

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

<http://sslocsd.org/>

Board of Directors Special Meeting Agenda

1655 Front Street
Oceano, California 93445

Wednesday, June 27, 2012 at 4:30 PM

Board Members

Bill Nicolls, Chairman

Matthew Guerrero, Vice Chairman

Tony Ferrara, Director

Alternates

John Shoals, Director

Vacant, Director

Jim Guthrie, Director

Agencies

City of Grover Beach

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

Oceano Community Services District

City of Arroyo Grande

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 that 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 Chairman 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 agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to 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 will 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. 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act and California Government Code §4954.2, requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires the modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Administrative Assistant at 805-544-4011.

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 change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

3a. Review and Approval of Minutes of June 6, 2012 meeting

3b. Review and Approval of Warrants

3c. Financial Report ending May 31, 2012

4. PLANT SUPERINTENDENT'S REPORT**5. BOARD ACTION ON INDIVIDUAL ITEMS:****A. RECAP OF THE JUNE 7TH WATER RECYCLING FORUM**

Staff recommends the Board receive presentation by Staff

B. PRESENTATION OF, AND PUBLIC HEARING FOR, ADOPTION OF THE FY 2012-13 BUDGET

Staff recommends the Board receive presentation by Staff and adopt Resolution No. 299 adopting the District's budget for FY 2012-13

C. SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) INSURANCE RENEWAL

Staff recommends the Board approve placing the District's insurance with SDRMA in the amount of **\$28,005.98**

6. MISCELLANEOUS ITEMS**a. Miscellaneous Oral Communications**

Update on status of Water Board ACL dated June 19, 2012

Scheduling of meetings for July

b. Miscellaneous Written Communications**7. PUBLIC COMMENT ON CLOSED SESSION****8. CLOSED SESSION**

- 1) Conference with Legal Counsel regarding existing litigation pursuant to Government Code Section 54956.9; 2 cases
Mascolo v SSLOCSD et.al. and Appleton vs SSLOCSD et. al.
- 2) Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code section: § 54956.9 subdivision b; 2 cases

9. RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION**10. ADJOURNMENT**

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

District Office
1600 Aloha Place
Oceano, CA 93445

Minutes of Wednesday, June 6, 2012
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chairman Bill Nicolls, City of Grover Beach; Vice Chairman Matthew Guerrero, Oceano Community Services District; Director Tony Ferrara, City of Arroyo Grande.

Others in Attendance: John Wallace, District Administrator; Mike Seitz, District Counsel; Bob Barlogio, Plant Superintendent; Trini Rodriguez, Shift Supervisor; Matthew Haber, Bookkeeper/Secretary

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

There were no public comments.

3. CONSENT AGENDA

A. Review and Approval of Minutes of the Meeting of May 16, 2012.

B. Review and Approval of Warrants.

It was moved by Director Ferrara, seconded by Vice Chairman Guerrero, to approve Consent Agenda Items 3A and 3B, as presented. Motion carried unanimously.

4. PLANT SUPERINTENDENT'S REPORT

Plant Superintendent Barlogio said the Plant has been running well, and he presented the data for May. There was a higher daily flow average due to the holiday. Average effluent BOD was 20 mg/L, and average Total Suspended Solids (TSS) was 30 mg/L with 91% and 93% removal rates, respectively. Both have limits of 40 mg/L. Fecal coliform numbers have looked good. Highest single fecal coliform was a 130 MPN (limit of 2400 MPN), and 7-day median fecal coliform was 30 MPN (limit of 200 MPN).

Staff has used almost all the 6-inch plug valves for use on the primary clarifier No. 1 pump station and also cleaned the chlorine contact tank. There was an inspection by the SLO County Environmental Health Department regarding the Hazardous Material Business Plan which went well. Staff has been using the sludge drying beds and Liberty Composting has been hauling off the bio-solids. The library has been organized by Kate, the District's temporary technical writer, who has done a great job with writing the District standard operating procedures (SOPs). The books are numbered which now correlate to the SOPs.

Chairman Nicolls commented that Staff once again saved some money by doing most of the drying bed concrete work in-house.

Director Ferrara then asked about the first responder/hazmat training. Plant Superintendent Barlogio responded on status.

5. BOARD ACTION ON INDIVIDUAL ITEMS

A. PROGRESS PAYMENT NO. 1 FOR PRIMARY CLARIFIER NO. 1 PROJECT

This item is for the first progress payment to the contractor, Fluid Resource Management (FRM) for its initial work on the project. This project has three phases. The first phase included the District's purchase of the drive directly and it is in storage and ready to be installed. The second phase included the coating of the tank by and the examination of the metal for determining the wear and corrosion of the metal. The third phase will be the installation of the drive and the bridge which is being fabricated off-site.

The progress payment is \$49,204.85, but with 10% retention withheld, the net payment is \$44,284.37. Vice Chairman Guerrero asked about the retention amount. Administrator Wallace replied that according to the public contracts code, public agencies are allowed to withhold retention of up to 10% from payments to contractors in case errors are discovered during inspections or if the contractor does not perform.

It was moved by Vice Chairman Guerrero, seconded by Director Ferrara, to approve the staff recommendation that the Board approve Progress Payment No. 1 to Ellison Environmental Inc. dba Fluid Resource Management in the amount of \$49,204.85 (Net payment of \$44,284.37 with retention withheld). Motion carried unanimously.

B. PRETREATMENT ORDINANCE UPDATE, CONTRACT NEGOTIATIONS

One of the District's waste discharge requirements is that the District have a pretreatment ordinance. This has become more complicated since the existing ordinance was first developed. The newest waste discharge requirements are very specific about what needs to be in the pretreatment ordinance, and additional EPA requirements have been imposed in the meantime. There are many calculations which have to be done with specialized chemicals. Constituents could potentially be discharged into the sewer system, thereby making their way to the Plant therefore the District can require pretreatment.

Administrator Wallace said that Staff released a Request for Proposals (RFP) to five firms to perform this work. Several of the firms replied that they were too busy to do it. Carollo Engineers responded with a written proposal. The proposed FY 2012/13 budget for 19-7065 Source Control Program is \$60,000. The proposal from Carollo is around \$43,000 which may be reduced through negotiations. Staff is asking the Board to approve the proposal in form and to direct Staff to negotiate a final scope and cost with Carollo which will then be brought back for final Board consideration.

It was moved by Director Ferrara, seconded by Vice Chairman Guerrero, to approve the staff recommendation that the Board find Carollo Engineers qualified to perform the update on the District's existing Pretreatment Ordinance, direct Staff to negotiate with Carollo Engineers to determine a final scope and cost, and to bring this item back to the Board for final consideration at a future meeting. Motion carried unanimously.

C. SIX-INCH PLUG VALVES

Plant Superintendent Barlogio said that many of the plug valves in the primary clarifier No. 2 pump station are difficult to operate. All eight of the six-inch plug valves, which had previously been purchased, have been used. Staff would like to purchase four more six-inch plug valves to add redundancy to the sludge pumping process. If one sludge pump goes down, the operator

could switch to the other pump and continue operations.

It was moved by Vice Chairman Guerrero, seconded by Director Ferrara, to approve the staff recommendation that the Board approve the purchase of four six-in plug valves from Ferguson Enterprises in the amount of \$3,805.23. Motion carried unanimously.

D. MEMBER AGENCY AGREEMENT FOR FOG PROGRAM

Waste discharge requirements require that the District inspect Food Service Establishments (FSEs) for Fats, Oils and Grease (FOG). Overall, the FOG Control Program is going well. Shane Taylor (City of Arroyo Grande) has complimented this effort, and he has said that there have been less plugged lines in the City's collection system as a result.

