

## **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

Post Office Box 339 Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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<http://sslocsd.org/>

### **Agenda**

#### **Board of Directors Meeting**

1655 Front Street

Oceano, California 93445

**Wednesday, July 6, 2011 at 6:00 PM**

#### **Board Members**

Bill Nicolls, Chairman

Lori Angello, Director

Tony Ferrara, Director

#### **Alternates**

Karen Bright, Director

Mary Lucey, 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

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#### **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 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. 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act 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 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 15, 2011 Meeting****3b. Review and Approval of Warrants****4. PLANT SUPERINTENDENT'S REPORT****5. BOARD ACTION ON INDIVIDUAL ITEMS:****A. NEW CENTRIFUGE 2A, PROGRESS PAYMENT NO. 8**

Staff recommends the Board approve Progress Payment No. 8 for Brough Construction in the amount of \$199,275.40. (\$179,347.86 with retention deducted).

**B. NEW CENTRIFUGE 2A BUILDING; ALTERNATIVE SECURITY INSTALLATION CONTRACT**

Staff recommends the Board approve a security installation contract with Alpha Fire and Security Alarm Corp. in the amount of \$3,823.00.

**C. PLANT SUPERINTENDENT REQUESTS – MISCELLANEOUS PLANT REPAIRS**

Staff recommends the Board consider three requests: 1) Bypass pump controller programming \$1,425.00; 2) dechlorination chemical pump purchase \$3,066.68; 3) sludge recirculation pump rebuild parts \$5,845.44

**D. CSDA BYLAWS/ELECTION OF BOARD MEMBER**

Staff recommends the Board consider the information provided by CSDA and cast a ballot for or against the proposed amendments. Also, the Board to consider and cast a ballot for Director of Region C of CSDA.

**E. REVIEW OF DISTRICT'S LIABILITY INSURANCE**

Staff recommends the Board receive the proposal for insurance and renew the policy with SDRMA

**F. LAFCO SPECIAL DISTRICT ALTERNATE MEMBER ELECTION**

Staff recommends the Board consider and cast a ballot for the Special Districts' alternate commissioner.

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

- Appleton: State Board Final decision
- FY 2011-12 Budget Status

**b. Miscellaneous Written Communications****6. PUBLIC COMMENT ON CLOSED SESSION****7. CLOSED SESSION**

1. Conference with legal counsel regarding existing litigation pursuant to Govt. Code §54956.9:

Two cases: Douglas v. SSLOCSO  
Douglas v. Appleton, et al.

2. Conference with legal counsel regarding liability claims pursuant to Govt. Code §54956.95:  
Two claims: Claimant Scott Mascolo  
Claimant Jeff Appleton
3. Conference with labor negotiators designated representatives Tony Ferrara and Michael Seitz pursuant to Govt. Code §54957.6:  
Unrepresented Employee: John Wallace

**8. RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION**

**9. CONSIDERATION OF PROFESSIONAL SERVICES CONTRACTS**  
John Wallace, District Administrator and Wallace Group, District Engineer

**10. ADJOURNMENT**

# **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

Minutes of Wednesday, June 15, 2011  
6:00 P.M.

## **1. ROLL CALL**

Present: Chairman Bill Nicolls, City of Grover Beach; Director Lori Angello, Oceano Community Services District; Tony Ferrara, City of Arroyo Grande

Others in Attendance: John Wallace, District Administrator; Mike Seitz, District Counsel; Bob Barlogio, Interim Plant Superintendent

## **2. PUBLIC COMMENT ON ITEMS NOT APPEARING ON AGENDA**

Mr. Jeff Edwards discussed the County of San Luis Obispo's responsibility in connection with the December 2010 flood event and the surface water that ran off the airport to the District Plant. He also discussed the financial impacts that may result from a possible fine if issued by the State and the District's Liability Policy. He also questioned staff reports not included in the Board package with regards to Agenda Items 4C and 9.

Director Ferrara questioned if Mr. Edwards was a local resident. Mr. Edwards answered he was a resident of Los Osos.

Director Ferrara then asked Mr. Edwards the basis of his opinion of the airport surface water flooding the District. Mr. Edwards answered he was in the area in December during the storm.

Director Ferrara answered that he was also familiar with the normal flow of the water but he did not witness it going into the plant.

Mr. Edwards answered that it did make the turn into the plant. He added the fact that Meadow Creek flooding without the flap gates open also contributed to the flooding at the Plant.

Mr. Wallace questioned Mr. Edwards with regards to the date and time he observed the flooding. Mr. Edwards answered that he observed the flooding Sunday, December 19<sup>th</sup> at mid-morning.

## **3. CONSENT AGENDA**

- A. Review and Approval of Minutes from the Meeting of June 1, 2011.
- B. Review and Approval of Warrants.
- C. Financial Report ending May 31, 2010.
- D. Plant Superintendent's Report
- E. Centrifuge Project Status (June 7, 2011)

Item 3D was pulled in order to allow Interim Plant Superintendent Barlogio time to discuss several projects currently taking place.

**It was moved by Director Ferrara, seconded by Chairman Nicolls to approve Consent Agenda**

**item 3A, B, C, and E as presented. Motion carried by roll call vote with Director Angello voting no.**

Director Ferrara suggested that the Plant Superintendent's report be put on the Agenda as a separate item in the future, the Board concurred.

3D. Plant Superintendent's Report

Interim Plant Superintendent Barlogio reported that Staff replaced the netting on the FFR during the month of May. He added that 24-hour composite sampling was conducted during this project and results were within limits.

He also reported that the District has regained their Environmental Laboratory Accreditation Program certification and is certified to run chlorine residuals, pHs and temperatures in-house.

He added that Shift Supervisor Rodriguez has been working overtime in order to replace FFR pump valves during low flows.

Administrator Wallace announced that Trini Rodriguez was promoted to Interim Shift Supervisor and is now filling that position on a permanent basis.

Chairman Nicolls opened the meeting to public comment regarding the Consent Agenda items.

Ms. Mary Lucey commented that she was surprised the District would approve warrants on the consent agenda without taking comments first. She asked if the inspectors referred to with regards to the Centrifuge Project were included in the original budget.

Chairman Nicolls asked that Ms. Lucey perhaps submit questions with regards to a specific project in writing and the District Administrator will respond.

Administrator Wallace noted that when a payment is being processed for a specific project, a detailed staff report with all costs is included with the agenda package.

**It was moved by Director Ferrara, seconded by Director Angello to receive and file the Plant Superintendent's report as presented. Motion carried.**

4. BOARD ACTION ON INDIVIDUAL ITEMS

A. 2011-12 FY Audit, Request for Proposals.

Administrator Wallace informed the Board that each year the District is required to retain a qualified CPA firm to act as an outside auditor to review the District's financial records for the previous year. Staff recommended that requests for proposals be issued to qualified firms at the beginning of July.

Director Angello requested that requests for audit not be sent to previous District auditors.

**It was moved by Director Angello, seconded by Director Ferrara to direct staff to issue requests for proposals for auditing the District's financial records for FY 2010-11. Motion carried.**

B. Sanitary Sewer System Use Ordinance, Ordinance No. 2011-1

Administrator Wallace reviewed that previously the Board introduced the Ordinance with a first reading at the June 1, 2011 meeting. A public hearing is required to adopt the Ordinance. After the public hearing, if there are no changes the Ordinance will be published and be effective thirty days after publication.

Chairman Nicolls opened the meeting to public comment regarding this item. There were no public comments.

**It was moved by Director Ferrara, seconded by Director Angello to adopt Ordinance No. 2001-1 "AN ORDINANCE PROVIDING FOR AND REGULATING THE ACCEPTANCE OF INDUSTRIAL WASTE AND CONTAMINATED GROUNDWATER INTO THE SANITARY SEWER SYSTEM OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT" and on the following roll call vote to wit:**

**AYES:** Chairman Nicolls, Director Ferrara, Director Angello

**NOES:** None

**The forgoing ordinance was adopted, signed, and approved by the Governing Board of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT the 15<sup>th</sup> day of June, 2011.**

**C. Review of May 31, 2011 Grand Jury Report**

District Counsel Seitz reported regarding the May 31, 2011 Grand Jury Report. He began by stating that John Wallace as either John Wallace and Associates or the Wallace Group has been serving the District as Administrator and District Engineer for over 25 years at the pleasure of the Board of Directors. At any time during this service if the Board was ever dissatisfied it could terminate the contract.

District Counsel Seitz noted that during the Grand Jury investigation, the District Board was interviewed as well as John Wallace; District Staff or Counsel was not interviewed. The Grand Jury made three observations in their report:

- The report alleges that John Wallace has a conflict of interest serving in the dual capacity of District Administrator and using his firm as District Engineer. It raises concerns that John Wallace has the unfettered ability as District Administrator to give work to his firm the Wallace Group.
- The report alleges that the District Board of Directors has not acknowledged this conflict of interest, nor has it taken any steps to mitigate the alleged conflict of interest.
- The report criticizes that the contract for which John Wallace has been performing services is 25 years old.

District Counsel Seitz provided a report with regards to the status of the District's response to the Grand Jury Report. He stated that the contract under which John Wallace has been working and the activities of the Board in terms of monitoring the contract are fully consistent with the Grand Jury Report that was issued in 1993 which reviewed an identical contract and found that it did not present a conflict of interest.

The Board has mitigated the potential for conflict of interest by approving every major budget item when originally approved through the budget process and through staff reports when the

project is ongoing.

During 2011, and prior to the issuance of the Grand Jury Report, the Board has taken a number of steps which mitigate the concerns of that report.

- The District has commenced the process to update and bifurcate the contracts for the District Administrator and the District Engineer.
- The District Board has authorized a peer review of the present District format by an outside qualified group of experts.
- The Board has directed staff to rotate auditors every five years.

The Grand Jury Report also suggests that the County Auditor perform its own audit with regards to the District books. The District has advised the County Auditor Controller that the District books are open for that type of audit.

District Counsel Seitz also provided general observations regarding the Grand Jury Report:

- The Board retained the services of Richard Thomas to perform an independent investigation into allegations regarding two District projects. Mr. Thomas came highly recommended and performed a full review of the two projects. The redacted copy of his report was made available to the public and given to the Grand Jury at their request. The report found that there was no wrong doing and that no conflict of interest existed. The report did note that an appearance of conflict of appearance could be perceived. The Grand Jury Report takes exception to Mr. Thomas's report, and alleges that the investigator was inept. After the Grand Jury Report was issued, and after Board Members expressed concern with the Grand Jury statements regard the Thomas Report further investigation was performed by the District with regards to the two projects. It was District Counsel's conclusion that the Grand Jury issued their comments without a complete investigation and Mr. Thomas performed this investigation in a professional manner and provided invaluable assistance to the Board.
- In the addendum to the introduction of the Grand Jury Report there is a reference to a letter received from the District. The reference infers that the letter is improper and claims that it was an attempt to influence the Grand Jury Report. District Counsel Seitz stated that the correspondence was in fact an attempt to update the Grand Jury on steps the District has already taken to mitigate concerns.
- The Grand Jury Report does not reference a similar investigation and report performed in 1993.

The District is currently working on a draft response to the Grand Jury and that draft will be provided to the District Board.

Director Angello suggested that it may be wise to have the Wallace Group perform either the District Administration or District Engineering, but not both. She added that this was not a reflection on the Wallace Group but the general comments she has received from several of her agency's constituents.

Chairman Nicolls opened the meeting to public comments regarding this item.

Mr. Jeff Edwards stated that the Board could have embraced former District Director Hill's suggestion that the current contract be bifurcated. He added that he believed this suggestion was made in October of 2010. He asked if the Thomas Report was on the District's website. He also asked about the qualifications of the individuals performing the peer review.

Chairman Nicolls stated that the Thomas Report was available by request although it is not online. The peer review is expected to be completed by November, development of the scope of the report is currently in process.

Chairman Nicolls also commented that he hoped the public keeps in mind, while they are making various suggestions with regards to the District operations, the costs associated with those suggestions. He noted that the District currently has the lowest rates in the County and surrounding areas.

Ms. Mary Lucey introduced herself as a member of the Oceano Community Services District Board. She stated that two separate Grand Juries within 25 years would investigate a perceived conflict of interest. She stated concerns about the liability with regards to the Grand Jury Report. She felt costs sustained by Oceano would outweigh what partnering cities would incur. She read an excerpt from the Grand Jury Report which stated that the current Board did not acknowledge that a conflict of interest existed and she concluded that this was apparent because there is not a line item in the upcoming budget that would cover costs associated with an external audit. She asked that if an external review was to be performed that it be performed properly.

Mr. Stephens of Arroyo Grande stated that the Grand Jury process does not look back at previous investigations or reports.

There being no further comments Chairman Nicolls closed the meeting and asked for Board member comments.

Director Ferrara stated that he acknowledged the work of the Grand Jury, and that this is a group of citizens that come together and volunteer their time and energy to examine different government organizations within the County. He had contact with prior Grand Juries and felt they were a very dedicated group of individuals and generally the reports they produce are constructive in nature pointing out shortcomings as well as the positives when providing their recommendations. He felt this particular Grand Jury report was not a balanced report and in fact found it to be personally and professionally offensive.

He further stated he found it to be speculative, because the documents and the references that they referred to were either incomplete or not reviewed in enough detail to make a determination. The implications and the inferences made against John Wallace and the Wallace Group were offensive; those kind of accusations should not be made unless there are hard and fast evidence to back it up, which Director Ferrara felt they did not have.

Director Ferrara stated he was very upset with the nature, tone, and the context of the report. The issue with regards to bifurcating the Wallace Group contracts was brought before the Board and acted upon with representatives from the Grand Jury present. Also brought before the Board prior to the Grand Jury Report was the comment in the Thomas Report that said "even though after the investigation I determined that there was not a conflict of interest there could be a public perception of a conflict and as long as the existing contract stays in place that perception is going to remain." This comment was taken to heart with reasoning that if the Board values the Thomas Investigation then we should value his opinion as well. He further gave those reasons for seconding Jim Hill's motion and through that discussion he was assigned to work with Mr. Seitz to create those contracts and that's the process that took place; those contracts were already well underway and in draft form well before the Grand Jury



Report came out. Members of the Grand Jury were present at meetings during this process,” Director Ferrara took exception with the perception that the Grand Jury investigation was somehow influential on the Board taking that action; “it simply is not true.”

Mr. Ferrara continued to state that Counsel Seitz previously indicated, during his investigation Richard Thomas talked to many individuals that the Grand Jury did not. Mr. Thomas understood the concept of a professional services contract. The Grand Jury does not understand that concept. Director Ferrara stated he has been on the District Board for quite a number of years and has spent a lot of time at the plant, he understands how it runs, and the Grand Jury’s statement which inferred he did not, he found personally and professionally offensive.

He further stated that if every small project was put to bid, the problem would be exacerbated considerably and the costs increased tremendously. A professional services contract allows for the budget to be managed for a project, for engineering to occur in a timely manner and for the issue to be resolved under one contract.

Director Ferrara made the point that many small cities will hire an engineering firm like Mr. Wallace’s firm, to act as a public works director for a municipal organization under a professional services contract.

If the District were to go out to bid for every small job that happens at that Sanitation District user rates are going to go up; currently the District has the lowest rates in the County.

Director Ferrara acknowledged that there is a stigma attached to Grand Jury Reports, but the reports are produced by lay people who are not experts in the field. He felt that oversight on this particular report was absent.

Director Ferrara reported that the day after this report was published he personally went to see Gere Sibbach, the County Auditor/Controller. He informed him that the District books were open. Mr. Sibbach responded that he did not feel it was appropriate to do a complete audit, but he could address the conflict issue and review the draft Administrative and Engineering contracts to make sure that we had mitigated the perception of the conflict. The District has also been in touch with County Supervisors, both the 4<sup>th</sup> District Supervisor and the Chairman of the Board. Both of them indicated that they don’t believe that there is a conflict of interest but they do believe that there is a perception of a conflict of interest and that it needs to be dealt with.

In conclusion, Director Ferrara felt the report could have been much more positive; it could have been much more constructive and helpful in it’s tone and in it’s nature – it was not and he said it was offensive.

Chairman Nicolls stated he would not repeat Director Ferrara’s comments but he did support and agree with them. He pointed out that the report repeatedly stated a ‘conflict of interest’ without ever citing a specific action that constituted a conflict of interest. He agreed that there is a perception of a conflict of interest which the Board is now in the process of mitigating.

Director Angello reiterated her belief that due to the perception of a conflict of interest Administrative and Engineering services should be performed by different parties.

#### D. FY 2010-11 Preliminary Budget – Major Budget Items and Operating Budget Review.

Administrator Wallace presented the 2011-12 Major Budget Items for Board review and discussion. He also presented a ten-year cash flow projection for Board review.

After Board discussion it was decided to bring this item back to the next meeting after revisions and clarifications were made.

Ms. Mary Lucey voiced her concern that the possible State fines related to the December spill are not reflected in the budget. She also questioned that expenses related to the best practices peer review are not shown in the budget. She asked that the page 19 'pie chart' be shown in percentages as she felt the visual was distorted. Ms. Lucey brought up several line item expenses that she would like to see budget justifications for. She also mentioned that there were no COLA percentage increases included for several professional services accounts.

