%
20-4030 OCSD Connections	0.00	10,000.00	-10,000.00	0.0%
20-5015 Interest Income	1,326.43	5,200.00	-3,873.57	25.51%
Total Income	<u>65,669.43</u>	<u>90,200.00</u>	<u>-24,530.57</u>	<u>72.8%</u>
Expense				
20-7096 Cogen EISA	-12,601.70	76,000.00	-88,601.70	-16.58%
20-8010 Capital Equipment	29,876.66	150,000.00	-120,123.34	19.92%
Total Expense	<u>17,274.96</u>	<u>226,000.00</u>	<u>-208,725.04</u>	<u>7.64%</u>
Net Ordinary Income	48,394.47	-135,800.00	184,194.47	-35.64%
Other Income/Expense				
Other Income				
20-8079 Transfer to 26	-160,500.00	-321,000.00	160,500.00	50.0%
Total Other Income	<u>-160,500.00</u>	<u>-321,000.00</u>	<u>160,500.00</u>	<u>50.0%</u>
Net Other Income	<u>-160,500.00</u>	<u>-321,000.00</u>	<u>160,500.00</u>	<u>50.0%</u>
Net Income	<u><u>-112,105.53</u></u>	<u><u>-456,800.00</u></u>	<u><u>344,694.47</u></u>	<u><u>24.54%</u></u>

So San Luis Obispo Co Sanitation District - 26(Replacement)

Profit & Loss Budget vs. Actual

July through September 2014

	<u>Jul - Sep 14</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Expense				
26-8015 Trunk Sewer Maintenanc	0.00	100,000.00	-100,000.00	0.0%
26-8061 Struct/Grnds Maint-Maj	3,987.62	115,000.00	-111,012.38	3.47%
26-8065 Struct/Grnds Repl&Imp	68,714.77	406,879.00	-338,164.23	16.89%
Total Expense	<u>72,702.39</u>	<u>621,879.00</u>	<u>-549,176.61</u>	<u>11.69%</u>
Net Ordinary Income	-72,702.39	-621,879.00	549,176.61	11.69%
Other Income/Expense				
Other Income				
26-5040 Transfer from funds	310,940.00	621,879.00	-310,939.00	50.0%
Total Other Income	<u>310,940.00</u>	<u>621,879.00</u>	<u>-310,939.00</u>	<u>50.0%</u>
Net Other Income	<u>310,940.00</u>	<u>621,879.00</u>	<u>-310,939.00</u>	<u>50.0%</u>
Net Income	<u><u>238,237.61</u></u>	<u><u>0.00</u></u>	<u><u>238,237.61</u></u>	<u><u>100.0%</u></u>

Subject: Superintendent's Report
October 31, 2014

Chart 1 – **Plant Data**

October 2014	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	2.30	3.6	391	21.26	408	25.58	35	175	94.56
High	2.9	4.4	435	26.1	508	37	220	323	
Limit	5.0			40/60/90		40/60/90	2000		80
1 st Half CY 2014									
Average	2.37	3.8	390.7	27.9	404	33.5	66	151	92.85
High	3.24	4.8	540	34.1	560	46.5	1600	500	

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

Projects

- Repair of the 33" CMP pipe entering the headworks has been completed. Pipe has been grouted and lined.
- Staff installed new cone and rings on manhole at headworks. FRM coat the interior to resist deterioration.
- Staff is working with Garing, Taylor, and Associates to add energy conserving (cost saving) equipment at reclaimed water station.

Miscellaneous

- Staff performed FOG inspection at the Oceano Melodrama.
- Staff has completed the interview process for the position of Operator/OIT.
- Staff attended safety meeting on Traffic Sign Knowledge.
- Staff received a letter from our PG&E representative, Claire Braico, commenting on their recent tour and review of this District's WWTP energy usage. The letter is included in this Board Packet. In the letter PG&E confirms that the Plant equipment is being operated in a very efficient fashion.

Our most recent PG&E energy statement shows that the Plant operated on approximately 500 fewer kilowatt hours per day than for the same period last year.

Staff is committed to producing a quality effluent which meets all regulatory standards, while operating the treatment processes in the most efficient ways possible. To this end we are constantly re-evaluating our procedures and equipment to ensure that our rate payers get the best value for each dollar spent. Below are some of the cost saving actions that have been implemented so far this year.

The following is a list of cost saving measures implemented at the Plant through the first three quarters of the calendar year 2014:

Installation of sludge conveyor	Savings of \$2000/month (Equip. Rental)
Installation of Bio Gas Boiler	Savings of \$2000/month (Nat. Gas cost)
Installation of VFD on sludge mixer	Savings of ~ \$450/month (Elect. cost)
Shut down primary clarifier	Savings of ~ \$300/month (Elect. cost)
Reduced chlorine usage.	Savings of ~ \$3000/month when compared to same time last year. (Chemical cost)

Best regards,

John Clemons
Superintendent

South San Luis Obispo County Sanitation District
1600 Aloha Place,
Oceano, CA

October 7, 2014

Thank you for spending time with PG&E in July to discuss the current operation of the South County Sanitation wastewater plant, and provide a tour of the facility. Rebecca Weber and I enjoyed learning about your process and the tour provided by Rick. Most of the discussion was in regards to operational changes that could be done to not only make the process more efficient, but also reduce employee labor time associated with processing the water.

Overall the facility and equipment is maintained and operated efficiently. There are VFDs already on most large horsepower motors, and most motors were recently maintained or rewound. Below is a summary of the facilities we visited and the current controls strategy in place. Should you decide to pursue any of these options, we recommend contacting several local vendors to ensure that the correct products are chosen for your specific needs. In addition, obtaining several vendor quotes provides confidence that you are paying the best possible price for the products chosen.

Since the savings and incentives within this report are estimates based on our site audit, please notify your account manager prior to starting any project recommended in this report.

Below is a summary of the processes that were visited and the current conditions and any recommendation we may have:

- The influent area has two small grinder motors on a timer, and the three 40hp influent pumps are each on VFDs and triggered by a level sensor. There are no additional recommendations we can make for this process.
- The Digester mixing pumps were replaced recently (2004 and 2009). The VFD was removed in 2005 and the motor now runs at full power.
- Heating mixing pumps and hot water pumps are not equipped with VFD, and that is the best way to operate them
- The two 10hp sludge removal pumps are staged lead-lag and they run on VFDs already.
- Three reclamation tank pumps, all 15hp. Two operate 24 hours a day and the third is used for redundancy. Of the two motors, one operates just the mixer and the other runs the plant/wash down/pump seals. The pump seals require coolant 24/7, and some processes require the recirculation pump to move water 24/7, but the wash downs only occur during operating hours. Although it is not feasible to separate the two systems, potential could be found by installing a VFD and turning down the 15hp motor power to only match the required pressure to maintain the water seals and plant mixing. Some trial and error may be required to determine what pressure meets that requirement.
- The fixed film reactor has two 60hp pumps which are already controlled with VFDs. The air handling blowers are each 5hp and operate 24 hours per day. There could be potential to install VFDs and slow the blowers down during times of less influent. There is a risk to implementing a measure such as this, which could potentially effect the effluent stream readings. Monitoring or additional analysis would be needed to determine if the VFDs would negatively affect the plants readings.



**Pacific Gas and
Electric Company.**

Claire M. Braico, PE
Engineering Services
Promontory
406 Higuera St
San Luis Obispo, Ca 93405

The 16 exterior lights at the Sanitation District are 500W HID lamps, which operate about three or four times per year. Energy savings could be seen if these lights were replaced with LEDs or induction replacement fixtures. However, due to the low run hours the energy savings will take many years to be realized due to the high initial cost of the fixtures. Costs for replacing the fixtures are estimated between \$500 and \$800 per fixture. Whereas the energy savings associated with changing each fixtures is most likely between \$5 and \$10 per year.

The interior of the shop area was already equipped with high efficiency T5 fixtures, with four lamps a piece. These fixtures are what PG&E would recommend in this application. If anything, the District can remove one or two lamps of each fixture if they are finding the area is over-lit. This would reduce the fixture wattage by 25%-50%.

Thank you for your time. We look forward to working with you in the future. Please contact us with any questions you may have.

Sincerely,

Claire

Claire M. Braico, PE | Supervisor, Central Coast Field Engineering
Pacific Gas and Electric Company - San Luis Obispo
EE Operations – Engineering Services
Desk - (805) 595 6322 | Fax - (805) 595 6320
Cell - (707) 479 4623 | Email - Claire.Braico@pge.com
<http://www.pge.com/>



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: November 1, 2014

Subject: **AGREEMENT WITH ALICIA LARA TO PROVIDE HUMAN RESOURCE SERVICES**

RECOMMENDATION:

That the Board approves an agreement with Alicia Lara to provide Human Resource Services.