At a prior meeting, the Board was asked for direction with respect to management of the FOG Control Program. The Member Agencies (MAs) could choose to continue to contract with the District (the status quo). Administrator Wallace said that the collections systems coordination committee strongly wanted to continue the present situation. If the Board would like to continue with the agreement, then the Board could approve, in form, the proposed two-year agreement. Staff will then forward the agreement to the MAs for approval. Afterwards, the agreement will be brought back to the Board for its final execution.

It was moved by Director Ferrara, seconded by Vice Chairman Guerrero, to approve the staff recommendation that the Board approve in form the Member Agency Agreement regarding the program management and administration of the Fats, Oils, and Grease (FOG) Control Program and to direct Staff to coordinate processing the Agreement with the Member Agencies. Motion carried unanimously.

E. FY 2012-13 PRELIMINARY BUDGET – MAJOR BUDGET ITEMS (MBIs) AND OPERATING BUDGET REVIEW

The District typically holds a Board meeting at the Plant in order to look at the Major Budget Items (MBIs) budgeted for the next fiscal year.

Although there are many major projects which need to be completed, there is not sufficient funding to do everything shown in the FY 2012-13 budget. Staff has presented this as a full range of projects which will eventually need to be performed. However, staff will come back during the year to recommend specific projects on a priority basis which need to be completed.

One of the high-priority items is to finish the headworks rehabilitation. This project will involve bypassing the headworks and replacing the main gate which shuts off flow to the Plant. In addition, some of the original piping in the trunk sewer system has delaminated and substantial work will need to be done to repair hot spots in the trunk lines.

Some of the items in the budget were unexpected last fiscal year, such as the co-gen unit analysis and upgrade. The electrical system upgrade is also nearing completion. Carryover items such as the installation of the catwalk for the primary clarifier No. 1 are included.

One of the major items is the design of the long-range plan expansion. Kennedy/Jenks Consultants had given estimates for this work. The long-range plan expansion has been waiting for the coastal permit for that project which has been held up. It is not possible to do the expansion with the currently available fund, therefore the District will need to obtain funding through State Revolving Fund loans. According to a cash flow analysis over a 10-year period, even with SRF funding, it appears that the District would have a deficit of \$13 million in the

coming 10-15 years if there is no rate increase or if the economy does not pick up which would potentially provide more connection fees. Director Ferrara said that an issue for him in particular, in regards to the long-range plan, is the final disposition of the NOV fine. Vice Chairman Guerrero mentioned the need to phase in rate increases as the District anticipates the need for funding these projects. Administrator Wallace replied that there has been a preliminary cash flow analysis completed which shows what level of rate increases would have to be enacted in order for the District to be solvent and to maintain \$1M in reserves.

Chairman Nicolls asked whether the MBIs are prioritized. Administrator Wallace replied that the MBIs are generally prioritized in how they are presented in the budget, but Staff will respond with more specific priorities.

Plant Superintendent Barlogio commented on having a spare Water Champ (12 MBI 01). Chairman Nicolls asked whether there was a need to purchase an item to place on the shelf vs. having it delivered as needed. Plant Superintendent Barlogio reported that these items are not kept in stock. Water Champs are fabricated as needed, and it would take six weeks to get one. As the District saves about \$500/day in reduced chemical costs, the final cost to wait for another unit to be delivered would be around \$21,000. Director Ferrara added that part of the emergency plan is figuring out a way to keep the Plant's vital systems operating in a crisis as well as identifying key components of the Plant and having redundancy available so the Plant can get back to operating quickly. The longer term costs and potential fines could end up costing the District even more. Director Ferrara said that it would be responsible and prudent to keep spares of some of the more important components. Chairman Nicolls agreed.

Vice Chairman Guerrero asked about the potential for additional revenue from recycled water. Administrator Wallace replied that the plant has recently begun accepting brine again which will generate additional revenue. Vice Chairman Guerrero also asked about the vehicle replacement (09 MBI 04). Administrator Wallace replied that this budget item will be deferred this year.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

Administrator Wallace spoke about the Water Recycling Forum. Staff has been working hard to get everything in order including advertising in the Five-Cities Times Press-Recorder and The Tribune. AGP Video will provide the A/V for the forum and stream it to public access as well as producing a DVD copy.

B. Miscellaneous Written Communications

Administrator Wallace presented a draft of the District newsletter. The Board provided feedback and offered suggestions as to format and content of the newsletter.

Administrator Wallace also mentioned that he had sent the Directors an email regarding Pismo Beach's earning high marks for ocean water quality.

7. PUBLIC COMMENT ON CLOSED SESSION

There were no public comments.

8. CLOSED SESSION

- (1) Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9; 2 cases

- Mascolo v. SSLOCSD et al. and Appleton vs SSLOCSD et al.
(2) Conference with Legal Counsel regarding significant exposure to litigation pursuant to Government Code Section 54956.9 subdivision b; 2 cases

9. **RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION**

Attorney Seitz reported that the Board had discussed these items and given direction to Staff but there was no reportable action.

10. **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at approximately 8:15 p.m.