There being no further public comments the meeting was closed with this item to be brought back for discussion and/or action at the next meeting

5. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

Administrator Wallace provided a brief report regarding a meeting he had with the County Public Works regarding the Oceano lagoon flooding.

6. PUBLIC COMMENT ON CLOSED SESSION

There were no public comments at this time.

7. CLOSED SESSION ITEMS

Conference with legal counsel pursuant to government Code 54956.9(a) Existing litigation: Douglas vs Appleton, et al. and Douglas vs SSLOCSD, et al.

Conference with labor negotiators pursuant to Government Code Section 54957.6: Agency designated representatives: Mike Seitz, Tony Ferrara  
Unrepresented employee: John Wallace.

Counsel Seitz stated his anticipation that there would be no reportable actions to announce after the closed session.

8. RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION

9. CONSIDERATION OF AMENDED CONTRACTS FOR DISTRICT ADMINISTRATOR JOHN WALLACE AND DISTRICT ENGINEER WALLACE GROUP.  
No action; carried over to next meeting.

10. ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at approximately 8:00 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  
7/6/2011

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
CALPERS MEDICAL	EMPLOYEE MED	JULY	070611-5735	6010	10,041.55	10,041.55
COUNTY AUDITOR CONTROLLED	LAFCO BUDGET SHARE	2011-12	36	7069	8,519.85	8,519.85
STANLEY CONVERGENT	SECURITY SERVICE	8372254	37	7011	62.20	62.20
TRINIDAD RODRIGUEZ	MED REIMB		38	6075	454.15	454.15
WILLIAM G. ROMHILD	MED REIMB		39	6075	500.00	500.00
GAS SYSTEMS LLC	COGEN MAINT	669	40	7097	7,673.50	7,673.50
SDRMA	LIABILITY INSURANCE	2011-12	41	7043	20,885.60	20,885.60
GRAND TOTAL					48,136.85	48,136.85

We hereby certify that the demands numbered serially from 070611-5735 to 070611-5741 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  
WARRANT REGISTER  
7/6/2011 P/Y

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AMERICAN INDUSTRIAL	MISC SUPPLIES	0223576	070611-5698	8030	361.84	361.84
BIOMEDICAL CLINICAL	SCALE BALANCE	234-11	99	8040	100.00	100.00
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	6047047 6028511 6009951	5700	7025	506.79	506.79
AT&T	TELEPHONE SERVICE	JUNE	5701	7011	436.60	436.60
BILL NICOLLS	BOARD SERVICE	JUNE	5702	7075	200.00	200.00
BRENNTAG PACIFIC, INC	CHEMICALS	106836 106414 104869	5703	8050	19,331.15	19,331.15
		102514				
BROUGH CONSTRUCTION	CENTRIFUGE 05MBI06	PROG PAY 8	5704	20/8065	180,880.11	180,880.11
CA ELEC SUPPLY	ELEC SUPPLIES	451856	5705	8060	142.94	142.94
COMPLETE CONNECTIONS	COMPUTER REPAIR	8522	5706	7015	190.00	190.00
ENVIRONMENTAL RESOURCE	LAB SUPPLIES	616745	5707	8040	185.71	185.71
FEDEX	SHIPPING	7 532 17340	5708	8032	16.52	16.52
FERGUSON ENTERPRISES	09MBI01	7195733	5709	26/8061	1,541.49	1,541.49
FISHER SCIENTIFIC	LAB SUPPLIES	8669916 0265582	5710	8040	134.71	134.71
HILTI	BIT&REBAR CUTTER	10875974	5711	8055	212.81	212.81
I.I. SUPPLY	MISC SUPPLIES	10092 10122 10137	5712	8060	1,081.53	1,081.53
		10196 10234				
KEMIRA WATER SOLUTIONS	FERRIC CHLORIDE	9017209887	5713	8050	7,331.07	7,331.07
LIBERTY COMPOSTING	SOLIDS REMOVAL	004069	5714	7085	17,663.40	17,663.40
LIFT-PAK/PHILLIPS IND	04MBI03	LP00530	5715	19/8061	8,615.18	8,615.18
LINC DELIVERY	DELIVERY SERVICE		5716	8040	346.00	346.00
LORI ANGELLO	BOARD SERVICE	JUNE	5717	7075	200.00	200.00
LOUIE'S CRANE SERVICE	SET TROLLEY CRANE	7657	5718	8060	260.00	260.00
LOG ME IN	SOFTWARE RENEWAL		5719	7015	338.95	338.95
MC MASTER CARR	MISC SUPPLIES	87244461 87105709	5720	8055	723.42	1,565.55
		88320310 87374288		8060	842.13	
		87270056 88320229				
NEXTEL	CELL PHONE SERVICE	205201234-071	5721	7011	73.96	73.96
PG&E	ELEC SERVICE	JUNE	5722	7091	11,147.96	11,147.96
POLYDYNE, INC	CLARIFLOC	613709	5723	8050	216.41	216.41
PRAXAIR	WELDING SUPPLIES	39961243	5724	8030	41.08	41.08
PRW STEEL SUPPLY	STEEL PLATE	232274	5725	8060	1,214.28	1,214.28
SANTA MARIA TIRE, INC.	TRAILER TIRES	565489	5726	8032	234.53	234.53
THOMA ELECTRIC	04MBI16	11 8051 02	5727	20/8065	3,410.00	6,260.00
	SHORT CIRCUIT STUDY	11 8046 02		8060	2,850.00	
TITAN INDUSTRIAL&SAFETY	MISC SUPPLIES	1045972 1045983 1045906	5728	8060	238.60	350.59
				8056	111.99	
TONY FERRARA	BOARD SERVICE	JUNE	5729	7075	200.00	200.00
UNITED STAFFING ASSOC	CONTRACT LABOR	051367 050987	5730	8060	2,560.81	2,560.81
USA BLUEBOOK	VALVE	419135	5731	8060	289.77	289.77
WALLACE GROUP	LEGAL SERV REIMB	ANDRE MORRIS&BUTTERY	5732	7071	12,522.32	12,522.32
WEST COAST INDUSTRIAL	MISC SUPPLIES	22970	5733	8060	135.12	135.12
WOESTE ELECTRIC INC	09MBI 01	6006 5996 6007 6008	5734	26/8061	720.00	2,320.00
	PUMP REPAIR			8060	1,600.00	
SUB TOTAL					279,209.18	279,209.18
PAYROLL	PPE 6/17/11				19,337.01	19,337.01
GRAND TOTAL					298,546.19	298,546.19

We hereby certify that the demands numbered serially from 070611-5698 to 070611-5734 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:

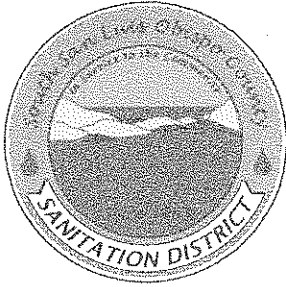
DATE: \_\_\_\_\_

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Secretary



## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339


1600 Aloha Oceano, California 93445-9735

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

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

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Date: Jun 30, 2011

To: John Wallace 

From: Bob Barlogio, acting CPO

Re: Superintendent's Report

As of Jun 29, 2011, the data we have received is as follows:

The average daily flow was 2.60 million gallons per day.

Average influent BOD was 326 mg/l, Total Suspended Solids was 329mg/l.

The average effluent BOD was 26 mg/l.

The average effluent Total Suspended Solids (TSS) was 26 mg/l.

Our limit is 40 mg/l, monthly average on each.

Average BOD removal rate, was 91%, TSS removal was 92%.

Staff replaced the # 2 FFR pump, and valves. This is one of two pumps that push the water from ground level to the top of the FFR's center column. The unit taken out of service, will be checked out to see the possibility of rebuilding it.

The centrifuge project is winding down. Staff has been using the drying beds to dewater the sludge, reducing energy cost. Staff plan to operate the centrifuge several times this and next week to verify the function of the new equipment.

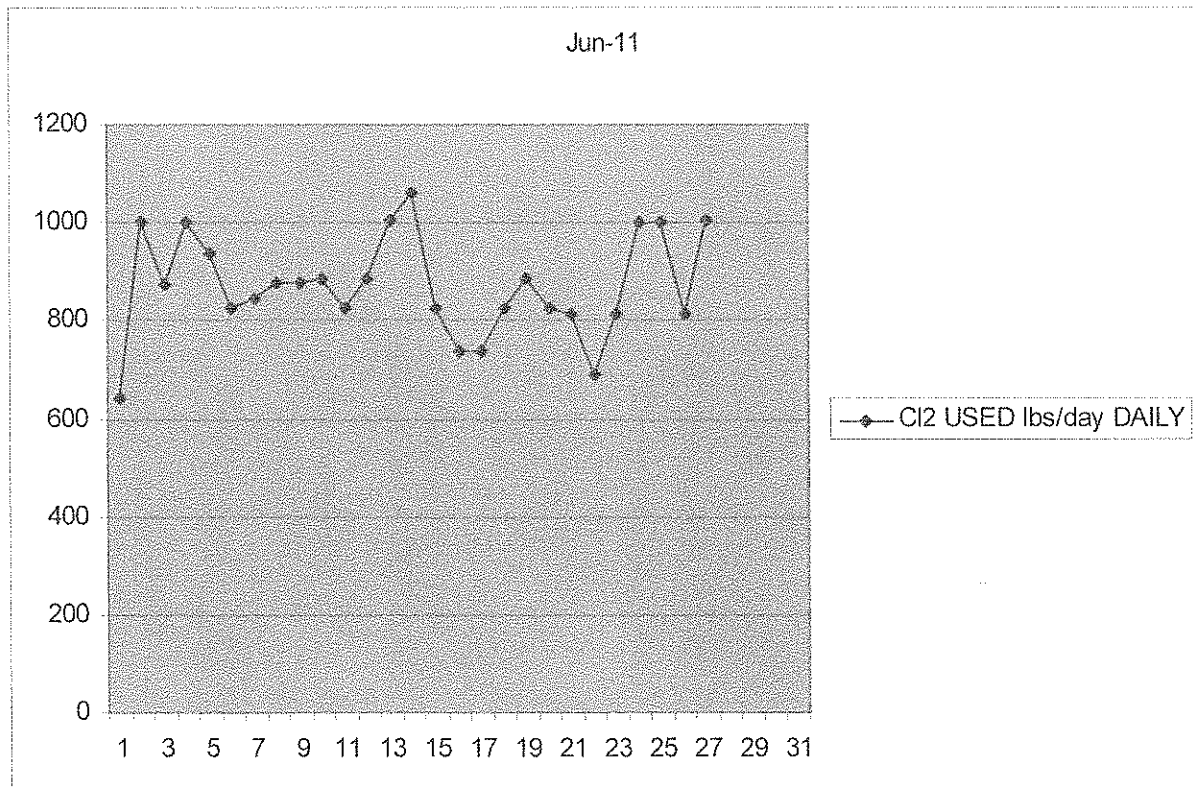
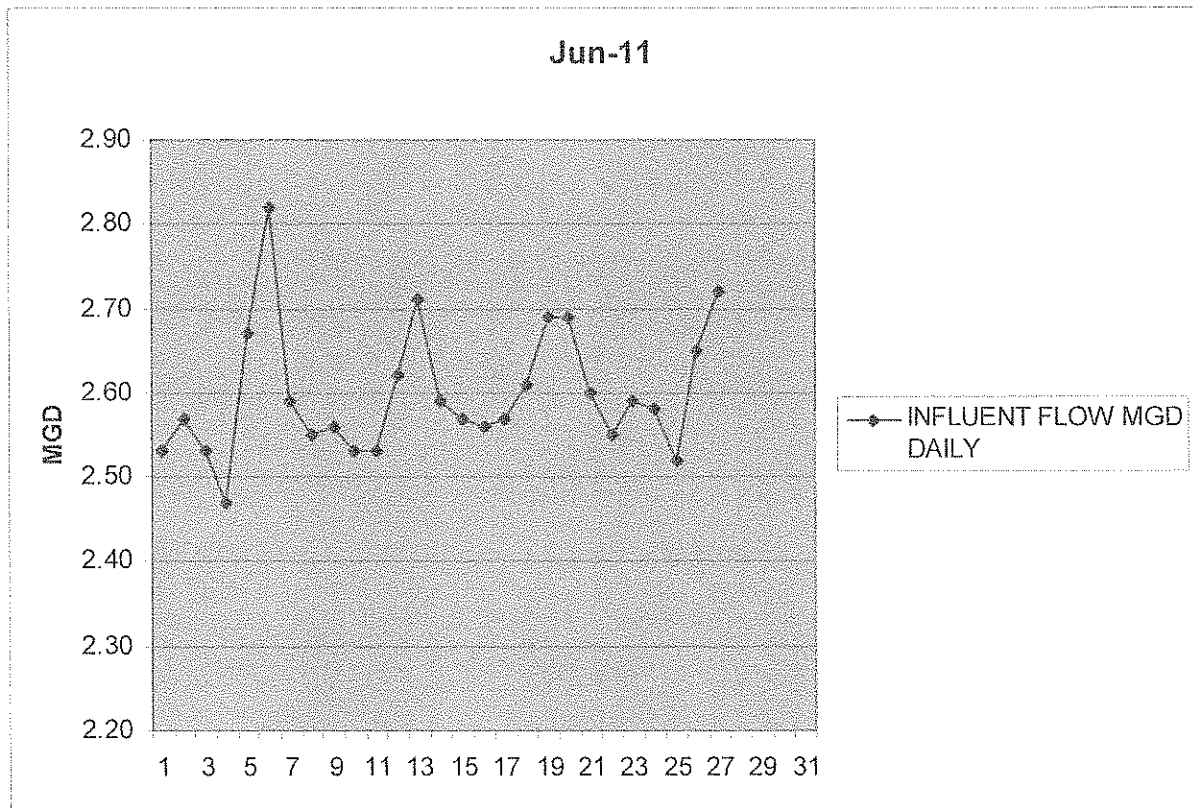
We did two chlorinated flushes on the FFR in the month of June. The first flush after the netting replacement resulted in a significant amount of fly larvae coming off the FFR. The second flush resulted in less fly larvae. No problem were encountered.

Assembled grantey crane for the headworks area. This will allow staff to perform maintenance on the headwork equipment with out having to request a crane.

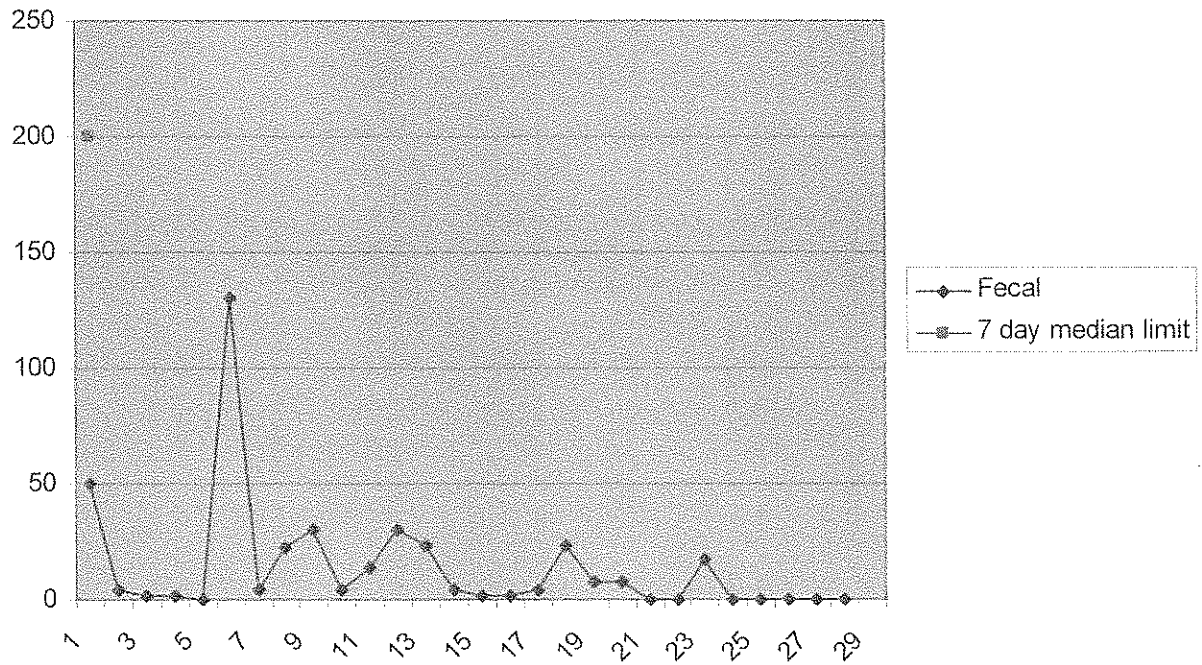
Bolted ½ inch steel plates to concrete wall. This will protect the wall from damage when the tractor loader scoops up a load of dewatered bio-solids from the centrifuge's auger.

Had Woeste Electric come in to assist electrically on several projects. Sump pumps, solenoid valve on seal water, and #2 FFR pump (wiring in electric motor).