BACKGROUND

The District does not have the need to engage the services of a full time human resources manager. There are often instances where the services of a human resource professional are required to provide support to the District in the highly specialized area of human resources. This past summer, the District required such service to assist the District in a process where an employee had incurred a level of disability, which did not allow the employee to perform the full range of duties for their position. Resolution of this issue was very complex. The District employed Ms Lara to assist the District for this specific task to reach a satisfactory conclusion. As Ms Lara was assisting the District with the prior issue, an issue arose regarding recent court action pertaining to cell phone usage and compensation which related to District employees that are on call. We chose to use Ms. Lara's services to lead to a successful resolution of this issue.

Issues that require the assistance of a human resource specialist continue to arise. To satisfy this apparent need, it was decided to request that Ms Lara provide the District with a proposal for which the District could execute an agreement for the continuing use of human resource services.

DISCUSSION:

Ms. Lara recently retired from the City of Santa Maria where she was the Deputy City Manager with responsibilities for human resources. Ms Lara has over twenty-five years experience as a human resources specialist in the public sector and has successfully dealt with numerous complex high visibility issues. Her proposed billing rate is one

hundred dollars per hour. It is estimated that the District would use her services less than two hundred hours a year.

OPTIONS

1. Direct the District to renegotiate the terms of the agreement.
2. Direct the District to satisfy the need for a Human Resources Specialist in another manner.

Richard G. Sweet, PE
District Manager

Attachment: Proposed Agreement Alicia Lara

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

CONSULTING SERVICES AGREEMENT

This Agreement, made between the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT ("District"), and ALICIA LARA ("Consultant"), sets forth the terms and conditions under which Consultant agrees to provide certain professional human resources services to District.

SCOPE OF SERVICES

HUMAN RESOURCES SERVICES. District retains Consultant to assist with personnel matters as requested by District. Such personnel matters may include various types of professional human resources services, including but not limited to assisting management with labor relations matters related to hiring, assessing, training, performance, benefits, medical, or employee discipline; performing studies, or analysis, developing policies and/or procedures, and assisting with implementation thereof as deemed by District. These services shall be referred to herein as "Consultation Services."

DISTRICT DESIGNATED REPRESENTATIVE

District designates its District Administrator as its representative under this Agreement. The designated representative is authorized to review services and statements of Consultant, and to authorize additional services. All communications respecting this Agreement shall be between Consultant and the District's designated representative.

RESPONSIBILITIES OF CONSULTANT

RESPONSIBILITIES OF CONSULTANT. Consultant will perform the Professional Services called for under this Agreement with integrity and independence, keep District informed of progress and developments, and respond promptly to District's inquiries and communications. Consultant also agrees to keep any and all information related to personnel matters confidential and not to reveal any such information to any third parties. In addition, if Consultant uses any employees, independent contractors, agents or representatives to assist in the performance of the Consultation Services, Consultant shall ensure that any such persons comply with the terms of this Agreement.

RESPONSIBILITIES OF DISTRICT. District will be truthful and cooperative with Consultant, keep Consultant informed of developments, and timely make any payments required by this Agreement. District will ensure that any District employees necessary for the completion of assignments relative to Consultation Services, will be made available to Consultant. District understands that any recommendations by Consultant are not to be construed as legal advice.

FEES AND BILLING PRACTICES

COMPENSATION. District agrees to pay Consultant fees for Consultation Services at the hourly rate of \$ 100.00.

CHARGEABLE TIME. Consultant will charge for all activities undertaken in providing Consultation Services to District under this Agreement, including, but not limited to, telephone calls, attendance at meetings or interviews (not including travel time), communications with the District staff members, correspondence, and review and drafting papers. Consultant shall also be permitted to charge District at the appropriate hourly rate if called to testify as a witness in any administrative, civil or criminal proceeding concerning the Consultation Services, but shall only charge for actual testimony and "wait" time, and not for travel time (although District will pay mileage). Consultant will charge billable time in increments of one-tenth, rounded up to the nearest one-tenth of an hour.

COSTS. Consultant may, in addition to their fees, incur various costs and expenses in performing Consultation Services under this Agreement. District agrees to pay all such costs and expenses. Costs and expenses commonly include photocopying and other reproduction costs (\$0.20 per page), long distance telephone charges, notarial and certification expenses, and out-of-town travel expenses (if applicable). All costs and expenses not otherwise stated herein will be charged at Consultant's actual cost, or in the case of out-of-town travel (mileage), at the IRS reimbursement rate for driving mileage. Consultant will obtain District's prior consent before incurring any cost item in excess of two hundred fifty dollars (\$250.00). Consultant is not obligated to pay or advance any costs or expenses, and may, at its option, (1) require District to advance payment for the cost item(s), (2) arrange to have the cost billed directly to District, or (3) advance the cost on behalf of District and seek reimbursement from District.

PERIODIC BILLING. Consultant will send District periodic statements, not less frequently than monthly, indicating fees and costs incurred, any amounts applied from deposits, any current balance owed, a reasonably detailed description of services performed, and any costs and expenses for which Consultant is entitled to reimbursement.

TERM, DISCHARGE & WITHDRAWAL

TERM AND TERMINATION. This Agreement shall terminate at the conclusion of the Consultation Services, including delivery of a final documents and/or reports and final payment for services rendered. The Agreement may also be terminated by either Consultant or District with or without cause at any time upon written notice to the other party. In the event of termination for any reason, District shall be responsible only for fees and costs incurred as of the effective date of the termination, and Consultant will provide District upon request with all documents, and other materials generated by Consultant while providing the Consultation Services. This Agreement shall continue until termination or until modified by written Agreement of the parties.

OTHER PROVISIONS

INDEPENDENT CONTRACTOR. Consultant acknowledges status as an independent contractor and not an employee of the District.

ASSIGNMENT. This Agreement cannot be assigned by any party for any reason whatsoever without the consent in writing of all other parties.

INDEMNIFICATION. Except in the event of reckless or intentional misconduct by Consultant, and excluding any motor vehicle accidents, District agrees to indemnify, hold harmless, and defend Consultants from any and all charges, complaints, claims, liabilities, obligations, demands, suits, actions, damages, debts and expenses (including attorney's fees and costs actually incurred), hereinafter made, or brought, arising out of the Consultation Services performed by Consultant within the scope of this Agreement.

ENTIRE AGREEMENT. This Agreement contains the entire understanding of the parties regarding their rights and obligations hereunder. Any alleged oral representations or modifications concerning this Agreement and the subjects thereof shall have no force or effect unless reduced to a writing signed by both parties.

AMENDMENT. This Agreement may be amended only in a writing signed by both parties.

NOTICES. Notices regarding this Agreement shall be given to the parties at the following addresses:

Consultant: Alicia Lara, Consultant
Human Resources Consulting
195 Rodeo Drive
Arroyo Grande, CA 93420

District: South San Luis Obispo County Sanitation District
Attn: Richard Sweet, District Administrator
1600 Aloha Place
Oceano, CA 93445

EFFECTIVE DATE. The effective date of this Agreement shall be July 10, 2014.

Executed this _____ day of _____, 2014, at _____, California.

CONSULTANT

BY _____
Alicia Lara, Consultant

Executed this _____ day of _____, 2014, at Oceano, California.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

BY _____
Richard Sweet, District Administrator



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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www.sslocsd.org

Staff Report

To: Board of Directors
From: Richard Sweet, PE, District Manager
Date: November 5, 2014

Subject: **AGREEMENT FOR ENGINEERING SERVICES WITH WATER
SYSTEMS CONSULTING TO PREPARE A PLANNING STUDY FOR A
RECYCLED WATER PROJECT**

RECOMMENDATION:

That the Board approve by resolution an agreement with Water System Consulting (WSC) for preparation of a planning Study for a recycled water project.

BACKGROUND

The Board has encouraged District staff to entertain possible solutions in developing a recycled water project as a means to provide supplemental water to the Northern Cities Management Area of the groundwater basin. The District has worked with Water System Consulting (WSC), the Northern Cities Management Area Engineer, to identify a planning grant opportunity that will provide fifty percent of the cost of a planning study to detail design elements associated with a concept to develop a satellite treatment facility on the sewer trunk line that services 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. Expansion of the SSLOCSD plant in the Coastal Zone could face significant opposition.
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 SSLOCSD ocean

discharge line.

