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## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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### Agenda

#### Board of Directors Meeting

1655 Front Street

Oceano, California 93445

**Wednesday, March 2, 2011 at 6:00 PM**

#### **Board Members**

Tony Ferrara, Chairman

Jim Hill, Vice Chairman

Bill Nicolls, Director

#### **Alternates**

Jim Guthrie, Director

Carol Henson, Director

Karen Bright, Director

#### **Agencies**

City of Arroyo Grande

Oceano Community Services District

City of Grover Beach

City of Arroyo Grande

Oceano Community Services District

City of Grover Beach

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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 February 16, 2011 Meeting**
- 3b. Review and Approval of Warrants**
- 3c. Plant Superintendent's Report**

**4. BOARD ACTION ON INDIVIDUAL ITEMS:****A. REVIEW AND APPROVAL OF 2011 AMENDMENTS TO BYLAWS OF THE BOARD OF DIRECTORS**

Staff recommends the Board discuss and vote upon changes to the Board Bylaws that are outlined in Option A and Option B, or provide alternative direction to Staff. If the Board reaches a conclusion in regards to which Bylaws to adopt, then the Board should vote on the attached Resolution to adopt those Bylaws going forward.

**B. PRESENTATION OF FINAL 2009/10 FISCAL YEAR AUDIT**

Staff recommends the Board receive a presentation by Bob Crosby of Crosby & Cindrich, the District's independent auditor of the District's financial records for FY 2009/10.

**C. NEW CENTRIFUGE 2A, BROUGH CONSTRUCTION PROGRESS PAYMENT NO. 4 AND PAYMENT TO EARTH SYSTEMS PACIFIC**

Staff recommends the Board approve Progress Payment No. 4 to Brough Construction, Inc. in the amount of **\$36,959.50** and approve Payment to Earth Systems Pacific in the amount of **\$758.25**.

**D. DECEMBER 19, 2010 STORM EVENT UPGRADE 2 (U - 2), ALL INCLUSIVE PLANT BREAKER COORDINATION STUDY/SHORT CIRCUIT ANALYSIS**

Staff recommends the Board Staff recommends awarding a Professional Services contract to Thoma Electric in the amount of \$9,500 for a Plant Breaker Coordination Study and Short Circuit Analysis

**E. FFR CHECK VALVE PURCHASE, 09 MBI 01**

Staff recommends the Board approve the sole-source purchase of a 12" APCO 250 series Cushioned Check Valve (through the Gene Ford Company, Inc.) in the estimated amount of **\$4,156.20**

**F. TEMPORARY EMPLOYMENT CONTRACT WITH ROBERT BARLOGIO, GRADE 4 WWTP OPERATOR AS PLANT SUPERINTENDENT**

Staff recommends the Board approve a temporary employment agreement with Robert Barlogio to act as the District's Plant Superintendent and Chief Plant Operator

**5. PUBLIC COMMENT ON CLOSED SESSION****6. CLOSED SESSION ITEM (GOVERNMENT CODE 54956.9 (A))**

Conference with Legal Counsel – Existing Litigation

Case: Mascolo v SSLOCSD Case # CV100744

Case: Douglas vs SSLOCSD Case # CV110016

Case: Douglas vs SSLOCSD, Appleton, Wallace and Wallace Group

Case #CV Unknown

7. **RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION**
8. **MISCELLANEOUS ITEMS**
  - a. Miscellaneous Oral Communications
  - b. Miscellaneous Written Communications
9. **ADJOURNMENT**

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

Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

Minutes of Wednesday, February 16, 2011  
6:00 P.M.

### **1. ROLL CALL**

Present: Chairman Bill Nicolls, City of Grover Beach;  
Vice Chairman Jim Hill, Oceano Community Services District; Chairman Tony Ferrara, City of Arroyo Grande

Others in Attendance: John Wallace, District Administrator; Tom Zehnder, District Engineer; Mike Seitz, District Counsel; Trinidad Rodriguez, Interim Plant Superintendent.

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

Mr. Karl Simpson of Oceano stated he wanted to comment regarding the current water quality situation. He commented on tsunami risk as well as the need to provide ponding to recharge aquifers. He also stated five million gallons per day should not be discharged to the ocean. Mr. Simpson also alleged that pharmaceuticals in effluent and agricultural toxins from the Arroyo Grande Creek are harming marine life.

Ms. Susan Knott of Santa Margarita stated she previously questioned the amount of recycling money that employees could keep for a barbeque fund, and that a response from Administrator Wallace stated a maximum of \$200 could be kept, that all plant employees were aware of the fund, and that the Shift Supervisor at one time held control of the fund. Ms. Knott continued with several allegations regarding Operator Trinidad Rodriguez; that District Management was blaming Shift Supervisor Mascolo for illegal activity; that the District was in violation of "Whistle Blower" regulations. She further commented on the termination of Shift Supervisor Mascolo.

Council Seitz made a brief comment regarding Ms. Knott's comments. He stated that Mr. Mascolo has made a number of accusations against the District and its staff through his wife, Ms. Knott, as well as the press. The District cannot comment on the contents of Mr. Mascolo's personnel file. Council Seitz invited Mr. Mascolo to waive his privilege of confidentiality regarding his file and then the District could discuss freely, and in public, the many allegations he has brought before the Board through Ms. Knott.

Council Seitz further stated that as the matter currently stands, it is subject to the Personnel Policies of the District and is therefore confidential. If the District were able to discuss the matter it would be with a strong response to each allegation. He added that a full investigation has been conducted by the Sheriff's Department which completely exonerated the employee referred to in Ms. Knott's comments.

Mr. Brad Snook, a volunteer with the Surfrider Foundation stated that because local press noted that the Chief Plant Operator of the District has been alleged to use fraud and deception by State Regulators, his chapter has launched an email campaign to support a broader investigation of the plant. He questioned the leadership of the District. He also asked that the Oceano Community



Services District Board representative bring this matter to the Ocean Community Services District Board.

Mr. Jeff Pinak introduced himself as a resident of Oceano and a Chair on the local Surfrider Foundation. He commented on the Surfrider website a video titled "Cycle of Insanity" regarding water resources. He stated that sewage treatment plants continue to use 1950's technology in their operations. His opinion was the community could not continue to release five million gallons of fresh water per day into the ocean. Mr. Pinak urged the Board to work with neighboring communities in order to do the right thing with our natural resources.

District Administrator Wallace addressed the Surfrider Foundation representatives by stating that the District is an advocate of wastewater recycling, and has performed many studies as to it's feasibility. Recently, District Board Members and local agriculture representatives toured the Salinas Valley in order to witness their current reuse of wastewater and were very impressed with the results. He added the District is exploring all options but stated that the costs associated with recycling are very expensive. He has offered to meet with the Surfrider Foundation in order to discuss the issue directly as well as giving them a tour of the District Plant.

3. CONSENT AGENDA

- A. Review and Approval of Minutes from the Meetings of February 2, 2011.
- B. Review and Approval of Warrants.
- C. Review of Current financial Statements (January 31, 2011)
- D. Plant Superintendent's Report

Chairman Nicolls asked for comment with regard to the consent agenda items.

**It was moved by Vice Chairman Hill, seconded by Chairman Nicolls to approve the minutes of February 2, 2011 as presented with the correction to record "Alternate" Director Jim Guthrie as present and Director Tony Ferrara as absent. Motion Carried with Director Ferrara not voting.**

**It was moved by Director Ferrara, seconded by Vice Chairman Hill to approve Consent Agenda items 3B, 3C, and 3D as presented. Motion carried.**

4. BOARD ACTION ON INDIVIDUAL ITEMS

- A. Request for Reduction or Waiver of Connection Fees for Transitions Mental Health Association.

Administrator Wallace stated that from time to time the District receives requests for a waiver of fees from charitable organizations. He presented a request from Transitions Mental Health Association for consideration along with the portion of the connection fee Ordinance 2003-1 dealing with requests from charitable organizations for fee waivers and the qualifications for relief.

Fees for one new connection have been paid in the amount of \$1,856, It was originally believed that one connection fee should be given credit for the structure that was demolished. However, upon further investigation, it appears that the existing connection served both the existing house and the structure to the rear that was demolished. Therefore, no credit is available, and additional fees required without waiver would be \$7,424 (4 x \$1,856).

Jill Bolster-White of Transitions Mental Health Association briefly recapped their request by stating; 1) TMHA is a charitable non-profit organization and received 401c3 status from the Internal Revenue Service; 2) The organization has a broad District-wide base of support and anticipated participation and fulfills a portion of the City of Arroyo Grande's affordable housing requirement; 3) the organization does not have the present financial resources to pay the sewer connection charge. A list of development fees was received from the City of Arroyo Grande on 10/14/08 did not include these fees and funding was received based on this list but these fees were revised on May 14, 2010.

Ms. Bolster-White stated the waiver would not set a precedent because the impact of the five studios. The District fee is priced for apartment with up to two bedrooms and two baths. Their project consists of small studios with one bath.

Ms. Lou Smith stated that she felt this waiver would not set precedent because of several extenuating circumstances. Transitions Mental Health Association planned and funded the project based rates provided by the City of Arroyo Grande in 2008 and a different rate structure was presented when the project was nearing completion in 2010. The units are substantially smaller than what is allowed for through the District's rate structure.

Vice Chairman Hill questioned whether the District had an equivalent classification for studio units.

Administrator Wallace replied that the category that applies would be the "Apartment" Category (Bachelor, 1 or 2 bedroom)". He added that the District has not increased fees since 2006.

Director Ferrara stated he was very familiar with the work Transitions Mental Health Association does in the community and felt they provided an invaluable service. He would like to see the District continue discussions to achieve a resolution.

Vice Chairman Hill would like staff to investigate the nature of the units to see how they compare to the District's equivalent dwelling unit categories.

Chairman Nicolls stated that he had reviewed the District's connection fee history and found that the District has experienced a drastic reduction of fees received. He added that he sympathized with Transitions Mental Health and would like staff to investigate a resolution which would benefit both their organization and the District.

Counsel Seitz stated that the existing Ordinance was written with the expectation that usage at the Clark Center would be a "wash" since people attending the center would not be adding to District flows because they are local residents. He suggested that if the Board wanted to consider requests such as that of Transitions Mental Health Association, the language of the existing Ordinance could be modified.

The Board concurred that staff would work with both District Council and Transitions Mental Health Association to clarify qualifications and coordinate fees. In the meantime, the District should clear the occupancy with the City of Arroyo Grande pending resolution of the fee waiver request.

#### B. Presentation of the 2009/10 Fiscal Year Audit

This item was continued until the next meeting.

- C. New Centrifuge 2A, Brough Construction Progress Payment No. 3 and Change Orders No. 4 and No. 6 and payment to Earth Systems Pacific

Administrator Wallace presented monthly progress payment No. 3 to Brough Construction in the amount of \$127,324.93 for work performed in January associated with the centrifuge project. He also presented invoices from Earth Systems Pacific in the amount of \$1,476.00 for testing services.

**It was moved by Director Ferrara, seconded by Vice Chairman Hill to approve Progress payment No. 3 to Brough Construction, Inc. in the amount of \$127,324.93 and payment to Earth Systems Pacific in the amount of \$1,476.00. Motion carried.**

- D. Forklift Crane Inspection Service

Administrator Wallace stated the District has several pieces of lifting equipment which were built in-house and need to be "lift-weight" certified. The lifting weight certification is an OSHA requirement for Safety Purposes. The testing company will also test three other pieces of equipment needing certification. Several proposals were received and based on the evaluations of the qualifications of the firms, staff is recommending that Mobile Equipment Company be selected for this service.

**It was moved by Vice Chairman Hill, seconded by Director Ferrara to approve the inspection service as performed by Mobile Equipment Company Inspection Service for their quote of \$1,225.00. Motion carried.**

- E. Splitter Box Final Progress Payment and Change Order #4 to R. Baker.

Administrator Wallace presented the Final Progress Payment for work associated with 06 MBI 13 Influent Gate and Check Valves.

**It was moved by Director Ferrara, seconded by Vice Chairman Hill to authorize the final progress payment (without retention) to R. Baker Inc., which includes Change Order No. 4 in the amount of \$11,313.08. Motion carried**

- F. December 2010 Statewide Storms – FEMA – 1952 – DR

Administrator Wallace stated that on December 21, 2010, Governor Arnold Schwarzenegger proclaimed a state of Emergency in six counties due to weather. Following the storms and additional assessments, the Federal Government declared that major disaster existed in 10 California counties including San Luis Obispo, due to the December 2010 winter storms.