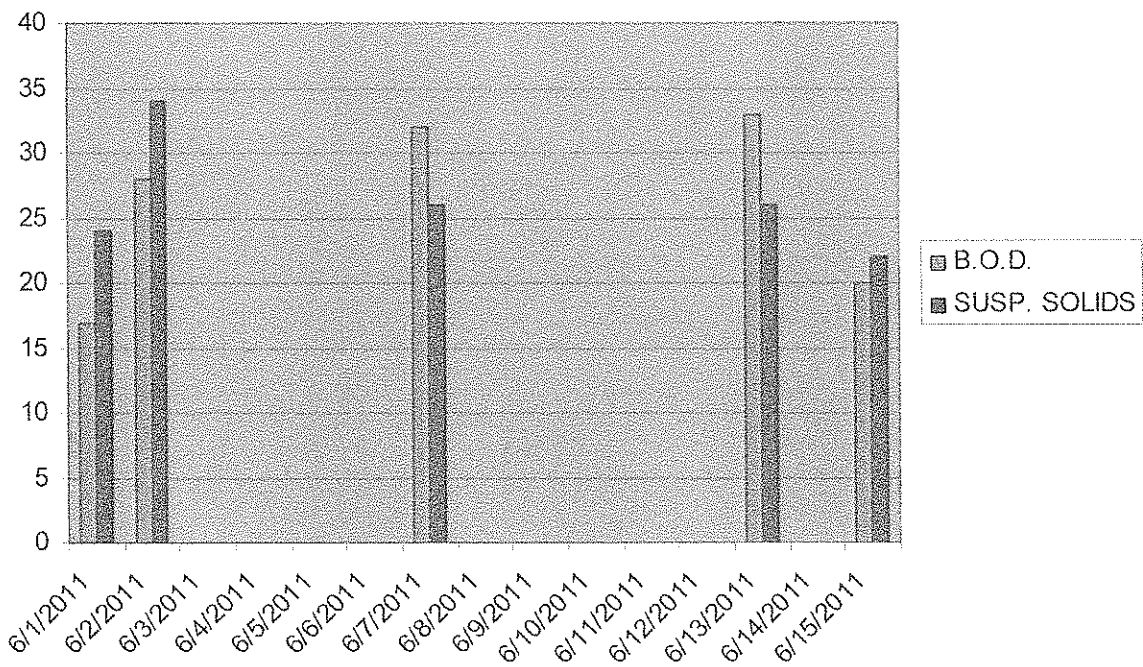
We are meeting the limits as per our NPDES permit. The plant has been performing well. Please see attached graphs.



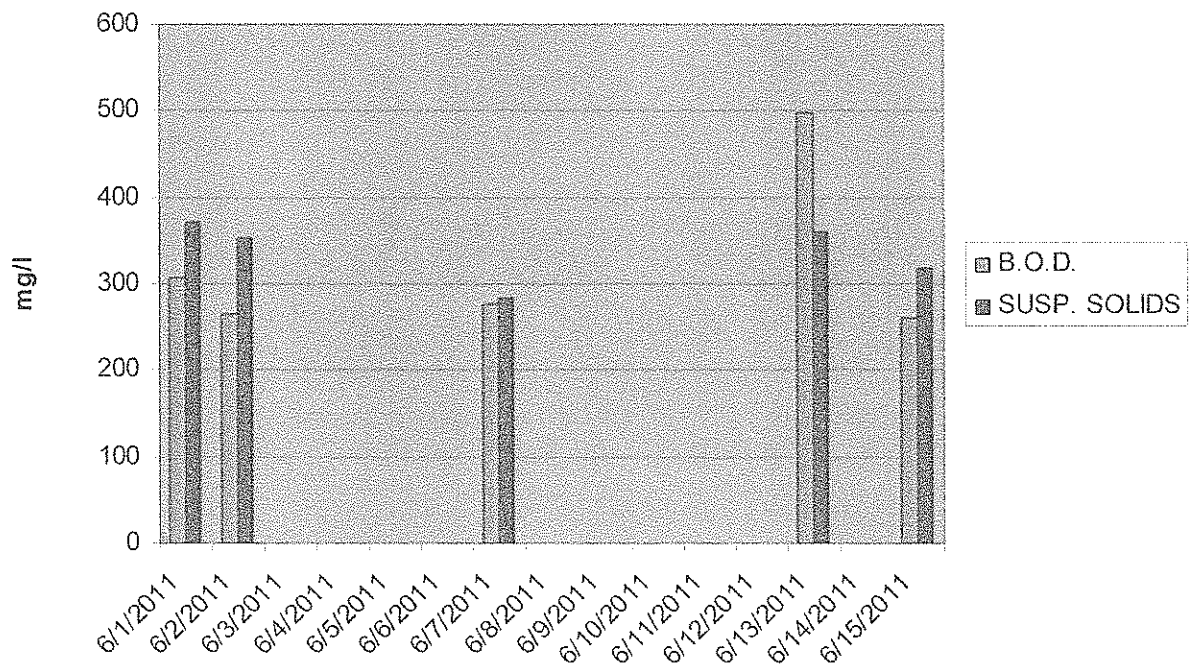
### Jun 2011



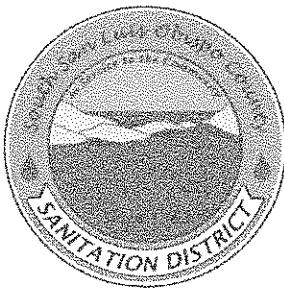
### Jun 2011 Plant Effluent



### Jun 2011 Plant Influent







# 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/>

## Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*  
**Date:** July 6, 2011

**Subject:** New Centrifuge 2A, Brough Construction Progress Payment No. 8

### Recommendation:

Approve Progress Payment No. 8 to Brough Construction, Inc. in the amount of **\$200,908.40**. (\$180,880.56 with retention deducted).

### Funding:

The FY 2010-11 Budget includes the Major Budget Item 05 MBI 06 – *New Centrifuge 2A* – in the amount of **\$1,104,422**. The overall budget for all fiscal years is \$1,904,081.

Brough Construction was retained by a September 1, 2010 Board action for the lump sum amount of **\$827,134.00** to provide construction services for the project. The revised contract amount after CCOs 1-7, 11, 13, 14, and 16 is **\$903,440.28**.

	Prior FY's	Current FY as of 06-15-11	Total All FYs	Proposed This Staff Report
Budget	\$ 799,659	\$ 1,104,422	\$ 1,904,081	\$ -
<u>Expenditures</u>			\$ -	\$ 200,908
Capital Equipment	\$ 320,814	\$ -	\$ 320,814	\$ -
Studies	\$ -	\$ -	\$ -	\$ -
Testing / Troubleshooting	\$ -	\$ 6,237	\$ 6,237	\$ -
Design & Survey	\$ 433,186	\$ 46,479	\$ 479,665	\$ -
Contract Administration	\$ 3,007	\$ 101,950	\$ 104,957	\$ -
Const Contingencies	\$ -	\$ 59,249	\$ 59,249	\$ -
PG&E Utility Service	\$ -	\$ 15,659	\$ 15,659	\$ -
<u>Construction</u>	<u>\$ 42,652</u>	<u>\$ 591,856</u>	<u>\$ 634,508</u>	\$ 200,908
Total Expenditures	\$ 799,659	\$ 821,430	\$ 1,621,089	\$ 200,908
Remaining Budget			\$ 282,992	\$ 82,084

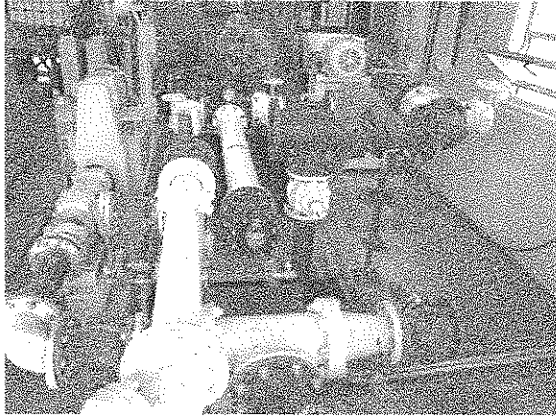
### Discussion:

Monthly progress payment No. 8 includes compensation for work associated with this contract completed in the month of June. Tasks and percentage complete for this period are listed in the following table. Staff has closely monitored work performed under this contract and believes the invoice reflects the actual work performed by Brough Construction.

Item Description	Qty	Unit	Unit Price	Contract Amount	Completed This Period	Cost This Period	
Mobilization, Demobilization and Clean-Up	1	LS	\$31,500.00	\$31,500.00	40%	\$12,600.00	
Project Demolition, Removal, and Disposals	1	LS	\$10,600.00	\$10,600.00	50%	\$5,300.00	
Flood Gates on Building Mandors (2)	2	EA	\$5,860.00	\$11,720.00	51%	\$5,918.60	
Flood Gates Roll-up Door (1)	1	EA	\$13,800.00	\$13,800.00	50%	\$6,900.00	
Pre-engineered Metal Building	1	LS	\$54,840.00	\$54,840.00	2%	\$1,096.80	
Skid Mounted Centrifuge Relocation and Installation	1	LS	\$34,000.00	\$34,000.00	100%	\$34,000.00	
6" Glass Lined DI Sludge Pipe Including Valves	110	LF	\$697.00	\$76,670.00	10 LF	\$6,970.00	
6" PVC Schedule 80 Centrate Drain Pipe Including Valve	40	LF	\$56.00	\$2,240.00	10 LF	\$560.00	
3" Glass Lined DI Sludge Pipe	2	LF	\$1,543.00	\$3,086.00	75%	\$2,314.50	
2" ASTM A53 Galv. Steel Pipe Above Ground Potable Water Including Valves	15	LF	\$62.00	\$930.00	15 LF	\$930.00	
1" ASTM A53 Galv. Steel Pipe Above Ground Potable Water Including Valves	65	LF	\$16.00	\$1,040.00	48 LF	\$768.00	
Piping Pressure Testing	1	LS	\$3,300.00	\$3,300.00	75%	\$2,475.00	
New Sludge Feed Pumps (2)	2	EA	\$39,000.00	\$78,000.00	50%	\$39,000.00	
In-Line Grinder (1)	1	EA	\$22,400.00	\$22,400.00	50%	\$11,200.00	
New Valves - Five 4" Valves & Thirteen 6" Valves	4"	5	EA	\$830.00	\$4,150.00	75%	\$3,112.50
	6"	13	EA	\$1,700.00	\$22,100.00	50%	\$11,050.00
14" Plug Valve	1	EA	\$7,200.00	\$7,200.00	50%	\$3,600.00	
Tie-In of New Valves / Piping with Existing Piping	1	LS	\$6,400.00	\$6,400.00	50%	\$3,200.00	
Sludge Feed Pump, VFD Panel & Appurtenances	1	LS	\$10,200.00	\$10,200.00	50%	\$5,100.00	
Power & Comm. Wiring - Existing Conduits and Pull Boxes (H&M Building)	1	LS	\$20,400.00	\$20,400.00	20%	\$4,080.00	
Power & Communications Conduits & Wiring - Within New Centrifuge Building	1	LS	\$17,000.00	\$17,000.00	20%	\$3,400.00	
Design, Install and Test SCADA System	1	LS	\$102,000.00	\$102,000.00	35%	\$35,700.00	
Design, Install Graphics Screens as Req'd on Display	13	EA	\$570.00	\$6,270.00	100%	\$6,270.00	
				Monthly Sub-Total		\$200,908.40	
				Retainage (10%)		\$20,090.84	
				Net Total		\$180,880.56	

Staff recommends approval of Progress Payment No. 8 in the amount of **\$200,908.40**. A 10% retainage of **\$20,090.84** is withheld resulting in a net payable amount of **\$180,880.56**.

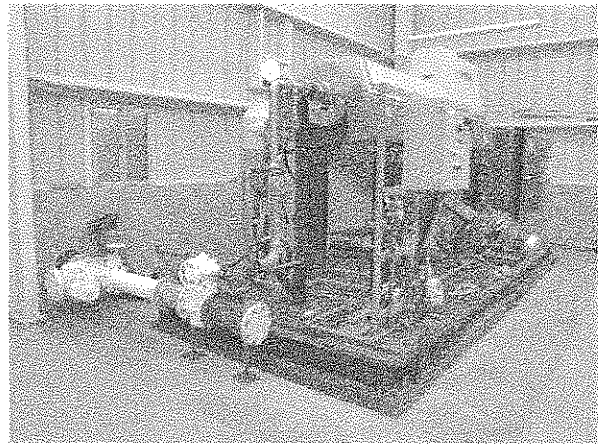
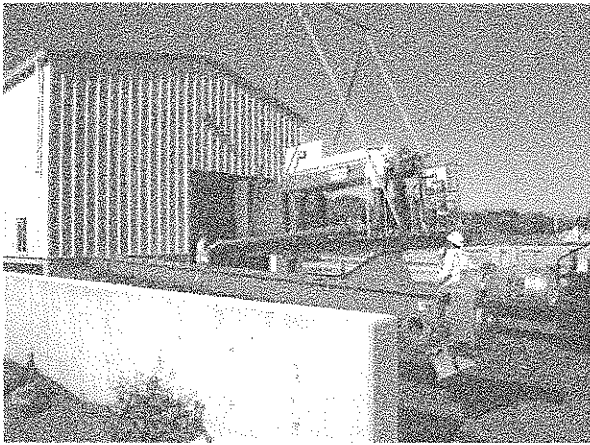
**Construction Progress Photos:**



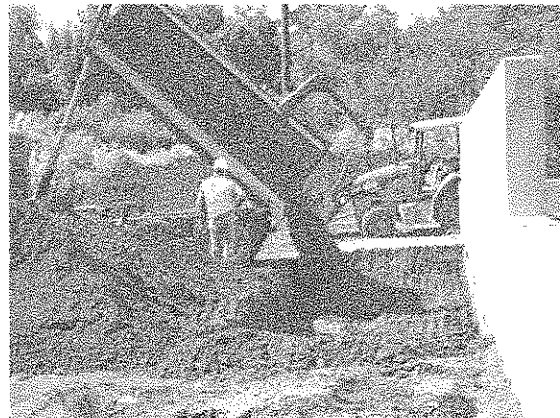
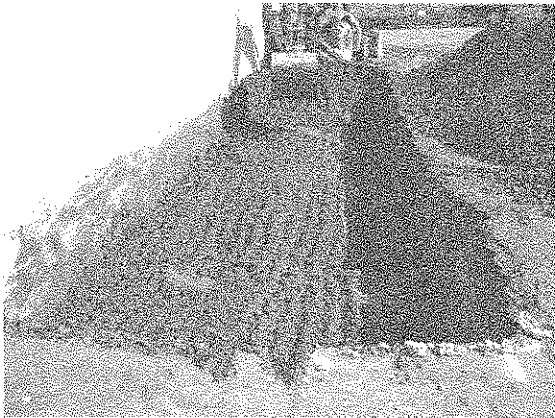
Pumps, Valves, Grinder and Piping Installation in the Heating and Mixing Building



New Pump Controls in the Heating and Mixing Building



Centrifuge and Piping Installed in New Building



Red Rock Installation in Sludge Lagoon



Flood Gate Installation



Centrifuge Operation in Permanent Location

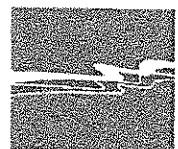
South San Luis Obispo County Sanitation District CENTRIFUGE 2A BUILDING				SSLOCSD  PARTIAL PAYMENT ESTIMATE NO. 8	
OWNER:  SSLOCSD		CONTRACTOR:  Brough Construction, Inc.		PERIOD OF ESTIMATE  FROM 6/01/11 TO 6/31/2011	
CONTRACT CHANGE ORDER SUMMARY				ESTIMATE	
No.	Owner Approval Date	Amount			
		Additions	Deductions		
1	12/1/2010		\$ (906.14)	1. Original Contract	\$ 827,134.00
2	12/1/2010	\$ 27,500.00		2. Change Orders	\$ 76,306.28
3	1/5/2011	\$ 18,700.00		3. Revised Contract (1 + 2)	\$ 903,440.28
4	2/2/2011	\$ 4,294.55		4. Work Completed* (Incl. CCO work)	\$ 723,519.88
5	2/2/2011	\$ 6,179.59		5. Stored Materials	\$ -
14	4/6/2011		\$ (2,300.00)	6. Subtotal (4 + 5)	\$ 723,519.88
15	4/6/2011		\$ (92.00)	7. Retainage to date	\$ 72,506.99
7	5/4/2011	\$ 1,914.00		8. Previous Payments	\$ 772,067.52
9	5/4/2011	\$ 2,316.28		9. Amount Due (7-13-11)	\$ 180,880.11
11	5/4/2011	Add 21 Raindays		* Detailed breakdown attached	
Alternate Bid 1	4/6/2011	\$ 18,700.00			
TOTALS		\$ 79,604.42	\$ (3,298.14)		
NET CHANGE			\$ 76,306.28		

CONTRACT TIME			
Original (calendar days) <u>180</u>	Revised <u>40</u>	Remaining <u>0</u>	On Schedule <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
		Starting Date 10/11/10 Project Completion 6/17/11	