5. Project may satisfy redundancy requirement for SSLOCSD.
6. The project is eligible for a planning grant: 50% local match
7. With the upcoming water bond facing voter approval this November and with significant grant opportunities for recycled water projects in the water bond, timing is excellent to take advantage of this funding opportunity.

This item was discussed at the Board meeting of October 1, 2014. There were comments of support from the Surf Rider representative and other members of the public.

DISCUSSION:

The District has received a proposal from WSC for preparation of the planning grant and the planning study. The costs of the services within the proposal are \$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 would 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 would need to come from local revenue sources. The total local revenue sources required would 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, with the Board's approval, the District will contribute 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.

Richard G. Sweet, PE
District Manager

Attachment: Agreement With WSC for Planning Study for Recycled Water Project

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
1600 Aloha Place
Oceano, CA 93445

**PLANNING STUDY FOR SATELLITE TREATMENT FACILITY
FOR RECYCLED WATER PROJECT**

Project Location: South San Luis Obispo County Sanitation District

THIS AGREEMENT (hereinafter referred to as "Agreement") is made by and between the South San Luis Obispo County Sanitation District, a county sanitation district duly existing and operating pursuant to the provisions of Health and Safety Code §4700 et seq. (hereinafter referred to as "SSLOCSD"), and Water Systems Consulting, Inc. (herein referred to as "WSC" or "Consultant"), a California corporation, P.O. Box 4255, San Luis Obispo, California 93404, wherein Consultant agrees to provide the SSLOCSD and SSLOCSD agrees to accept the services specified herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DESIGNATED REPRESENTATIVES. Richard G. Sweet, General Manager and/or John Clemens, Plant Superintendent of SSLOCSD, at telephone number (805) 481-6903 are the representatives of SSLOCSD and will administer this Agreement for and on behalf of SSLOCSD. Jeff Szytel, (805) 457-8833 is the authorized representative for Consultant. Changes in designated representatives shall be made only after advance written notices to the other party.

2. NOTICES. Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first-class mail, postage prepaid, or otherwise delivered as follows:

SSLOCSD: South San Luis Obispo County Sanitation District
P.O. Box 339
Oceano, CA 93445
Attn: Richard G. Sweet
Phone: (805) 481-6903
Facsimile: (805) 489-2765

CONSULTANT: Water Systems Consulting, Inc.
P.O. Box 4255
San Luis Obispo, CA 93403
ATTN: Jeff Szytel
Phone: (805) 457-8833
Facsimile: (805) 888-2764

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail.

3. ATTACHMENTS. Attached to this Agreement are the following Exhibits. Said Exhibits shall be initiated by Consultant upon request of SSLOCSD or by SSLOCSD directly. Said Exhibits are incorporated herein by reference:

A. Description of scope of services (the Project) to be performed by Consultant, including a timeline for Project completion. (Exhibit "A")

B. A Fee Estimate from the Consultant is attached as Exhibit "B".

C. Consultant shall provide insurance as listed in Exhibit "C".

4. SCOPE OF SERVICES.

A. SSLOCSD has determined the Project involves performance of professional and technical services of a temporary nature.

B. Consultant agrees to provide the services to SSLOCSD in accordance with Exhibit "A".

C. The Consultant shall perform its services in character, sequence and timing so that they will be coordinated with the requirements of SSLOCSD and other consultants of SSLOCSD.

5. TERM. Consultant shall commence performance immediately.

6. COMPENSATION OF CONSULTANT.

A. SSLOCSD and Consultant agree that this agreement will only be executed upon approval of a grant for fifty percent of the price of the services defined within the agreement (\$75,000); and

B. Consultant has agreed to prepare grant application and all associated documents in support of the grant application at no cost to the District; and

C. The City of Arroyo Grande has agreed to reimburse the District \$37,500 for completion of the planning study; and

D. SSLOCSD and Consultant have agreed that Consultant will prepare an economic feasibility study as a first item of work and District will determine if the project for a satellite treatment facility is economically feasible. If District determines project is

not economic viable, agreement will be terminated. District agrees to pay Consultant for work performed to the date that the economic feasibility study is completed; and

E. The Consultant will be paid for services provided to SSLOCSD in accordance with the schedule set forth in Exhibit "B".

F. Payment of undisputed amounts is due within 60 days of receipt of invoices. Invoices shall reflect the phase to which the request for payment is being invoiced in accordance with the "Scope of Service" (Exhibit "A") and the percentage of completion of each phase.

G. Consultant will not receive compensation in excess of one hundred and fifty thousand dollars (\$150,000) without written authorization from SSLOCSD.

H. Payment to Consultant shall be considered as full compensation of all personnel, materials, supplies, and equipment used in carrying out the services as stated in Exhibit "A".

I. SSLOCSD's failure to discover or object to any unsatisfactory work or billing prior to payment will not constitute a waiver of SSLOCSD's right to:

1. Require Consultant to correct such work or billings; or
2. Seek any other legal remedy.

7. REIMBURSABLE COSTS. Consultant shall be reimbursed at cost for reimbursable costs as provided in Exhibit "B".

8. EXTRA SERVICES. Should services be requested by District which are considered to be beyond the scope of Basic Services in this Agreement by the Consultant, the Consultant shall provide a written request for consideration of Additional Services to the SSLOCSD Contract Administrator.

9. INDEPENDENT CONTRACTOR. Consultant, its agents and contractors are independent contractors, responsible for all methods and means used in performing the Consultant's services under this agreement, and are not employees, agents or partners of SSLOCSD.

10. PERFORMANCE STANDARDS.

A. Compliance with laws.

(1) Consultant shall (and shall cause its agents and contractors), at its sole cost and expense, to comply with all District, County, State and Federal

ordinances, regulations and statutes now in force or which may hereafter be in force with regard to the Project and this Agreement. The judgment of any court of competent jurisdiction, or the admission of Consultant in any action or proceeding against Consultant, whether SSLOCSD be a party thereto or not, that Consultant has violated any such ordinance or statute, shall be conclusive of that fact as between Consultant and SSLOCSD. Any corrections to Consultant's instruments of professional service which become necessary as a result of the Consultant's failure to comply with these requirements shall be made at the Consultant's expense.

(2) Should these requirements change after the date of design or drawing preparation, Consultant shall be responsible for notifying SSLOCSD of such change in requirements. Consultant will bring the instruments of professional service into conformance with the newly issued requirements at the written direction of SSLOCSD. Consultant's costs for providing services pursuant to this paragraph shall be submitted to SSLOCSD as Additional Services.

B. Standard of Performance. Consultant represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, Consultant shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which Consultant is engaged. All products of whatsoever nature which Consultant delivers to SSLOCSD pursuant to this Agreement shall conform to the standards of quality normally observed by a person practicing in Consultant's profession. Consultant shall correct or revise any errors or omissions at SSLOCSD's request without additional compensation. Permits and/or licenses shall be obtained and maintained by Consultant without additional compensation throughout the term of this Agreement.

11. TAXES. Consultant shall pay all taxes, assessments and premiums under the federal Social Security Act, any applicable unemployment insurance contributions, Workers Compensation insurance premiums, sales taxes, use taxes, personal property taxes, or other taxes or assessments now or hereafter in effect and payable by reason of or in connection with the services to be performed by Consultant.

12. CONFLICT OF INTEREST. Consultant covenants that Consultant presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under the Agreement. Consultant further covenants that in the performance of this Agreement, no person having any such interest shall be employed by Consultant.

13. RESPONSIBILITIES OF SSLOCSD. SSLOCSD shall provide all information reasonably necessary by Consultant in performing the services provided herein.

14. OWNERSHIP OF DOCUMENTS. All drawings, specifications, data, and other instruments of professional service prepared by Consultant during the performance of this Agreement shall become the property of SSLOCSD. However, Consultant shall not

be liable for SSLOCSD's use of documents and instruments of professional service if used for other than the Project or scope of services contemplated by this Agreement.

15. RECORDS, AUDIT AND REVIEW. Consultant shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of Consultant's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting practices. SSLOCSD shall have the right to audit and review all such documents and records at any time during Consultant's regular business hours or upon reasonable notice.

16. INDEMNIFICATION.

A.1 Indemnification Pertaining to General Liability other than Professional Liability.