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
6/27/2012

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST ANALYTICAL	CHEMICAL ANALYSIS	MAY	062712-6649	7078	1,755.50	1,755.50
ABBA EMPLOYER SERVICES	CONTRACT LABOR	17729 17730 17745 17760	50	6085	3,537.88	3,537.88
AGP VIDEO	VIDEO PRODUCTION SERVICES	4982	51	7088	950.00	950.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	JULY	52	6025	933.04	933.04
AMERICAN FLAG AND GIFT	FLAG SUPPLIES	127734A	53	8035	178.43	178.43
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	6980638 7017865	54	7025	409.29	409.29
ARROWHEAD	LAB WATER FOR MAY	12E0012917373	55	8040	124.49	124.49
AT&T	TELEPHONE SERVICE	JUNE	56	7013	630.22	630.22
B&B STEEL & SUPPLY	STEEL	391552 391553	57	8060	486.40	486.40
BAHMAN SHEIKH	TRAVEL REIMBURSEMENT	JUNE 7TH WATER SYMPOSIUM	58	7050	312.10	312.10
BRENNTAG PACIFIC	PLANT CHEMICALS	202974	59	8050	5,390.81	5,390.81
CA DEPT. OF PUBLIC HEALTH - ELAP	LAB ACCREDITATION RENEWAL 2013	1212-1413	60	7068	1,455.00	1,455.00
CA ELECTRIC SUPPLY	ELEC SYS UPGRADE 04 MBI 16	7826-484474 7826-485810 7826-486358 7826-487064 7826-488909 7826-490290 7826-490776 7826-490824 7826-490881	61	26/8065	1,020.76	1,020.76
CENTRAL COAST FENCE	MISC SUPPLIES	74114	62	8060	26.41	26.41
CENTRAL COAST WATER TRTMNT	LAB SUPPLIES	7458	63	8040	60.00	60.00
D&H WATER SYSTEMS	CHEMICALS	2012-136 2012-137	64	8050	677.09	677.09
DKF SOLUTIONS GROUP	SSO TRAINING ON 5/15/12	1603	65	7050	2,159.15	2,159.15
DOWNEY BRAND LLP	LEGAL SERVICES	433150	66	7071	10,137.65	10,137.65
ENVIRONMENTAL RESOURCE ASSOCIATES	LAB SUPPLIES	655904	67	8040	326.97	326.97
FEDEX	SHIPPING	7-922-08283	68	8045	26.29	26.29
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	281384A 281473A 281524A 281592A 281626A 281637A 281770A	69	7078	588.00	588.00
FRESHCRETE	CONCRETE	36	70	8060	1,182.59	1,182.59
GAS COMPANY	GAS SERVICE	04/25/12 - 05/25/12	71	7092	412.51	412.51
GAS SYSTEMS LLC	3RD QUARTER CO-GEN MAINT	685	72	7097	7,903.70	7,903.70
GORDON SAND	SAND FOR SLUDGE BEDS	0621706-IN	73	8060	1,563.17	1,563.17
HILTI	DRILL BITS	4601195574	74	8055	81.16	81.16
JB DEWAR INC	VEHICLE FUEL	796482	75	8020	49.06	49.06
KEMIRA	FERRIC CHLORIDE	9017275955	76	8050	7,537.32	7,537.32
KNECHT'S PLUMBING & HEATING	BOILER SERVICE	33321	77	8030	357.31	357.31
LEE CENTRAL COAST NEWSPAPERS	WATER RECYCLING FORUM AD	INV. #1077954	78	7005	240.00	240.00
LIBERTY COMPOSTING INC	BIO SOLIDS REMOVAL	4613	79	7085	24,508.56	24,508.56
LOGMEIN	SOFTWARE SUBSCRIPTION RENEWAL	IN130074	80	7015	238.95	238.95
MANCOMM	OSHA/HAZMAT STUDY MATERIALS	331652	81	8056	82.87	82.87
MC MASTER CARR	MISC SUPPLIES	27562808 27562809 27581819 28197567 29134554	82	8060	1,355.77	1,355.77
MINERS ACE	MISC SUPPLIES	MAY	83	8030	1,212.08	1,212.08
MOSS, LEVY & HARTZHEIM LLP	FINANCIAL AUDIT SERVICES	1278	84	7072	1,450.00	1,450.00
OCEANO COMMUNITY SERVICES DIST	WATER SERVICE	03/18/12 - 05/18/12	85	7094	101.41	101.41
OFFICE DEPOT	OFFICE SUPPLIES	MAY	86	8045	386.63	386.63
PG&E	ELECTRICITY SERVICE	05/14/12 TO 06/12/12	87	7091	10,147.39	10,147.39
SAN LUIS PERSONNEL	CONTRACT LABOR	10013 10039 10064	88	6085	1,598.44	1,598.44
SANTA MARIA DIESEL	MISC SUPPLIES	MAY	89	8055	282.72	282.72
SDRMA	LIABILITY INSURANCE COVERAGE	INV. #39761 FY 2012-13	90	7043	28,005.98	28,005.98
SHIPSEY & SEITZ	LEGAL SERVICES	MAY	91	7071	17,924.50	17,924.50
SO CO SANITARY SERVICE	TRASH SERVICE	JUNE	92	7093	87.03	87.03
SPRINT	CELL PHONE SERVICE	MAY	93	7013	79.29	79.29
SSLOCSD PETTY CASH FUND	PETTY CASH REIMBURSEMENT	MISC SUPPLIES	94	8045	129.29	129.29
STANLEY SECURITY	SECURITY - JULY	9307649	95	7011	62.20	62.20
STATE FUND COMPENSATION INS	WORKERS' COMPENSATION	JUNE	96	6080	4,409.18	4,409.18
TIGERDIRECT	COMPUTER MONITOR	J04800320101	97	7015	152.38	152.38
TITAN INDUSTRIAL	SOUND LEVEL EVALUATION	1050374	98	7079	1,335.00	1,950.43
	MISC SUPPLIES	1050395 1050436		8056	168.06	
		1050273 1050274 1050301 1050382		8060	447.37	
TLT TRUCKING	SAND TRANSPORT	5418	99	8060	245.00	245.00
WALLACE GROUP	ADMIN SERVICES	MAY	6700	7076	22,894.01	57,319.47
	OPERATION PROJECTS			various	24,113.66	
	REIMB PROJECTS			various	3,755.40	
	MAJOR BUDGET ITEMS			various	6,556.40	
WELOFAB	FRONT GATE RECOATING	2312 10 MBI 05	6701	19/8061	1,930.50	1,930.50
WESCORP	WORK ON ELEC SYS UPGRADE	62 68 04 MBI 16	6702	26/8065	7,953.12	7,953.12
WW GRAINGER	MISC SUPPLIES	9851270026 9852515783	6703	8055	22.93	283.89
		9848313061 98151270034 9851270042		8056	260.96	
SUB TOTAL					212,409.38	212,409.38
PAYROLL	PPE 06/01/2012				28,713.69	28,713.69
	PPE 06/15/2012				22,046.63	22,046.63
GRAND TOTAL					263,169.70	263,169.70

We hereby certify that the demands numbered serially from 062712-6649 to 062712-6703 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

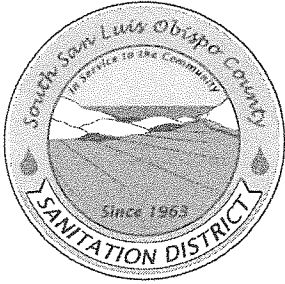
DATE: _____

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha Place, Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.org

TO: Board of Directors
FROM: John L. Wallace, *District Administrator*
DATE: June 27, 2012
SUBJECT: Monthly Financial Review (May 2012)

Overall Monthly Summary

During the month of May, the District earned revenue in the total amount of \$419,715 of which \$136,242 was received from the City of Arroyo Grande for April services, and \$107,175 was received for May services. \$79,395 was received from the City of Grover Beach for April services, and \$92,238 was received for May services. Revenue for April or May services has not yet been received from OCSD. For the month of May, \$1,877 was earned for the AT&T cell-tower lease, and \$1,308 was earned for brine disposal services.

District operating expenses totaled \$193,374 for the month of May. Non-operating expenses totaled \$27,515.

Local Agency Investment Fund

The LAIF balance was \$3,497,368 at May 31, 2012.

County of San Luis Obispo Treasury Pool

As of May 31, 2012, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$442,149. 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.

To arrive at the reconciled cash balance, differences between the District's cash balance and the County's are investigated for timing issues and possible errors. These reconciling items are then applied to the cash balances to arrive at a reconciled amount. At May 31, 2012, the District's books show a cash balance of \$424,249 in the County Treasury Pool. The County's trial balance, however, shows a cash balance of \$442,081. The total difference between the two amounts is \$17,832 of which \$12,272 is for a prior-period adjustment which has been recently approved by the District's auditors. This upward adjustment to the cash balance in the District's books will be applied once the final audit report has been approved. The remaining difference consists of current-year items which will be adjusted for by the end of the year.

Rabobank Funds

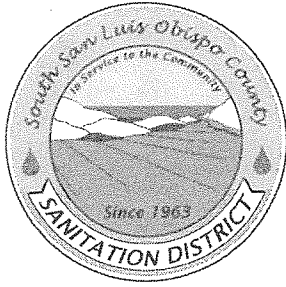
As of May 31, 2012 the reconciled cash balance with Rabobank totaled \$43,651. This account is used to process LAIF transfers and for the issuance of payroll checks through the District's contracted payroll provider service. Funds are transferred periodically from LAIF in order to cover these expenses.