Staff recommends the Board adopt Resolution No. 2011-284 authorizing the District representatives to file reimbursement claims. Initial funds spent for storm damages may be partially recouped through Cal EMA and FEMA. If projects are determined eligible for reimbursement FEMA will reimburse 75% of the eligible costs and Cal EMA will reimburse 75% of the remaining 25% of the costs. The District is estimating a total cost of \$75,000 for the disaster event.

**It was moved by Vice Chairman Hill, seconded by Director Hill to adopt Resolution 2011-284 authorizing the District representatives to file reimbursement claims for the December 2010 storms. And on the following roll call vote to wit:**

**AYES: Chairman Nicolls, Vice Chairman Hill, Director Ferrara**

**NOES: None**

**The foregoing resolution was hereby adopted and passed the 16<sup>th</sup> day of February 2011.**

G. Trunkline Inflow and Infiltration Study – RWQCB Response, Correction Action CA-2.

Administrator Wallace stated that because of the spill during the recent rain event, the District filed a complete report with RWQCB. This rain event caused storm water runoff to raise the Oceano lagoon to a level that inundated the streets and homes in the residential neighborhood to the immediate west of the Plant and contributed to significant ponding at the Plant, eventually leading to the plant influent pump failure reported Sunday, December 19<sup>th</sup>. Based on influent flow rates during the rain event, the Plant took on a significant amount of Inflow and/or Infiltration from the trunk system of the District and collection systems of the member Agencies. When compared to influent flow records for the Sunday prior to the storm event the December 19<sup>th</sup> storm event increased peak flow to the plant by an additional 3.6 MGD. The source of the storm water entering the collection has yet to be identified.

Due to the magnitude of the elevated wastewater flows observed during the storm, it is recommended that the District initiate an Inflow and Infiltration Study to assess the source of the additional water. Wastewater flow monitoring would be performed by outside contractors. Increased wet weather flow at various locations will indicate the primary location of the contributing flows and allow District Staff to further assess those portions of the District's Trunk Line, and where necessary, begin working with the respective Member Agency to assess potential inflow. The City of San Luis Obispo is currently performing a similar flow monitoring study. If approved by the Board, Engineering Staff will solicit formal requests for quotations from several of the responsive bidders from the SLO project.

Director Ferrara expressed his opinion that this project should not be delayed.

Vice Chairman Hill asked who would be performing the study after the data is collected.

Administrator Wallace replied engineering staff would perform the study.

Director Ferrara asked Administrator Wallace to elaborate on the plan to meet with Member Agencies, as needed, based upon the findings to discuss additional next steps within the collection systems (Task Five of staff report).

Administrator Wallace replied that each of the member agencies trunk sewers would be studied separately. If one agencies trunk sewer showed significant increases then discussions would be held with that agency's public works department in order to perform additional tests and to better identify areas subject to inflow..

**It was moved by Director Ferrara, seconded by Vice Chairman Hill to authorize the addition of a new Major Budget Item, 10 MBI 17 District Trunk Line Inflow and Infiltration Study, in the amount of \$30,500 for the FY 2010-11 budget and transfer these funds from reserves; authorize Staff to solicit formal quotations for wastewater flow monitoring services from area contractors and retain the services of**

**the winning bidder in the not to exceed amount of \$20,500 (included within the \$30,500 MBI total budget); authorize Staff to initiate a task-specific District based Inflow and Infiltration Study as defined within the discussion section of the report. Motion carried.**

H. Sewer System Management Plant Revisions and Bi-Annual Audit.

Administrator Wallace stated that State Water Resources Control Board Order No. 2006-0003-DWQ requires owners of publicly operated sanitary sewer systems greater than one mile in length to develop and implement a system-specific Sewer System Management Plan (SSMP). The District effectively met this requirement through Board action taken at the July 15, 2009 Board meeting in which the District's SSMP was formally adopted and implemented. An additional requirement of the order is to update program elements, based on monitoring and performance evaluations. The estimated cost of the revision and audit is \$16,400.00.

Vice Chairman Hill stated that due to the cost estimate of the project, the option of putting it out to bid should be considered.

Administrator Wallace stated that a Request for Proposals for an outside contract could be prepared if the Board wishes.

Director Ferrara stated his opinion that the cost estimate is not high enough to warrant the time and expense involved with the process of putting the project to bid.

Chairman Nicolls concurred with Director Ferrara.

**It was moved by Director Ferrara, seconded by Chairman Nicolls to authorize the addition of a new Major Budget Item, 10 MBI 15 Sewer System Management Plan Update and Bi-Annual Audit, in the amount of \$16,400 for the FY 2010-11 budget and transfer these funds from reserves; authorize Staff to immediately update the District's Sewer System Management Plan to reflect necessary changes based on observations from the events that transpired during the December 19, 2010 storm event and associated pumping plant failure; authorize Staff to perform a bi-annual audit on the District's Sewer System Management Plan, as required by State Water Resources Control Board Order No. 2006-0003-DWQ. Motion carried by roll call vote with Vice Chairman Hill dissenting.**

I. Reclaimed Water Filtration 09 MBI 06

Administrator Wallace stated that the District currently uses treated effluent as recycled water for a variety of purposes throughout the plant, including a water supply to a large number of mechanical seals that are protecting expensive pieces of equipment. The process water is currently filtered but allows sediment and large particles to pass through which can damage downstream equipment

Operations staff has researched the various filtration systems available that would treat the water to the desired level and has investigated four manufacturer's products of this type of equipment. After this research, the operations staff is recommending that the District purchase the Amiad In-line Filter System. Staff will install and plumb the new filter into the reclaimed water system. Staff has received three quotes for this item, with Amiad Filtration Systems providing the low bid at \$19,873.87 including tax and freight.

**It was moved by Vice Chairman Hill seconded by Director Ferrara to approve the purchase of an in-line reclaimed water filter from Amiad Filtration Systems for their quote of \$19,873.87. Motion carried.**

J. LAFCO Special District Representative Nominations.

Administrator Wallace asked for nominations for the Special District's LAFCO Commissioner.

**It was moved by Vice Chairman Hill, seconded by Director Ferrara to nominate Mr. Ed Eby as the LAFCO Special District Member. Motion carried.**

5. PUBLIC COMMENT ON CLOSED SESSION

There were no comments at this time.

6. CLOSED SESSION ITEM (GOVERNMENT CODE SECTION 54957)

The Board convened into closed session in regards to three matters:

Employee Discipline/Dismissal/Release;

Conference with Legal Counsel – Existing Litigation. Case: Mascolo v SSLOCSD Case #CV 100744

Conference with Legal Counsel – Existing Litigation, Case: Douglas v SSLOCSD Case #CV 10016

7. RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION

The Board returned to open session and stated that no reportable action had been taken.

8. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

Administrator Wallace informed the Board that the CSDA is holding a New Director workshop in Templeton on February 26.

Director Ferrara stated that earlier in the meeting members of the Surfrider Foundation alluded to actions taken by the City of Arroyo Grande. He stated that the City had not taken any action; they only heard public comment from members of the Surfrider Foundation similar to what was said by them tonight.

Director Ferrara also stated his opinion that the District should look at alternating auditors, or receiving a peer review. He added that this opinion does not reflect on Crosby Co, the District's current auditor, but is in light of repercussions from the City of Bell issues.

Director Ferrara stated he noted the new agenda format and wanted to assure the Board that this was a policy that he backed. He stated that he would provide further information from the Institute of Professional Development regarding open meeting laws.

Vice Chairman Hill asked for an agenda item at the next meeting to consider the separation of the engineering and administration contracts.

Director Ferrara stated that this study is something that is currently being performed by District Counsel and himself.

Vice Chairman Hill asked that this study be brought back within a month's time.

9. ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at approximately 8:30 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  
3/2/2011

| ISSUED TO                   | PURCHASE/SERVICE     | INV. # / SERVICE PERIOD | WARRANT NO. | ACCT    | ACCT BRKDN | TOTAL      |
|-----------------------------|----------------------|-------------------------|-------------|---------|------------|------------|
| AARON S. ALLEN              | SDRMA SEMINAR        | PER DIEM                | 030211-5395 | 7050    | 80.00      | 80.00      |
| ARAMARK UNIFORMS            | EMPLOYEE UNIFORMS    | 502 5689278             | 96          | 7025    | 186.86     | 186.86     |
| AT&T                        | TELEPHONE SERVICE    | FEB                     | 97          | 7011    | 418.49     | 418.49     |
| BARNETT COX & ASSOC         | PRESS RELEASE        | 15867 1050 16162        | 98          | 7079    | 2,621.00   | 2,621.00   |
| B&B SURPLUS                 | MISC STEEL           | 377219 377400           | 99          | 8060    | 202.43     | 202.43     |
| BC PUMP SALES & SERVICE     | WEMCO PUMP           | 25120 25121             | 5400        | 8060    | 3,850.19   | 3,850.19   |
| BILL NICOLLS                | BOARD SERVICE        | FEB                     | 5401        | 7075    | 200.00     | 200.00     |
| BROUGH CONSTRUCTION, INC    | 05 MBI 06 CENTRIFUGE | PROG PAY 3              | 5402        | 20/8065 | 127,324.93 | 127,324.93 |
| BROUGH CONSTRUCTION, INC    | 05 MBI 06 CENTRIFUGE | PROG PAY 4              | 5403        | 20/8065 | 36,959.50  | 36,959.50  |
| BRENNTAG PACIFIC, INC       | CHEMICALS            | 126799 071668 071006    | 5404        | 8050    | 13,681.39  | 13,681.39  |
|                             |                      | 073428                  |             |         |            |            |
| CALPERS MEDICAL             | EMPLOYEE MEDICAL     | MARCH                   | 5405        | 6010    | 9,246.32   | 9,246.32   |
| CARQUEST                    | VEHICLE MAINT        | 465369                  | 5406        | 8032    | 11.55      | 11.55      |
| EARTH SYSTEMS PACIFIC       | 05 MBI 06 CENTRIFUGE | 236416                  | 5407        | 20/8065 | 758.25     | 758.25     |
| EMPLOYMENT DEVELOPMENT      | UNEMPLOYMENT REIM    | DOUGLAS                 | 5408        | 6095    | 3,599.97   | 3,599.97   |
| FEDEX                       | SHIPPING             | 7 390 80777 7 329 86084 | 5409        | 8045    | 77.22      | 115.74     |
|                             |                      | 7 383 18033             |             | 8056    | 38.52      |            |
| GRAINGER                    | CLEANING SUPPLIES    | 9464104356              | 5410        | 8035    | 97.97      | 97.97      |
| I.I. SUPPLY                 | MISC SUPPLIES        | 8786                    | 5411        | 8060    | 159.13     | 159.13     |
| INDEPENDENT ELECTRIC        | ELEC SUPPLIES        | S100617456.001          | 5412        | 8060    | 43.12      | 43.12      |
| JB DEWAR                    | VEHICLE FUEL         | 754564                  | 5413        | 8020    | 67.94      | 67.94      |
| JIM GUTHRIE                 | BOARD SERVICE        | FEB                     | 5414        | 7075    | 100.00     | 100.00     |
| JIM HILL                    | BOARD SERVICE        | FEB                     | 5415        | 7075    | 200.00     | 200.00     |
| LIEBERT CASSIDY WHITMORE    | MASCOLO              | 127573                  | 5416        | 7071    | 3,807.00   | 3,807.00   |
| MC MASTER CARR              | MISC SUPPLIES        | 77860224                | 5417        | 8055    | 81.05      | 81.05      |
| NEXTEL                      | CELL PHONE SERVICE   | 205201234-067           | 5418        | 7013    | 74.12      | 74.12      |
| OCSD                        | WATER SERVICE        |                         | 5419        | 7094    | 106.02     | 106.02     |
| PG&E                        | ELEC SERVICE         | FEB                     | 5420        | 7091    | 7,472.67   | 7,472.67   |
| RED LI9N HOTEL              | SDRMA SEMINAR        | LODGING ALLEN           | 5421        | 7050    | 190.82     | 190.82     |
| RELIABLE PRINTING SOLUTIONS | INK CARTRIDGES       | 191377                  | 5422        | 7015    | 85.35      | 85.35      |
| SANTA MARIA DIESEL          | MISC SUPPLIES        | 10669 10649 10547       | 5423        | 8032    | 45.54      | 558.52     |
|                             |                      |                         |             | 8055    | 117.89     |            |
|                             |                      |                         |             | 8060    | 395.09     |            |
| SHERWIN WILLIAMS            | PAINT                | 2628-1 5552-5           | 5424        | 8060    | 228.40     | 228.40     |
| SPEED'S OIL TOOL SERVICE    | HAUL WASTE           | STORM RELATED 39876     | 5425        | 8060    | 4,614.00   | 4,614.00   |
| STANLEY CONVERGENT SEC      | SECURITY SERVICE     | 8046790                 | 5426        | 7014    | 62.20      | 62.20      |
| TILDE TRANSLATIONS          | TRANSLATION SERV     | PRESCRIP DISP FLYER     | 5427        | 7087    | 110.00     | 110.00     |
| TITAN INDUSTRIAL & SAFETY   | MISC SUPPLIES        | 1044388 1044449 1044359 | 5428        | 8055    | 34.52      | 1,122.12   |
|                             |                      | 1044387 1044385 1044399 |             | 8056    | 389.23     |            |
|                             |                      |                         |             | 8060    | 698.37     |            |
| TONY FERRARA                | BOARD SERVICE        | FEB                     | 5429        | 7075    | 100.00     | 100.00     |
| UNDERGROUND SERVICE ALERT   | DIG ALERT            | 10110042                | 5430        | 7011    | 121.50     | 121.50     |
| UNITED STAFFING ASSOC       | DAY LABOR            | 047938 048079           | 5431        | 8060    | 1,505.63   | 1,505.63   |
| USA BLUEBOOK                | PUMP                 | 329889                  | 5432        | 8060    | 1,765.22   | 1,765.22   |
| WOESTE ELECTRIC INC         | ELECT REPAIRS        | 5901 5902 5903          | 5433        | 8060    | 2,371.02   | 5,246.02   |
|                             | ELECT REPAIRS        | 5898 STORM RELATED      |             | 8060    | 2,875.00   |            |
| SUB TOTAL                   |                      |                         |             |         | 227,175.42 | 227,175.42 |
| PAYROLL                     | PPE 2/11/11          |                         |             |         | 22,584.25  | 22,584.25  |
| PAYROLL                     | PPE 2/16/11          |                         |             |         | 18,207.70  | 18,207.70  |
| GRAND TOTAL                 |                      |                         |             |         | 267,967.37 | 267,967.37 |