The following applies to general liability claims other than professional liability claims:

Consultant shall indemnify, defend, and hold harmless the South San Luis Obispo County Sanitation District, the Board of Directors, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of Consultant, its officers, employees, agents, subcontractors, or vendors in performing services pursuant to this Agreement. It is further agreed, Consultant's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of the South San Luis Obispo County Sanitation District, the Board of Directors, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the active negligence or willful misconduct of the South San Luis Obispo County Sanitation District, its officers, employees or agents. Payment by the South San Luis Obispo County Sanitation District is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and the South San Luis Obispo County Sanitation District, as to whether liability arises from the sole negligence of the South San Luis Obispo County Sanitation District or its officers, employees, agents, subcontractors or vendors, Consultant will be obligated to pay for the South San Luis Obispo County Sanitation District's defense until such time as a final judgment has been entered adjudicating the South San Luis Obispo County Sanitation District as solely negligent.

A.2 Indemnification Pertaining to Professional Liability (Services).

The following applies to professional liability claims where professional malpractice or breach of professional performance standards as identified in Section 10 are alleged:

Consultant shall indemnify, defend, and hold harmless the South San Luis Obispo County Sanitation District, the Board of Directors, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever to the extent caused by the negligent acts or omissions, or willful misconduct of Consultant, its officers, employees, agents, subcontractors, or vendors in performing professional Services pursuant to this Agreement.

B. Nothing contained in the foregoing indemnity provisions shall be construed to require Consultant to indemnify the South San Luis Obispo County Sanitation District, against any responsibility or liability in contravention of Civil Code §2782.

C. Neither termination of this Agreement or completion of the Scope of Services under this Agreement shall release Consultant from its obligations referenced in subsection A, above, as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Consultant, its employees, agents or consultants, or the employee, agent or consultant of any one of them.

D. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Consultant from liability referenced in subsection A, above. The obligations of this article shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

17. INSURANCE. Consultant shall procure and maintain, in insurance companies as set forth in Exhibit "C".

18. PERSONNEL. The Consultant represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. All of the services required hereunder will be performed by the Consultant or under Consultant's supervision, and all personnel engaged in the work shall be qualified to perform such services.

19. NONEXCLUSIVE AGREEMENT. Consultant understands that this is not an exclusive Agreement and that SSLOCSD shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by Consultant as the SSLOCSD desires.

20. ASSIGNMENT. Consultant shall not assign any of its rights nor transfer any of its obligations under this Agreement without the prior written consent of SSLOCSD and any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

21. TEMPORARY SUSPENSION. The SSLOCSD's Contract Administrator shall have the authority to suspend this Agreement and the services contemplated herein, wholly or in part, for such period as he/she deems necessary due to unfavorable conditions or to the failure on the part of the Consultant to perform any provision of this Agreement. Consultant will be paid for services performed through the date of temporary suspension. In the event that Consultant's services hereunder are delayed for a period in excess of six (6) months due to causes beyond Consultant's reasonable control, Consultant's compensation shall be subject to renegotiation.

22. TERMINATION.

A. Right to terminate. SSLOCSD retains the right to terminate this Agreement for any reason by notifying Consultant in writing thirty (30) days prior to termination. Upon receipt of such notice, Consultant shall promptly cease work and notify SSLOCSD as to the status of its performance. SSLOCSD shall pay Consultant for its reasonable costs and expenses through the date of termination. However, if this Agreement is terminated for fault of Consultant, then SSLOCSD shall be obligated to compensate Consultant only for that portion of Consultant services which are of benefit to SSLOCSD, up to and including the day Consultant receives notice of termination from SSLOCSD.

B. Return of materials. Upon such termination, Consultant shall immediately turn over to the District copies of studies, drawings, mylars, computations, computer models and other instruments of professional services, whether or not completed, prepared by Consultant, or given to Consultant in connection with this Agreement. Consultant, however, shall not be liable for SSLOCSD's use of incomplete materials or for SSLOCSD's use of complete documents if used for other than the project or scope of services contemplated by this Agreement.

C. Should SSLOCSD fail to pay Consultant undisputed payments set forth in Section 6, above, Consultant may, at Consultant's options, suspend its services or terminate this agreement if such failure is not remedied by SSLOCSD within thirty (30) days of written notice to SSLOCSD of such late payment.

23. DISPUTE RESOLUTION. The following procedures apply only to disputes where the amount in controversy is less than \$50,000.

A. SSLOCSD and Consultant agree that disputes between them arising out of or relating to this Agreement where the amount in controversy is less than \$50,000 shall be submitted to nonbinding mediation, unless the parties mutually agree

otherwise. If the dispute is not settled by mediation, then the parties agree to submit the dispute to binding arbitration as provided in subsection B, below.

B. Either party may demand arbitration by filing a written demand with the other party within thirty (30) days from the date of final mediation, in accordance with the prevailing provisions of the California Arbitration Act at the time of written demand. The arbitration procedures are as follows:

(1) The parties may agree on one arbitrator. If they cannot agree on one arbitrator, there shall be three: one named in writing by each of the parties within five days after demand for arbitration is given, and a third chosen by the two appointed. Should either party refuse or neglect to join in the appointment of the arbitrator(s) or to furnish the arbitrator(s) with any papers or information demanded, the arbitrator(s) may proceed ex parte.

(2) A hearing on the matter to be arbitrated shall take place before the arbitrator(s) within the County of San Luis Obispo, state of California, at the time and place selected by the arbitrator(s). The arbitrator(s) shall select the time and place promptly and shall give each party written notice of the time and place at least sixty (60) days before the date selected. The procedures of the California Arbitration Act are incorporated herein by reference.

(3) If there is only one arbitrator, his or her decision shall be binding and conclusive on the parties, and if there are three arbitrators, the decision of the two shall be binding and conclusive. The submission of a dispute to the arbitrator(s) and the rendering of a decision by the arbitrator(s) shall be binding on the parties. A judgment confirming the award may be given by any Superior Court having jurisdiction, or that Court may vacate, modify, or correct the award in accordance with the prevailing provision of the California Arbitration Act.

(4) If three arbitrators are selected, but no two of the three are able to reach an agreement regarding the determination of the dispute, then the matter shall be decided by three new arbitrators who shall be appointed and shall proceed in the same manner, and the process shall be repeated until a decision is agreed on by two of the three arbitrators selected.

(5) The costs of the arbitration shall be borne by the losing party or shall be borne in such proportions as the arbitrator(s) determine(s).

24. SSLOCSD NOT OBLIGATED TO THIRD PARTIES. SSLOCSD shall not be obligated or liable for payment hereunder to any party other than the Consultant.

25. COSTS AND ATTORNEY'S FEES. The prevailing party in any action between the parties to this Agreement brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs and attorney's fees expended in connection with such an action from the other party.

26. SECTION HEADINGS. The headings of the several sections, and any table of contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

27. SEVERABILITY. If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

28. REMEDIES NOT EXCLUSIVE. Except as provided in Sections 22 and 23, no remedy herein conferred upon or reserved to SSLOCSD is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

29. TIME IS OF THE ESSENCE. Time is of the essence in this Agreement and each covenant and term is a condition herein.

30. NO WAIVER OF DEFAULT. No delay or omission of SSLOCSD to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default of an acquiescence therein; and every power and remedy given by this Agreement to SSLOCSD shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of SSLOCSD.

31. ENTIRE AGREEMENT AND AMENDMENT. In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

32. SUCCESSORS AND ASSIGNS. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

33. CALIFORNIA LAW. This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of San Luis Obispo, if in state court, or in the federal court nearest to San Luis Obispo County, if in federal court.

34. EXECUTION OF COUNTERPARTS. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

35. AUTHORITY. All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Consultant hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which Consultant is obligated, which breach would have a material effect hereon.

36. PRECEDENCE. In the event of conflict contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

37. FORCE MAJEURE. Neither party shall hold the other responsible for damages or delays in performance caused by force majeure (acts of nature) or other events beyond the reasonable control of either party.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by the SSLOCSD.

CONSULTANT

By: _____
Jeff Szytel

Title: _____

Date: _____

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

By: _____
Richard G. Sweet, General Manager

Date: _____

ATTEST:

EXHIBIT “A”

TASK 1.0 FPGP APPLICATION ASSISTANCE

WSC will assist the South San Luis Obispo County Sanitation District (SSLOCSD) to obtain funding from the Water Recycling Facilities Planning Grant Program (FPGP) administered by the State Water Resources Control Board (SWRCB) for a Satellite Water Resources Recovery Facility (SWRRF) project. This scope includes preparing, submitting and managing the FPGP application for the SWRRF project.

1.1 FPGP Application Management and Support

- WSC will manage the SWRRF project application through the FPGP process on behalf of SSLOCSD.
- WSC will participate in an initial kickoff call with the SWRCB to start the application development process.
- WSC will provide ongoing coordination with SSLOCSD to gather required documentation and forms to complete and submit the FPGP application.
- WSC will coordinate and participate in a meeting with SWRCB staff to review the FPGP applications package.