MONTHLY FINANCIAL STATEMENT (Government Code Section 53646(d))
 SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
 FINANCIAL SUMMARY FOR MAY 31, 2012 FY 2011-12

	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	DISTRICT- WIDE
CASH BALANCE	(696,141)	4,296,475	364,999	3,965,334
Cash w/County	3,599,454	(1,434,777)	(1,740,428)	424,249*
Cash w/LAIF	(4,341,041)	5,731,252	2,107,157	3,497,368
Cash w/Rabobank	45,447		(1,730)	43,717*
TOTAL DEPOSITS				
Current - County Treasury Pool				0
LONG-TERM DEBT				
Energy Project Principal Amount		380,736		380,736
REVENUES:				
OPERATING				
Current	416,530			416,530
Year-to-date	2,598,187			2,598,187
NON-OPERATING				
Current Period				
FEMA Funding				
Connection Fees				
Interest				
Lease Income (AT&T Cell)	1,877			1,877
Brine Disposal	1,308			1,308
Total - Current Period	3,185			3,185
Year-to-Date				
FEMA Funding	73,504			73,504
Connection Fees		37,125		37,125
Interest	754	8,040	2,956	11,749
Lease Income (AT&T Cell)	20,694			20,694
Brine Disposal	6,104			6,104
Energy Rebates		150,000		150,000
Total - YTD	101,056	195,165	2,956	299,176
TOTAL REVENUES:				
Current Period	419,715	0	0	419,715
Year-to-date	2,699,243	195,165	2,956	2,897,363
EXPENSES:				
Current Period	193,374	0	27,515	220,889
Year-to-date	2,406,904	212,115	327,643	2,946,663
Net Income (Loss) - Current Period	226,341	0	(27,515)	198,826
Net Income (Loss) - YTD	292,338	(16,951)	(324,687)	(49,299)

* Unreconciled totals in District's books only. Please see reconciliation schedules for reconciled balances.

NEW CONNECTIONS	CURRENT NUMBER	CURRENT REVENUE	FY 2011/12 YEAR-TO-DATE	FY 2011/12 YTD REVENUE
Arroyo Grande	0	0	11	27,225
Grover Beach	0	0	3	7,425
Oceano	0	0	1	2,475
TOTAL NEW DISTRICT CONNECTIONS	0	0	15	37,125



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<http://www.sslocsd.org/>

To: Board of Directors
From: Bob Barlogio, Plant Superintendent
Via: John Wallace, District Administrator
Date: June 27, 2012

Subject: Superintendent's Report

The final data for May 2012 is as follows:

Average daily flow 2.54 million gallons per day with a maximum day of 2.90 million gallons

Average chlorine usage 223 gallons per day

Highest fecal was an 130 mpn (limit of 2400), 7 sample median high was a 30 mpn (limit of 200)

BODs monthly average in-272 mg/l, out-21 mg/l

TSS's monthly average in-410 mg/l, out-30 mg/l

As of this writing, for June of 2012, the data is as follows:

Average daily flow 2.52 million gallons per day with a maximum day of 2.74 million gallons

Average chlorine usage 302 gallons per day, we have done more chlorinated FFR flushes

Highest fecal was an 13,000 mpn (limit of 2400), **please see below, 7 sample median high was a 11 mpn (limit of 200)

BODs monthly average in-324 mg/l, out-36 mg/l

TSS's monthly average in-384 mg/l, out-30 mg/l

**We had a high fecal coliform on June 6, 2012. The result was 13,000 mnp. The total coliform was 3,000 mpn. The total coliform should be higher than the fecal. We had a high total chlorine residual before de-chlorination, 19.1 mg/l. The following day, we sent duplicate samples out to the lab, using two different sample containers. Both came back <2 mpn. The following day result from a single container was also <2 mpn. I e mailed Ms. DiSimone, of WQCB, to let her know of the issue and the facts as stated above. And that I believe the high result is from sampling, testing, or a sample container issue. I have not heard back from Ms. DiSimone with her comments as of June 19.

Staff is training on the Emergency Plan, taking 2 to 3 chapters a week. This training reviews staffs' responsibilities before, during, and after an emergency in our area. The training also familiarizes staff with the Standard Emergency Management System and the National Incident Management System.

Liberty Composting has removed 780.81 tons of bio solids, as per contract.

Trini has passed his crane certification. With this certification, we can rent just the crane and Trini is certified to operate it. This will save the cost of hiring a crane operator.

We are working on the front gate. The existing front gate was deteriorating and was beyond repair. We obtained three quotes to manufacture another gate. The quotes range from \$1800 to \$2850, Mr. Wallace approved the purchase of the gate for \$1800. To powder coat, we found only one vendor in the county that has an oven big enough to handle a 28 foot gate. His quote to sandblast, prime with a zinc coating, and powder coat is \$850. We are moving forward with the project. We had a budget amount of \$12,000 in 10 MBI 05, I believe we will get it done for one-fourth that amount.

A reminder of some of the projects staff worked on this last fiscal year:

Staff repaired three soft spots in the sludge drying beds by saw cutting the area, digging them out (down about 8 inches), anchor rebar into the existing asphalt, and filled with concrete. We used about 10 cubic yards of concrete to fill the three different soft spots.

An ongoing project is replacing the wiring through out the plant. Most of the 3 phase, 460 volt wiring has been done. We still need to replace wiring for some of the lights and 120 outlets. Originally 04 MBI 16, budgeted for \$500,000, staff and Woeste Electric will have completed the job for less than half that amount.

Staff replaced the #4 influent pump and valves. It took a couple night shut downs to accomplish this job.

Staff replaced the # 2 FFR pump and valves. Another night shut down and staff got the job done.

Staff reinstalled the Water Champ. This unit flash mixes the chlorine/bleach solution as it comes into the chlorine contact tank. This unit and some "tweaking" of the ORP probes are saving the District \$700 per day or more. In 2010, the daily average use was 956 gallons/day, the month of May 2012, average is 223 gallons /day, and 2012 daily average from January to May, is 252 gallons / day.

Staff experimented with returning water from the final clarifier at night during low flows. The primary clarifiers get septic because of the long detention during the night. Bringing the water back, freshens up the primaries, allowing the sludge to settle. With a septic condition, the sludge does not compact, leaving with a thin sludge blanket, several feet thick.

The motor, gear reducer, and brackets, on the #2 primary clarifier drive unit, were rusted to the point you could not loosen the bolts. Staff had to grind the old welds off, weld another bracket in place, and replaced the electric motor and gear reducer.

Staff has been writing, with assistance from a tech writer, SOPs on some of the procedures that operators do not do on a regular basis. And to assist the operators with the procedures, all the valves in the plant are numbered according to the schematics. This will give operators step by step instructions, what valves to open and close. This will be great also for the new operators to become familiar with the plant piping. Part of this project also included installing numbers on the

buildings to correlate to the SOPs. The tech writer has left us on June 21, 2012, but has agreed to return, as needed to update the files, if we can not do it in house.

Staff has been busy painting the floors of some of the buildings, the new centrifuge building, and the heating and mixing building. Staff has painted some of the process units such as pumps, valves, and drive unit.

As you have seen the request for valves, staff has changed out many valves around the plant. These valves either leaked badly, or were in the stuck position. Staff took advantage of the #1 primary empty and replaced several valves there that did not operate properly.

Because of all the ducks that congregated in the final clarifier and causing issues, staff installed fishing line to deter the ducks from landing in the clarifier with lots of success. Where we would see about a hundred ducks in the clarifier, now we see only a few.

We are in the process of pouring a concrete pad for the water filter system. This unit will filter the water from the chlorine contact tank to our different units that use water to cool and lube seals. Currently, we have filters at the pumps or pump rooms that need to be cleaned often. This unit will filter the water and clean it's self automatically. This will increase the life of the mechanical seals.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT


Post Office Box 339 Oceano, California 93475-0339

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

<http://sslocsd.org/>

MEMORANDUM

To: Board of Directors
From: John Wallace, District Administrator 
Date: June 19, 2012
Subject: Water Recycling Forum Recap

On June 7, 2012, the District hosted a Water Recycling Forum/public meeting, held at the South County Regional Center, Arroyo Grande. This forum focused on the future of recycled water in South San Luis Obispo County, and to generate awareness and outreach on the need to consider recycled water in the future of water supplies in the area. In addition to introductory remarks by Bill Nicolls, Board Chairman, Matthew Guerrero, Vice Chairman, and Tony Ferrara, Director//Mayor of the City of Arroyo Grande, other speakers included:

- John Wallace, District Administrator
- Steven G. Tanaka, Wallace Group, Director of Water Resources
- Courtney Howard, County of San Luis Obispo
- Matt Keeling, Regional Water Quality Control Board
- Brad Hagemann, Monterey Regional Wastewater Pollution Control Agency
- Bahman Sheikh, Water Reuse Specialist
- Jennifer Metz, City of San Luis Obispo
- Martin J. Wilder, Laguna County Sanitation District

Following the speaker presentations, a round-table discussion was held. Director Ferrara moderated the session by fielding questions from the public. Round-table panel members consisted of John Wallace, Matt Keeling, Courtney Howard, Brad Snook (Surfrider Foundation), Brad Hagemann, Martin Wilder, and Tom Ikeda (representing Oceano area growers). A copy of the questions raised during this forum are attached to this staff report.