<b>CONTRACTOR'S CERTIFICATION:</b> The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, and that all amounts have been paid by the contractor for work for which previous payment estimated was issued and payments received from the owner, and that current payment shown herein is now due.  CONTRACTOR: BROUGH CONSTRUCTION, INC. By <u>[Signature]</u> Date <u>6/28/11</u>	<b>CONTRACT ADMINISTRATOR:</b> The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.  WALLACE GROUP: Contract Administrator By <u>[Signature]</u> Date <u>6/28/11</u>
<b>RECOMMENDED BY ENGINEER:</b>  ENGINEER: <u>Eileen Stephens</u> By <u>Eileen S. Stephens</u> Date <u>6/29/11</u>	<b>APPROVED BY DISTRICT:</b>  Owner: SSLOCSD By _____ Date _____



WALLACE GROUP





634 Printz Road  
ARROYO GRANDE CA 93420

805-489-7779 Phone  
805-473-2479 Fax

\*\*\* Contract Invoice \*\*\*

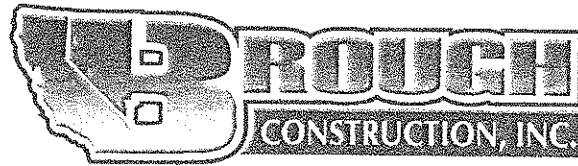
To: South SLO Sanitation District  
1600 Aloha Place  
OCEANO CA 93445

Invoice No: 100338  
Invoice Date: 06/28/2011

Estimate No: 100338  
Completed Thru: 063011  
Owner Job No: 10033

Contract: 10033 Centrifuge 2A Building Project

Phase	Description of Work	Contract Values			Previously Completed		—This Invoice—		—Total To-Date—	
		Quantity	Unit Price	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount
01	Mobilization/Demo/Clean	1.000 LS	31500.0000	31500.00	0.600	18900.00	0.400	12600.00	1.000	31500.00
02	Project Demo/Removal	1.000 LS	10600.0000	10600.00	0.500	5300.00	0.500	5300.00	1.000	10600.00
03	Survey of Site	1.000 LS	2600.0000	2600.00	1.000	2600.00	0.000	0.00	1.000	2600.00
04	Earthwork and Grading	1.000 LS	32900.0000	32900.00	1.000	32900.00	0.000	0.00	1.000	32900.00
05	New Concrete Blding Sla	1620.000 SF	20.0000	32400.00	1620.000	32400.00	0.000	0.00	1620.000	32400.00
06	New Concrete Driveway	280.000 SF	18.5000	5180.00	280.000	5180.00	0.000	0.00	280.000	5180.00
07	New Concrete Flatwork	540.000 SF	9.5000	5130.00	540.000	5130.00	0.000	0.00	540.000	5130.00
08	Concrete Retaining Bin	147.000 LF	440.0000	64680.00	147.000	64680.00	0.000	0.00	147.000	64680.00
09	CMU Flood Wall	150.000 LF	62.5000	9375.00	150.000	9375.00	0.000	0.00	150.000	9375.00
10A	Flood gates on mandors	2.000 EA	5860.0000	11720.00	0.990	5801.40	1.010	5918.60	2.000	11720.00
10B	Flood gates on rollup d	1.000 EA	13800.0000	13800.00	0.500	6900.00	0.500	6900.00	1.000	13800.00
11	Pre-engineered Metal Bl	1.000 LS	54840.0000	54840.00	0.980	53743.20	0.020	1096.80	1.000	54840.00
12	Centrifuge relocation	1.000 LS	34000.0000	34000.00	0.000	0.00	1.000	34000.00	1.000	34000.00
13	Asphalt Paving/Patching	3270.000 SF	12.0000	39240.00	6100.000	73200.00	0.000	0.00	6100.000	73200.00
14	Shoring/Sheeting/Platin	1.000 LS	500.0000	500.00	1.000	500.00	0.000	0.00	1.000	500.00
15	8"PVC SDR 35 Pipe	290.000 LF	45.0000	13050.00	290.000	13050.00	0.000	0.00	290.000	13050.00
16	6" DI Sludge Pipe	110.000 LF	697.0000	76670.00	100.000	69700.00	10.000	6970.00	110.000	76670.00
17	6"PVC Sch 80 Drain Pipe	40.000 LF	56.0000	2240.00	30.000	1680.00	10.000	560.00	40.000	2240.00
18	3" DI Sludge Pipe	2.000 LF	1543.0000	3086.00	0.500	771.50	1.500	2314.50	2.000	3086.00
19	4"PVC Sch 80 Floor Drai	50.000 LF	31.0000	1550.00	50.000	1550.00	0.000	0.00	50.000	1550.00
20	2"PVC Sch 80 Undergroun	300.000 LF	8.0000	2400.00	300.000	2400.00	0.000	0.00	300.000	2400.00
21	1"PVC Sch 80 Undergroun	32.000 LF	19.0000	608.00	10.000	190.00	0.000	0.00	10.000	190.00
22	2"ASTM A53 Galv Steel P	15.000 LF	62.0000	930.00	0.000	0.00	15.000	930.00	15.000	930.00
23	1"ASTM A53 Galv Steel P	65.000 LF	16.0000	1040.00	17.000	272.00	48.000	768.00	65.000	1040.00
24	Centrate Piping manhole	1.000 LS	785.0000	785.00	1.000	785.00	0.000	0.00	1.000	785.00
25	Combo eyewash/safety sh	1.000 LS	2300.0000	2300.00	0.000	0.00	0.000	0.00	0.000	0.00
26	Piping Pressure Testing	1.000 LS	3300.0000	3300.00	0.250	825.00	0.750	2475.00	1.000	3300.00
27	New pumps/grinder pedst	3.000 EA	1480.0000	4440.00	3.000	4440.00	0.000	0.00	3.000	4440.00
28A	New Sludge Feed Pumps	2.000 EA	39000.0000	78000.00	1.000	39000.00	1.000	39000.00	2.000	78000.00
28B	In-Line Grinder	1.000 EA	22400.0000	22400.00	0.500	11200.00	0.500	11200.00	1.000	22400.00
29A	New Valves-Five 4" Valv	5.000 EA	830.0000	4150.00	2.500	2075.00	2.500	2075.00	5.000	4150.00
29B	New Valves-Thirteen 6"	13.000 EA	1700.0000	22100.00	6.500	11050.00	6.500	11050.00	13.000	22100.00
30	14" Plug Valve	1.000 EA	7200.0000	7200.00	1.000	7200.00	0.000	0.00	1.000	7200.00
31	Temp Sludge Pumps/Pipin	1.000 LS	6350.0000	6350.00	0.000	0.00	0.000	0.00	0.000	0.00
32	Tie-in of valves/piping	1.000 LS	6400.0000	6400.00	0.500	3200.00	0.500	3200.00	1.000	6400.00
33	Sludge Feed Pump/VFD Pn	1.000 LS	10200.0000	10200.00	0.500	5100.00	0.500	5100.00	1.000	10200.00
34	Local Power Dist Panel	1.000 LS	14770.0000	14770.00	1.000	14770.00	0.000	0.00	1.000	14770.00



634 Printz Road  
ARROYO GRANDE CA 93420

805-489-7779 Phone  
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\*\*\* Contract Invoice \*\*\*

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Invoice No: 100338  
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Estimate No: 100338  
Completed Thru: 063011  
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Contract: 10033 Centrifuge 2A Building Project

Continued from previous page...

Phase	Description of Work	Contract Values			Previously Completed		This Invoice		Total To-Date	
		Quantity	Unit Price	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount
35	Power/Communication Wir	1.000 LS	20400.0000	20400.00	0.800	16320.00	0.200	4080.00	1.000	20400.00
36	Power/Communication Con	1.000 LS	32400.0000	32400.00	1.000	32400.00	0.000	0.00	1.000	32400.00
37	Power Wiring-New Bldg	1.000 LS	17000.0000	17000.00	0.800	13600.00	0.200	3400.00	1.000	17000.00
38	Reroute PG&E Main Site	1.000 LS	11500.0000	11500.00	1.000	11500.00	0.000	0.00	1.000	11500.00
39	Design/Install SCADA Sy	1.000 LS	102000.0000	102000.00	0.650	66300.00	0.350	35700.00	1.000	102000.00
40	Design/Install Graphics	20.000 EA	570.0000	11400.00	2.150	1225.50	11.000	6270.00	13.150	7495.50
Original Contract Total:				827,134.00	647,213.60		200,907.90		848,121.50	
60	C/O #1-Vault Lid Credit	-1.000 LS	906.1400	-906.14	-1.000	-906.14	0.000	0.00	-1.000	-906.14
60	C/O #4-Crushed Rock	1.000 LS	4294.5500	4294.55	1.000	4294.55	0.000	0.00	1.000	4294.55
60	C/O #2-3-Dewatering	43.000 Days	1100.0000	47300.00	42.000	46200.00	0.000	0.00	42.000	46200.00
60	C/O #6-Encase Conduits	1.000 LS	6179.5900	6179.59	1.000	6179.59	0.000	0.00	1.000	6179.59
60	C/O #7-Potholing	1.000 EA	1914.0000	1914.00	1.000	1914.00	0.000	0.00	1.000	1914.00
60	C/O #9 - Vault Install	1.000 EA	2316.2800	2316.28	1.000	2316.28	0.000	0.00	1.000	2316.28
60	C/O #5 - Dewatering	17.000 Days	1100.0000	18700.00	17.000	18700.00	0.000	0.00	17.000	18700.00
60	C/O #14-Eyewash Station	-1.000 LS	2300.0000	-2300.00	-1.000	-2300.00	0.000	0.00	-1.000	-2300.00
60	C/O #16-Anchor Bolt Cre	-1.000 LS	92.7000	-92.70	-1.000	-92.70	0.000	0.00	-1.000	-92.70
Total Change Orders:				77,405.58	76,305.58		0.00		76,305.58	
Total Contract To-Date:				904,539.58	723,519.18		200,907.90		924,427.08	

Work Completed To-Date: 924,427.08  
Less Retention: 92,442.71

831,984.37

Less Previous Billing: 651,167.26  
Current Payment Due: 180,817.11

Prior +63.00  
Total \$ 180,880.11

*H. Brough* sec/cto

**(Release Form 1)**

**Conditional Waiver and Release  
Upon Progress Payment**

Upon receipt by the undersigned of a check from:

South SLO Sanitation District in the sum of \$180,880.11 payable to: Brough Construction, Inc. and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, stop notice, or bond right the undersigned has on the job of: South SLO Sanitation District

Located at: Centrifuge 2A Building Project  
1600 Aloha Place  
OCEANO, CA

to the following extent.

This release covers a progress payment for labor, services, equipment or material furnished to: South SLO Sanitation District through 06/30/2011 only and does not cover any retention retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment or material was not compensated by the progress payment. Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

Dated: 06/30/2011 Brough Construction, Inc.

By: 

Title: Sec/CFO

Note: This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This form is intended to meet the requirements of California Civil Code Section 3262(d)(1) as of January 1, 1994.



(Release Form 2)

**Unconditional Waiver and Release  
Upon Progress Payment**

The undersigned has been paid and has received a progress payment in the sum of \$187,329.96 for labor, services, equipment or material furnished to: South SLO Sanitation District on the job of: South SLO Sanitation District

located at: Centrifuge 2A Building Project  
1600 Aloha Place

OCEANO, CA

and does hereby release any mechanic's lien, stop notice or bond right that the undersigned has on the above referenced job to the following extent. This release covers a progress payment for labor, services, equipment or material furnished to: South SLO Sanitation District through 05/31/2011 only and does not cover any retention retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment or material was not compensated by the progress payment.

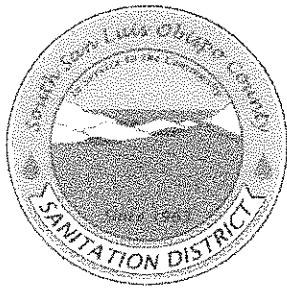
Dated: 06/28/2011 Brough Construction, Inc.

By: 

Title: SIC/LFO

**Notice:** This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional release form.

**Note:** This document has important legal consequences: consultation with an attorney is encouraged with respect to its use or modification. This form is intended to meet the requirements of California Civil Code Section 3262(d)(2) as of January 1, 1994.



# 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/>

## Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*  
**Date:** July 06, 2011

**Subject:** New Centrifuge 2A Building; Alternative Security Installation Contract

### Recommendation:

Approve Security Installation Contract with Alpha Fire and Security Alarm Corp. in the amount of **\$3,823.00**. (Estimate attached)

### Funding:

The FY 2010-11 Budget includes the Major Budget Item 05 MBI 06 – *New Centrifuge 2A* – in the amount of **\$1,104,422**. The overall budget for all fiscal years is \$1,904,081.

	Prior FY's	Current FY as of 06-15-11	Total All FYs	Proposed This Staff Report
Budget	\$ 799,659	\$ 1,104,422	\$ 1,904,081	\$ -
<u>Expenditures</u>			\$ -	\$ 3,823
Capital Equipment	\$ 320,814	\$ -	\$ 320,814	\$ -
Studies	\$ -	\$ -	\$ -	\$ -
Testing / Troubleshooting	\$ -	\$ 6,237	\$ 6,237	\$ -
Design & Survey	\$ 433,186	\$ 46,479	\$ 479,665	\$ -
Contract Administration	\$ 3,007	\$ 101,950	\$ 104,957	\$ -
Const Contingencies	\$ -	\$ 59,249	\$ 59,249	\$ -
PG&E Utility Service	\$ -	\$ 15,659	\$ 15,659	\$ -
<u>Construction (Alarm)</u>	\$ 42,652	\$ *792,764	\$ 835,416	\$ 3,823
Total Expenditures	\$ 799,659	\$ 1,022,338	\$ 1,821,997	\$ 3,823
Remaining Budget			\$ 82,084	\$ 78,261

\* Includes Progress Payment No. 8 of \$200,908 from July 6, 2011 staff report

### Discussion:

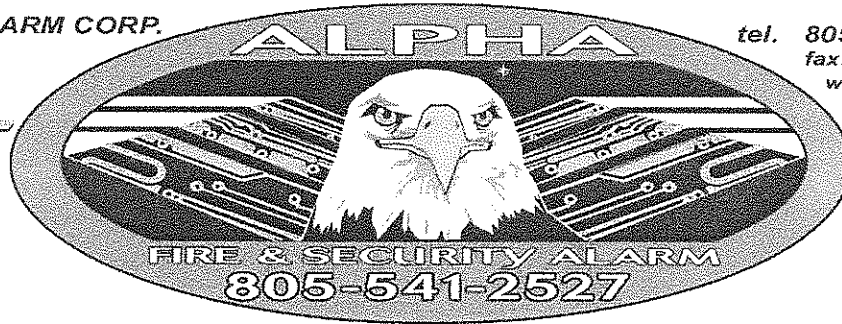
Approval was made by Board Action on May 18, 2011 to install security equipment in the New Centrifuge Building. The original estimate was from Stanley Security for \$5,805.99. Stanley Security was selected for the work, because the existing plant Fire and Security Monitoring System is currently contracted through Stanley Security.

However, after reaching an impasse on purchase order contract language, staff re-evaluated the labor cost for Stanley and has solicited additional bids for the work. Alpha Alarms is a reputable Security Company in the area. Their estimate for the same work was \$2,000 lower than the estimate from Stanley.

Therefore, Staff recommends approval of the Installation Contract with Alpha Fire and Security Alarm Corp. in the amount of **\$3,823.00**.

ALPHA FIRE & SECURITY ALARM CORP.  
650 SWEENEY LANE  
SAN LUIS OBISPO  
CA 93401

LIC# C-10,C-16 761360 ACO# 5365



tel. 805.541.ALARM  
fax. 805.784.0868  
www.alphafsa.com

To: Wallace Group

Attn: Eileen Stephens

Date: 6-23-11

Site: South County Sanitation Centrifuge 2A  
Oceano, Ca

Re: Fire and Security alarm new installation at above address.

**With Wire in conduit adding.**

**New panel with future SCADA interface**

**Inclusions:**

- 2 motion detectors
- Notifier 320 FACP
- 2 exterior door contacts
- 1 overhead door contact
- 3 heat detectors at peak
- System programming and testing
- All necessary installation materials
- 1 year warranty on new equipment only
- Tax, shipping and handling.
- Submittal package including fire alarm drawings, calculations, and product spec sheets.
- All Fire alarm and security cabling. (cable between buildings provided by owner)
- Programming and testing.
- Final Inspection and NFPA Record of Completion
- One Year Warranty on parts and labor commencing at System Acceptance by the AHJ.
- Training for the owner's personnel.
- Dedicated AC circuit with "lockout" on the breaker.
- 

**Exclusions:**

- CAD files showing the layout of the facility to be used as backgrounds for the design of the new fire alarm system. This proposal assumes that these files will be made available to Alpha by the owner, general contractor, or architect at no cost.
- Permit fees or Fire protection engineering review fees. ( if any apply a copy of bill will be provided for reimbursement)

- Provide, connect to, or install any dampers, duct smoke detectors, or other mechanical equipment.
- Provide or install underground conduit, or raceways.
- Provide or install any exhaust gas detection or connect to exhaust system.
- Any Demo work, Ceiling Repair, Painting, Patching, or Fire-stopping.