1.2 FPGP Application Preparation

- WSC will complete the application form and compile SSLOCSD's resolution authorizing the FPGP grant application.
- WSC will prepare the Plan of Study consisting of the following components:
 1. A description of the recycled water service area that will be studied.
 2. The potential sources of recycled water and a summary of the unit processes currently in use at existing treatment facilities.
 3. A description of the current disposal/reuse of the wastewater that is proposed to be recycled.
 4. A map of the study area showing the sources of recycled water and potential service area(s).
 5. Identification of the water and wastewater agencies having jurisdictions over the sources of recycled water and/or the potential service area.
 6. A general description of water recycling and potable water supply alternatives that will be evaluated.
 7. A description of the opportunities for stakeholder participation, for example, public meeting with the local community members, potential recycled water users, and other agencies that have a stake in the study.
 8. A schedule with the start and completion dates of major tasks associated with the facilities planning study.

9. A list of potential problems that may cause delay in the progress of the study and description of the proposed actions to reduce the impact of these potential problems.
 10. Identification of the entities that will be conducting the study and description of their roles. This may include a description of proposed subcontracts with consultants or interagency agreements with other agencies, and any force account work.
 11. Proposed budget for the study, including estimated costs of specific tasks, sources of financing, and sources of funds for cash flow until grant reimbursement.
- WSC will make necessary adjustments to the FPGP application package components after the review meeting with the SWRCB to obtain approval of the Plan of Study, thus allowing the SWRCB to issue a grant commitment.

TASK 2.0 RECYCLED WATER FACILITIES PLANNING STUDY PREPARATION

2.0 Investment Analysis

2.0.1 Conceptual Design Criteria

- Quantify the amount of water available for a SWRRF along the SSLOCSD trunklines from the City of Arroyo Grande through review of SSLOCSD Hydraulic Model.
- Define conceptual design criteria for the facility. It is anticipated that the conceptual design for the facility will include the following:
- Capacity to treat current Average Dry Weather Flow (ADWF)
 - Advanced level of treatment suitable for groundwater recharge
 - Solids conveyed downstream with membrane concentrate
- It is assumed that the SSLOCSD will provide information on potential locations and corresponding land acquisition costs for the treatment and recharge facilities.

2.0.2 Cost Estimates

- Develop planning level cost estimates for constructing and operating a SWRRF in the SSLOCSD collection system.
- Utilize existing planning level cost estimates for alternative SSLOCSD WWTP improvements to meet the redundancy requirements for comparison with the SWRRF.
- Utilize planning level cost estimates for supplemental water supply alternatives. Cost estimates to be obtained from the Pismo Beach Recycled Water Facilities Planning Study.

2.0.3 Investment Analysis

- Compare planning level cost estimates for the SWRRF against cost estimates for SSLOCSD redundancy requirements and supplemental water supply alternatives.
- Evaluate and summarize key considerations and constraints for project implementation

2.0.4 Draft Investment Analysis TM

- Prepared draft Investment Analysis TM documenting the results of the Investment Analysis.

Deliverable: Draft Investment Analysis TM

2.0.5 Investment Analysis Review Meeting

- Plan, schedule and lead a meeting with SSLOCSD staff (and key stakeholders as appropriate) to review the results of the Investment Analysis.

Deliverable: WSC will provide agenda and meeting materials at least three (3) working days prior to the meeting will provide summary notes with action items within five (5) working days following the meeting.

2.0.6 Final Investment Analysis TM

- Prepared a final Investment Analysis TM that incorporates comments from SSLOCSD staff and other stakeholders.

Deliverable: Final Investment Analysis TM

2.1 Project Management

2.1.1 Project Administration

2.1.1.1 Project schedule

- Prepare project schedule and update as-required based upon actual progress and SSLOCSD direction. Submit revised schedules to the SSLOCSD as necessary.

2.1.1.2 Progress reports

- Prepare progress reports to be submitted with each monthly invoice. The reports will include: 1) summary of activities accomplished in the current month; 2) outstanding information and/or coordination needs; and 3) schedule updates.

Deliverable: WSC will provide a preliminary project schedule at the Kickoff Meeting and will provide updated project schedules as-needed throughout the project. WSC will provide monthly progress reports with project invoices.

2.1.2 Kickoff Meeting

- WSC will plan, organize and facilitate a Kickoff Meeting with SSLOCSD staff.

- The purpose of the meeting will be to: (1) discuss the goals and objectives of the Planning Study including the Study Parameters identified in the Plan of Study approval by the SWRCB; (2) review the scope and schedule of the project including assumptions and proposed methodologies; (3) identify data needs and sources; (4) define coordination requirements; (5) set dates/times for the subsequent workshops; (6) confirm level and nature of SWRCB involvement during the project; (7) discuss and develop strategies for stakeholder involvement; (8) finalize the conceptual design criteria for the Investment Analysis; and (9) identify action items and required follow-up.
- Budget is based on a 2-hour meeting attended by WSC's Principal, Associate Engineer I, and Assistant Engineer.

Deliverable: WSC will provide agenda and meeting materials at least three (3) working days prior to the meeting and will provide summary notes with action items within three (3) working days following the meeting.

2.1.3 Workshops

2.1.3.1 Workshop #1: Conceptual Alternatives Development

- (1) Plan, schedule and lead a workshop with SSLOCSD staff (and key stakeholders as appropriate) to develop conceptual alternatives for the SWRRF, including customer/use type, treatment, storage, and distribution. The workshop is anticipated to include the following topics:
 - (a) Review water supplies and characteristics (Task 2.3)
 - (b) Review wastewater characteristics and facilities (Task 2.4)
 - (c) Review treatment requirements (Task 2.5)
 - (d) Review recycled water market/opportunities (Task 2.6)
 - (e) Review legal, permitting and environmental criteria (Task 2.7)
 - (f) Review planning and design assumptions (Task 2.8.1)
 - (g) Develop up to three (3) conceptual treatment alternatives
 - (h) Develop up to three (3) conceptual distribution alternatives
 - (i) Develop up to three (3) conceptual storage alternatives
 - (j) Develop non-recycled water alternative
- (2) Budget is based on a 3-hour workshop attended by WSC's Principal, Associate Engineer I, Assistant Engineer, and Staff Planner II.

2.1.3.2 Workshop #2: Alternatives Evaluation and Screening

- (1) Coordinate a workshop with SSLOCSD staff to evaluate and screen each of the conceptual alternatives developed in Workshop #1, and to develop/select a preferred alternative for treatment, storage and distribution.

- (2) Develop screening/evaluation criteria for the conceptual alternatives, including:
 - (a) Cost (capital, O&M, NPV, EAC and \$/AF)
 - (b) Water supply benefits
 - (c) Water quality considerations
 - (d) Flexibility, expandability
 - (e) Sequencing/phasing/schedule considerations
 - (f) Consistency with project goals/objectives
- (3) Evaluate and compare the conceptual alternatives by applying the selected screening/evaluation criteria
- (4) Select the preferred project alternative, which may combine aspects/components of more than one conceptual alternative
- (5) Budget is based on a 3-hour workshop attended by WSC's Principal, Associate Engineer I, Assistant Engineer, and Staff Planner II.

Deliverable: WSC will provide agenda and meeting materials at least three (3) working days prior to each workshop and will provide summary notes with action items within three (3) working days following the meeting.

2.1.4 Deliverable Review Meetings

2.1.4.1 Deliverable Review Meeting #1: Draft Recycled Water Facilities Planning Study

- (1) Plan, schedule and lead a meeting to review the draft recycled water facilities planning study
- (2) Budget is based on a 2-hour meeting attended by WSC's Principal, Associate Engineer I, and Assistant Engineer.

2.1.4.2 Deliverable Review Meeting #2: Final Draft Recycled Water Facilities Planning Study

- (1) Plan, schedule and lead a meeting to review the final draft recycled water facilities planning study
- (2) Budget is based on a 2-hour meeting attended by WSC's Principal, Associate Engineer I, and Assistant Engineer.

Deliverable: WSC will provide agenda and meeting materials at least three (3) working days prior to the meeting and will provide notes with action items within three (3) working days following the meeting.

2.2 Background

2.2.1 Study Area

- Prepare a summary of the Study Area that includes:

- (1) Narrative description of the Study Area

- (2) Descriptive maps and diagrams showing vicinity, jurisdictional boundaries, proposed annexation areas, regional topography/geography, groundwater basin boundaries, hydrologic features, and current and projected land use.