Thank-you letters were sent to all of the speakers following the meeting.

Outreach for the meeting was accomplished through:

- Advertisements published in the Five Cities Times Press Recorder, and San Luis Obispo Tribune; Cynthia Lambert of the SLO Tribune was contacted/notified of the event
- Posting on local news calendars (KCBX, KSBY)
- Web site postings and Board/Council Meeting promotion, City of Arroyo Grande, City of Grover Beach, City of Pismo Beach, Oceano CSD, County of San Luis Obispo
- Announcements through the WRAC (via Courtney Howard)

- Direct contact to NRCS, Central Coast Salmon Enhancement, Surfriders Foundation, Oceano Area Growers, Farm Bureau and other interested parties

A sign-in sheet was provided; however, it was clear that a number of attendees did not sign in. It was estimated that approximately 75 to 80 people were in attendance. Attendees for whom email addresses were provided, were sent a request for public feedback. Once public feedback is obtained, updates will be communicated to the Board at a later meeting.

AGP Video videotaped the entire forum/meeting, and it is available to download and view, at the District's website: <http://sslocsd.org/> as well as a link on AGP Video's website. In addition, all panel member powerpoint presentations have been converted into PDF format, and also posted on the District's website. KSBY news also covered this event, and the segment was broadcast the following day.

The agenda for this meeting has been presented again, for reference:

Agenda Item	Time
Opening Statement/Keynote Address/Introductions Bill Nicolls, Board Chairman Tony Ferrara, Director Matthew Guerrero, Vice-Chairman	6:00 - 6:10
Background, Agenda, SSLOCSD Recycled Water Planning - John Wallace, P.E.	6:10 - 6:20
Prior Water Recycling Studies – Steven G. Tanaka, P.E.	6:20 - 6:30
County Master Water Plan Overview/Future of recycled water in our County Courtney Howard, P.E.	6:30 - 6:45
Recycled Water Policy/Regional Board Perspective - Matt Keeling, RWQCB	6:45 - 7:00
Pilot Project for RW Use in Monterey - Bahman Sheikh, Ph.D, P.E.	7:00 - 7:15
Overview of Water Recycling Program in Monterey County - Brad Hagemann, P.E.	7:15 - 7:30
BREAK	7:30 - 7:40
Farmers' Experience with Recycled Water Irrigation - Dale Huss (video)	7:40 - 7:50
Local Recycled Water Experience Jennifer Metz, P.E., City of SLO Martin J. Wilder, P.E. Laguna County Sanitation District	7:50 - 8:10
Roundtable Panel Discussion of Issues and Opportunities, Public Input and Comment	8:10 - 8:50
Closing, Acknowledgments, Next Steps - John Wallace. P.E.	8:50 - 9:00
ADJOURN	9:00

NEXT STEPS

A number of various steps should be taken, to continue our efforts to strive towards a wide-scale recycled water program in the South County area. Some suggested steps will require further discussion and consideration by the Board, and staff may bring back to the Board more definitive items with corresponding budgets for consideration and approval by the Board. Suggested “next steps” include, but may not be limited to, the following:

1. Conduct a follow up stakeholder meeting with area growers to get more details on issues and concerns, expectations on (product) water quality;
2. Refine the market assessment and look further into how “ag water” would be delivered to potential agricultural reuse sites, and understanding agricultural water demands, water quality needs and expectations, types of crops used, crop rotation, seasonal demands, etc.;
3. Monitor and utilize the NCMA/NNMA hydrogeologic studies to define relationship between upper aquifer where ag-water is pumped, lower groundwater basin where municipal water is pumped, and how both aquifers tie into the ocean for potential seawater intrusion. Include a more in-depth evaluation of option for using recycled water for a seawater barrier (and CDPH regulation implications, WWTP treatment implications). Possibly look further in to potential groundwater recharge sites;
4. Refine SSLOCSD facilities plan, to detail what upgrades are necessary for tertiary upgrade, with possible RO component, and/or microfiltration/reverse osmosis (MF/RO) option, and other means of further improving water quality;
5. Continue outreach to local area turf customers, such as local schools, parks, etc.;
6. Continue close collaboration with City of Pismo and their corresponding potential tertiary upgrade and market. Continue close collaboration with the County also in this regard;
7. Look into funding, particularly USBR Title XVI, and how to lobby and position the District for funding of a recycled water project of “regional benefit”. Study and refine financing options, and means of generating revenue (possibly modeling after Monterey County), other resources;
8. Host periodic stakeholder meetings and publish updates to keep the momentum and interest moving forward in a positive direction. Such attendees should include SSLOCSD, City of Pismo Beach, area growers, special interest groups, regulatory agency representatives (County Health, CDPH, Regional Board), potential turf irrigation customers, and other interested parties.

Attachment: List of Questions

Questions posed by the audience at June 7, 2012 Water Recycling Forum

Ed Eby

Nipomo CSD

By policy or inclination is the District willing or legally able to sell recycled water for export outside the District or Five Cities area:

- To be used in the Santa Maria Valley Basin
- Under a long-term contract (30+ years)
- 2,500 – 6,200 AFY

Annual fluctuation in recycled water available?

Cost to users

- Capital buy-in cost?
- Commodity cost?

Karl Kempton

Surfrider

740 Grell

Oceano, CA 93445

Concern with ocean rise and flood plain at sewer treatment plant location

Marilee Hyman

SLOCO WRAC

2141 Shoreline Drive

Pismo Beach, CA 93449

- With public concern growing over pharmaceuticals, hormone endocrine disrupting and other chemical, how do recycling agencies plan to step up testing of these pollutants for health and safety
- Is there a tax or fee imposed on folks who use soft water systems to pay for the extra costs of removing salts in the recycling process?

Shelly Higginbotham

City of Pismo Beach

When you have a system providing recycled water and groundwater, etc. do you have a two-tiered price/rate system?

Noah

City of Morro Bay

- What programs have the various represented projects implemented to improve quality of influent to their plants? (salts, etc.)
- Do they anticipate restricting/enforcing salt-based H₂O softener use?
- What has been most effective at improving influent quality?

Michael Winn
Nipomo CSD
233 East Knotts Street
Nipomo, CA 93444

How do we by policy decide between:

- Reserving water conserved for existing ratepayers during droughts (they paid for it)
- Giving drought supplies to new development

Anonymous

Will you use a bidding format and entertain newer technology?

A moderated question to Matt Keeling

Carrying the concept of a South county Sanitation District Recycled Water plant – what are some of the first-in permitting or regulatory considerations given out proximity to AG Creek and the Oceano Lagoon?

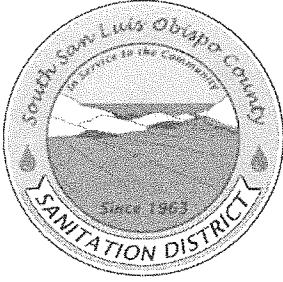
A moderated question to Brad Snook

What has Surfriders done to date to promote recycled water?