We hereby certify that the demands numbered serially from 030211-5395 to 030211-5433 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.

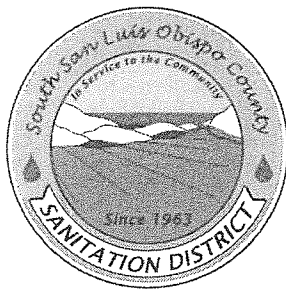
BOARD OF DIRECTORS:

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

\_\_\_\_\_  
Chairman

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





## **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/>

---

Date: 2/24/2011

To: John Wallace, District Administrator 

From: Trinidad Rodriguez, Interim Superintendent

Re: Superintendent's Report

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John,

Attached you will find the Superintendent's Report for the Month of February to date. As the results indicate the plant is running well and all discharge requirements are being met. BOD & TSS results are as follows: Average BOD 23.75 mg/L, Average TSS 21.00.

Staff has been working on the following projects during the month:

- Waste Electric and Staff installed electrical quick disconnects on Influent Grinders & Augers.
- Installed uni-strut and electrical conduit for chlorine probe relocation at CCT.
- Submitted Annual Bio-Solids Report to the EPA.
- Continuing ferric chloride and polymer dose testing in the final clarifier. The injection of chemicals will be done when the plant starts flushing the FFR in early March.
- Staff is continuing floor preparation for painting in final pump room.
- Attended Underground Utility Location & Marking Workshop.

## South San Luis Obispo County Sanitation District

[illegible]

## **STAFF REPORT**

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

**FROM: MICHAEL W. SEITZ, DISTRICT LEGAL COUNSEL**

**DATE: FEBRUARY 24, 2011**

**RE: REVIEW AND APPROVAL OF 2011 AMENDMENTS TO BYLAWS OF  
THE BOARD OF DIRECTORS**

---

### **INTRODUCTION**

Pursuant to District Bylaws, the Board of Directors considers amendments to its Bylaws on an annual basis during the first meeting in February. The Board made no changes in 2010. Consequently, attached to this Staff Report, you will find redlined versions of the 2009 Minutes that contain the proposed changes. Changes to the Minutes include the location of the District meetings which shall reflect that they are generally held at the Oceano Community Services District Office Board Room.

Second, there are additions in regards to meeting protocol beginning at Section 2.5 which will be discussed further below.

Third, there are changes located at Section 4.7 regarding maintaining electronic recordings of the meetings and finally Section 8.8 regarding conflicts of interest.

### **DISCUSSION**

Most of the changes are performing changes that actually reflect the operation of the District Board Meetings. The major change that is being proposed relates to meeting protocol. This change was recommended by Board Member Tony Ferrara who was the previous Board Chairman. Board Member Ferrara will be able to state more clearly his reasoning for this proposed change at the meeting. However, over the past six (6) months, the meetings have become much more contentious. There have been comments and questions coming from the audience as opposed to public speakers speaking during public comment time.

The California Penal Code makes it a crime to disrupt a meeting. The protocol that is outlined is not intended to limit public discussion during the items where the Board takes action. Rather, the protocol is intended to provide fair warning which the Board Chairman believes are disrupting Board Meetings by doing so at a time when public comment is closed.

SSLOCSD Staff Report  
RE: 2011 Board Bylaws Update  
February 24, 2011

The decision whether to include these protocols is a policy decision for this Board to determine.

There are alternative Bylaws, one of which contains protocol language and one of which does not. The Resolution that is attached similarly provides for the two alternatives. If the Board of Directors choose to make changes other than those that are outlined in this Staff Report and the attachment, then the final version will be brought back to the Board at the next meeting.

#### **STAFF RECOMMENDATION**

Staff recommends that after report and public comment, that the Board discuss and vote upon changes to the Board Bylaws that are outlined in Option A and Option B, or provide alternative direction to Staff. If the Board reaches a conclusion in regards to which Bylaws to adopt, then the Board should vote on the attached Resolution to adopt those Bylaws going forward.

END

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
RESOLUTION NO. 2011 - 285**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**RE: Adoption of Board Bylaws**

**WHEREAS**, The Board of Directors has previously adopted Board Bylaws that set forth internal Board policies; and

**WHEREAS**, District legal counsel has reviewed and drafted revisions and additions that modernize the previously adopted policies; and

**WHEREAS**, The Board has reviewed the proposed bylaws;

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Directors of the South San Luis Obispo County Sanitation District as follows:

- (1) That the above recitals are true and correct; and
- (2) The Board adopts the 2011 Board Bylaws.

Upon motion of Board Member \_\_\_\_\_, seconded by Board Member \_\_\_\_\_ on the following roll call vote, to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINING:**

The foregoing resolution is hereby passed and adopted this 2nd day of March, 2011.

ATTEST:  
JOHN WALLACE

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

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

MICHAEL W. SEITZ

\_\_\_\_\_  
District Legal Counsel

APPROVED:

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

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**BOARD OF DIRECTORS BYLAWS**  
**201109 UPDATE**

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**(ATTACHMENT "A" TO RESOLUTION 201109 - Bylaws)**

**1. OFFICERS OF THE BOARD OF DIRECTORS**

- 1.1 The officers of the Board of Directors are the Chairman and Vice Chairman.
- 1.2 The Chairman of the Board of Directors shall serve as chairperson at all Board meetings. He/She shall have the same rights as the other Directors of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the Chairman, the Vice Chairman of the Board of Directors or his/her designee shall serve as chairperson over all meetings of the Board. If the Chairman and Vice Chairman of the Board are both absent, the remaining Directors present shall select one of themselves to act as chairperson of the meeting.
- 1.4 The Chairman and Vice Chairman of the Board shall be elected annually at the last regular meeting of each calendar year.
- 1.5 The term of office for the Chairman and Vice Chairman of the Board shall commence on January 1 of the year immediately following their election.
- 1.6 The Chairman, and in his/her absence the Vice Chairman, are authorized to attend meetings of the San Luis Obispo County Planning Commission and meetings of the San Luis Obispo County Board of Supervisors without compensation except reimbursement for use of his/her private vehicle to attend such meetings pursuant to District Policy 10.01(b).

**2. MEETINGS**

- 2.1 Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 6:00 p.m. on the first and third Wednesday of each calendar month in the Board Room at the Oceano Community Services District Office located at 1655 Front Street~~1600 Aloha Place~~, Oceano, CA or at such other meeting location within the District boundaries designated by the Board Chairman. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director meetings due to scheduling conflicts and holidays.
- 2.2 Special Meetings.  
  
Special meetings may be called by the Chairman or two (2) Directors with a minimum of twenty-four (24) hours public notice. Special meeting agenda shall be prepared and distributed pursuant to the procedures of the Brown Act by the District Administrator in consultation with the Chairman or in his or her absence, the Vice Chairman or those Directors calling the meeting;
- 2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
201109 UPDATE  
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- 2.4 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:
- (a) Directors may briefly respond to statements or questions from the public;
  - (b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
  - (c) A Director individually, or the Board by motion, may take action to direct the District Administrator to place a matter on a future agenda;
  - (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.

2.5 MEETING PROTOCOL

- (a) Each person desiring to address the Board shall proceed to the speaker's stand upon recognition from the Chairman. The speaker shall state for the record his/her name and address. Unless further time is granted by the Chairman, (unless overruled by a majority vote of the Board), the speaker shall limit his/her remarks to three (3) minutes unless special circumstances exist. All remarks shall be pertinent to the subject at hand. All remarks must be addressed to the Board as a whole and not to any Member individually. No questions shall be asked of a Board Member or member of staff without the permission of the Chairman.
- (b) In order to avoid repetitious presentations and delay in the business of the Board, whenever any group of persons wishes to address the Board on the same subject matter, it shall be proper for the Chairman to request a spokesperson be chosen by the group to represent its position. The Chairman may, in his discretion, grant additional time for a speaker that has been recognized or designated by a group to present comments on their behalf.
- (c) After a motion has been made and seconded, or a public hearing has been closed, no member of the public shall address the Board from the audience on the matter under consideration without first securing permission to do so from the Chairman or a majority vote of the Board.

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## 2.6 DISTURBANCE OF BOARD MEETINGS

The following procedure and format will be used by the Board to address disruptive persons at a Board Meeting.

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(a) The Chairman shall make the following announcement:

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As the Chairman, I am advising you that your comments have violated the Board's rules of procedure for addressing the Board and you are causing a serious disruption to this meeting. I must ask you to immediately cease the disturbance before further action is necessary. At this time, I am going to recess the meeting for 10 minutes. We will then reconvene our meeting.

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(b) Recess and call for Sheriff to be present when meeting reconvenes.

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(c) If the disturbance continues after reconvening the meeting, the Chairman shall make the following announcement:

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As Chairman, since you are continuing this disturbance, I must advise you that the Penal Code provides that every person who, without authority of law, willfully disturbs or breaks up any meeting, not unlawful in its character, is guilty of a misdemeanor. If you do not immediately cease this disturbance, I will request the police to arrest you under California Penal Code Section 403.

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(d) If the disturbance continues, request the Sheriff to come forward to make the arrest. (Government Code Section 54957.9)

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2.7 The Chairman, or in his/her absence the Vice Chairman (or his/her designee), shall be the presiding officer at District Board meetings. He/She shall conduct all meetings in a manner consistent with the policies of the District. He/She shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/She shall announce the Board's decision on all subjects. He/She shall vote on all questions and on roll call votes his/her name shall be called last.

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2.72.8 Two (2) Directors of the Board shall constitute a quorum for the transaction of business. When a quorum is lacking for a regular, adjourned, or special meeting, the Chairman, Vice Chairman, or any Director shall adjourn such meeting; or, if no Director is present, the District Secretary shall adjourn the meeting.

2.82.9 Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.