- The proposed Study Area shall include the current SSLOCSD service area, proposed scalping locations along the SSLOCSD trunk lines for the City of Arroyo Grande, and the remainder of the Northern Cities Management Area (NCMA).

2.2.2 Goals and Objectives

- Summarize goals and objectives defined during the Kickoff Meeting.

2.3 Water Supplies and Characteristics

2.3.1 Water supply characteristics

- Summarize current and projected water supplies for the Member agencies based on 2010 Urban Water Management Plans (2010 UWMPs) and NCMA Technical Group (TG) Annual Reports.
- For each water supply source, summarize:
 - (1) Source characteristics
 - (2) Capacities of existing facilities
 - (3) Wholesale agencies and delivery mechanisms
 - (4) Fixed and variable costs
 - (5) Management considerations including reliability
 - (6) Water quality considerations

2.3.2 Water Demand Characteristics

- Summarize current and projected water demand from 2010 UWMPs and NCMA TG Annual Reports.

2.3.3 Water Pricing

- Summarize the current water rate structures for the MEMBER Agencies and any planned or upcoming rate increases.

2.4 Wastewater Characteristics and Facilities

2.4.1 Existing Facilities

- Describe existing wastewater treatment plant facilities including capacity, current flows, description of treatment processes and design criteria. It is assumed that this information will be readily available from previous documents.
- Summarize the SSLOCSD's existing waste discharge requirements
- Characterize current and projected future influent flows. It is assumed that flow projection estimates will be available from previous studies.
- Characterize current effluent water quality including any seasonal variation

- Summarize source(s) of industrial or other problem constituents (including high-TDS infiltration) and control measures
- Summarize current wastewater flow variations including peaking factors for maximum month (MM), maximum day (MD), peak hour wet weather flow (PHWWF)
- Describe existing recycling including users, quantities, and contractual and pricing arrangements (none expected)
- Summarize existing rights to use of treated effluent after discharge (none expected)

2.4.2 Future Facilities

- Outline expected future waste discharge requirements based on conversations with the SSLOCSD staff, review of the Basin Plan, and meetings with SSLOCSD staff and the Regional Water Quality Control Board
- Describe plans for new wastewater treatment facilities to achieve regulatory compliance

2.5 Treatment Requirements

2.5.1 Recycled Water Quality Requirements

- Describe required water qualities and/or treatment requirements for each category of potential recycled water use
- Describe regulatory requirements for recycled water including Title 22 unrestricted irrigation, and groundwater recharge
- Describe Basin Plan requirements for recycled water use
- Describe water quality related requirements of the RWQCB to protect surface or ground water from problems resulting from recycled water
- Describe operational and on-site requirements for recycled water (such as backflow prevention, buffer zones, etc.)

2.6 Recycled Water Market/Opportunities

2.6.1 Update Market Analysis

- Obtain and review recent customer consumption data for potential recycled water customers identified in the Regional Recycled Water Strategic Plan
- Describe validation and market analysis methodology. For each identified user or category of potential user, summarize type of use, expected annual use, peak use, estimated internal capital investment required (on-site conversion costs), needed water cost savings, desire to use recycled water, date of possible initial use of recycled water, present and future source(s) of water and quality of use, quality and reliability needs and wastewater disposal methods.

2.6.2 Preliminary Market Assurances

- Contact a representative sample of potential future recycled water users and obtain preliminary market assurances. It is anticipated that WSC would develop a plan to approach the top 20 potential customers (in terms of total projected recycled water use) and attempt to obtain a preliminary assurance in the form of a letter, email or other form of correspondence. It is assumed that the member agencies will assist in contacting and obtaining assurances from the identified customers within their service area.
- Develop map of proposed service area based on results of market assessment.

2.7 Legal, Permitting and Environmental Criteria

2.7.1 Tentative Water Recycled Requirements of RWQCB

- Contact RWQCB to obtain preliminary requirements for development of a recycled water treatment and distribution system.

2.7.2 Permitting Requirements

- Identify and summarize the probable permitting requirements for implementing recycled water projects. Utilize previously completed recycled water studies as the basis for developing the summary of probable permitting requirements.
- It is assumed that the SSLOCSD staff will take the lead in coordinating with the RWQCB and obtaining approval for utilizing a SWRRF to meet the WWTP's redundancy requirements.

2.7.3 Water Rights Considerations

- Summarize potential water rights impacts the development of the recycled water program could have on the NCMA Agencies' water rights.

2.7.4 Environmental Documentation Requirements (CEQA)

- Research and summarize the necessary environmental documentation requirements to implement a recycled water program.

2.8 Project Alternatives Analysis

2.8.1 Planning and Design Assumptions

- Develop relevant planning and design assumptions and criteria that will be used when evaluating project alternatives. These assumptions should include:
 - (1) Delivery and system pressure criteria
 - (2) Peak delivery criteria
 - (3) Storage criteria
 - (4) Cost basis: key assumptions; cost index; cost escalation and contingency factors; discount rate; evaluation term for present worth analysis; etc.
 - (5) Planning period
 - (6) Conceptual infrastructure design criteria

2.8.2 Alternatives Development - Treatment

- Develop up to two (2) conceptual facility alternatives for each of the following levels of treatment:
 - (1) Title 22 unrestricted irrigation
 - (2) Partial Reverse Osmosis
 - (3) Groundwater recharge (Advanced Treatment)
- Each conceptual treatment alternative will include:
 - (1) Narrative description including summary of required unit processes and summary of pros, cons and/or key considerations
 - (2) Simplified process flow diagram
 - (3) Conceptual location and layout
 - (4) Preliminary estimates of capital and O&M cost, net present value, equivalent annual cost, and cost per acre-foot of supply

2.8.3 Alternatives Development - Distribution systems

- Develop up to two (2) conceptual distribution system alternatives for each of the following levels of treatment:
 - (1) Title 22 unrestricted irrigation
 - (2) Groundwater recharge (Advanced Treatment)
 - (a) Analysis of groundwater recharge distribution alternatives will be based upon findings from the Pismo Beach Recycled Water Facilities Planning Study.
- Each conceptual distribution system alternative will describe pumping and piping improvements, and will include:
 - (1) Narrative description including summary of required infrastructure and summary of pros, cons and/or key considerations
 - (2) Conceptual location and layout
 - (3) Preliminary estimates of capital and O&M cost, net present value, equivalent annual cost, and cost per acre-foot of supply

2.8.4 Alternatives Development – Recycled Water Storage

- Develop up to two (2) conceptual alternatives for recycled water system storage. Each conceptual alternative will include:
 - (1) Narrative description including summary of required infrastructure and summary of pros, cons and/or key considerations
 - (2) Conceptual location and layout

- (3) Preliminary estimates of capital and O&M cost, net present value, equivalent annual cost, and cost per acre-foot of supply

2.8.5 Non-recycled Water Alternative

- Review the following previously completed studies to identify a preferred non-recycled water supply alternative:
 - (1) 2010 Urban Water Management Plan (WSC, 2011)
 - (2) Lopez Lake Spillway Raise Project (Stetson 2012)
 - (3) Desalination Water Supply Study (Wallace 2006)
 - (4) SSLOCS of Arroyo Grande Water Supply Alternative Study (Wallace 2004)
 - (5) South San Luis Obispo County Desalination Funding Study (Wallace 2008)
 - (6) Coastal Branch Capacity Assessment (WSC 2011)
 - (7) Other relevant water supply studies
- Summarize existing estimates of capital and O&M cost, net present value, equivalent annual cost, and cost per acre-foot of the non-recycled water supply based on previously completed studies

2.8.6 Water Conservation/Reduction Analysis

- Summarize the MEMBER agencies' current and future plans for water conservation. WSC will utilize 2010 UWMPs, NCMA TG reports, and other available resources as the basis for a water conservation summary.

2.8.7 No Project Alternative

- Evaluate the no project alternative and include in alternatives analysis.

2.8.8 Conceptual Alternatives Analysis

- Summarize the outcome from Workshop #2 including:
 - (1) Screening/evaluation criteria
 - (2) Results from the screening/evaluation
 - (3) Preferred conceptual alternatives for treatment, distribution and storage

2.9 Recommended Facilities Project Plan

2.9.1 Preferred Alternative

- Develop preliminary design criteria and refined pipeline routes for the preferred alternative
- Prepare updated maps, figures, process flow diagram(s), and layouts to reflect the preferred treatment, distribution and storage alternatives
- Update cost estimates based on final configuration and considering expected time of construction

- Prepare list of all potential users, quantity of recycled water use, peak demand and commitments obtained to-date
- Compare reliability of the recycled water facilities to the user requirements
- Summarize on-site improvements required including cost
- Prepare a schedule for the implementation of the recycled water project that includes design and construction of the treatment plant upgrades and construction of the distribution system infrastructure. Provide phasing considerations/recommendations in the preferred project plan.