What do you envision as a future role to assist us in moving forward?

A moderated question to Tom Ikeda

Given what we heard, what are some of the unique concerns that our local growers might have?



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PLEASE NOTE:

The complete FY 2012-13 Budget will be mailed separately.



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Staff Report

To: Board of Directors
From: John Wallace, *District Administrator*
Date: June 27, 2011

Subject: Consideration and Adoption of Fiscal Year 2012-13 Budget

Recommendation:

1. Conduct Board discussion and staff responses
2. Open public hearing and after public comment, close the public hearing
3. Direct Staff to make any adjustments or changes to the proposed budget;
4. If no further changes are directed to Staff, adopt the Final Budget for Fiscal Year 2012-13 and resolutions contained therein.

Funding:

The proposed budget sets forth the planned revenue and expenditures for operations, expansion and replacement of the District's facilities for the upcoming fiscal year.

Discussion:

As part of the preparation of the FY 2012-13 Budget, the Board completed its initial review of the Preliminary Operating Budget including the first draft of Capital Projects (Major Budget Items) on May 16, 2012. As on-going preparation of the FY 2012-13 Budget, the Board reviewed and considered the proposed FY 2012-13 Major Budget Items (MBIs) on June 6, 2012.

In response to comments received, the member agency listing has been revised on the Table of Organization, and although this item has been advertised as a public hearing, the Notice of Public Hearing has been removed as it is not a budget process requirement. Also in response to additional information made available and comments received, the following adjustments have been made to the budget account line items:

Revenue

- 20-4010 AG Connections
Decreased estimated FY 2011-12 year end totals from \$64,350 to \$32,175 to better reflect anticipated connection fees
- 20-4020 GB Connections
Decreased estimated FY 2011-12 year end totals from \$17,325 to \$12,375 to better reflect anticipated connection fees

Expenditures

- 19-7065 Source Control
Increased FY 2012-13 amount from \$60,000 to \$80,000 to include an update to the 1994 Pretreatment Ordinance and management of the 2009 NPDES Permit
- 19-7070 Prof Services-Outside Counsel/Litigation
Reduced FY 2012-13 amount from \$250,000 to \$200,000 as a result of resolving several potential litigation items
- 19-7087 WDR & SSMP District Expense
Increased FY 2012-13 amount from \$40,000 to \$55,000 to include an Industrial Waste Survey and Report required by the 2009 NPDES
- 19-7089 Rate Study (Operating Account)
20-7089 Rate Study (Expansion Account)
\$50,000 has been added in FY 2012-13 to anticipate the need for a consultant prepared Rate Study to be split equally between the two funds

As a result of current status, Table 1 below compares the difference between the Preliminary Budget information and that now presented in the proposed Final Budget.

The past fiscal year, FY 2011-12, projected revenues and expenditures are now better known and are reflected in the Final Budget. The actual net income, and therefore contributions from rfund balances is less than that shown in the Preliminary Budget presented at the May 16, 2012 Board meeting. This is due mainly to the addition of a Rate Study for this fiscal year.

Table 1

	Revenue	Expenditures	Net Income
Fund 19			
Preliminary Budget	\$3,168,175	\$3,385,477	- \$217,302
Final Budget	\$3,168,175	\$3,385,977	- \$217,802
Fund 20			
Preliminary Budget	\$84,250	\$648,299	- \$564,049
Final Budget	\$84,250	\$673,299	- \$589,049
Fund 26			
Preliminary Budget	\$3,500	\$1,901,329	- \$1,897,829
Final Budget	\$3,500	\$1,898,629	- \$1,895,129
Preliminary Budget Totals	\$3,255,925	\$5,935,105	(\$2,679,180)
Final Budget Totals	<u>\$3,255,925</u>	<u>\$5,957,905</u>	(\$2,701,980)
Difference	\$ 0	\$22,800	(\$22,800)

The carryovers amounts for the Major Budget Items (MBIs) are also now better known. Therefore, the carryover amounts are slightly different than those presented in the Preliminary Budget. It should be noted that only the carryover amounts have changed. The overall project budgets remain the same.

At this time any final changes from the Board's review should be directed to Staff. If there are no changes, it is recommended the Board adopt the budget by resolution at this meeting. If the adoption of the District's Fiscal Year 2012-13 Budget is to be continued from this June 27th meeting, the Board may elect to continue review and consideration of adoption at its first meeting in July.

Based upon previous Board direction, the Final FY 2012-13 Budget is being submitted for consideration and approval. A summary of the major highlights of the Budget follows:

Operating Budgets

The proposed budget includes the detailed revenue and expenses for the Operating, Replacement and Expansion Funds and includes anticipated adjustments in operating costs including, employee benefits, chemicals, and other operating costs.

Major Budget Items

Formatting and presentation of the Major Budget Items has been revised. The proposed budget includes Major Budget Items that are discussed in detail in terms of scope and cost. Major Budget Items for FY 2012-13 are shown as well as future fiscal year budget items for a four-year look to indicate projects in the near term for planning purposes. It is important to note that each Major Budget Item will come before the Board for final approval prior to initiation of the item at which time the project could be approved or deferred depending upon on the District's financial position and the need to initiate the project.

It is also obvious that the District cannot afford to complete all of the MBIs as shown for the next FY. Therefore staff will present in a separate report, a prioritization of projects, funding options, including loans which will "smooth out" our cash flow, and priority of projects based on regulatory directions from the RWQCB.

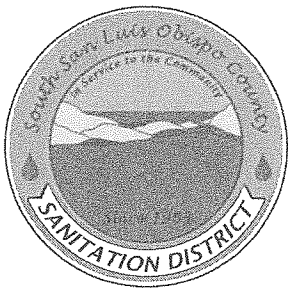
Also contained in the MBI analysis is a new format for each MBI showing the project description, an exhibit, and a breakdown of project costs into components such as studies, design, construction, contract administration, etc. Each project is different and therefore the categories used to budget for the project also vary depending on the type and extent of services required outside of construction, or in the case of equipment, the purchase of that piece of equipment.

Personnel Compensation

No salary increases have been made since January 2010, but in reviewing comparable salaries in other jurisdictions with similar plants at our benchmark salary (i.e. Operator II level), our staff salaries are at or below the average of other comparable jurisdictions. Adjustments may be made if decided by the Board in their review and adoption of the personnel compensation resolution regarding this item at this time or later, at the quarterly or mid-year reviews.

Administrative vs Engineering Items

As described above, several line items in the budget have been provided to better reflect administrative versus engineering expenditures. This better reflects the recently amended professional services contracts executed for these services.



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www.sslocsd.org

Staff Report

To: Board of Directors
From: John Wallace, District Administrator 
Date: June 27, 2012

Subject: Renewal of District's Liability Insurance (SDRMA)

Recommendation:

Staff recommends that the Board:

1. Review the attached documents from SDRMA for renewal of the District's insurance for FY 2012-13
2. Direct Staff to renew the District's insurance with SDRMA with of liability coverage of \$10M at a cost of \$28,005.98.

Discussion:

Attached is the invoice in the amount of \$28,005.98 received from SDRMA for the District's liability insurance for FY 2012-13, which is due July 16, 2012. This is an increase of \$4,120.38 from the previous year and includes three non-member additional insured certificates for Pacific Gas and Electric, and Municipal Finance Corporation (required for the Co-Gen unit) and the California State Lands Commission (required for the outfall line). There is also a Miscellaneous Endorsement coverage charge of \$3,000 included in the total amount of this invoice.

Alternatively, the District could choose lower limits of coverage of \$2.5M for \$21,636.94 or \$5M for \$24,065.98.