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2.92.10 A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the minutes of the Board, showing those Directors voting aye, those voting no, those not voting because of a conflict of



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
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interest, and absent. A roll call vote shall be taken and recorded on any motion not passed unanimously by the Board. Silence shall be recorded as an affirmative vote.

**2.402.11** Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.

**2.412.12** All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speakers podium once the meeting begins. The Chairman retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.

**3. AGENDAS**

**3.1.** The District Administrator, in cooperation with the Board Chairman, shall prepare the agenda for each regular and special meeting of the Board of Directors. Any Director may call the District Administrator and request an item to be placed on the regular meeting agenda no later than 5 p.m. 11 calendar days prior to the meeting date. Such a request must be also submitted in writing either at the time of communication with the District Administrator or delivered to the office within the next working day.

**3.2** A block of twenty (20) minutes time shall be set aside to receive general public comment. Comments on agendized items should be held until the appropriate item is called. Unless otherwise directed by the Chairman, public comment shall be presented from the podium. The person giving public comment shall state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the Chairman of the Board and limited to three (3) minutes unless extended or shortened by the Chairman at his/her discretion.

**3.3** Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.

(a) Directors may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by Directors of the Board for discussion will typically be heard after other "Consent Agenda" items are

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approved unless a majority of the Board chooses an earlier or later time.

- (b) A Director may ask questions on any item on the "Consent Agenda". When a Director has a minor question for clarification concerning a consent item which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.
- (c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, or conflict of interest, the Director shall inform the presiding officer that he/she wishes to register a dissenting vote, or conflict of interest, on a particular item without discussion. The item will be handled along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, or conflict of interest, in the minutes on the item identified by the Director.

**4. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES**

- 4.1 The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads;
- 4.2 The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage or denial of all ordinances, resolutions or motions.
- 4.3 The District Secretary shall be required to make a record only of such business as was actually considered by a vote of the Board and, except as provided in Sections 4.4 and 4.6 below, shall not be required to record any remarks of Directors or any other person;
- 4.4 Any Director may request for inclusion into the minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed. In addition, the minutes shall include brief summaries of public comment, the District Administrator's report, matters of concern to District legal counsel, District committee reports, and Directors' reports. Materials submitted with such comments shall be appended to the minutes at the request of the District Administrator, District Counsel, the Board Chairman, or any Director.
- 4.5 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.

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4.6 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

4.7 The District shall keep and maintain the electronic recordings of District Board Meetings for a period of sixty (60) days beyond the date that the Meetings for any meeting is approved. The purpose is to insure accuracy of the Minutes and the electronic recording is not intended to substitute for the official of the record of the meeting.

5. **DIRECTORS**

5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors.

5.2 Members of the Board of Directors shall exercise their independent judgment on behalf of the interest of the entire District, including the residents, property owners and the public as a whole.

5.3 Information may be requested from staff or exchanged between Directors before meetings, within such limitations as required by the Brown Act. Information that is requested or exchanged shall be distributed through the District Administrator, and all Directors will receive a copy of all information being distributed.

5.4 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.

5.5 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, dissenting Directors should not to create barriers to the implementation of said action.

5.6 Except during open and public meetings the use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the Directors to develop a collective concurrence as to action to be taken on an item by the Board of Directors is prohibited.

5.7 Directors shall not be prohibited by action of the Board of Directors from citing his or her District affiliation or title in any endorsement or publication, so long as no misrepresentation is made, or implied, about the District's position on the issue.

6. **AUTHORITY OF DIRECTORS**

6.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.

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- 6.2 Directors do not represent any fractional segment of the community but are, rather, a part of the body which represents and acts for the community as a whole.
- 6.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

**7. AUTHORITY OF THE DISTRICT ADMINISTRATOR**

The District Administrator shall be responsible for all of the following:

- 7.1. The implementation of the policies established by the Board of Directors for the operation of the District.
- 7.2 The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the District's Personnel Policies as established by the Board of Directors.
- 7.3 The supervision of the District's facilities and services.
- 7.4 The supervision of the District's finances.

**8. DIRECTOR GUIDELINES**

- 8.1 Directors, by making a request to the District Administrator, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the District Administrator cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, work loads, and priorities, then the District Administrator shall inform the individual Director why the information is not or cannot be made available.
- 8.2 In handling complaints from residents or property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the District Administrator for processing and the District's response, if any.
- 8.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the District Administrator.
- 8.4 When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Administrator. The chain of command should be followed. If a Director concludes that a personnel issue is not being adequately addressed in this manner, he/she should refer it to the Board's personnel committee for further consideration, in accordance with District Personnel Policy.

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- 8.5 Directors and District Administrator should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.
- 8.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the District Administrator.
- 8.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
- 8.8 No member may participate in a hearing or take action on an item which creates an economic conflict of interest for the member. Where there is an economic conflict of interest, the conflicted member shall announce the nature of the conflict of interest and recuse himself or herself from hearing or deciding the matter an thereon step down from the dais and leave the room. The member that has disclosed the conflict of interest may comment on the matter may participate in discussion on the item as a member of the public, but only if the member has a personal interest in the matter before the Board, but such participation such discussion will be subject to the same limitations imposed on all other members of the public. Should the recusal of one or more conflicted members result in the lack of a quorum and the participation of a conflicted member be necessary for resolution of an item, the Board will follow the requirements of the Brown Act, the California Political Reform Act, and the Government Code to determine which conflicted member(s) shall be allowed to participate.

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**9. DIRECTOR COMPENSATION**

- 9.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board of Directors attended by him/her.
- 9.2 Each Directors is authorized to receive one hundred dollars (\$100) per day as compensation for representation of the District at a public meeting or public hearing conducted by another public agency and/or participation in a training program on a topic that is directly related to the District, provided that the Board of Directors has previously approved the member's participation at a Board of Director's meeting and the member delivers a written report to the Board of Directors at the District's next regular meeting regarding the member's participation.
- 9.3 In no event shall Director compensation exceed \$100 per day.
- 9.4 Director compensation shall not exceed six full days in any one calendar month.

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**10. DIRECTOR REIMBURSEMENT**

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- 10.1** Each Director is entitled to reimbursement for their actual and necessary expenses, including the cost of programs and seminars, incurred in the performance of the duties required or authorized by the Board.
- (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.
- If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.
- (b) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available. Directors using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
- (c) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement. The per diem shall include \$10.00 for breakfast, \$10.00 for lunch, and \$20.00 for dinner, for a daily total of \$40.00.
- (d) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.
- 10.2** All expenses that do not fall within the reimbursement policy set forth in 10.1, above, shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.
- 10.3** Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense except for per diem allowances.
- 10.4** Members of the Board of Directors shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board of Directors.

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**11. CORRESPONDENCE DISTRIBUTION POLICY**

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

- 11.1 All letters approved by the Board of Directors and/or signed by the Chairman on behalf of the District; and
- 11.2 All letters and other documents received by the District that are of District-wide concern, as determined by District staff.

**12. CONFLICTS AND RELATED POLICY**

State laws are in place which attempt to eliminate any action by a Director or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the FPPC at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have questions about a particular agenda item.

**12.1 Conflict of Interest**

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is: reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. Additionally, the FPPC regulations relating to interests in real property have recently been changed. If the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is now deemed to be directly involved in the decision.

**12.2 Interest in Contracts, Government Codes Section 1090**

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Director has a financial interest.

**12.3 Incompatible Office**

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest. When a Director is sworn in for such a second office, he/she is simultaneously terminated from holding the first office.

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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
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**13. EVALUATION OF CONSULTANTS**

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May and June of each year.

**14. CONTINUING EDUCATION**

Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Subject to budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

**15. BOARD BYLAWS REVIEW POLICY**

Subject to 3.1 the Board Bylaws Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

**16. RESTRICTIONS ON RULES**

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.

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**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**BOARD OF DIRECTORS BYLAWS**  
**201109 UPDATE**

(ATTACHMENT "A" TO RESOLUTION 201109 - Bylaws)

**1. OFFICERS OF THE BOARD OF DIRECTORS**

- 1.1 The officers of the Board of Directors are the Chairman and Vice Chairman.
- 1.2 The Chairman of the Board of Directors shall serve as chairperson at all Board meetings. He/She shall have the same rights as the other Directors of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the Chairman, the Vice Chairman of the Board of Directors or his/her designee shall serve as chairperson over all meetings of the Board. If the Chairman and Vice Chairman of the Board are both absent, the remaining Directors present shall select one of themselves to act as chairperson of the meeting.
- 1.4 The Chairman and Vice Chairman of the Board shall be elected annually at the last regular meeting of each calendar year.
- 1.5 The term of office for the Chairman and Vice Chairman of the Board shall commence on January 1 of the year immediately following their election.
- 1.6 The Chairman, and in his/her absence the Vice Chairman, are authorized to attend meetings of the San Luis Obispo County Planning Commission and meetings of the San Luis Obispo County Board of Supervisors without compensation except reimbursement for use of his/her private vehicle to attend such meetings pursuant to District Policy 10.01(b).

**2. MEETINGS**

- 2.1 Subject to holiday and scheduling conflicts, regular meetings of the Board of Directors shall commence at 6:00 p.m. on the first and third Wednesday of each calendar month in the Board Room at the Oceano Community Services District Office located at 1655 Front Street~~1600 Aloha Place~~, Oceano, CA or at such other meeting location within the District boundaries designated by the Board Chairman. The Board of Directors reserves the right to cancel and/or designate other dates, places, and times for Director meetings due to scheduling conflicts and holidays.
- 2.2 Special Meetings.  
  
Special meetings may be called by the Chairman or two (2) Directors with a minimum of twenty-four (24) hours public notice. Special meeting agenda shall be prepared and distributed pursuant to the procedures of the Brown Act by the District Administrator in consultation with the Chairman or in his or her absence, the Vice Chairman or those Directors calling the meeting;
- 2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
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- 2.4** No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:
- (a) Directors may briefly respond to statements or questions from the public;
  - (b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
  - (c) A Director individually, or the Board by motion, may take action to direct the District Administrator to place a matter on a future agenda;
  - (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.
- 2.5** The Chairman, or in his/her absence the Vice Chairman (or his/her designee), shall be the presiding officer at District Board meetings. He/She shall conduct all meetings in a manner consistent with the policies of the District. He/She shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/She shall announce the Board's decision on all subjects. He/She shall vote on all questions and on roll call votes his/her name shall be called last.
- 2.6** Two (2) Directors of the Board shall constitute a quorum for the transaction of business. When a quorum is lacking for a regular, adjourned, or special meeting, the Chairman, Vice Chairman, or any Director shall adjourn such meeting; or, if no Director is present, the District Secretary shall adjourn the meeting.
- 2.7** Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.
- 2.8** A roll call vote shall be taken upon the passage of all ordinances and resolutions, and shall be entered in the Minutes of the Board, showing those Directors voting aye, those voting no, those not voting because of a conflict of interest, and absent. A roll call vote shall be taken and recorded on any motion not passed unanimously by the Board. Silence shall be recorded as an affirmative vote.
- 2.9** Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
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without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.

- 2.10 All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speakers podium once the meeting begins. The Chairman retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.

**3. AGENDAS**

- 3.1. The District Administrator, in cooperation with the Board Chairman, shall prepare the agenda for each regular and special meeting of the Board of Directors. Any Director may call the District Administrator and request an item to be placed on the regular meeting agenda no later than 5 p.m. 11 calendar days prior to the meeting date. Such a request must be also submitted in writing either at the time of communication with the District Administrator or delivered to the office within the next working day.
- 3.2 A block of twenty (20) minutes time shall be set aside to receive general public comment. Comments on agendized items should be held until the appropriate item is called. Unless otherwise directed by the Chairman, public comment shall be presented from the podium. The person giving public comment shall state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the Chairman of the Board and limited to three (3) minutes unless extended or shortened by the Chairman at his/her discretion.
- 3.3 Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted, etc. by one motion of the Board of Directors; for example, approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.
- (a) Directors may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by Directors of the Board for discussion will typically be heard after other "Consent Agenda" items are approved unless a majority of the Board chooses an earlier or later time.
- (b) A Director may ask questions on any item on the "Consent Agenda". When a Director has a minor question for clarification concerning a consent item which will not involve extended



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
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discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.

- (c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, or conflict of interest, the Director shall inform the presiding officer that he/she wishes to register a dissenting vote, or conflict of interest, on a particular item without discussion. The item will be handled along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, or conflict of interest, in the Minutes on the item identified by the Director.