2.10 Stakeholder Involvement

2.10.1 Stakeholder Outreach

- Conduct stakeholder meetings to coordinate project objectives, elements, etc. Document stakeholder outreach efforts.
- Budget based on three (3) 1-hr meetings attended by WSC's Principal and Associate Engineer I.

2.10.2 Public Outreach

- Provide project updates at public meetings as requested by the SSLOCS, including preparation of an explanatory presentation and/or graphics presenting the analysis and/or conclusions contained within the Recycled Water Facilities Planning Study
- Document public outreach efforts.
- Budget based on two (2) 1-hr meetings attended by WSC's Principal and Associate Engineer I.

2.11 Implementation Plan

2.11.1 Coordination and Governance

- Determine needed agreements and ordinances for implementing a preferred alternative recycled water system.
- Evaluate recycled water mandatory use ordinances and provide SSLOCS with recommended course of action.
- Prepare a draft user contract for connecting customers.

2.11.2 Construction Financing Plan and Revenue Program

- Prepare funding plan that outlines sources and timing of funds for design and construction.
- Summarize pricing policy recommendations for recycled water
- Evaluate costs that can be allocated to water pollution control and/or water supply reliability
- Develop criteria and annual projections for:
 - (1) Water prices for each user or category of users
 - (2) Recycled water used by each user
 - (3) Annual costs (required revenue) of recycling project

- (4) Allocation of costs to users
- (5) Unit costs to serve each user or category of users
- (6) Sensitivity analysis assuming portion of potential users fail to use recycled water

2.11.3 Detailed Schedule

- Develop a detailed schedule for the implementation of the recycled water project that includes design and construction, critical milestones from the financing and revenue program and on-site customer improvements.

2.12 Prepare Recycled Water Facilities Planning Study

2.12.1 Prepare Draft Recycled Water Facilities Planning Study

- Prepare draft Executive Summary and compile draft report including title page(s), acknowledgements, table of contents, list of figures, list of tables, draft chapters, reference list and appendices.

Deliverable: Draft Recycled Water Facilities Planning Study

2.12.2 Final Draft Recycled Water Facilities Planning Study

- Prepare Final Draft Recycled Water Facilities Planning Study based on comments received from the SSLOCS and any identified stakeholders on the draft Recycled Water Facilities Planning Study

Deliverable: Final Draft Recycled Water Facilities Planning Study

2.12.3 Final Recycled Water Facilities Planning Study

- Prepare Final Recycled Water Facilities Planning Study based on comments received from the SSLOCS on the Final Draft Recycled Water Facilities Planning Study.

Deliverable: Final Recycled Water Facilities Planning Study

Deliverable Summary

Task	Deliverable Description	Format/Copies	Due Date
1.2	FPGP Application	Emailed PDF	See project schedule
2.0.4	Draft Investment Analysis TM	Emailed PDF	See project schedule
2.0.5	Investment Analysis TM Review Meeting Agenda and Minutes	Emailed PDF	See project schedule
2.0.6	Final Investment Analysis TM	Emailed PDF	See project schedule
2.1.1	Project Schedule	Emailed PDF and 11x17 hardcopies for all meeting attendees	At Kickoff Meeting and revised as-needed
2.1.2	Kickoff Meeting Agenda and Minutes	Emailed PDF	See project schedule
2.1.3	Workshops #1 and #2 Agenda and Minutes	Emailed PDF	See project schedule
2.1.4	Deliverable Review Meetings #1 and #2 Agenda and Minutes	Emailed PDF	See project schedule
2.12.1	Draft Recycled Water Facilities Planning Study	Emailed PDF and four (4) hardcopies	See project schedule
2.12.2	Final Draft Recycled Water Facilities Planning Study	Emailed PDF and four (4) hardcopies	See project schedule
2.12.3	Final Recycled Water Facilities Planning Study	Emailed PDF and four (4) hardcopies	See project schedule

Recycled Water Facilities Planning Study

ID	Task Name	Duration	Start	Finish	Predecessors	Qtr 1, 2014	Qtr 2, 2014	Qtr 3, 2014	Qtr 4, 2014	Qtr 1, 2015	Qtr 2, 2015	Qtr 3, 2015	Qtr 4, 2015
40	2.7.1 Preliminary Recycled Water System Requirements	15 days	Mon 1/5/15	Fri 1/23/15	17								
41	2.7.2 Permitting Requirements	15 days	Mon 1/26/15	Fri 2/13/15	40								
42	2.7.3 Water Rights Considerations	20 days	Mon 1/5/15	Fri 1/30/15	17								
43	2.7.4 Environmental Documentation Requirements (CEQA)	10 days	Mon 1/5/15	Fri 1/16/15	17								
44	2.8 Project Alternatives Analysis	65 days	Mon 1/5/15	Fri 4/3/15									
45	2.8.1 Planning and Design Assumptions	25 days	Mon 1/5/15	Fri 2/6/15	17								
46	2.8.2 Alternatives Development - Treatment	25 days	Mon 2/9/15	Fri 3/13/15	19								
47	2.8.3 Alternatives Development - Distribution	25 days	Mon 2/9/15	Fri 3/13/15	19								
48	2.8.4 Alternatives Development - Recycled Water Storage	25 days	Mon 2/9/15	Fri 3/13/15	19								
49	2.8.5 Non-Recycled Water Alternative	20 days	Mon 2/9/15	Fri 3/6/15	19								
50	2.8.6 Water Conservation/Reduction Analysis	20 days	Mon 2/9/15	Fri 3/6/15	45								
51	2.8.7 No Project Alternative	20 days	Mon 2/9/15	Fri 3/6/15	45								
52	2.8.8 Conceptual Alternatives Analysis	15 days	Mon 3/16/15	Fri 4/3/15	20								
53	Task 2.9 Recommended Facilities Project Plan	20 days	Mon 4/6/15	Fri 5/1/15									
54	2.9.1 Preferred Alternative	20 days	Mon 4/6/15	Fri 5/1/15	52								
55	Task 2.10 Stakeholder Involvement	20 days	Mon 4/6/15	Fri 5/1/15									
56	2.10.1 Stakeholder Outreach	20 days	Mon 4/6/15	Fri 5/1/15	52								
57	2.10.2 Public Outreach	20 days	Mon 4/6/15	Fri 5/1/15	52								
58	Task 2.11 Implementation Plan	20 days	Mon 4/6/15	Fri 5/1/15									
59	2.11.1 Coordination and Governance	20 days	Mon 4/6/15	Fri 5/1/15	52								
60	2.11.2 Construction Financing Plan and Revenue Program	20 days	Mon 4/6/15	Fri 5/1/15	52								
61	2.11.3 Detailed Schedule	20 days	Mon 4/6/15	Fri 5/1/15	52								
62	Task 2.12 Prepare RWFPs	90 days	Mon 5/4/15	Fri 9/4/15									
63	2.12.1 Draft RWFPs	3 wks	Mon 5/4/15	Fri 5/22/15	24,27,31,34,36,39,4								
64	SSLOCSD Review of Draft RWFPs	2 wks	Mon 5/25/15	Fri 6/5/15	63								
65	2.12.2 Final Draft RWFPs	3 wks	Mon 6/29/15	Fri 7/17/15	22FS+15 days								
66	SSLOCSD Review of Draft RWFPs	2 wks	Mon 7/20/15	Fri 7/31/15	65								
67	2.12.3 Final RWFPs	2 wks	Mon 8/24/15	Fri 9/4/15	23FS+15 days								

Task

Split

Milestone

Summary

Project Summary

External Tasks

External Milestone

Inactive Task

Inactive Milestone

Inactive Summary

Manual Task

Duration-only

Manual Summary Rollup

Manual Summary

Start-only

Finish-only

Deadline

Progress

Project: Schedule_SWRRF RWFPs

Date: Tue 8/12/14

Tue 8/12/14

Page 2 of 2

EXHIBIT "B"