**Clarifications:**

- Prevailing wage rates apply
- All control for entry and exit through existing keypad in control room.
- All labor and material will meet NFPA 72, California Fire Code, and UL Standards.
- All work to be performed during normal business hour. M-F, 7:00am – 3:30pm. Holidays Excluded. All areas will need to be unoccupied and fully accessible for completion of our work.
- This proposal assumes power will be provided during construction for operation of power equipment.
- Owner to be responsible for providing insurance underwriter's requirements prior to design and submittal of alarm system. Any requirements from insurance agencies that are more stringent than NFPA will be considered extra.
- Waiver of Subrogation will not be provided for general liability or property insurances.
- Progress payments: based upon statement for payment submitted to the owner or contractor by the 25<sup>th</sup> of each month the owner or contractor shall make progress payments on account of the contract sum to the contractor 30 days upon receipt.
- Payments due and unpaid more than thirty (30) days beyond the due date shall bear interest from the date payment is due at the rate of eighteen percent (18%) per year. In the event of a dispute, the prevailing party shall be entitled to reasonable attorney's fees.
- This proposal may be withdrawn by Alpha if not accepted within sixty (60) days.
- **This proposal is to be a part of all contracts issued by owner or contractor. Contract is to include all Inclusions, Exclusions, and Clarifications in Alpha Fire & Security Alarm Corporation's proposal.**

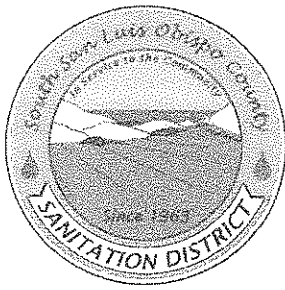
**System Pricing: \$3,823.00**

This price includes everything listed above as well as freight and tax.  
If you have any questions please feel free to give me a call. If you would like to proceed please sign below and fax this proposal back to 784-0868

Accepted by: \_\_\_\_\_ Signed: \_\_\_\_\_

Sincerely,

Bryan Mott  
Alpha Fire & Security Alarm



## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT


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<http://sslocsd.org/>

### Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*   
**Date:** July 06, 2011 Meeting  
**Subject:** Miscellaneous Plant Repairs

### Recommendation:

Staff recommends that the Board

1. Approve a service agreement with MurCal, Inc. for programming the bypass diesel pump controller in the estimated amount of **\$1,425**;
2. Approve the sole-source purchase a ProMinent de-chlorination pump in the amount of **\$ 3,067**;
3. Approve the sole-source purchase of the Wemco Sludge Recirculation repair parts in the amount of **\$ 5,845**;
4. Direct staff to issue purchase orders for these three items.

### Funding:

#### *Emergency Diesel Bypass Pump Control Panel Programming*

The proposed FY 2011-12 Budget contains **\$ 65,000** in Account **19-8030, Equip Maint Reg & Minor Replacement**. Assuming this expense is approved, **\$ 63,575** would remain in that account.

#### *De-Chlorination Pump, 11 MBI 03*

The Proposed FY 2011-12 Budget includes this project in Major Budget Item 11 MBI 03 – *Disinfection System Metering Pumps* – in the amount of **\$ 7,000**. The funds are to allow for the purchase of two pumps – one for the delivery of chlorination chemicals and one for the delivery of de-chlorination chemicals. The purchase of the de-chlorination pump in the amount of **\$3,077** would leave **\$3,923** in the allocated funds for the purchase of a chlorination pump.

#### *Sludge Recirculation Pump Rebuild*

The proposed FY 2011-12 Budget contains **\$ 65,000** in Account **19-8030, Equip Maint Reg & Minor Replacement**. Assuming plus the anticipated approval of the MurCal Service Contract as well as this expense, **\$57,730** would remain in the account.

### Discussion:

#### *Emergency Diesel Bypass Pump Control Panel Programming*

During the spill event of December 19, 2010, staff observed the Emergency Diesel Bypass Pump shut itself off inexplicably every hour. Staff was able to restart the pump immediately, but the one hour shut off necessitated around the clock monitoring of the pump.

After the wet season, staff researched the problem more thoroughly with Technical Support and discovered that the pump's control board needed replacing. The physical board replacement was

completed in early Spring 2011. However, reprogramming the pump to meet specific District requirements requires more expertise than Staff feels comfortable providing.

MurCal, Inc., located in Palmdale, CA provides engine monitoring systems and is the manufacturer of the pump's control board and has been providing technical support to Staff. They have provided a quote in the estimated amount of **\$1,425.00** (this number could be less if the programming takes less than the estimated 4 hours) for the reprogramming and hands-on instructions for future adjustments to be made by staff.

Staff recommends the Board approve a service agreement with MurCal, Inc., and authorize staff to issue a Purchase Order in the estimated amount of **\$1,425**.

#### ***De-Chlorination Pump Replacement***

The disinfection system failure was identified by Staff as a potential vulnerability to meeting effluent requirements and has included 11 MBI 03 – *Disinfection System Metering Pumps* – to address these concerns by providing backup chemical delivery pumps.

The current de-chlorination pump is leaking and will require repairs. Requested funds will allow the purchase of a replacement pump. The old pump will be repaired, prepped for storage and put on the shelf to provide backup for the new pump.

Staff recommends the Board approve the sole-source purchase a ProMinent de-chlorination pump in the amount of **\$ 3,077**.

#### ***Sludge Recirculation Pump Rebuild***

The Sludge Recirculation pump pumps sludge through the Heat Exchanger to precisely maintain the temperature of the digester. Staff rebuilt the current Sludge Recirculation pump in January 2011. Staff has a second pump on the shelf that if it is rebuilt would provided redundancy to this critical function.

A discussion with the repair technician at BC Pumps in Santa Maria indicated that a new unit would cost the District over \$10,000. Staff plans to purchase the parts from the manufacturer and have BC Pumps perform the repair work (estimated to be an additional \$500). Wemco is the manufacturer of the pump and is the sole source supplier of the parts.

Staff recommends the Board approve the sole-source purchase of the Wemco Sludge Recirculation repair parts in the amount of **\$ 5,845**.



## South San Luis Obispo County Sanitation District

*Ship to Address:*  
1600 Aloha Place  
Oceano, CA. 93445  
(805)489-6666

*Bill to Address:*  
P.O. Box 339  
Oceano, CA. 93445  
(805)481-6903

### Purchase Requisition

Date: 6-22-11

Item Description: Portable 10 mgd pump - (Controller Calibration)

Supplier: MurCalc Inc

Cost: 1,425.00

Additional Information: This pump controller is newly installed and needs to be calibrated to South County plant's specifications. This technician is the sole person who services this piece of equipment.

Submitted by: Burke



## MurCal Quotation

### MurCal, Inc.

41343 12th Street West  
Palmdale CA 93551  
United States  
661-272-4700  
www.murcal.com

#### Bill To

Attn-Accts Payable  
San Luis Obispo County Sanitation Dist  
P O Box 339  
Oceano CA 93475  
United States

Date 6/17/2011  
Estimate # 5964  
Expiration Date: 7/17/2011  
Sales Rep:  
Project:  
Terms Net 30  
Ship Via: UPS Ground  
3rd Party Account

#### Ship To

San Luis Obispo County Sanitation Dist  
1600 Aloha Place  
Oceano CA 93445  
United States

Item	Quantity	Description	Rate	Amount	Item Note
Service: Travel Time	6	Service: Travel Time charged enroute to and from job site.	75.00	450.00	
Service: Mileage	330	Service Mileage: Mileage charge for the number of miles to and from job location.	1.50	495.00	
Service: On Site Labor	4	On Site Labor With (2 ) hour minimum & NOT TO EXCEED (4) hour maximum	120.00	480.00	

Thank you!  
Terri Stock/ 562/201-6238

Subtotal 1,425.00  
\*\*Estimated\*\* Shipping Cost (UPS Ground) 0.00  
Total \$1,425.00

Thank you for giving MurCal this opportunity to offer a price quotation. We look forward to working with you soon.





**MurCal, Inc.**  
41343 12<sup>th</sup> Street West  
Palmdale, CA 93551  
Phone: 661-272-4700  
Fax: 661-947-7570  
[www.murcal.com](http://www.murcal.com)

June 21, 2011

San Luis Obispo Sanitation District  
Attention: Bob Barlogio  
1600 Aloha Place  
Oceano CA 93445

Subject: Murphy Control Panel Service

Dear Mr. Barlogio,

As you know, MurCal, Inc. is the same company as Murphy Switch of California, Inc. that designed, built, and custom programmed your control panels. We have been doing business as MurCal, Inc. since 2005.

We have two outside service technicians that are specially trained to service the control panels we've been shipping since the late 1950's. MurCal, Inc. has special knowledge and access to components, drawings, and source code that make us the only choice when looking for an organization best suited to service your panels.

If you should have any questions, please feel free to contact me any time.

Sincerely,

Bob Murphy  
President  
MurCal, Inc.



*Sales, Service, and Installation for Engine Instrumentation, Control, and Emission Compliance.*



## South San Luis Obispo County Sanitation District

Ship to Address:  
1600 Aloha Place  
Oceano, CA. 93445  
(805)489-6666

Bill to Address:  
P.O. Box 339  
Oceano, CA. 93445  
(805)481-6903

### Purchase Requisition

Date: 6/28/2011

Item Description: dechlor pump  
new pump plus rebuild kit for repairs of existing pump

Supplier: Hopkins Technical Products Inc Cost: pump 2,551.12  
2155-A ELKINS WAY kit 281.84  
Brentwood, CA 94513 total 2832.96 plus tax 233.22  
w/Tax 3066.68

Additional Information: current pump on line is leaking AROUND  
pump head.

Staff would replace existing pump with new pump.  
Rebuild leaking pump to have on standby

sole source letter included

Submitted by: B. B. B.

**ProMinent®**

TO: South San Luis Obispo  
County S.D.  
1600 Aloha Place  
Oceano, CA 93445  
Phone: 805-489-6666

QUOTER: Rich Hopkins  
APPLICATION:

ATTN: Bob Barlogio  
bob@sslccsd.us

We are pleased to offer you the following quotation for your favorable consideration.

**Section : 01 Scope of Supply**

**ProMinent® Sigma/1 Control**

The ProMinent® S1Ca is a microprocessor-based motor-driven mechanical diaphragm, programmable pump. Complete with 1/8 HP TEFC motor. Stroke length adjustment from 0 - 100%, in 1% increments. Digital stroke frequency adjustment. Stroking rate varies for different models. Remote on/off and contact pulse (1 to 1) are standard. Three LED lights indicate operational status. Fiberglass-reinforced, PPE plastic housing with a NEMA 3 enclosure rating. Output displayed in GPH or LPH. Totalized output in gallons or liters. Direct Calibration and built in warning. ProMinent Control Cable is required for external control. An external Pressure relief valve is required.

**Capacity Data:**

- Flow Rate: 17GPH; 65L/H
- Pressure: 7BAR; 102PSI

**Selected options:**

- Liquid end materials: PVDF with PTFE/Viton® seal
- Seal: Standard diaphragm / PTFE seal
- Diaphragm type: Standard diaphragm, PTFE
- Liquid end version: without valve springs
- Connection: PVDF clamping nut & insert
- Labeling: Standard with ProMinent logo
- Control version: 1 phase, 115-230 V, 50/60Hz
- Cable and plug: North American plug, 115 V
- Relay: without relay
- Control version: Manual + external w/ pulse control & analog cont.
- Access code: with access code
- Flow control: Input for metering monitor signal (pulse)
- Stroke adjustment: Manual + calibration

Material:	Qty:	List:	Ext List:	Disc:	Net:	Ext Net:
S1CAH07065PVT0070UD0110C	1	\$2,551.12	\$2,551.12	0.0%	\$2,551.12	\$2,551.12

**Section : Scope of Supply Sub Total**

Total List: \$2,551.12    Total Net: \$2,551.12

**Grand Total:** \$2,551.12 (USD)

**Terms:**

Net 30 Days.

Quote is Valid for 60 Days.

State and Local taxes and fees Not included.

F.O.B.: Pittsburgh, PA

Freight: Prepay and Add, (Estimate \$ 25.00)

Delivery: 7 – 10 Business Days ARO, UPS Ground.

**Prominent®**

TO: South San Luis Obispo  
County S.D.  
1600 Aloha Place  
Oceano, CA 93445  
Phone: 805-489-6666

QUOTER: Rich Hopkins  
APPLICATION:

ATTN: Bob Barlogio

We are pleased to offer you the following quotation for your favorable consideration.

Section : 01 Scope of Supply

**Spare Parts Kits**

Spare Parts Kit: FM 65 PVT (Sigma/1)

Material:	Qty:	List:	Ext List:	Disc:	Net:	Ext Net:
1010542	1	\$281.84	\$281.84	0.0%	\$281.84	\$281.84

Section : Scope of Supply Sub Total

Total List: \$281.84      Total Net: \$281.84

**Grand Total:** \$281.84 (USD)

Terms:

Net 30 Days.

Quote Valid for 60 Days.

State and Local taxes and fees Not included.

F.O.B.: Pittsburgh, PA

Freight: Prepay and Add, (Estimate - \$ 10.00)

Delivery: 7 – 10 Business Days ARO, UPS Ground.

If you have any questions, or if we can be of further service, please do not hesitate to contact us at (925) 240-2160.

Sincerely,

Richard M. Hopkins  
General Manager  
Hopkins Technical Products, Inc

# **ProMinent Fluid Controls, Inc.**

**136 Industry Drive  
Pittsburgh, PA 15275-1014  
USA**

June 22, 2011

Bob Barlogio  
South San Luis Obispo County S.D.  
1600 Aloha Place  
Oceano, CA 93445

Dear Bob:

Hopkins Technical Products, Inc. is our exclusive sales representative for the state of California and our Authorized Service Provider for the Western United States.

Hopkins Technical Products, Inc. is the only company in California who is authorized by ProMinent Fluid Controls, Inc. to sell directly to local, county and state governments as well end users, contractors and/or system integrators. Be advised that ProMinent Fluid Controls, Inc. will honor new equipment warranties only when purchased and serviced through an authorized representative.

Please feel free to contact me with any questions or contact Hopkins Technical Products, Inc. directly at (925)240-2160 for assistance.

Sincerely,

Jeff Drappo  
ProMinent Fluid Controls  
Regional Sales Manager  
Ph: (909)937-4418  
Fx: (909)476-2412  
[jeffd@prominent.us](mailto:jeffd@prominent.us)

Cc:



## South San Luis Obispo County Sanitation District

*Ship to Address:*  
1600 Aloha Place  
Oceano, CA. 93445  
(805)489-6666

*Bill to Address:*  
P.O. Box 339  
Oceano, CA. 93445  
(805)481-6903

### Purchase Requisition

Date: 6-22-11

Item Description: Wemco Pump D4k-Lt SN# 99x22718  
Parts for repair

Supplier: Flow systems Inc.

Cost: 5845.44 w/Tax - Freight.

Additional Information: Staff wants to rebuild this pump so the plant  
will have redundancy at this pump station. This pump  
recirculates sludge through the heat exchanger to keep the  
proper working sludge temperature in Digester #1. This pump  
is a crucial part in keeping the South County plant operating  
properly.

Submitted by: Bunlosio



3010 Floyd Street, Burbank, CA 91504 \* 818/562-5282 \* FAX 818/842-3217

QUOTE

3785

DATE 5/10/2011

PAGE: 1 of 1

ATTN: BOB  
SO SAN LUIS OBISPO

PHONE: 805/489-6666

FAX: 805/489-2765

Customer No.		Salesperson ID	Shipping Method	Payment Terms	
SOU171		RJ	FOB FACTORY/PPD-ADD	N30	
Qty	Part Number	Description	Unit Price	Ext Price	
		PF: WEMCO PUMP 24K-LT SN 99X22718			
1	WEM 70290-7	IMPELLER	2,367.00	2,367.00	
1	WEM 71911-7	LINER	1,213.00	1,213.00	
1	WEM 157261	MECHANICAL SEAL	1,253.00	1,253.00	
1	WEM 157258	MECHANICAL SEAL	192.00	192.00	
3	WEM 413301	SET SCREW 316 SST	27.00	81.00	
1	WEM 142177	ORING	5.00	5.00	
1	WEM 142165	ORING	3.00	3.00	
1	WEM 142209	ORING	34.00	34.00	
1	WEM 142199	ORING	16.00	16.00	
1	WEM 142177	ORING	5.00	5.00	
			Subtotal	5,169.00	
QUOTED BY CATHERINE LLOYD			Freight	250. <sup>00</sup> 0.00	
QUOTE VALID FOR 30 DAYS			Sales Tax	426.44	
CREDIT CARD ORDERS ARE SUBJECT TO A 3.5% COMPANY CHARGE BASED ON TOTAL INVOICE			Total	5,595.44	
SHIP SCHEDULE 3-10 BUSINESS DAYS BASED ON STOCK AT TIME OF QUOTE					

5845.44

**Weir Specialty Pump**

440 West 800 South  
Salt Lake City, Utah 84101  
USA

P.O. Box 209  
Salt Lake City, UT 84110-0209

Tel: 801-359-8731  
Fax: 801-530-7828-Pumps  
Fax: 801-530-7531- Parts

[www.weirsp.com](http://www.weirsp.com)

Excellent  
Power & Industrial  
Solutions



June 17, 2011

To: South San Luis Obispo

Attn: Bob

Subject: Sole Source Letter

---

Dear Bob,

We thank you for your inquiry in regard to WEMCO pumping equipment and parts.