**4. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES**

- 4.1 The Minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads;
- 4.2 The Minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage or denial of all ordinances, resolutions or motions.
- 4.3 The District Secretary shall be required to make a record only of such business as was actually considered by a vote of the Board and, except as provided in Sections 4.4 and 4.6 below, shall not be required to record any remarks of Directors or any other person;
- 4.4 Any Director may request for inclusion into the Minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed. In addition, the Minutes shall include brief summaries of public comment, the District Administrator's report, matters of concern to District legal counsel, District committee reports, and Directors' reports. Materials submitted with such comments shall be appended to the Minutes at the request of the District Administrator, District Counsel, the Board Chairman, or any Director.
- 4.5 The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.
- 4.6 Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.
- 4.7 The District shall keep and maintain the electronic recordings of District Board Meetings for a period of sixty (60) days beyond the date that the Meetings for any

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
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meeting is approved. The purpose is to insure accuracy of the Minutes and the electronic recording is not intended to substitute for the official of the record of the meeting.

**5. DIRECTORS**

- 5.1 Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors.
- 5.2 Members of the Board of Directors shall exercise their independent judgment on behalf of the interest of the entire District, including the residents, property owners and the public as a whole.
- 5.3 Information may be requested from staff or exchanged between Directors before meetings, within such limitations as required by the Brown Act. Information that is requested or exchanged shall be distributed through the District Administrator, and all Directors will receive a copy of all information being distributed.
- 5.4 Directors shall at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.
- 5.5 Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions, but without being disagreeable. Once the Board of Directors takes action, dissenting Directors should not to create barriers to the implementation of said action.
- 5.6 Except during open and public meetings the use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the Directors to develop a collective concurrence as to action to be taken on an item by the Board of Directors is prohibited.
- 5.7 Directors shall not be prohibited by action of the Board of Directors from citing his or her District affiliation or title in any endorsement or publication, so long as no misrepresentation is made, or implied, about the District's position on the issue.

**6. AUTHORITY OF DIRECTORS**

- 6.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.
- 6.2 Directors do not represent any fractional segment of the community but are, rather, a part of the body which represents and acts for the community as a whole.
- 6.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.

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DIRECTOR BYLAWS  
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**7. AUTHORITY OF THE DISTRICT ADMINISTRATOR**

The District Administrator shall be responsible for all of the following:

- 7.1. The implementation of the policies established by the Board of Directors for the operation of the District.
- 7.2. The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the District's Personnel Policies as established by the Board of Directors.
- 7.3. The supervision of the District's facilities and services.
- 7.4. The supervision of the District's finances.

**8. DIRECTOR GUIDELINES**

- 8.1. Directors, by making a request to the District Administrator, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the District Administrator cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, work loads, and priorities, then the District Administrator shall inform the individual Director why the information is not or cannot be made available.
- 8.2. In handling complaints from residents or property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the District Administrator for processing and the District's response, if any.
- 8.3. Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the District Administrator.
- 8.4. When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Administrator. The chain of command should be followed. If a Director concludes that a personnel issue is not being adequately addressed in this manner, he/she should refer it to the Board's personnel committee for further consideration, in accordance with District Personnel Policy.
- 8.5. Directors and District Administrator should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
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- 8.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the District Administrator.
- 8.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
- 8.8 No member may participate in a hearing or take action on an item which creates an economic conflict of interest for the member. Where there is an economic conflict of interest, the conflicted member shall announce the nature of the conflict of interest and recuse himself or herself from hearing or deciding the matter and thereon step down from the dais and leave the room. The member that has disclosed the conflict of interest may comment on the matter may participate in discussion on the item as a member of the public, but only if the member has a personal interest in the matter before the Board, but such participation such discussion will be subject to the same limitations imposed on all other members of the public. Should the recusal of one or more conflicted members result in the lack of a quorum and the participation of a conflicted member be necessary for resolution of an item, the Board will follow the requirements of the Brown Act, the California Political Reform Act, and the Government Code to determine which conflicted member(s) shall be allowed to participate.

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**9. DIRECTOR COMPENSATION**

- 9.1 Each Director is authorized to receive one hundred dollars (\$100) as compensation for each regular, adjourned or special meeting of the Board of Directors attended by him/her.
- 9.2 Each Directors is authorized to receive one hundred dollars (\$100) per day as compensation for representation of the District at a public meeting or public hearing conducted by another public agency and/or participation in a training program on a topic that is directly related to the District, provided that the Board of Directors has previously approved the member's participation at a Board of Director's meeting and the member delivers a written report to the Board of Directors at the District's next regular meeting regarding the member's participation.
- 9.3 In no event shall Director compensation exceed \$100 per day.
- 9.4 Director compensation shall not exceed six full days in any one calendar month.

**10. DIRECTOR REIMBURSEMENT**

- 10.1 Each Director is entitled to reimbursement for their actual and necessary expenses, including the cost of programs and seminars, incurred in the performance of the duties required or authorized by the Board.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
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PAGE 2

- (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.
- If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.
- (b) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available. Directors using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
- (c) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement. The per diem shall include \$10.00 for breakfast, \$10.00 for lunch, and \$20.00 for dinner, for a daily total of \$40.00.
- (d) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.
- 10.2** All expenses that do not fall within the reimbursement policy set forth in 10.1, above, shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.
- 10.3** Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense except for per diem allowances.
- 10.4** Members of the Board of Directors shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board of Directors.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
201109 UPDATE  
PAGE 2

**11. CORRESPONDENCE DISTRIBUTION POLICY**

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

**11.1** All letters approved by the Board of Directors and/or signed by the Chairman on behalf of the District; and

**11.2** All letters and other documents received by the District that are of District-wide concern, as determined by District staff.

**12. CONFLICTS AND RELATED POLICY**

State laws are in place which attempt to eliminate any action by a Director or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to insure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the FPPC at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have questions about a particular agenda item.

**12.1 Conflict of Interest**

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is: reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. Additionally, the FPPC regulations relating to interests in real property have recently been changed. If the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is now deemed to be directly involved in the decision.

**12.2 Interest in Contracts, Government Codes Section 1090**

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Director has a financial interest.

**12.3 Incompatible Office**

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest. When a Director is sworn in for such a second office, he/she is simultaneously terminated from holding the first office.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTOR BYLAWS  
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**13. EVALUATION OF CONSULTANTS**

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May and June of each year.

**14. CONTINUING EDUCATION**

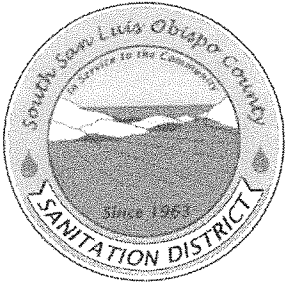
Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Subject to budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

**15. BOARD BYLAWS REVIEW POLICY**

Subject to 3.1 the Board Bylaws Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

**16. RESTRICTIONS ON RULES**

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.



## 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:** March 2, 2011  
**Subject:** Presentation of the 2009/10 Fiscal Year End Audit

#### Recommendation:

Receive presentation by Bob Crosby of Crosby & Cindrich, the District's independent auditor of the District's financial records for FY 2009/10

#### Funding:

Funds in the amount of \$5,300. were provided in the FY 2009/10 budget for professional services to perform the audit of the District's financial records. Expenses are in line with this budget item.

#### Discussion:

Mr. Crosby will attend the Board meeting on March 2, 2010 to present the final audit report and answer any questions the Board may have.

**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

**Independent Auditor's Report  
and  
Financial Statements**

**For the Year Ended  
June 30, 2010**

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2010

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**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Fiscal Year Ending June 30, 2010**

The following is a discussion of the consolidated financial condition and results of operations of the South San Luis Obispo County Sanitation District (SSLOCSD) for the year ending June 30, 2010, and should be read together with the financial statements. This discussion contains information that is qualified by reference to, and should be read together with, the notes contained in the Independent Auditor's Report prepared by Crosby Company, CPA. The South San Luis Obispo County Sanitation District Financial Audit has been prepared in accordance with U.S. generally accepted auditing standards.

Overall Performance

Overall the South San Luis Obispo County Sanitation District realized a decrease in assets of \$885,753 over the previous year. This is in part a result of the many continuing plant improvement projects currently classified as Construction-In-Progress. Also factoring into the net decrease in assets is the addition of a long term note payable in the amount of \$483,519. This increase of liability is for the lease purchase contract for Cogeneration Equipment.

District Operating Expenses showed an increase of \$521,026 from the previous year when depreciation expense is excluded (\$2,756,198 for 2009/10 compared to \$2,235,172 for 2008/09). Two expense categories showed significant increases: Plant chemicals, lab and analysis totaled \$728,200 for 2009/10 compared to \$360,722 for 2008/09; Membership and license fees totaled \$80,471 for 2009/10 compared to \$43,587 for 2008/09.

District Operating Revenues (User Service Fees) showed an increase of approximately 17.89% due to the implementation of service user rate increases. New user connection fees decreased by \$18,555 (\$67,451 for 2009/10 compared to \$86,006 for 2008/09) this is a result of economic conditions related to the current Real Estate market. This decrease is as expected and the District is taking steps to cover this loss by augmenting other sources of revenue.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
MANAGEMENT DISCUSSION AND ANALYSIS  
Fiscal Year Ending June 30, 2010

Business Type Activities

Wastewater Treatment is the primary business type activity of the South San Luis Obispo County Sanitation District. The Operating Fund provides for expenses and revenues and is a self supporting fund.

Comparative User Sewer Service Charges  
Fiscal Years 2009/10 & 2008/09

|                            | <u>2009/10</u>      | <u>2008/09</u>      |
|----------------------------|---------------------|---------------------|
| User Sewer Service Charges | \$ <u>2,745,621</u> | \$ <u>2,329,065</u> |

Net increase of \$416,556 for 2009/10

Capital Improvement Activities

The District continues to improve plant performance and capacity through planning and completion of a number of capital improvements. Some of the projects completed this fiscal year include:

Methane Gas Line Replacement  
Replacement and Repair of Miscellaneous Plant Equipment

As capital improvement is always an ongoing effort at the District many projects were added to the District's Construction-In-Progress listing. On-going projects at the District include:

|           |  |
|-----------|--|
| 99 MBI 01 | SCADA System Phase II                                |
| 01 MBI 01 | Energy Services Project (Co-Generation Installation) |
| 04 MBI 16 | Electrical System Upgrade                            |
| 05 MBI 06 | New Centrifuge                                       |
| 06 MBI 12 | Primary Clarifier Drive                              |
| 06 MBI 13 | Influent Pumps Gate and Valves                       |
| 07 MBI 12 | Influent Pump Room Fan                               |
| 07 MBI 14 | Long Range Planning                                  |
| 07 MBI 16 | Grease to Gas System                                 |
| 08 MBI 19 | CIPP Lining  |

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**Fiscal Year Ending June 30, 2010**

Capital Improvements are funded by three different funds according to the project's intent and benefit.

The *Operating Fund* primarily provides for the purchase of equipment and plant improvements which benefit the overall plant performance.

The *Expansion Fund* primarily provides for those projects which will ultimately increase plant capacity. This fund's primary revenue source is through new connection fees.

The *Replacement Fund* primarily provides for the replacement of existing plant equipment and processes. In the past this fund received its revenue through transfers from the Operating Fund, currently interest received from the District's funds in LAIF is the only revenue source.

Capital Improvement Expenditures by Fund  
Fiscal Year 2009/10

|   |                     |
|---|---------------------|
| Fund 19 (Operating)                                 | \$ 32,696           |
| Fund 20 (Expansion)                                 | 956,621             |
| Fund 26 (Replacement)                               | <u>408,833</u>      |
| Total Capital Improvement Expenditures FY 2009/2010 | \$ <u>1,398,150</u> |

Summary

The District continues to be in good fiscal standing while going forth with the many capital improvement projects as planned. The District realized a decrease of \$673,803 in its cash accounts from the previous year while continuing to improve plant processes and facilities. This is an improvement from the previous audit year which showed a decrease of \$1,195,755 in cash accounts. The District is currently in the process of obtaining outside funding sources in order to continue with future planned improvements while ensuring that District financial reserves do not become depleted.