Special District Risk
Management Authority

Maximizing Protection.
Minimizing Risk.

1112 I Street, Suite 300
Sacramento, California 95814-2865
T 916.231.4141
T 800.537.7790
F 916.231.4111
www.sdrma.org



May 25, 2012

RECEIVED

Mr. Matthew Haber
Bookkeeper/Secretary
South San Luis Obispo County Sanitation District
Post Office Box 339
Oceano, California 93475-0339

Dear Mr. Haber:

On behalf of the Special District Risk Management Authority (SDRMA) Board of Directors we are pleased to announce in February 2012, the Board took action keeping rates flat for the Property/Liability Program for 2012-13! Previously, the Board approved a 15% rate discount in 2009-10 to provide financial relief to members during the difficult economic times and this will be the third year in a row with no rate increases. Your agency's annual contribution amount may vary from 2011-12 as a result of any coverage limit changes, scheduled item additions/deletions and Credit Incentive Program (CIP) points earned.

Enclosed is your agency's 2012-13 invoice which includes the total contribution for the Property/Liability Package Program and other optional coverages selected by your agency. The current coverage limit selected by your agency is indicated on the invoice. Optional higher or lower limits for excess coverage layers will be offered again this year - coverage limit options are \$2.5 million, \$5 million or \$10 million. These limits apply to general liability, auto liability, and errors and omissions coverages. **If your agency is electing to increase or decrease its limit of liability, you must notify SDRMA in writing no later than June 15, 2012 for such change to take effect at the start of the program year July 1, 2012.**

For the second year, a 5% Multi-Program Discount has been included for members who belong to both the Property/Liability and Workers' Compensation Programs in the invoice total and noted in the area describing the liability limit options towards the bottom of the invoice. In addition, a \$150 credit has been applied if your agency used MemberPlus Online™ to complete and submit your 2012-13 Renewal Questionnaire. Over 528 members (95%) submitted their 2012-13 Renewal Questionnaire using our MemberPlus Online™ portal!

To ensure accurate and timely processing of your coverages, **please return the blue copy of the invoice and your payment by July 16, 2012** for the corresponding amount. Late payments received after August 16, 2012 will accrue interest.

Thank you for your continued participation in SDRMA's Property/Liability Package Program. Please do not hesitate to contact us at 800.537.7790 or info@sdrma.org to receive information about other SDRMA programs including Workers' Compensation or Health Benefits or if you have any questions about your current coverages.

On behalf of the Board of Directors and our entire risk management team we look forward to working together with South San Luis Obispo County Sanitation District in the 2012-13 program year.

Sincerely,
Special District Risk Management Authority


Gregory S. Hall, ARM
Chief Executive Officer

Enclosures: 2012-13 SDRMA Property Liability Package Program Invoice, 2011-12 Credit Incentive Program (CIP) Points Earned and 2012-13 CIP Criteria

A proud California Special Districts
Alliance partner.

California Special Districts Association
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Sacramento, California 95814-2865
T 877.924.CSDA (2732)
F 916.442.7889

CSDA Finance Corporation
1112 I Street, Suite 200
Sacramento, California 95814-2865
T 877.924.CSDA (2732)
F 916.442.7889



Property/Liability Package Program Invoice
Program Year 2012-13



South San Luis Obispo County Sanitation District
Post Office Box 339
Oceano, California 93475-0339

May 25, 2012
Invoice #: 39761
Member #: 7126

Property	\$987.81
Coverage for reported values (including contents): \$635,657	
Mobile / Floater	\$0.00
Coverage for reported value of \$0	
Auto Liability	\$1,838.68
Coverage for 4 reported vehicle(s)	
General Liability	\$18,330.33
Services: Sewer	
Certificates: 3 Non-Member Certificate(s)	
<i>Items included in the Program Package at no additional cost:</i>	
Boiler & Machinery, Employee Blanket Bond, Errors & Omissions	

Gross Package Contribution	\$21,156.82
CIP Credit	-\$2,369.88
MemberPlus Online RQ Bonus	-\$150.00
Other Discounts	\$0.00
Package Subtotal	\$18,636.94

Other Charges / Credits

Auto Comp / Collision	\$0.00
Coverage for 0 reported vehicle(s)	
Trailers	\$0.00
Coverage for reported value of \$0	
Excess Liability	\$6,369.04
Liability Limit Increased to: \$10M	
Other Coverages / Charges	\$3,000.00
Coverage for: Misc. Endorsement	
Other Charges / Credits Subtotal	\$9,369.04

Total Contribution

Present Limit of Liability of \$10M for G/L, A/L, and E&O Including a 5% Multi-Program Discount of \$0.00 Please Pay: =====>	\$28,005.98
--	--------------------

If your agency wishes to reduce its limit of liability to \$2.5M for G/L, A/L, and E&O including a 5% Multi-Program Discount of \$0.00 the total due will be:	\$21,636.94
---	--------------------

If your agency wishes to reduce its limit of liability to \$5M for G/L, A/L, and E&O including a 5% Multi-Program Discount of \$0.00 the total due will be:	\$24,065.98
---	--------------------

The amount you select above is due to SDRMA no later than July 16, 2012. If not paid in full by the due date, a late charge of one percent (1%) per month, twelve percent (12%) per annum, will be assessed on all sums past due. Imposition of this charge does not extend the due date for payment. If your agency is electing an increase or decrease in its limit of liability for general liability coverage, you must notify SDRMA in writing no later than June 15, 2012 for such changed coverage to take effect at the inception of the program year on July 1, 2012.

Special District Risk Management Authority
1112 I Street Suite 300, Sacramento, California 95814-2865
Tel 916.231.4141 or 800.537.7790 Fax 916.231.4111
www.sdrma.org

Member Focused



PLEASE RETURN THIS COPY
WITH YOUR PAYMENT



Property/Liability Package Program Invoice
Program Year 2012-13

South San Luis Obispo County Sanitation District
Post Office Box 339
Oceano, California 93475-0339

May 25, 2012
Invoice #: 39761
Member #: 7126

Property	\$987.81
Coverage for reported values (including contents): \$635,657	
Mobile / Floater	\$0.00
Coverage for reported value of \$0	
Auto Liability	\$1,838.68
Coverage for 4 reported vehicle(s)	
General Liability	\$18,330.33
Services: Sewer	
Certificates: 3 Non-Member Certificate(s)	
<i>Items included in the Program Package at no additional cost:</i>	
Boiler & Machinery, Employee Blanket Bond, Errors & Omissions	

Gross Package Contribution	\$21,156.82
CIP Credit	-\$2,369.88
MemberPlus Online RQ Bonus	-\$150.00
Other Discounts	\$0.00
Package Subtotal	\$18,636.94

Other Charges / Credits

Auto Comp / Collision	\$0.00
Coverage for 0 reported vehicle(s)	
Trailers	\$0.00
Coverage for reported value of \$0	
Excess Liability	\$6,369.04
Liability Limit Increased to: \$10M	
Other Coverages / Charges	\$3,000.00
Coverage for: Misc. Endorsement	
Other Charges / Credits Subtotal	\$9,369.04

Total Contribution

Present Limit of Liability of \$10M for G/L, A/L, and E&O Including a 5% Multi-Program Discount of \$0.00 Please Pay: =====>	\$28,005.98
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If your agency wishes to reduce its limit of liability to \$2.5M for G/L, A/L, and E&O including a 5% Multi-Program Discount of \$0.00 the total due will be: \$21,636.94

If your agency wishes to reduce its limit of liability to \$5M for G/L, A/L, and E&O including a 5% Multi-Program Discount of \$0.00 the total due will be: \$24,065.98

The amount you select above is due to SDRMA no later than July 16, 2012. If not paid in full by the due date, a late charge of one percent (1%) per month, twelve percent (12%) per annum, will be assessed on all sums past due. Imposition of this charge does not extend the due date for payment. If your agency is electing an increase or decrease in its limit of liability for general liability coverage, you must notify SDRMA in writing no later than June 15, 2012 for such changed coverage to take effect at the inception of the program year on July 1, 2012.