WEMCO Pump, in Salt Lake City, UT, is the sole source for WEMCO TORQUE-FLOW recessed impeller pumps and WEMCO HYDROGRITTER grit separation systems; WEMCO HIDROSTAL screw centrifugal pumps and Prerostal Prerotation systems; WEMCO Chop-Flow chopper pumps; WEMCO Self-Primer pumps; and parts. For assistance and complete information on all WEMCO pumps, equipment, and parts, please contact our exclusive representative in your area:

Flo-Systems, Inc.  
3010 Floyd Street  
Burbank, CA 91504  
Tel: 818/562-5282 Fax: 818/842-3217

If we are favored with an order, we ask that you issue purchase orders to Flo-Systems, Inc.

Flo-Systems, Inc. is also WEMCO's Authorized Service Center for warranty repairs.

We appreciate your continued interest in WEMCO Pump products, and we thank you again for the opportunity to serve you.

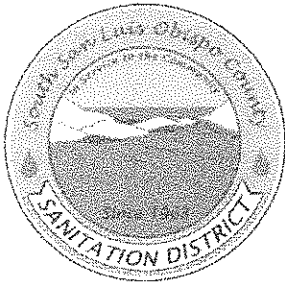
A handwritten signature in black ink that reads "Dave Borrowman". The signature is written in a cursive, flowing style.

Dave Borrowman  
Director of Municipal Sales

DPB/sp  
Cc: Flo-Systems, Inc.

Cc: Dennis Osterdock/Weir Specialty Pumps





## **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/>

### **Staff Report**

**To:** Board of Directors  
**From:** John Wallace, District Administrator   
**Date:** July 6, 2011  
**Subject:** CSDA Bylaws/Election of Board Member

#### **Recommendation:**

Staff recommends the Board consider the information provided by CSDA and cast a ballot for or against the proposed amendments. Also, the Board to consider and cast a ballot for Director of Region C of CSDA.

#### **Funding:**

N/A

#### **Discussion:**

See attached documents

## MEMORANDUM

**DATE:** June 1, 2011

**TO:** California Special Districts Association (CSDA) Voting Members

**FROM:** Jo MacKenzie, CSDA Board President  
Neil McCormick, CSDA Executive Director

**SUBJECT:** Proposed CSDA Bylaws Amendments

---

The CSDA Board of Directors has approved that attached recommended changes to the CSDA Bylaws to bring forward to CSDA voting members for consideration.

These recommended changes only affect one section of the bylaws (Article VIII – Local Chapters) as indicated in the attached document. The main reason for the proposed change to the bylaws is to require all newly formed chapters to have 100% of their members as dues paying members of the state association (CSDA) as well.

**Approving this bylaws change will not affect any existing CSDA chapter or its members. This is for newly formed chapters only.**

CSDA strongly encourages all chapters to promote membership in CSDA at the statewide level as it significantly helps in supporting the wide variety of efforts by the association throughout California and delivered on behalf of all districts. Ultimately, CSDA is trying to build and strengthen the relationship and connection between the statewide organization and chapters so we can better work together, communicate and have consistency in membership which makes us stronger.

The proposed changes are indicated in mark-up form on the attached excerpt from the Bylaws. A full version of the current CSDA bylaws can be found online at [www.csdanet.org/bylaws](http://www.csdanet.org/bylaws).

Once your district has reviewed the proposed CSDA bylaws updates, please use the enclosed official ballot with the prepaid postage to cast your vote by mail in favor or not in favor of the changes. **Completed ballots must be received by Friday, July 29, 2011 at 5:00 pm to be counted.** Only official and fully completed ballots returned via regular mail will be counted. The results of the Bylaws ballot will be announced in the CSDA e-News and on the CSDA website -- [www.csdanet.org](http://www.csdanet.org). If approved, the updated bylaws will take effect on August 1, 2011.

If you have any questions or require hard copies of any of these documents, you may contact Charlotte Lowe, Executive Assistant at [charlottel@csda.net](mailto:charlottel@csda.net) or (916) 442-7887.

**Thank you for your participation and continued support of CSDA!**

## **ARTICLE VIII – LOCAL CHAPTERS**

### **Section 1. Purpose:**

The purpose of local chapters is to provide a local forum of members for the discussion, consideration and interchange of ideas concerning matters relating to the purposes and powers of special districts and the CSDA.

The local chapters may meet to discuss issues bearing upon special districts and the CSDA. The chapters may make recommendations to the CSDA's Board of Directors.

### **Section 2. Organization:**

The regular voting members of the CSDA are encouraged to create and establish local chapters. Each of the following existing chapters must have at least one (1) CSDA member in their membership at all times: Alameda, Butte, Contra Costa, Kern, Marin, Monterey, Orange (ISDOC), Placer, Sacramento, San Bernardino, San Diego, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara and Ventura. These existing chapters are strongly encouraged to have all district members as CSDA members, however ~~the existing local chapter may include~~ members of local organizations, districts and professionals who are not members of the CSDA.

New chapters formed after {DATE OF BYLAWS UPDATE} are required to have 100 percent of their district members as CSDA members in order to be a chapter affiliate of CSDA. The existing local chapter may include members of local organizations and professionals who are not members of CSDA.

Local chapters shall be determined to be affiliates of the CSDA upon approval and ratification by the Board of Directors of the CSDA. The chapters shall be required to provide updated membership lists to the CSDA at least annually.

CSDA and its local chapters shall not become or deem to be partners or joint ventures with each other by reason of the provisions of these Bylaws.

### **Section 3. Rules, Regulations and Meetings:**

Each local chapter shall adopt such rules and regulations, meeting place and times as the membership of such local chapter may decide by majority vote. Rules and regulations of the local chapter shall not be inconsistent with the Articles of Incorporation or Bylaws of the CSDA.

### **Section 4. Financing of Local Chapters:**

No part of the CSDA's funds shall be used for the operation of the local chapter affiliates. The CSDA is not responsible for the debts, obligations, acts or omissions of its local chapters.

### **Section 5. Legislative Program Participation:**

Local chapters may function as a forum in regard to federal, state and local legislative issues. The chapters may assist the CSDA in the distribution of information to their members.



California Special  
Districts Association  
*Districts Stronger Together*

MAIL BALLOT FOR PROPOSED  
BYLAWS AMENDMENT

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## Shall the 2011 Proposed CSDA Bylaws Amendments be Adopted?

- ☐ Yes  
☐ No

CSDA Member District Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_  
(GM or Board President)

View current 2010 CSDA Bylaws at [csda.net/bylaws](http://csda.net/bylaws)

View proposed new bylaws also at [csda.net/bylaws](http://csda.net/bylaws)

(If you require a hard copy of either of the above listed bylaws or have questions, please call Charlotte Lowe,  
CSDA Executive Assistant at (877) 924-CSDA.) If approved, bylaws will become effective August 1, 2011.



# CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

## 2011 BOARD ELECTIONS

### MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Region for Seat C. Each of CSDA's six (6) regional divisions has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your geographic region. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its region.

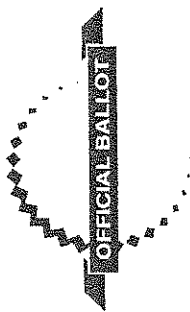
We have enclosed the candidate statements for each candidate who submitted one. Please vote for **only one** candidate to represent your region in Seat C and be sure to sign, date and fill in your member district information (*in some regions, there may only be one candidate*). If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 5, 2011**.

If you do not use the enclosed envelope, please mail in your ballot to:

**California Special Districts Association  
Attn: 2011 Board Elections  
1112 I Street, Suite 200  
Sacramento, CA 95814**

Please contact Charlotte Lowe toll-free at 877.924.CSDA or [charlotte@csda.net](mailto:charlotte@csda.net) with any questions.



# CSDA BOARD OF DIRECTORS ELECTION 2011

All Fields Must Be Completed for ballot to be counted.  
(Please vote for only one.)

## REGION FOUR

●  
Seat C - term  
ends 2014

- |  |  |
|--|--|
| <input type="checkbox"/> <b>Frank Galaviz</b><br>Tevison Community Services<br>District      | <input type="checkbox"/> <b>Steve Esselman</b><br>North of the River Municipal<br>Water District |
| <input type="checkbox"/> <b>Jonathan Hall</b><br>Tehachapi-Cummings County Water<br>District |  |
| <input type="checkbox"/> <b>Steve Perez</b><br>Rosamond Community Services<br>District       |  |

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Member District: \_\_\_\_\_

Must be received by 5pm, August 5, 2011. CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814



**STEVE ESSELMAN**

steveesselman@hotmail.com

(661) 717-5860

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CANDIDATE STATEMENT – CSDA REGION 4 (CENTRAL VALLEY)

I currently serve as the Vice President on the North of the River Municipal Water District's Board of Directors and I would be honored to have your support in electing me to represent the Central Valley Special Districts on the California Special District Association's Board of Directors as one of your Region 4 representatives.

I thoroughly understand how a Board functions and have taken courses on ethics, Board management, and setting direction from CSDA. I have been recently recognized by the Special District Leadership Foundation because of my efforts to become educated on special district governance. I understand that it is a primary duty as a Board member to effectively and ethically serve my constituents and, in the case of the CSDA Board, to faithfully serve the local interests of the Special Districts within our region. I understand the important role of CSDA in advocating for local, independent special districts. I wholly support CSDA's mission to provide a range of services to California special districts, including education and training, insurance programs, and legal advice.

Personally, I am very involved in improving my community of Oildale as well as the greater Kern County area. My current positions of leadership include appointments on the Kern County Local Area Formation Commission, The Oildale Foundation Board, and the North of the River Chamber of Commerce Board. My work on behalf of Oildale has been formally recognized by the Kern County Board of Supervisors.

I believe that my actions point to my desire to be an excellent steward for my local community and greater Kern County, and I would appreciate the chance to put these same energies towards representing you and the other Special Districts in the Central Valley.

Thank you!

June 15, 2011

TO: CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

FROM: FRANK F. GALAVIZ  
P.O. BOX 801  
PIXLEY, CA 93256

TO WHOM IT MAY CONCERN,

My name is Frank F. Galaviz, my age is 67. I'm self-employed and have served on the Tevison Community Service District as a Director and currently as President of the Board of Directors for TCSD.

The District was formed in 1956 and many of the requirements were not being met when I first served on the Board in 2003 thru 2005. I was appointed by the Tulare County Board of Supervisors in 2008 and re-appointed in 2009, in lieu of Election, as well as four other directors.

The majority of the Board has established transparency via regular meetings. Hiring an Auditor, a Certified Water Systems operator, and have hired Tulare County Bookkeeping to over see our daily transactions. We have full disclosure via our Monthly Financial Reports. In addition we hired a District Manager as required by law.

I would like to address the corruption and unethical practices of some of the districts in our areas, and help other districts that may be experiencing the same.

Thank you for your consideration

Frank F. Galaviz

TCSD phon # (559) 757-3539  
home # (559) 757-3390  
Bus. cell # (661) 667-3659



## **CSDA Board of Directors Candidate Statement**

### **Steve A. Perez**

My name is Steve Perez; I am General Manager of the Rosamond Community Services District.

I grew up in the Antelope Valley where I began my career in construction and moved briefly into aerospace and back to construction. I served as a Commissioned Deputy Sheriff of the Kern County Sheriff's Department where I served a combined total of 26 years.

In 1994 I ran and was elected to the Board of Supervisors of Kern County and was subsequently re-elected running unopposed for a second term. During my tenure as County Supervisor I became involved with the California State Association of Counties (CSAC) and was elected President in 2000.

My involvement gave me a great deal of insight of the political process in California and required me to be responsible for the 58 county legislative agenda.

I have testified before Assembly and Senate Committees in regard to issues that furthered the California County agenda. I have received Gubernatorial and Assembly appointments to State level committees.

My concern for Special Districts is focused on the belief that the best form of government is one closest to the people. I recognize that Special Districts do what most Municipal and County governments cannot do, or if they could do it, Special Districts do it better because they are in direct contact with the people.

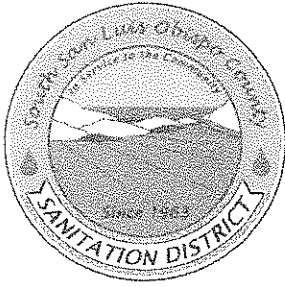
I have experience that I'm willing to share with the California Special Districts Association.

Let's keep big government from consolidating Special Districts for fiscal considerations which are not in the best interest of the people we serve.

It would be an honor to serve you as a member of your Board of Directors.

May I have your vote?

*Steve A. Perez*



## **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://www.sslocsd.org/>

### **Staff Report**

**To:** Board of Directors  
**From:** John Wallace, District Administrator   
**Date:** July 6, 2011

**Subject:** Review of Districts' Liability Insurance

#### **Recommendation:**

Staff recommends the Board;

1. Receive presentation of the SDRMA liability insurance for FY 2011-12
2. Direct Staff to renew the District's liability insurance with SDRMA with coverage of \$10M for a cost of \$20,885.60.

#### **Discussion:**

Attached is the invoice in the amount of \$20,885.60 received from SDRMA for the District's liability insurance, which is due July 15, 2011. This is an increase of \$2,297.36 from the previous year and includes three non-member additional insured's certificates to Pacific Gas and Electric, Municipal Finance Corporation (required for the Co-Gen) and California State Lands Commission (required for the outfall line).

Alternatively the District could choose lower limits of \$2.5M for \$14,885.42 or \$5M for \$16,945.60

Also at this time we are awaiting a response from SDRMA regarding coverage for contract staff in accordance with a letter sent by the Board requesting a quotation. We anticipate that this will be a separate invoice to be approved at a subsequent meeting.

**Property/Liability Package Program Renewal Invoice**  
**Program Year 2011-2012**



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

June 29, 2011  
Invoice #: 36891  
Member #: 7126

<b>Property</b>	<b>\$839.64</b>
Coverage for reported values (including contents): \$635,657	
<b>Mobile / Floater</b>	<b>\$0.00</b>
Coverage for reported value of \$0	
<b>Auto Liability</b>	<b>\$1,569.63</b>
Coverage for 4 reported vehicle(s)	
<b>General Liability</b>	<b>\$13,988.60</b>
Services: Sewer	
Coverage: 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	\$16,397.87
CIP Credit	-\$1,362.44
MemberPlus Online RQ Bonus	-\$150.00
Other Discounts	\$0.00
<b>Net Package Contribution</b>	<b>\$14,885.42</b>

**Other Charges / Credits**

<b>Auto Comp / Collision</b>	<b>\$0.00</b>
Coverage for 0 reported vehicle(s)	
<b>Trailers</b>	<b>\$0.00</b>
Coverage for reported value of \$0	
<b>Other Coverages / Charges</b>	<b>\$0.00</b>
Coverage for:	
<b>Net Other Charges / Credits</b>	<b>\$0.00</b>

**Total Renewal Contribution**

<b>Present Limit of Liability of \$10M for G/L, A/L, and E&amp;O Including a 5% Multi-Program Discount of \$0 Please Pay: =====&gt;</b>	<b>\$20,885.60</b>
---	--------------------

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 the total due will be:	<b>\$14,885.42</b>
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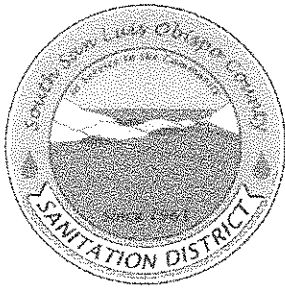
If your agency wishes to reduce its limit of liability to \$5M for G/L, A/L, and E&O including a 5% Multi-Program Discount of \$0 the total due will be:	<b>\$16,945.60</b>
--	--------------------

The amount you select above is due to SDRMA no later than July 15, 2011. If not paid in full within 30 days from invoice 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, 2011 for such changed coverage to take effect at the inception of the program year on July 1, 2011.

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





## 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/>

### Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*  
**Date:** July 6, 2011

**Subject:** LAFCO Alternate Special District Member Election

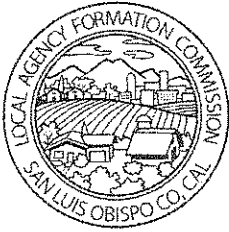
#### **Recommendation:**

Staff recommends the Board cast the District's ballot for a candidate for the Special Districts' LAFCO alternate position.

#### **Discussion:**

The District has received correspondence from LAFCO advising that a vacancy exists on the LAFCO Commission for the alternate Special District Commissioner position.

Four nominations have qualified for election and it is recommended that the Board consider the candidate and cast the District's ballot for one of the four. Staff will return the ballot to LAFCO in accordance with the Board's direction. Ballots must be returned by August 12, 2011. Therefore, if the Board wishes more time for considering these candidates, final Board action could take place at either the July 20<sup>th</sup> or August 3<sup>rd</sup> meeting.