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**SCHEDULE OF DIRECTORS AND ADMINISTRATION**  
June 30, 2010

**BOARD OF DIRECTORS**

| <u><b>NAME</b></u>               | <u><b>TERM EXPIRES</b></u> |
|----------------------------------|----------------------------|
| Tony Ferrara - Director (1)      | November 2010              |
| Vern Dahl – Vice-Chairperson (2) | November 2012              |
| Bill Nicholls - Chairperson (3)  | December 2010              |

**ADMINISTRATION**

|                |                        |
|----------------|------------------------|
| John Wallace   | District Administrator |
| Jeff Appleton  | Plant Superintendent   |
| Sabrina Spears | Bookkeeper             |

- (1) City of Arroyo Grande
- (2) Oceano Community Services District
- (3) City of Grover Beach

**CROSBY COMPANY, CERTIFIED PUBLIC ACCOUNTANT**

1457 MARSH STREET, SUITE 100 - SAN LUIS OBISPO, CA 93401

PHONE: (805)543-6100 FAX: (805)858-9505

**Independent Auditor's Report**

Board of Directors  
South San Luis Obispo County Sanitation District

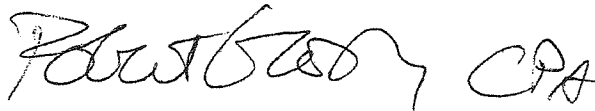
I have audited the accompanying financial statements of the business-type activities of the South San Luis Obispo County Sanitation District, as of and for the years ended June 30, 2010 and 2009, which collectively comprise the organization's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the South San Luis Obispo County Sanitation District's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with U.S. generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the South San Luis Obispo County Sanitation District as of June 30, 2010 and 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with U.S. generally accepted accounting principles.

The Management Discussion and Analysis (MD&A) on pages i through iii is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

My audits were made for the purpose of forming an opinion on the financial statements that collectively comprise the South San Luis Obispo County Sanitation District basic financial statements. The supplemental Schedule I listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements of the South San Luis Obispo County Sanitation District. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



**CROSBY COMPANY**  
Certified Public Accountant

December 3, 2010

# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## STATEMENTS OF NET ASSETS

### PROPRIETARY FUNDS

As of June 30, 2010

(With Comparative Totals for the Year Ended June 30, 2009)

| <b>ASSETS</b>                                   | <u>2010</u>   | <u>2009</u>   |
|---|---------------|---------------|
| <b><i>Current assets:</i></b>                   |               |               |
| Cash and cash equivalents                       | \$ 5,190,955  | \$ 5,864,758  |
| Accounts receivable                             | 426,089       | 283,716       |
| Interest receivable                             | 6,792         | 21,821        |
| Prepaid expenses                                | 16,412        | 3,673         |
| Total current assets                            | 5,640,248     | 6,173,968     |
| <b><i>Noncurrent assets:</i></b>                |               |               |
| Deposits  | 3,732         | 2,997         |
| Note receivable                                 | 2,114         | 2,117         |
| Capital assets:                                 |               |               |
| Land and construction in progress               | 2,735,207     | 1,638,360     |
| Property, plant & equipment                     | 23,879,538    | 23,844,281    |
| Less accumulated depreciation                   | (12,798,687)  | (11,948,065)  |
| Total noncurrent assets                         | 13,821,904    | 13,539,690    |
| Total assets                                    | \$ 19,462,152 | \$ 19,713,658 |
| <b>LIABILITIES</b>                              |               |               |
| <b><i>Current liabilities:</i></b>              |               |               |
| Accounts payable                                | \$ 248,079    | \$ 234,862    |
| Accrued liabilities                             | 213,857       | 79,519        |
| Accrued interest payable                        | 3,173         |               |
| Current portion long term debt                  | 50,060        |               |
| Total current liabilities                       | 515,169       | 314,381       |
| <b><i>Noncurrent liabilities:</i></b>           |               |               |
| Long term liabilities                           | 433,459       |               |
| Total liabilities                               | \$ 948,628    | \$ 314,381    |
| <b>NET ASSETS</b>                               |               |               |
| Invested in capital assets, net of related debt | \$ 13,332,539 | \$ 13,534,576 |
| Unrestricted                                    | 5,180,985     | 5,864,701     |
| Total net assets                                | \$ 18,513,524 | \$ 19,399,277 |

The accompanying notes are an integral part of these financial statements

# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS

For the Year Ended June 30, 2010

(With Comparative Totals for the Year Ended June 30, 2009)

|                                       | <u>2010</u>   | <u>2009</u>   |
|---------------------------------------|---------------|---------------|
| <b><i>Operating revenues:</i></b>     |               |               |
| Sewer service charges                 | \$ 2,745,621  | \$ 2,329,065  |
| From Federal agencies                 | 122,487       | 53,154        |
| Total revenue                         | 2,868,108     | 2,382,219     |
| <b><i>Operating expenses:</i></b>     |               |               |
| Salaries and wages                    | 517,346       | 555,088       |
| Payroll taxes                         | 43,064        | 44,463        |
| Employee benefits                     | 167,787       | 163,898       |
| Retirement contribution               | 226,289       | 74,602        |
| Uniforms                              | 10,948        | 9,424         |
| Repairs and maintenance               | 120,437       | 240,137       |
| Equipment rental                      | 3,844         | 102           |
| Insurance                             | 17,930        | 20,914        |
| Depreciation                          | 1,116,668     | 1,055,203     |
| Communications                        | 9,114         | 8,267         |
| Utilities                             | 204,048       | 198,379       |
| Special services                      | 340,058       | 285,933       |
| Office and supplies                   | 11,559        | 10,411        |
| Fuel and oil                          | 8,870         | 6,303         |
| Membership and license fees           | 80,471        | 43,587        |
| Legal and accounting                  | 140,863       | 99,703        |
| Plant chemicals, lab and analysis     | 728,200       | 360,722       |
| Solids handling                       | 117,081       | 77,212        |
| Small tools                           | 8,289         | 36,027        |
| Total operating expenses              | 3,872,866     | 3,290,375     |
| Operating loss                        | (1,004,758)   | (908,156)     |
| <b><i>Non-operating revenues:</i></b> |               |               |
| Connection fees                       | 67,451        | 86,006        |
| Interest income                       | 34,793        | 136,193       |
| Gain from sale of assets              | 1,360         |               |
| Lease income                          | 18,574        | 17,689        |
| Interest expense                      | (3,173)       |               |
| Total non-operating revenues          | 119,005       | 239,888       |
| <b><i>Changes in net assets</i></b>   | (885,753)     | (668,268)     |
| <b><i>Net assets-beginning</i></b>    | 19,399,277    | 20,067,545    |
| <b><i>Net assets-ending</i></b>       | \$ 18,513,524 | \$ 19,399,277 |

The accompanying notes are an integral part of these financial statements

# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## STATEMENTS OF CASH FLOWS

### PROPRIETARY FUNDS

For the Year Ended June 30, 2010

(With Comparative Totals for the Year Ended June 30, 2009)

|  | <u>2010</u>    | <u>2009</u>  |
|--|----------------|--------------|
| <b><i>Cash flows from operating activities:</i></b>  |                |              |
| Cash received from customers   | \$ 2,603,248   | \$ 2,321,212 |
| Cash received from Federal and local agencies  | 122,487        | 53,154       |
| Payments to employees  | (535,983)      | (545,825)    |
| Payments to suppliers  | (2,067,929)    | (1,742,519)  |
| Net cash provided by operating activities  | 121,823        | 86,022       |
| <b><i>Cash flows from non-capital financing activities:</i></b>                                |                |              |
| Rental income  | 18,574         | 17,689       |
| Net cash provided by non-capital financing activities  | 18,574         | 17,689       |
| <b><i>Cash flows from capital and related financing activities:</i></b>                        |                |              |
| Capital contributions  | 67,451         | 86,006       |
| Acquisition and construction of capital assets   | (1,398,150)    | (1,479,952)  |
| Proceeds from capital debt   | 483,519        |              |
| Interest paid on capital debt  | (3,173)        |              |
| Proceeds from disposal of property, plant and equipment  | 1,360          |              |
| Net cash used by capital and related financing activities                                      | (848,993)      | (1,393,946)  |
| <b><i>Cash flows from investing activities:</i></b>  |                |              |
| Interest income  | 34,793         | 136,193      |
| Net cash provided by investing activities  | 34,793         | 136,193      |
| <b><i>Net change in cash</i></b>   | (673,803)      | (1,154,042)  |
| <b><i>Cash and cash equivalents-beginning</i></b>  | 5,864,758      | 7,018,800    |
| <b><i>Cash and cash equivalents-ending</i></b>   | \$ 5,190,955   | \$ 5,864,758 |
| <b><i>Reconciliation of operating income to net cash provided by operating activities:</i></b> |                |              |
| Operating loss   | \$ (1,004,758) | \$ (908,156) |
| Adjustments to reconcile operating loss to net cash provided by operating activities:          |                |              |
| Depreciation   | 1,116,668      | 1,055,203    |
| Net changes in assets and liabilities  |                |              |
| Accounts receivable  | (142,373)      | (7,853)      |
| Accrued interest receivable  | 15,029         | 30,617       |
| Prepaid expense  | (12,739)       | 18,949       |
| Deposits   | (735)          |              |
| Notes receivable   | 3              | (381)        |
| Accounts payable   | 13,217         | (109,599)    |
| Accrued liabilities  | 134,338        | 7,242        |
| Accrued interest payable   | 3,173          |              |
| <b><i>Net cash provided by operating activities</i></b>  | \$ 121,823     | \$ 86,022    |

The accompanying notes are an integral part of these financial statements

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

## **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2010

### **NOTE 1: ORGANIZATION**

The South San Luis Obispo County Sanitation District is a political subdivision of the State of California and operates under a Council form of government. The District provides sanitation services as provided by its charter.

The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. These technical pronouncements establish criteria for determining the District's activities and functions that are included in the financial statements of a governmental unit. The proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails.

Management has elected not to conduct an actuarial valuation to determine the annual liability for the District's post-employment benefits, required by Government Accounting Standards Board Statement 45. The effects of this departure from U.S. generally accepted accounting principles on financial position, results of operations and cash flows have not been determined.

The District is a member of the Special District Authority Risk Management Joint Powers Agency, which was organized for the purpose of providing general liability, automobile, errors and omissions, and property loss insurance coverage to special districts. This organization is financed through premium charges to each member.

### **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### *Proprietary Fund Type (Enterprise Funds)*

The South San Luis Obispo County Sanitation District accounts for its operation as an Enterprise Fund. Enterprise Funds are used to account for operations which are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

#### *Basis of Accounting*

The enterprise funds of the District are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Budgets and Budgetary Accounting*

An annual budget is adopted by the Board of Directors at the start of each year. Any changes or revisions to that budget throughout the year must be approved by the Board of Directors.

*Estimates*

The preparation of financial statements in conformity with U.S. generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Cash and Cash Equivalents*

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased, to be cash equivalents.

*Accounts Receivable*

Sewer service charges are collected monthly from outside billing agencies. Customer accounts receivable are written off in full when the receivable is deemed totally uncollectible. Management has determined that an allowance for doubtful accounts is zero because of the District's credit policies and prior collection experience.

*Property, Plant and Equipment*

All fixed assets are valued at historical cost, or estimated historical cost if actual costs are not available. Depreciation has been provided over the estimated useful life of the asset using the straight-line method. The estimated useful lives are as follows:

|                       |          |
|-----------------------|----------|
| Treatment Facilities  | 40 years |
| Disposal Facilities   | 75 years |
| Collection Facilities | 50 years |
| Equipment             | 5 years  |

*Comparative Financial Information*

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 3: CASH AND CASH EQUIVALENTS**

Short-term investments are carried at cost, which approximates market. The values of cash and investments at June 30, 2010 and 2009, are summarized as follows:

|  | <u>June 30, 2010</u> | <u>June 30, 2009</u> |
|--|----------------------|----------------------|
| Petty cash                                 | \$ 100               | \$ 100               |
| Demand deposits                            | 24,905               | 32,682               |
| Cash and investments with County treasurer | 348,457              | 114,084              |
| Local Agency Investment Fund (LAIF)        | <u>4,817,493</u>     | <u>5,717,892</u>     |
| Total cash and cash equivalents            | <u>\$ 5,190,955</u>  | <u>\$ 5,864,758</u>  |

The California Government Code requires California banks and savings and loan associations to secure a district's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of a district's deposits. California law also allows financial institutions to secure district deposits by pledging first trust deed mortgage notes having a value of 150% of a district's total deposits. The District may waive collateral requirements for deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). Effective October 3, 2008, the Federal Deposit Insurance Corporation limit was temporarily increased to \$250,000 until December 31, 2013.