Task No.	Task Description	WSC										Total Labor Hours	Total Labor Cost	Total Expenses	Total Fee
		Principal	Sr. Engineer III	Associate Engineer I	Assistant Engineer II	Staff Planner II	Clerical/Admin	Total Labor Hours	Total Labor Cost	Total Expenses	Total Fee				
1.0	FBGP Application Assistance	-	6	2	14	0	16	2	40	\$ 6,606	\$ 200	\$ 6,806			
1.1	FBGP Application Management and Support	4			6		4	2	16	\$ 2,752	\$ 100	\$ 2,852			
1.2	FBGP Application Preparation	2	2		8		12		24	\$ 3,854	\$ 100	\$ 3,954			
2.0	Investment Analysis	-	10	8	24	50	0	0	92	\$ 13,670	\$ 400	\$ 14,070			
2.0.1	Conceptual Design Criteria								8	\$ 1,292	\$ -	\$ 1,292			
2.0.2	Cost Estimates	2	6		8	20			36	\$ 5,306	\$ 200	\$ 5,506			
2.0.3	Investment Analysis				2	4			6	\$ 736	\$ -	\$ 736			
2.0.4	Draft Investment Analysis TM		2		4	12			20	\$ 2,910	\$ 100	\$ 3,010			
2.0.5	Investment Analysis Review Meeting	2			4	4			10	\$ 1,608	\$ -	\$ 1,608			
2.0.6	Final Investment Analysis TM	2			4	6			12	\$ 1,818	\$ 100	\$ 1,918			
2.1	Project Management	-	20	0	60	24	8	14	126	\$ 19,784	\$ 600	\$ 20,384			
2.1.1	Project Administration	2			30		14		46	\$ 6,472	\$ 200	\$ 6,672			
2.1.2	Kickoff Meeting	4			8				20	\$ 3,216	\$ 100	\$ 3,316			
2.1.3	Workshops	8			14	10	8		40	\$ 6,534	\$ 200	\$ 6,734			
2.1.4	Deliverable review meetings	6			8	6			20	\$ 3,562	\$ 100	\$ 3,662			
2.2	Background	-	0	2	5	0	12	0	19	\$ 2,824	\$ 100	\$ 2,924			
2.2.1	Study Area		1		4		10		15	\$ 2,173	\$ 100	\$ 2,273			
2.2.2	Goals and objectives		1		1		2		4	\$ 651	\$ -	\$ 651			
2.3	Water Supply and Characteristics	-	0	2	10	0	16	0	28	\$ 4,138	\$ 200	\$ 4,338			
2.3.1	Water supply characteristics		1		4		8		13	\$ 1,911	\$ 100	\$ 2,011			
2.3.2	Water demand characteristics			1	6		8		15	\$ 2,227	\$ 100	\$ 2,327			
2.4	Wastewater Characteristics and Facilities	-	4	1	16	28	4	0	53	\$ 7,335	\$ 200	\$ 7,535			
2.4.1	Existing facilities								19	\$ 2,385	\$ 100	\$ 2,485			
2.4.2	Future facilities	4			12	16	2		34	\$ 4,950	\$ 100	\$ 5,050			
2.5	Treatment Requirements	-	0	2	2	0	8	0	12	\$ 1,826	\$ 100	\$ 1,926			
2.5.1	Recycled water quality requirements								12	\$ 1,826	\$ 100	\$ 1,926			
2.6	Recycled Water Market/Opportunities	-	0	2	10	20	42	0	74	\$ 9,644	\$ 300	\$ 9,944			
2.6.1	Update market analysis			1	8	12	34		55	\$ 7,209	\$ 200	\$ 7,409			
2.6.2	Preliminary market assurances			1	2	8	8		19	\$ 2,435	\$ 100	\$ 2,535			
2.7	Legal, Permitting and Environmental Criteria	-	0	6	13	12	16	0	47	\$ 6,796	\$ 100	\$ 6,896			
2.7.1	Tentative water recycling requirements of RWQCB			1	1	4	2		8	\$ 1,071	\$ -	\$ 1,071			
2.7.2	Permitting requirements			2	4	8	8		22	\$ 2,982	\$ 100	\$ 3,082			
2.7.3	Water rights considerations			1	6		2		9	\$ 1,441	\$ -	\$ 1,441			
2.7.4	Environmental documentation requirements (CEQA)			2	2		4		8	\$ 1,302	\$ -	\$ 1,302			
2.8	Project Alternatives Analysis	-	8	7	33	84	36	0	168	\$ 22,591	\$ 700	\$ 23,291			
2.8.1	Planning and design assumptions				1	4	2		8	\$ 1,071	\$ -	\$ 1,071			
2.8.2	Alternatives Development - Treatment		8	2	10	20	16		56	\$ 8,462	\$ 300	\$ 8,762			
2.8.3	Alternatives Development - Distribution			1	10	32	8		51	\$ 6,219	\$ 200	\$ 6,419			
2.8.4	Alternatives Development - Storage			1	4	10	2		17	\$ 2,175	\$ 100	\$ 2,275			



Task No.	Task Description	WSC										Total Labor Hours	Total Labor Cost	Total Expenses	Total Fee
		Principal	Sr.Engineer III	Associate Engineer I	Assistant Engineer II	Staff Planner II	Clerical/ Admin								
2.8.5	Non-recycled Water Alternative		1	2	4	2					9	\$ 1,229	\$ -	\$ 1,229	
2.8.6	Water conservation/reduction analysis					4					4	\$ 524	\$ -	\$ 524	
2.8.7	No project alternative			2	4						6	\$ 736	\$ -	\$ 736	
2.8.8	Conceptual alternatives analysis		1	4	10	2					17	\$ 2,175	\$ 100	\$ 2,275	
2.9	Recommended Facilities Project Plan		4	24	20	8	0				60	\$ 8,976	\$ 300	\$ 9,276	
2.9.1	Preferred alternative		4	24	20	8					60	\$ 8,976	\$ 300	\$ 9,276	
2.10	Stakeholder Involvement		-												
2.10.1	Stakeholder outreach		3	6	4	14					27	\$ 4,036	\$ 100	\$ 4,136	
2.10.2	Public outreach		2	6	4	14					26	\$ 3,758	\$ 100	\$ 3,858	
2.11	Implementation Plan		-												
2.11.1	Coordination and governance		2	4	4	8					20	\$ 3,264	\$ 100	\$ 3,364	
2.11.2	Construction financing plan and revenue program		2	4	12	16	8				42	\$ 6,104	\$ 200	\$ 6,304	
2.11.3	Detailed schedule		2	2	4	6					14	\$ 2,280	\$ 100	\$ 2,380	
2.12	Prepare Recycled Water Facilities Planning Study		16	48	68	42	0				190	\$ 28,370	\$ 900	\$ 29,270	
2.12.1	Draft Recycled Water Facilities Planning Study		6	24	28	18					82	\$ 12,144	\$ 400	\$ 12,544	
2.12.2	Final Draft Recycled Water Facilities Planning Study		6	16	24	12					64	\$ 9,674	\$ 300	\$ 9,974	
2.12.3	Final Recycled Water Facilities Planning Study		4	8	16	12					44	\$ 6,552	\$ 200	\$ 6,752	
Column Totals		-	79	62	289	340	252	16	1038	152,002	4,700	\$ 156,702		\$ 156,702	

EXHIBIT "B"

A. Consultant shall procure and maintain, in insurance companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage, written on the ISO form shown below (or its equivalent) at the limits of liability specified for each:

Commercial General Liability Insurance (ISO Form CG 0001 11/85)	\$1,000,000 per occurrence \$2,000,000 in the aggregate
Commercial Automobile Liability Insurance (ISO Form CA 0001 12/90)	\$1,000,000 per accident
Workers' Compensation Insurance	Statutory
Employer's Liability Insurance	\$1,000,000 policy limit
Professional Liability Insurance	\$1,000,000 per claim \$2,000,000 in the aggregate

B. The Commercial General and Commercial Automobile liability policies shall be endorsed to include the following:

(1) SSLOCSD, its officers, directors, employees and agents shall be named as Additional Insureds under ISO Form CG 2010 11/85 or its equivalent; and

(2) the coverage afforded SSLOCSD shall be primary and non-contributing with any other insurance maintained by SSLOCSD.

(3) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.

C. Prior to commencing work under this Agreement, Consultant shall provide SSLOCSD with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for automobile liability, workers' compensation/ employer's liability, and professional liability insurance shall specify that the insurer shall give SSLOCSD an unqualified thirty (30) days advance written notice by the insurer prior to any cancellation of the policy.

D. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Professional liability insurance shall be maintained for an additional, uninterrupted period of three (3) years after termination of this agreement, provided such insurance is commercially available at rates reasonably comparable to those currently in effect. Certificates of Insurance evidencing renewal of

the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by Consultant hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.