**LAFCO - San Luis Obispo - Local Agency Formation Commission**  
*SLO LAFCO - Serving the Area of San Luis Obispo County*

**COMMISSIONERS**

RICHARD ROBERTS  
Chair, Public Member

BRUCE GIBSON  
Vice Chair,  
County Member

MURIL CLIFT  
Special District Member

ED EBY  
Special District Member

JAMES R. PATTERSON  
County Member

DUANE PICANCO  
City Member

KRIS VARDAS  
City Member

**ALTERNATES**

ROBERTA FONZI  
City Member

FRANK MECHAM  
County Member

TOM MURRAY  
Public Member

VACANT  
Special District Member

**STAFF**

DAVID CHURCH  
Executive Officer

RAYMOND A. BIERING  
Legal Counsel

MIKE PRATER  
Analyst

DONNA J. BLOYD  
Commission Clerk

**TO: EACH INDEPENDENT SPECIAL DISTRICT**

**FROM: DAVID CHURCH, EXECUTIVE OFFICER**

**DATE: JUNE 22, 2011 DUE DATE: August 12, 2011**

**SUBJECT: BALLOT FOR LAFCO ALTERNATE SPECIAL DISTRICT MEMBER**

Four individuals have been nominated for the vacant Special District position. The term for this position would expire in December 2013. Please vote for one of the nominees:

- |  |                                       |
|--|---------------------------------------|
| <input type="checkbox"/> Rosie Flynn       | San Miguel Cemetery District          |
| <input type="checkbox"/> Brian Kreowski    | Port San Luis Harbor District         |
| <input type="checkbox"/> Marshall Ochylski | Los Osos Community Services District  |
| <input type="checkbox"/> Greg O'Sullivan   | Templeton Community Services District |

Agenda Date of Action: \_\_\_\_\_

Name of Special District: \_\_\_\_\_

General Manager/President: \_\_\_\_\_

**Ballot Instructions.** The Government Code (56332 (c)(1)) states that "at the end of the nomination period, the Executive Officer shall prepare and deliver, or send by certified mail, to each independent special district one ballot and voting instructions." The Government Code also allows for the ballot and instructions to be sent electronically if the special district selection committee agrees and written evidence of receipt of the ballot and instructions is retained by the executive officer. The local California Special District Association (CSDA) chapter of Special Districts has agreed that completing the election electronically is appropriate because attaining a quorum is not possible.

Each Independent Special District may vote for one nominee. The vote by a District must be considered by the District's Board of Directors as an item on its agenda. Please schedule this matter for a vote at your Board of Directors meeting as soon as possible. The District's selection should be returned to the LAFCO office no later than **August 12, 2011** via one of the following ways:

- 1) An email indicating the date the item was on the Board of Directors agenda and the selected nominee,**

**2) A scanned pdf of this ballot attached to an email with one of the nominees selected and the date it was considered on the Board's agenda, or**

**3) A fax with a cover memo sent to LAFCO with one of the nominees selected and the agenda date of the Board's decision. FAX number 805-788-2072.**

Please contact me at 805-781-5795 or [dchurch@slolafco.com](mailto:dchurch@slolafco.com) if you have any questions.

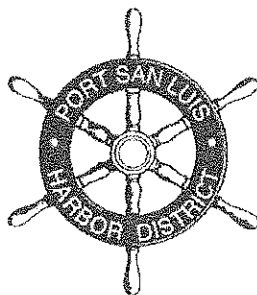
cc: Members, Formation Commission

**Rosie Flynn  
San Miguel Cemetery District  
P.O. Box 237  
San Miguel, CA 93451**

I was the office manager at the Paso Robles District Cemetery (PRDC) for 20 years, from 1987 to 2007. In 2001 I was certified as a Special District Administrator. After stepping down as office manager at PRDC I stayed on as an IT consultant. Currently I am a Trustee of the San Miguel Cemetery District. Our family has been the management company in charge of all aspects of the PRDC since 1986. I have lived in SLO County since 1979. I feel I have considerable experience with special districts and have a passion for San Luis Obispo County as a whole and would like to serve on LAFCO as a special district commissioner.

## BOARD OF COMMISSIONERS

JIM BLECHA	<i>President</i>
BRIAN KREOWSKI	<i>Vice President</i>
JACK SCARBROUGH	<i>Secretary</i>
DREW BRANDY	<i>Commissioner</i>
CAROLYN MOFFATT	<i>Commissioner</i>



P.O. BOX 249 • AVILA BEACH  
CALIFORNIA 93424  
(805) 595-5400 • Fax 595-5404  
[www.portsanluis.com](http://www.portsanluis.com)

STEPHEN A. McGRATH	<i>Harbor Manager</i>
THOMAS D. GREEN	<i>Legal Counsel</i>
PHILLIP J. SEXTON, CPA	<i>Treasurer</i>

Commissioner Brian Kreowski, known to his family and friends by his middle name "Craig", is a graduate of Arroyo Grande High School and his family has resided in San Luis Obispo County for more than 30 years. In the 80's, while attending Cuesta College and Cal Poly, Commissioner Kreowski worked at Port San Luis as a Sport Launch Operator and Maintenance Worker for the District.

Brian is one of the founding members of the Central Coast Aquarium Society, and helped facilitate the establishment and continuation of a mobile, interactive sea life educational program *Tidepool Treasures*, which has served in educating countless children and adults about our Ocean environments. He has participated in fostering many collaborative activities and programs with other marine organizations and was instrumental in facilitating the initial discussions for the Cal Poly take over of the Unocal Pier at Port San Luis.

In 1996, Brian was appointed to the Dinosaur Caves Task Force for the City of Pismo Beach. He served for over one year as vice-chairperson and was instrumental in the formulation of the Task Force recommendation to establish the property as an "open space" park.

Following the dissolution of the Task Force, Brian, and three other members created the Dinosaur Caves Preservation Society (DCPS), a non-profit 501(c)(3) organization, dedicated to preserving the Dinosaur Caves Property. He continues to serve as vice president of the society. Together with the City of Pismo Beach, the society has raised close to \$900,000 to develop the park.

In addition to practicing law, Commissioner Kreowski has taught at Cuesta College for the past 15 years and was the first part-time professor to receive the prestigious M'May Diffley Teaching award.

In 2003, Brian was appointed as a Commissioner to the Port San Luis Harbor Commission, by his fellow Commissioners, and then subsequently affirmed in his position as a Commissioner by an election of the people of the District. Since becoming a Commissioner, Brian has traveled to Washington, DC to represent the District and assist in the lobbying effort to acquire Federal Funding for the District's breakwater, which suffered earthquake damage in 2003. In 2008, Brian became President of the San Luis Obispo County Historical Society, and currently serves in that capacity, as well as a Commissioner for the Port San Luis Harbor District, Professor of Political Science at Cuesta College and managing member of the Shell Beach Law Group.



## **Marshall Ochylski**

**President, Los Osos Community Services District**

**President, California Special Districts Association  
San Luis Obispo County Chapter**

**Managing Attorney, The Ochylski Law Group**

I am running for the Special District Alternate to LAFCO because I believe that I have the experience and ability to represent the residents of our Special Districts and their unique needs.

I have worked hard since being elected in 2008 as a Director of the Los Osos Community Services District to move my District forward by listening, learning, and leading on a variety of issues - skills that I will bring to LAFCO.

I have also worked diligently to serve all of our Special Districts as the elected President of the San Luis Obispo County Chapter of the California Special Districts Association. Our bi-monthly meetings are an opportunity for elected officials as well as staff members of our Special Districts to get together and discuss issues of common concern, hear from various governmental officials on matters that affect our Districts, as well as give valuable input into the governmental decision-making process.

I believe that I have the necessary background and experience to best represent our Special Districts in addressing the issues and their complexities that arise as a result of the split in jurisdiction over land use decisions and the provision of public services in the areas within and adjacent to our Special Districts. I will make decisions that promote the efficient use of our limited natural resources and infrastructure capacity, while providing for the interests and concerns of all of our Special Districts.

I sincerely appreciate the support that I have received from our various Special Districts and ask for your District's vote in this election.

### **Selected Career Highlights:**

President of San Luis Obispo County Special Districts Association, 2010 - Present.

President of the Los Osos Community Services District, 2010 - Present.

Chair of the Los Osos Community Services District Financial Advisory Committee, 2010 - Present.

Member of the Executive Committee of the Morro Bay National Estuary Program, 2010 - Present.

Member of the Environmental Working Group, Technical Advisory Committee, Los Osos Waste Water Project, San Luis Obispo County, 2007 – 2008.

Chair of the San Luis Obispo Downtown Association Beautification Awards Committee, 1986 – Present.

Member of the South Bay (Los Osos) Advisory Council, 1983-1986.

**Biography for Greg O'Sullivan**  
**Candidate for Special District's representative for LAFCO**

My wife and I Rose moved to Templeton in 1998 to raise our two daughters in a better environment. I worked 26 years in the Fire Service in the Los Angeles area before taking the position of the Templeton Fire Chief, retiring from the fire service after 38 years of public service in 2010.

After moving to Templeton both of us immediately became involved in the community; Rose volunteering in the classroom and in PTA and I began coaching in Templeton's recreational leagues in Basketball, Soccer and Softball (over 34 teams over a 10 year period) serving on each of the three sports' Boards. Rose and I were recognized by the Templeton Education Foundation in 2001 by being presented the organization's *Community Service Award*.

I was elected to the Templeton School Board in 2006, however had to resign when it was determined I could not serve both as Templeton's Fire Chief and on the School Board. However, I have continued my involvement in the School District, including attending all School Board meetings.

I serve as the Treasurer for the Templeton Eagles Athletic Boosters; Chair the 2011 THS Graduation Committee; and a member of the Historical Society's Board of Directors.

I hold a BA in Management from Azusa Pacific University and an Associates degree in Fire Science. I am past president of San Luis Obispo Fire Chiefs Association. I was a 14-year volunteer for the American Red Cross and was Vice Chairman of the Board for the Pasadena Chapter, receiving San Gabriel Valley Volunteer of the Year and the Reeve Award.

To the best of my abilities I will ensure the ideals identified in LAFCO's Mission and Purpose statements, first reflect the wishes of those we serve and then work toward their implementation in a professional and methodical manner, while ensuring budget expenditures are appropriate and within appropriations.

I would ask for your vote, but more importantly, for your District's involvement in those issues for which LAFCO is responsible by maintaining a communication link between your District and the appropriate LAFCO representative.

**South San Luis Obispo County Sanitation District**  
**P.O. Box 339**  
**Oceano, CA 93475**  
Phone (805) 489-6666  
Fax (805) 489-2765

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**REQUEST FOR PROPOSAL  
AUDITING SERVICES**

**July 6, 2011**

The South San Luis Obispo County Sanitation District (SSLOCSD) is seeking proposals from qualified accounting firms for auditing services for three consecutive fiscal years ending June 30, 2011, June 30, 2012 and June 30, 2013.

If your firm is interested in being considered for such services, please submit your proposal to the District, Attn: John Wallace, District Administrator, P. O. Box 339, Oceano, CA 93475-9735 no later than 4:00pm on Friday, July 28, 2011. Faxed proposals will be accepted. (All proposals submitted shall become part of the District's official files without commitment from the District.) Included with your proposal please present your firm's qualifications with special emphasis on previous audit work for Special Districts, a copy of your most recent Peer Review/Quality Review (including letter of comments and noting any exceptions taken) and the qualifications and training of all personnel proposed to perform the audit.

**Audit Standards**

The audit shall be performed in accordance with generally accepted auditing standards set forth by the AICPA. The audit examination shall be made in accordance with generally accepted governmental auditing procedures as prescribed in the AICPA Industry Audit Guide and in the GAAFR, and in accordance with the Office of the California State Controller of requirements for California special districts. The CPA in charge of the audit shall meet with District representatives prior to the commencement of the audit to review the audit program, and at the audit's conclusion, a presentation shall be given at a District Board meeting on the audit report and the management letter.

**Audit Report**

Upon completion of the audit, the auditing firm will present a draft copy of the annual report and management letter to the District Administrator for review no later than December 31 of each year. The District Administrator will prepare the Management Discussion and Analysis based on the draft audit for inclusion in the final audit. Ten (10) copies of the completed reports shall be submitted to the District no later than January 31 of each year. The Auditor will be required to advise and formulate any journal entries. The Auditor will also need to prepare and submit the required reports to the State and County, including the State Controller's Report.

**Compensation and Terms of Payment**

The audit proposal shall include time estimates for conducting the audit and the annual cost for each year of the audit contract. Hourly rates should be noted in the proposal, including travel rates, if any. The total annual audit amount is not to be exceeded unless by written agreement of both parties. Unless otherwise specified and agreed to, the annual payment shall be made within thirty (30) days following delivery of all copies of the final audit report, presentation of the audit at a District Board meeting, and invoicing of the District.

**District Information**

The SSLOCSD is comprised of the Cities of Arroyo Grande and Grover Beach and the Oceano Community Services District serving a population of approximately 38,000. The District was formed on September 3, 1963 by the San Luis Obispo County Board of Supervisors.

The District is organized under California Health and Safety Code, Section 4700, and is empowered by its authority, and by its authorizing statutes to perform, among other things, wastewater collection, treatment and disposal within its boundaries.

The District is funded by service charges and connection fees.

The District Board of Directors establishes policies, sets goals and objectives, establishes the annual budget, approves expenditures, and performs other related functions. The District has eight employees at this time and contracts with others for management, engineering and legal services.

The District's accounting records are computerized using QuickBooks as well as maintained via the San Luis Obispo County's Auditor Controller's office.

The District follows the modified accrual method of accounting. Copies of current years' financial statements, Board meeting minutes, etc. will be made available.

District staff will assist in preparing all schedules requested and will be available to assist in providing additional information and explanations.

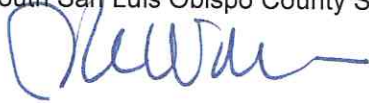
### **Submittals**

Proposals received by the deadline will be presented to the District Board of Directors in August 2011 at which time award of the contract will most likely occur. The SSLOCSD reserves the right to reject any and all proposals submitted and to award the contract to the firm which, in the District's opinion, is best qualified.

If you have any questions, please contact John Wallace, District Administrator at (805) 544-4011. Thank you for your anticipated interest in this request.

Sincerely,

South San Luis Obispo County Sanitation District

A handwritten signature in blue ink, appearing to read "J. Wallace", with a long horizontal flourish extending to the right.

John L. Wallace  
District Administrator

## Firms for RFP Year End Report

Cindrich & Company, Kristjan Cindrich, CPA

1368 Marsh Street

San Luis Obispo, CA 93401

(805) 543-5800

Glenn, Burdett, Phillips & Bryson, Kathi Niffenegger, CPA

1150 Palm Street

San Luis Obispo, CA 93401

(805) 544-1441

Carrie Troup, CPA

2706 Marlberry Street

Santa Maria, CA 93455

(805) 937-0511

Andres, Galloway & Associates, Michael Galloway, CPA

2236 S. Broadway, Suite M

Santa Maria, CA 93454

Moss, Levy & Hartzheim, Ron Levy

802 East Main Street

Santa Maria, CA 93454

**County of San Luis Obispo**  
**Office of the Auditor-Controller**  
1055 Monterey Street Room D220  
San Luis Obispo, California 93408  
(805) 781-5040 FAX (805) 781-1220



**GERE W. SIBBACH, CPA**

**JAMES P. ERB, CPA, Assistant**  
**LYDIA CORR, CPA, Deputy**  
**JAMES HAMILTON, CPA, Deputy**  
Email: auditor@co.slo.ca.us

June 22, 2011

Presiding Judge Charles S. Crandall  
Superior Court of California  
1050 Monterey Street  
San Luis Obispo, CA 93408

Copy: San Luis Obispo County Grand Jury  
PO Box 4910  
San Luis Obispo, CA 93402

Honorable Judge Crandall:

I have reviewed the report provided by the 2010-2011 SLO County Grand Jury dated May 31, 2011 titled "The South San Luis Obispo County Sanitation District". This is the formal response by the San Luis Obispo County Auditor-Controller as required under Penal Code Section 933.

**Finding 14:**

*The County of San Luis Obispo's Audit Division has the right to audit the accounts and records of the District.*

**Response:**

We agree substantially with this finding. However, there is a small issue that we believe can be dealt with under the circumstances.

Government Code Section 26909 (a) (1) contains the following language:

The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided.

We have a report of audit on file for the District's 2009-2010 fiscal year by a certified public accountant. So there is a question whether the county auditor can make his own annual audit for that fiscal year. However, as of this response date there is no audit on file for the District's 2010-2011 fiscal year. Therefore it appears that the county auditor could perform audit procedures as suggested by the Grand Jury for 2010-2011 or a future year.

**Recommendation 6:**

*The County of San Luis Obispo's Audit Division should consider conducting an audit of the District that would include an independent professional assessment of whether the District has the controls in place to mitigate the financial risks inherent in a conflict of interest. (Addresses Findings 5, 9, and 14)*

**Response:**

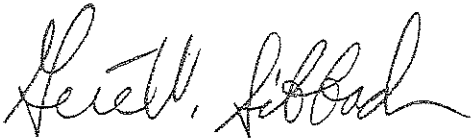
The District has engaged an independent certified public accountant each year to make an audit of its accounts and records. I am also told that the District plans to rotate its principal auditor in accordance with the Grand Jury's recommendation (recommendation #7) for rotation every five years. Therefore, it does not appear cost effective or necessary for the county auditor to also perform a full audit. I would propose an alternative that in my view would better address the Grand Jury's expressed concerns.