**Credit Risk**

Cash is classified in three categories of credit risk as follows:

- Category 1 - insured or collateralized with securities held by the entity or by its agent in the entity's name;
- Category 2 - collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name; and
- Category 3 - uncollateralized.

Investments in pools managed by other governments (County of San Luis Obispo and LAIF) or in mutual funds are not required to be categorized.

At June 30, 2010, the carrying amount of the District's cash deposits was \$24,905. The bank balance was \$27,935. This difference is due to the normal deposits in transit and outstanding checks. District cash deposits by category as of June 30, 2010, are as follows:

|               | <u>Category</u>  |             | <u>Bank</u>      | <u>Carrying</u>  |
|---------------|------------------|-------------|------------------|------------------|
|               | <u>1</u>         | <u>2</u>    | <u>Balance</u>   | <u>Amount</u>    |
| Bank accounts | \$ <u>27,935</u> | \$ <u>-</u> | \$ <u>27,935</u> | \$ <u>24,905</u> |



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 4: PROPERTY, PLANT AND EQUIPMENT**

A summary of fixed assets by major classifications is as follows:

|                               | <u>June 30, 2009</u> | <u>Additions</u>   | <u>Deletions/<br/>Capitalize</u> | <u>June 30, 2010</u> |
|-------------------------------|----------------------|--------------------|----------------------------------|----------------------|
| Sewage treatment facilities   | \$ 18,277,546        | \$ 246,622         | \$ 177,664                       | \$ 18,346,504        |
| Sewage disposal facilities    | 1,782,839            | 7,846              | 22,580                           | 1,768,105            |
| Sewage collection facilities  | 3,329,286            | 16,938             |                                  | 3,346,224            |
| Equipment                     | 454,610              | 29,896             | 65,801                           | 418,705              |
| Land                          | 431,425              |                    |                                  | 431,425              |
| Construction in progress      | <u>1,206,935</u>     | <u>1,193,018</u>   | <u>96,171</u>                    | <u>2,303,782</u>     |
|                               | 25,482,641           | \$ 1,494,320       | \$ 362,216                       | 26,614,745           |
| Less Accumulated depreciation | <u>(11,948,065)</u>  | <u>(1,116,668)</u> | <u>266,046</u>                   | <u>(12,798,687)</u>  |
| Total                         | \$ <u>13,534,576</u> |                    |                                  | \$ <u>13,816,058</u> |

Depreciation expense for the period ended June 30, 2010 and 2009 were \$1,116,668 and \$1,055,203, respectively.

**NOTE 5: ACCRUED LIABILITIES**

Accrued liabilities are comprised as follows:

|                                    | <u>June 30, 2010</u> | <u>June 30, 2009</u> |
|------------------------------------|----------------------|----------------------|
| Salaries and payroll taxes payable | \$ 3,666             | \$ 13,884            |
| Vacation and sick leave payable    | 56,077               | 64,496               |
| Workers compensation payable       | 300                  | 1,139                |
| Post-employment benefits payable*  | <u>153,814</u>       | <u>-</u>             |
| Total                              | \$ <u>213,857</u>    | \$ <u>79,519</u>     |

The accrual for vacation leave earned, but not taken by staff employees, was calculated based on actual vacation days earned and applied to the individual employees' hourly rate.

\*Other post employment benefits payable (OPEB) represents future retiree healthcare insurance benefits and was not required to be reported in prior years.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 6: LONG-TERM DEBT**

| <b>Notes Payable:</b>   | <b><u>Current</u></b> | <b><u>Long-term</u></b> | <b><u>Total</u></b> |
|---|-----------------------|-------------------------|---------------------|
| Municipal Finance Corporation - note payable totaling \$483,519, was issued October 19, 2009 with an interest rate at 5.25%, due August 2018. | \$ <u>50,060</u>      | \$ <u>433,459</u>       | \$ <u>483,519</u>   |
| Total notes payable   | \$ <u>50,060</u>      | \$ <u>433,459</u>       | \$ <u>483,519</u>   |

The required note principal and interest payments are as follows:

| <b><u>Fiscal Year</u></b> | <b><u>Principal</u></b> | <b><u>Interest</u></b> | <b><u>Totals</u></b> |
|---------------------------|-------------------------|------------------------|----------------------|
| 2010-2011                 | \$ 50,060               | \$ 24,737              | \$ 74,797            |
| 2011-2012                 | 52,723                  | 22,074                 | 74,797               |
| 2012-2013                 | 55,528                  | 19,269                 | 74,797               |
| 2013-2014                 | 58,481                  | 16,316                 | 74,797               |
| 2014-2015                 | 61,591                  | 13,206                 | 74,797               |
| 2015-2016                 | 64,867                  | 9,930                  | 74,797               |
| 2016-2017                 | 68,318                  | 6,479                  | 74,797               |
| 2017-2018                 | <u>71,951</u>           | <u>2,846</u>           | <u>74,797</u>        |
| Totals                    | \$ <u>483,519</u>       | \$ <u>114,857</u>      | \$ <u>598,376</u>    |

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

## **NOTES TO THE FINANCIAL STATEMENTS**

June 30, 2010

### **NOTE 7: PENSION PLAN**

The South San Luis Obispo County Sanitation District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustment, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and District resolutions. Copies of CalPERS' annual financial report may be obtained from their Executive Office (400 P Street, Sacramento, CA 95814).

### **THREE-YEAR TREND INFORMATION FOR CalPERS**

Participants are required to contribute 8% of their annual covered salary. The District is required to contribute at an actuarially determined remaining amount necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate was 7.382% and 4.926% for the current and prior year, respectively. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

The annual CalPERS pension costs for the years ended June 30, 2010 and 2009 were \$72,475 and \$74,602, respectively, and were equal to the District's required and actual contributions. The required contributions were determined as part of the June 30, 2008 actuarial valuation, using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, and (c) 3.0% per year cost-of-living adjustments. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a fifteen-year period. CalPERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Actuarial information concerning this pension plan is now combined with several other local districts and individual district information and three year trend information is no longer made available to the South San Luis Obispo County Sanitation District.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 8: OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

In addition to pension benefits, the District provides post-retirement health care benefits through the California Public Employees' Retirement System. Employees who retire on or after attaining age 50 and are vested, are eligible for District paid health insurance. On June 30, 2010, the District conducted an internal actuarial calculation to determine the required funding for this health care benefits program.

The actuarial liability for the District's retiree health benefits program on this measurement date was determined to be \$5,625,019. This value is based on a discount rate of 5.5%. The District's funding policy is to fund 100% of the annual required contribution determined through the California Employers' Retiree Benefit Trust (CERBT). Currently, 1 retired employee is receiving 55% paid health care benefits totaling \$312 per month.

Below are the required disclosures for this plan:

|   |    |           |
|---|----|-----------|
| Number of active participants                             |    | 8         |
| Employer's actuarially required contributions             | \$ | 153,814   |
| Employer's actual contributions                           | \$ | -         |
| Actuarial Accrued Liability(AAL)                          | \$ | 2,118,892 |
| Actuarial Valuation of Assets(AVA)                        | \$ | -         |
| Unfunded Actuarial Accrued Liability(UAAL)=(AAL less AVL) | \$ | 2,118,892 |
| Funded Ratio(AVA/AAL)                                     |    | 0%        |
| Estimated Payroll   | \$ | 536,000   |
| UAAL as a Percentage of Covered Payroll                   |    | 395%      |



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
June 30, 2010

**NOTE 9: RESERVES AND RETAINED EARNINGS**

The District has set up "reserves" in retained earnings to set aside retained earnings balances for a specific future use. A reserve has been established for emergencies and contingencies and is based on the lesser of twenty percent of the annual sanitation service charges or ten percent of the District's annual costs of maintenance and operation. A reserve has also been established for amounts set aside for solids handling, capital replacement and expansion.

Reserves at June 30, 2010 and 2009 are detailed as follows:

**Fiscal Year Ended June 30, 2010**

|  |                     |
|--|---------------------|
| Reserve for capital replacement and expansion:     |                     |
| Cash and current assets, deposits, net liabilities | \$ 2,915,509        |
| Reserve for solids handling:                       |                     |
| Cash in Local Agency Investment Fund               | 2,045,132           |
| Reserve for contingencies:                         |                     |
| Cash in Local Agency Investment Fund               | 220,344             |
| Unreserved:  |                     |
| Current assets, deposits, net liabilities          | <u>-0-</u>          |
| Total unrestricted net assets                      | <u>\$ 5,180,985</u> |

**Fiscal Year Ended June 30, 2009**

|  |                     |
|--|---------------------|
| Reserve for capital replacement and expansion:     |                     |
| Cash and current assets, deposits, net liabilities | \$ 3,596,052        |
| Reserve for solids handling:                       |                     |
| Cash in Local Agency Investment Fund               | 2,045,132           |
| Reserve for contingencies:                         |                     |
| Cash in County treasury                            | 223,517             |
| Unreserved:  |                     |
| Current assets, deposits, net liabilities          | <u>-0-</u>          |
| Total unrestricted net assets                      | <u>\$ 5,864,701</u> |

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

## **SUPPLEMENTAL SCHEDULE I**

### **Schedule of Insurance Coverage**

**June 30, 2010**

#### **Special District Risk Management Authority (SDRMA)**

1. Personal injury and property damage liability coverage - general (\$10,000,000 per occurrence/aggregate where applicable and a \$500 deductible)
2. Personal injury and property damage liability coverage - auto (\$10,000,000 per occurrence and a \$1,000 deductible)
3. Public officials and employees errors and omissions liability (\$10,000,000 per wrongful act/annual member aggregate)
4. Public employees and/or officials dishonesty blanket coverage (\$400,000 per occurrence)
5. Automobile physical damage (Limits on file with SDRMA)
6. Employment practices liability (\$10,000,000 per wrongful employment practice/aggregate)
7. Employee benefits liability (\$10,000,000 per wrongful act/annual member aggregate)
8. Public officials personal liability (\$500,000 per occurrence/annual aggregate per Board Member and a \$500 deductible)
9. Trailer coverage (Limits on file with SDRMA)
10. Uninsured/underinsured motorists (\$750,000 each accident)
11. Property coverage – includes fire, theft and flood property damage (\$1,000,000,000 per occurrence)
12. Boiler and machinery coverage (\$100,000,000 per occurrence)

#### **Workers' Compensation - Statutory**



## 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:** March 2, 2011

**Subject:** New Centrifuge 2A, Brough Construction Progress Payment No. 4 and payment to Earth Systems Pacific

### Recommendation:

1. Approve Progress Payment No. 4 to Brough Construction, Inc. in the amount of **\$36,959.50**.  
(**\$33,263.55** without retention)
2. Approve Payment to Earth Systems Pacific in the amount of **\$758.25**.

### Funding:

The FY 2010-11 Budget includes the Major Budget Item 05 MBI 06 – *New Centrifuge 2A* – in the amount of **\$1,104,422**.

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 Change Orders 1, 2, 3, 4, and 6 is **\$882,902.00** (Change order No. 5 was not accepted).