Special District Risk Management Authority
1112 I Street Suite 300, Sacramento, California 95814-2865
Tel 916.231.4141 or 800.537.7790 Fax 916.231.4111
www.sdrma.org

Member Focused



Property/Liability Credit Incentive Program



South San Luis Obispo County Sanitation District

CIP Points Earned as of: 3/31/2012

The Credit Incentive Program (CIP) is designed to encourage our Members to take a proactive approach for loss prevention administration, training and safety/risk management. In an effort to assist our Members in achieving the lowest contributions possible, we performed a review of the documents submitted to date for the CIP program year 2011-12. These credits are applied toward the invoice for the 2012-13 program year. The following earned credits have been documented:

CIP Criteria Description*	Maximum Available	CIPs Earned to Date
Staff Attendance at SDRMA Workshop	1	1
Additional Staff Attendance at SDRMA Workshop	1	0
Executive Staff Attendance at CSDA Sponsored Training	1	1
Additional Executive Staff Attendance at CSDA Sponsored Training	1	1
Attendance at Approved Legal Seminar	2	0
TargetSolutions Online Training Program	3	3
Use of SDRMA Safety Video Library	2	2
ADMINISTRATION TRACK TOTALS - 8 POINTS MAXIMUM		8
SDLF District of Distinction designation	4	0
Single Board Member Attendance at SDRMA Workshop	1	1
Additional Board Member Attendance at SDRMA Workshop	1	1
Single Board Member Attendance at CSDA Training	1	1
Additional Board Member Attendance at CSDA Training	1	1
Completion of two CSDA Education / Webinar sessions	3	0
GOVERNANCE TRACK TOTALS - 5 POINTS MAXIMUM		4
No Claims during the year	2	0
CLAIMS TRACK TOTALS - 2 POINTS MAXIMUM		0
COMBINED TRACK TOTALS - 15 POINTS MAXIMUM	15	12
5 YEAR NO CLAIMS BONUS	3	0
TOTAL CREDIT INCENTIVE POINTS	18	12

*For detailed information, please see the 2011-12 Property/Liability CIP criteria. For questions, please contact Dennis Timoney at 800.537.7790.

Property/Liability 2012-13 Credit Incentive Program Criteria

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses and positively impact the overall cost of property/liability coverage through the Credit Incentive Program.

Credit incentives of up to 15 points can be earned based on an Agency's participation in meeting the following program guidelines. One CIP point is equal to a 1% discount on the Agency's Property/Liability Program for the Auto and General Liability net contributions invoice only. Participating members may choose among various options to complete during the CIP period (April 1 – March 31) to reach the maximum points allowable within each track.

Please note the maximum total a member can receive is 15 points, and points earned before March 31, 2013 will be applied to the 2013-14 program year. Options allowing a member to earn points for both Property/Liability and Workers' Compensation are designated with **(Credit will be applied to Both Programs)**. Points are currently awarded as follows:

ADMINISTRATION TRACK (8 POINTS MAXIMUM)

For management staff accredited with the Special District Administrator designation by the Special District Leadership Foundation (SDLF). This certification program is a way for special district administrators to affirm – to their customers, to their board of directors, and to themselves – that they are competent and experienced in their profession. Requirements for this certification include management experience, continuing education, community service, and ultimately an exam.

2 points

No Documentation Required - Will be confirmed by SDLF.

(Credit will be applied to Both Programs)

For each full-day attendance by the Agency's safety officer, designated individual, or employee(s) at an SDRMA Safety/Claims Education Day (Each attendee earns 1 point).

2 Points maximum

No Documentation Required - Will be confirmed by SDRMA workshop attendance sheet.

(Credit will be applied to Both Programs)

For each full-session attendance by the Agency's management staff in a California Special Districts Association (CSDA) sponsored training program, such as CSDA annual conference workshops and/or the Special District Leadership Academy (Each attendee earns 1 point).

2 points maximum

No Documentation Required - Will be confirmed by CSDA training attendance sheet.

(Credit will be applied to Both Programs)

For attending an approved Legal Seminar relating to Employment Practices or Human Resource issues (Each attendee earns 1 point).

2 Points maximum

Documentation Required – Course syllabus and certificate of completion must be submitted to SDRMA for credit.

For staff participation in SDRMA's online safety training program – TargetSolutions/FleetSmart Motor Vehicle Safety Programs. 25% of member employees (FT, PT and volunteer firefighters) must each successfully complete a minimum of four individual e-training modules.

3 points

No Documentation Required - Will be confirmed by SDRMA.

For utilizing SDRMA's Safety DVD/Video Library. Participating members must review a minimum of 4 Safety DVD/Videos.

2 points

No Documentation Required - Will be confirmed by SDRMA.

GOVERNANCE TRACK – GOVERNING BODY RELATED (5 POINTS MAXIMUM)

For Agency accredited with District of Distinction designation by the Special District Leadership Foundation (SDLF). This accreditation program enables districts to demonstrate to their communities, the media and legislators their commitment to operate in a sound, responsible manner. Districts apply to SDLF for designation as a “District of Distinction” by submitting financial audits, policies and procedures and proof of Governance and Ethics training received by directors and executive staff.

4 points

No Documentation Required - Will be confirmed by SDLF.

(Credit will be applied to Both Programs)

For each full-day attendance by a member of the Agency's governing body at an SDRMA Safety/Claims Education Day (Each attendee earns 1 point).

2 Points maximum

No Documentation Required - Will be confirmed by SDRMA workshop attendance sheet.

(Credit will be applied to Both Programs)

For each full-session attendance by a member of the Agency's governing body in a California Special Districts Association (CSDA) sponsored training program, such as CSDA annual conference workshops (SDRMA approved), Board Leadership Training, Special District Leadership Academy and/or Special District Leadership Foundation (Each attendee earns 1 point).

2 points maximum

No Documentation Required - Will be confirmed by CSDA training attendance sheet.

(Credit will be applied to Both Programs)

For completion by a member of the Agency's governing body of a minimum of two (2) CSDA Education / Webinar training session(s).

3 points maximum

No Documentation Required - Will be confirmed by CSDA training attendance sheet.

CLAIMS TRACK (2 POINTS MAXIMUM)

For a participating member agency not having any “paid” claims (excluding first party property claims).

2 points

No Documentation Required - Will be confirmed by SDRMA.

A total of 15 points can be earned for participation in the Property/Liability Credit Incentive Program (CIP). The following bonus points are in addition to the 15 point limit:

CLAIMS BONUS (3 POINTS)

For a member agency not having any “paid” claims as outlined under the Claims Track for the prior 5 consecutive years.

CONTACT INFORMATION

For questions regarding point credits or the Credit Incentive Program, please contact SDRMA Chief Risk Officer Dennis Timoney at dtimoney@sdrma.org or call the SDRMA office at 800.537.7790. Also, visit our website at www.sdrma.org, click on MemberPlus Services and then click on TargetSolutions Program to view information about the program or take an online demonstration course of several of our Online Certified Safety Training Program Courses available to all members including:

- Over 160 member safety-training courses in English and Spanish
- Courses that meet State and Federal government regulations for required contact hours for certified water and wastewater operators
- Courses endorsed by the National Fire Protection Association (NFPA)
- Courses that are recognized and accepted by the California Water Environmental Association (CWEA) and the California Department of Health Services (DHS)