I will assign staff from our Audit Division to perform a limited review of internal financial controls at the District, with a specific emphasis on possible conflicts of interest between the District Administrator and District Engineer. I also understand that the District is adopting new contracts for District Administrator and District Engineer. I will ask Audit Division staff to review the new contracts as well and evaluate the controls under the new agreements.

The Auditor-Controller has a very small Audit Division with many critical responsibilities to perform. However, in light of the Grand Jury's interest and the evolving nature of District management, we will attempt to schedule this work within the next 6 months. Our report will be addressed to the District Board of Directors, with copies provided to the Grand Jury and the Board of Supervisors for their information.

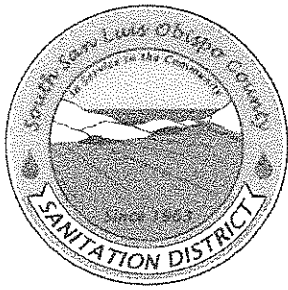
**Conclusion:**

I believe this response and our planned action meets the requirements of law and the spirit of the Grand Jury's report.



Gere W. Sibbach, CPA  
SLO County Auditor-Controller

Cc: SLO County Board of Supervisors  
James Grant, County Administrative Officer  
Board of Directors, South SLO County Sanitation District



## **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/>

### **Staff Report**

**To:** Board of Directors  
**From:** Michael Seitz, District Counsel  
**Date:** July 6, 2011  
**Subject:** Agreements for District Administrator and District Engineer

**Recommendation:**  
The Board review and act on the attached agreements



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DISTRICT ADMINISTRATOR  
PROFESSIONAL SERVICES CONTRACT**

**THIS CONTRACT** amends and replaces in total the original Agreement (dated March 19, 1986, between the South San Luis Obispo Sanitation District and John L. Wallace, Engineer).

**THIS CONTRACT** is between the South San Luis Obispo County Sanitation District, a political subdivision of the State of California (herein referred to as "District"), and John L. Wallace (herein referred to as "District Administrator"), with reference to the following recitals:

**RECITALS**

- A. District is a County Sanitation District organized and operating pursuant to Health & Safety Code § 4700 et seq., of the California Health & Safety Code.
- B. John Wallace is presently under contract by the District pursuant to an Agreement dated March 19, 1986, to provide services as both the District Administrator and District Engineer.
- C. The scope of work and position description are set forth in the Agreement dated March 19, 1986. This Contract constitutes an amendment to the original Agreement and constitutes a complete restatement of same.

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

**SECTION 1. DUTIES**

- A. District hereby agrees to contract with John Wallace as District Administrator.
  - 1. The duties of the District Administrator are at the direction and request of the District Board of Directors and are generally described in Health & Safety Code § 4700 as follows:
    - (a) The implementation of the policies established by the Board of Directors for the operation and administration of the District.

- (b) The appointment, supervision, discipline and dismissal of the District's employees, consistent with the District Personnel Policy established by the Board of Directors.
  - (c) The overall supervision of the District's facilities and services.
  - (d) The administration of the District's finances.
  - (e) Liaison with member agencies and all regulatory agencies.
  - (f) Regularly update regulatory documents necessary to endeavor to keep the District in compliance with requirements of applicable State or Federal agencies.
- B. Both parties acknowledge that specific duties of the position may vary from time to time.
- C. It shall be the responsibility of the District Administrator to communicate with the Board of Directors and/or District Counsel whenever there are questions or clarifications relative to the scope of work as defined in this contract.
- D. To the extent reasonably necessary to enable the District Administrator to perform his duties hereunder, the Administrator shall be authorized to engage the services of his assistants and the District Engineer which he may deem necessary and proper to accomplish all of the above described duties.

## **SECTION 2. TERM**

This Contract shall take effect on July 1, 2011, ("Effective Date") and shall remain in effect until terminated as provided in the following provisions:

- A. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of the District to terminate the services of the District Administrator at any time, subject only to the provisions set forth in Section 2C of this Contract.
  - 1. District Administrator understands and expressly agrees that he has no constitutionally protected property right or interest in his Contract as District Administrator.

- B. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of the District Administrator to resign at any time from his/her position with the District, subject only to the provisions set forth in Section 2C of this Contract.
- C. The District Administrator shall serve at the will and pleasure of the District Board of Directors and may be terminated with or without cause. In the event the District Administrator voluntarily resigns his position with the District, the District Administrator shall give the District thirty (30) days written notice in advance, unless the parties otherwise agree.

### **SECTION 3. SALARY**

- 1. District agrees to pay the District Administrator for services rendered pursuant hereto on a time and material basis. These services, including those required of assistants and of the District Engineer, shall be invoiced monthly on an accrued basis. All costs associated with administration, including the use of the District Engineer's time to perform the duties under this contract, shall be invoiced under the District Administration policy.
- 2. Reimbursables will be invoiced as an additional cost.
- 3. The District Administrator shall on an annual basis at the time that the District adopts its annual budget, provide a budgetary amount that will be approved by the Board of Directors for the provision of these services. The District Administrator is required to strictly comply with the budget approved by the District Board of Directors.
- 4. The District Administrator shall incur no costs or reimbursables that are in excess of the budgetary amount without prior approval of the Board unless it is in an emergency situation, in which case any additional budgetary amount shall be presented to the Board at the earliest opportunity.

### **SECTION 4. PERFORMANCE REVIEW**

- A. During the term of this Contract, there shall be a performance review of the District Administrator annually during the month of November.
- B. The Board of Directors reserve the right, in its discretion, to review District Administrator's performance at any time.

## **SECTION 5. OTHER TERMS, CONDITIONS AND RESPONSIBILITIES**

The District may set other terms, conditions and responsibilities of the Contract as it may determine from time to time, relating to performance of the District Administrator, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Contract, or any Federal, State or local law.

## **SECTION 6. NOTICES**

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

1. South San Luis Obispo County Sanitation District  
P.O. Box 339  
Oceano, CA 93445
2. John Wallace  
WALLACE GROUP  
612 Clarion Court  
San Luis Obispo, CA 93401

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to the civil judicial process. Notice shall be deemed given as of the date of personal service or as of the third day following the date of deposit of such written notice in the course of transmission in the United States Postal Service, with postage prepaid.

## **SECTION 7. GENERAL PROVISIONS**

- A. District Administrator shall comply with applicable local and State requirements regarding conflicts of interest and shall avoid involvement in situations or demonstrate behavior which is inconsistent or incompatible with a position of District Administrator.
- B. District shall provide the defense of District Administrator and any support staff used in the administrative function, including the District Engineer, in any action or proceeding alleging an act or omission within the scope of the contract of the District Administrator in conformance with State law (Government Code Section 995 et seq.). District is not required to indemnify District Administrator for any illegal acts committed by District Administrator.
- C. The terms of this Contract are intended by the parties as a final expression of their Contract and may not be contradicted by evidence of any prior Contract or contemporaneous oral Contract. The parties further

intend that this Contract constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Contract. Any amendments to this Contract must be in writing and executed by both parties.

- D. In the event of District Administrator's death, District Administrator's heirs, legatees, devisees, executors or legal representatives shall be entitled to all fees earned, but not paid. District Administrator and his heirs, legatees, devisees, executors or legal representatives shall not be entitled to any other compensation, including, without limitation, any severance compensation.
- E. If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be effected, impaired or invalidated thereby.
- F. This Contract shall be governed by the laws of the State of California. The parties agree that in the event any legal action is taken to enforce/interpret any provisions of this Contract, said action shall be filed in the court of proper jurisdiction within the County of San Luis Obispo.
- G. The parties acknowledge that they understand the significance and consequences of this Contract. The parties also acknowledge that they have been given full opportunity to review and negotiate this Contract and execute it only after full reflection and analysis, and that they have had an opportunity to review this document and its application and meaning with their respective attorneys and advisors. This Contract shall not be interpreted against the party who prepared the initial draft, because all parties participated in the drafting of this Contract by having ample opportunity to review and submit suggested changes or corrections for incorporation into the final version of this Contract.
- H. This Contract shall be binding upon and shall inure to the benefit of the prospective heirs, executors, administrators, successors and assigns of the parties, provided however, that the District Administrator may not assign obligations hereunder.
- I. District Administrator shall not assign this Contract in whole or in part.

## **SECTION 8. Conclusion**

- 1. The above Recitals are true and correct and incorporated herein by reference.

2. This Contract may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and shall be governed by the laws of the State of California.

**IN WITNESS WHEREOF**, the parties hereto have executed this Contract on the below identified dates.

DISTRICT ADMINISTRATOR:

DISTRICT:

\_\_\_\_\_  
JOHN WALLACE

\_\_\_\_\_  
BILL NICOLLS, Chairman

DATE: \_\_\_\_\_, 2011

DATE: \_\_\_\_\_, 2011

Witness:

Approved as to form:

\_\_\_\_\_  
Secretary to the Board

\_\_\_\_\_  
MICHAEL W. SEITZ,  
District Legal Counsel

DATE: \_\_\_\_\_, 2011

DATE: \_\_\_\_\_, 2011

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
PROFESSIONAL SERVICES CONTRACT FOR  
DISTRICT ENGINEER**

**THIS CONTRACT** amends and replaces in total the original Agreement (dated March 19, 1986, between the South San Luis Obispo Sanitation District and John L. Wallace, Engineer).

**THIS CONTRACT** is between the South San Luis Obispo County Sanitation District, a political subdivision of the State of California (herein referred to as "District"), and Wallace Group (herein referred to as "Engineers"), with reference to the following recitals:

**RECITALS**

- A. District is a County Sanitation District organized and operating pursuant to 4700 et seq. of the California Health & Safety Code.
- B. Wallace Group is presently contracted to the District pursuant to a Contract dated March 19, 1986 for their services as District Engineers.
- C. The professional services are set forth in the Contract dated March 19, 1986. This Contract constitutes an amendment to the original Contract and constitutes a complete restatement of same.

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

**SECTION 1. DUTIES**

- A. District hereby agrees to contract with Wallace Group as District Engineers to perform the following duties:
  - (1) The drafting of all Contract documents, including specifications for construction, reconstruction, maintenance or for the repair of District facilities.
  - (2) Contract Administration and inspection of all construction activities at the District including construction, reconstruction, maintenance and repair.
  - (3) Provide immediate engineering assistance when responding to District emergencies as declared by the District Administrator or Chair of the Board of Directors.
  - (4) To perform all functions required by Sanitation Engineers as defined in Health & Safety Code §§ 4739, 4748 and 4754.

- (5) To work with the District Administrator to regularly update regulatory compliance documents as required by any Federal or State Code or regulation.
- B. Both parties acknowledge that specific duties of the position may vary from time to time.
- C. It shall be the responsibility of the District Engineer to communicate with the Board of Directors and/or District Counsel whenever there are questions or clarifications relative to the scope of work as defined in this contract.

## **SECTION 2. TERM**

This Contract shall take effect on April 1, 2011, ("Effective Date") and shall remain in effect until terminated as provided in the following provisions:

- A. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of the District to terminate the services of the District Engineer at any time, subject only to the provisions set forth in Section 2C of this Contract.
  - 1. District Engineer understands and expressly agrees there is no right of property interest defined or implied in this Contract.
- B. The District Engineer shall serve at the will and pleasure of the District Board of Directors and may be terminated with or without cause. In the event the District Engineer voluntarily resigns his position with the District, the District Engineer shall give the District thirty (30) days written notice in advance, unless the parties otherwise agree.

## **SECTION 3. SALARY**

- 1. District agrees to pay the District Engineer for their services rendered pursuant hereto on a time and material basis. These services shall be invoiced monthly on an accrual basis in accordance with the attached Schedule of Fees (Exhibit "A").
- 2. Reimbursables shall be invoiced as an additional cost.
- 3. As a part of this Contract, the District Engineer shall on an annual basis at the time that the District adopts its annual budget, provide a budgetary amount that will be approved by the Board of Directors for the provision of these services. The District Engineer is required to strictly comply with the budget approved by the District Board of Directors.
- 4. District Engineer shall incur no costs or reimbursables that are in excess of the budgetary amount without prior approval of the Board unless it is in an emergency situation, in which case any



additional budgetary amount shall be presented to the Board at the earliest opportunity.

#### **SECTION 4. PERFORMANCE REVIEW**

- A. During the term of this Contract, there shall be a performance review of the District Engineer annually during the month of November.
- B. The Board of Directors reserve the right, in its discretion, to review District Engineer's performance at any time.

#### **SECTION 5. OTHER TERMS, CONDITIONS AND RESPONSIBILITIES**

The District may set other terms, conditions and responsibilities of the contract as it may determine from time to time, relating to performance of District Engineer, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Contract, or any Federal, State or local law.

#### **SECTION 6. GENERAL INDEMNITY, HOLD HARMLESS AND INSURANCE PROVISIONS**

##### **1. General Indemnity and Hold Harmless**

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

To the fullest extent permitted by law (including, without limitation, California Civil Code Sections 2782.8). Engineer shall defend (with legal counsel reasonably acceptable to the District), indemnify and hold harmless District and its officers, agents, departments, officials, representatives and employees (collectively "Indemnitees") from and against any and all claims, loss, cost, damage, injury (including, without limitation, injury to or death of an employee of Engineer or its subconsultants), expense and liability of every kind, nature and description (including, without limitation, fines, penalties, incidental and consequential damages, court costs, reasonable attorneys fees, litigation expenses and fees of expert consultants or expert witnesses incurred in connection therewith, and costs of investigation), that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Engineer, any subconsultant, anyone directly or indirectly employed by them, or anyone that they control (collectively "Liabilities"). Such obligations to defend, hold harmless and indemnify any Indemnitee shall not apply to the extent that such Liabilities are caused by the negligence or willful misconduct of such Indemnitee. In the event of any dispute between Engineer and Indemnitees, as to whether liability arises from the negligence of the Indemnitees, Engineer will be obligated to pay for the Indemnitees' defense until such time as a final judgment has been entered adjudicating the Indemnitees as negligent.

## **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:

- A. Engineer shall indemnify 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 Engineer, its officers, employees, agents, subcontractors, or vendors in performing professional Services pursuant to this Agreement. Engineer has no obligation to pay for any of the indemnitees defense related costs prior to a final determination of liability or to pay any amount that exceeds Engineer's final determined percentage of liability based upon the comparative fault of Engineer.
- B. Nothing contained in the foregoing indemnity provisions shall be construed to require Engineer 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 Engineer 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 Engineer, its employees, agents or Engineers, or the employee, agent or Engineer 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 Engineer 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.

## **3. Insurance.**

Engineer shall procure and maintain with 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:

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

## **SECTION 7. GENERAL PROVISIONS**

- A. District Engineer shall comply with applicable local and state requirements regarding conflicts of interest and shall avoid involvement in situations or demonstrate behavior which is inconsistent or incompatible with the position of District Engineer.
- B. The terms of this Contract are intended by the parties as a final expression of their Contract and may not be contradicted by evidence of any prior Contract or contemporaneous oral Contract. The parties further intend that this Contract constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial or arbitration proceeding, if any, involving this Contract. Any amendments to this Contract must be in writing and executed by both parties.
- C. If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be effected, impaired or invalidated thereby.
- D.. This Contract shall be governed by the laws of the State of California. The parties agree that in the event any legal action is taken to enforce/interpret any provisions of this Contract, said action shall be filed in the court of proper jurisdiction within the County of San Luis Obispo.
- E. The parties acknowledge that they understand the significance and consequences of this Contract. The parties also acknowledge that they have been given full opportunity to review and negotiate this Contract and execute it only after full reflection and analysis, and that they have had an opportunity to review this document and its application and meaning with their respective attorneys and advisors. This Contract shall not be interpreted against the party who prepared the initial draft, because all parties participated in the drafting of this Contract by having ample opportunity to review and submit suggested changes or corrections for incorporation into the final version of this Contract.

## SECTION 8. NOTICES

Notices pursuant to this Contract shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

1. South San Luis Obispo County Sanitation District  
P.O. Box 339  
Oceano, CA 93445
2. John Wallace  
WALLACE GROUP  
612 Clarion Court  
San Luis Obispo, CA 93401

Alternatively, notices required pursuant to this Contract may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the third day following the date of deposit of such written notice in the course of transmission in the United States Postal Service, with postage fully prepaid.

## SECTION 9. CONCLUSION

1. The above Recitals are true and correct and incorporated herein by reference.
2. This Contract may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument, and shall be governed by the laws of the State of California.

**IN WITNESS WHEREOF**, the parties hereto have executed this Contract on the below identified dates.

DISTRICT ENGINEER:

DISTRICT:

\_\_\_\_\_  
JOHN WALLACE

\_\_\_\_\_  
BILL NICOLLS, Chairman

DATE: \_\_\_\_\_, 2011

DATE: \_\_\_\_\_, 2011

Witness:

Approved as to form:

\_\_\_\_\_  
Secretary to the Board

\_\_\_\_\_  
MICHAEL W. SEITZ,  
District Legal Counsel

DATE: \_\_\_\_\_, 2011

DATE: \_\_\_\_\_, 2011