Earth Systems Pacific was retained by a November 17, 2010 Board action for the time and materials contract to perform materials testing services during construction of the Centrifuge 2A Project. The submitted invoices totaling **\$758.25** are for professional services including: concrete sampling, concrete compression strength testing, and for bolt inspection.

|  | Expenditures to date (FY 10/11) | Proposed expenditures | Totals          |
|--|---------------------------------|-----------------------|-----------------|
| <b>Budget (A)</b>  | \$ 1,104,422.00                 | \$ -                  | \$ 1,104,422.00 |
| <b>Equipment Expenditures (B)</b>                                      | \$ -                            | \$ -                  | \$ -            |
| <b>Design expenditures (C)</b>   | \$ 46,479.12                    | \$ -                  | \$ 46,479.12    |
| <b>Testing/Troubleshooting (D)</b>                                     | \$ 4,218.13                     | \$ 758.25             | \$ 4,976.38     |
| <b>Construction expenditures (E)</b>                                   | \$ 323,886.42                   | \$ 36,959.50          | \$ 360,845.92   |
| <b>PG&amp;E Utility Services (F)</b>                                   | \$ 15,659.32                    | \$ -                  | \$ 15,659.32    |
| <b>CA expenditures (G)</b>   | \$ 57,914.18                    | \$ -                  | \$ 57,914.18    |
| <b>Retainage (H): (E-10%)</b>  | \$ (32,388.64)                  | \$ (3,695.95)         | \$ (36,084.59)  |
| <b>Payments (B+C+D+E+F+G-H)</b>  | \$ 415,768.53                   | \$ 34,021.80          | \$ 449,790.33   |
| <b>Subtotal (I): {B+C+D+E+F+G}<br/>    <i>(includes retainage)</i></b> | \$ 448,157.17                   | \$ 37,717.75          | \$ 521,959.51   |
| <b>Balance to Complete (A-I)</b>                                       | \$ 656,264.83                   | \$ -                  | \$ 582,462.49   |

| Total Project<br>Budget - All<br>Fiscal Years |  | Expenditures to<br>Date (Total Project) | Proposed<br>Expenditures | Balance to<br>Complete |
|---|--|---|--------------------------|------------------------|
|   |  | \$ 1,283,901.02                         | \$ 37,717.75             | \$ 582,462.49          |

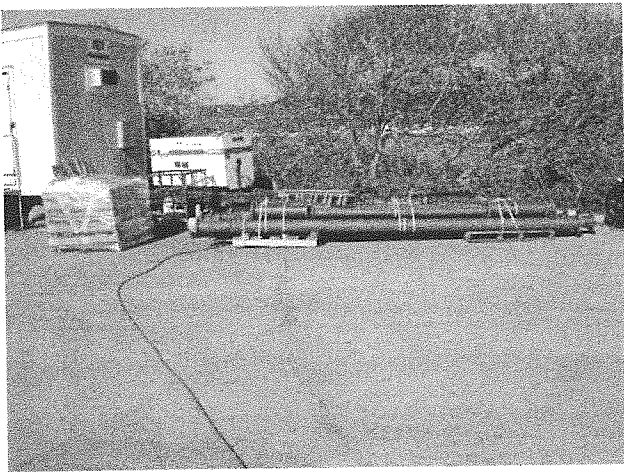
### Discussion:

Monthly progress payment No. 4 includes payment for the month of February on work associated with this contract. Based upon the work that has been completed by Brough, Staff believes this payment is equivalent to the amount of work performed during this period. 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.

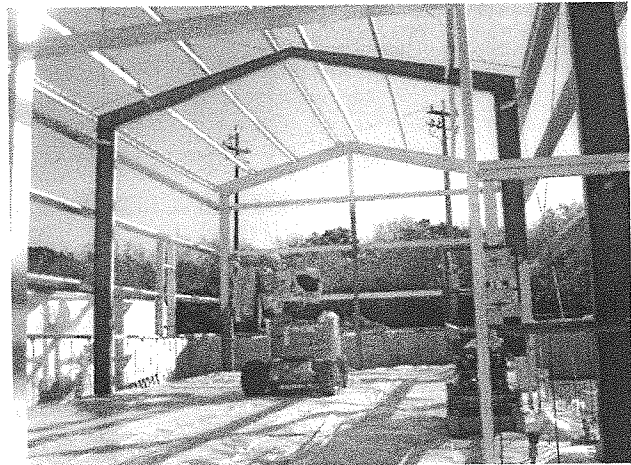
| Item Description                                    | Quantity | Unit | Unit Price   | Contract Amount | % Complete | Cost This Period     |
|---|----------|------|--------------|-----------------|------------|----------------------|
| Reinforced Concrete Retaining / Bin Wall            | 147      | LF   | \$440.00     | \$64,680.00     | 0.3%       | \$132.00             |
| CMU Flood Wall                                      | 150      | LF   | \$62.50      | \$9,375.00      | 100%       | \$9,375.00           |
| Pre-Engineered Metal Building                       | 1        | LS   | \$54,840.00  | \$54,840.00     | 10%        | \$5,484.00           |
| 3" Glass Lined Sludge Pipe                          | 2        | LF   | \$1,543.00   | \$3,086.00      | 25%        | \$771.50             |
| Sludge Feed Pump, VFD Panel and Appurtenances       | 1        | LS   | \$10,200.00  | \$10,200.00     | 25%        | \$2,550.00           |
| Local Power Distribution Panel                      | 1        | LS   | \$14,770.00  | \$14,770.00     | 10%        | \$1,477.00           |
| Power and Communications Wiring (H&M Building)      | 1        | LS   | \$20,400.00  | \$20,400.00     | 5%         | \$1,020.00           |
| Power and Communications Wiring (W/In New Building) | 1        | LS   | \$17,000.00  | \$17,000.00     | 35%        | \$5,950.00           |
| Design, Install and test SCADA System               | 1        | LS   | \$102,000.00 | \$102,000.00    | 10%        | \$10,200.00          |
| <b>Sub-total (Job to date)</b>                      |          |      |              |                 |            | <b>\$36,959.50</b>   |
| Retainage (10%)                                     |          |      |              |                 |            | <b>( \$3,695.95)</b> |
| <b>Net Total</b>                                    |          |      |              |                 |            | <b>\$33,263.55</b>   |

Staff recommends approval of Progress Payment No. 4 in the amount of **\$36,959.50**. A 10% retainage of **\$3,695.95** is withheld resulting in a net payable amount of **\$33,263.55**.

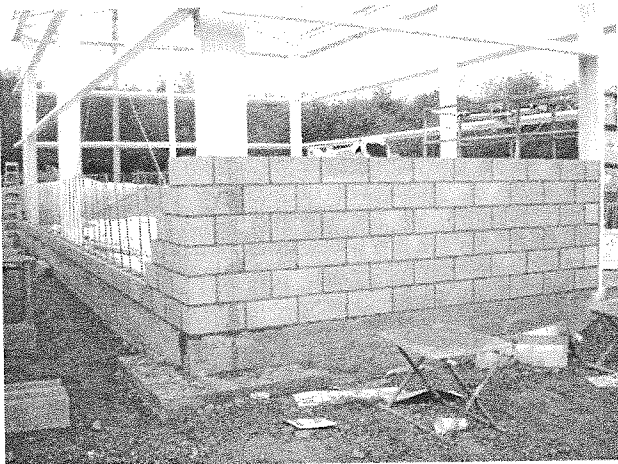




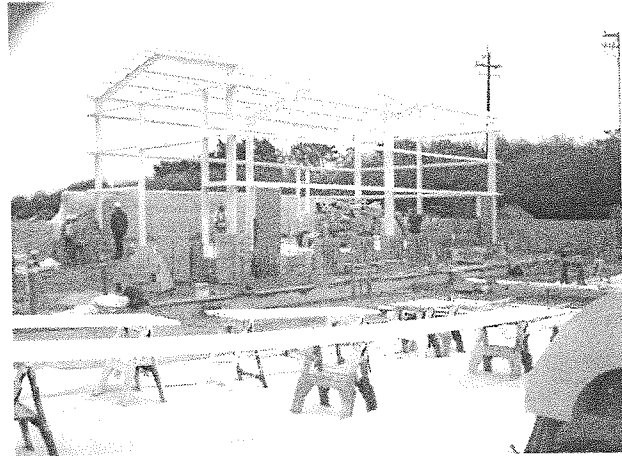
Glass Lined Sewer Pipe On-Site



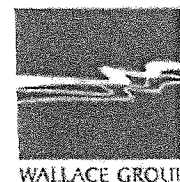
Painting of Building Framing (Ongoing)



Initial Progress of CMU Flood Wall



| <b>South San Luis Obispo County Sanitation District</b><br><b>CENTRIFUGE 2A BUILDING</b>  |                     |   |   | <b>SSLOCSD</b><br><br><b>PARTIAL PAYMENT ESTIMATE NO. 4</b>         |               |
|---|---------------------|---|---|---|---------------|
| OWNER<br><b>SSLOCSD</b>   |                     | CONTRACTOR<br><b>Brough Construction, Inc.</b>                                  |   | PERIOD OF ESTIMATE<br>FROM <u>2/01/11</u> TO <u>2/28/2011</u>       |               |
| CONTRACT CHANGE ORDER SUMMARY   |                     |   |   | ESTIMATE  |               |
| No  | Owner Approval Date | Amount  |   |   |               |
|   |                     | Additions   | Deductions  |   |               |
| 1   | 12/1/2010           |   | \$ (606.14)   | 1. Original Contract  | \$ 827,134.00 |
| 2   | 12/1/2010           | \$ 27,500.00  |   | 2. Change Orders  | \$ 55,768.00  |
| 3   | 1/5/2011            | \$ 18,700.00  |   | 3. Revised Contract (1 + 2)   | \$ 882,902.00 |
| 4   | 2/2/2011            | \$ 4,294.55   |   | 4. Work Completed* (incl. CCO work)                                 | \$ 360,846.00 |
| 5   | 2/2/2011            | \$ 6,179.59   |   | 5. Stored Materials   | \$ -          |
| 6   |                     |   |   | 6. Subtotal (4 + 5)   | \$ 360,846.00 |
|   |                     |   |   | 7. Retainage to date  | \$ 36,084.60  |
|   |                     |   |   | 8. Previous Payments  | \$ 291,497.85 |
|   |                     |   |   | 9. Amount Due (3-08-11)   | \$ 33,263.55  |
|   |                     |   |   | Detailed breakdown attached   |               |
| TOTALS  |                     | \$ 56,674.14  | \$ (906.14)   |   |               |
| NET CHANGE  |                     |   | \$ 55,768.00  |   |               |
| CONTRACT TIME   |                     |   |   |   |               |
| Original job and/or pay: <u>1RC</u>   |                     | On Schedule <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |   | Starting Date: <u>10/1/10</u><br>Project Completion: <u>5/20/11</u> |               |
| Revised: <u>5</u>   |                     |   |   |   |               |
| Remainder: <u>75</u>  |                     |   |   |   |               |
| <b>CONTRACTOR'S CERTIFICATION:</b><br>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 estimate was issued and payments received from the owner, and that current payment shown herein is now due. |                     |   | <b>CONTRACT ADMINISTRATOR:</b><br>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. |   |               |
| CONTRACTOR: <b>BROUGH CONSTRUCTION, INC.</b><br>By: <u>[Signature]</u><br>Date: <u>2/23/11</u>  |                     |   | WALLACE GROUP Contract Administrator<br>By: <u>[Signature]</u><br>Date: <u>2-23-11</u>  |   |               |
| RECOMMENDED BY ENGINEER<br>ENGINEER: <u>[Signature]</u><br>By: _____<br>Date: <u>2/23/11</u>  |                     |   | APPROVED BY DISTRICT<br>Owner: <b>SSLOCSD</b><br>By: _____<br>Date: _____   |   |               |



# South San Luis Obispo County Sanitation District - Centrifuge 2A

PROGRESS PAY - No. 4 BROUGH CONSTRUCTION, INC.

| REF. | ITEM DESCRIPTION  | ORIGINAL CONTRACT |      |             | THIS PERIOD  |          |             | TOTAL TO DATE |              |            |
|------|---|-------------------|------|-------------|--------------|----------|-------------|---------------|--------------|------------|
|      |   | QUANTITY          | UNIT | UNIT PRICE  | AMOUNT       | QUANTITY | AMOUNT      | QUANTITY      | AMOUNT       | % COMPLETE |
| 1    | Mobilization, Demobilization and Clean Up                                       | 1                 | LS   | \$31,500.00 | \$ 31,500.00 | 0%       | \$ -        | 60%           | \$ 18,900.00 | 60%        |
| 2    | Project Demolition, Removal and Disposals                                       | 1                 | LS   | \$10,600.00 | \$ 10,600.00 | 0%       | \$ -        | 50%           | \$ 5,300.00  | 50%        |
| 3    | Survey of Construction Site   | 1                 | LS   | \$2,600.00  | \$ 2,600.00  | 0%       | \$ -        | 100%          | \$ 2,600.00  | 100%       |
| 4    | Earthwork & Grading: Clearing, Grubbing and Prep Site for Building Construction | 1                 | LS   | \$32,900.00 | \$ 32,900.00 | 0%       | \$ -        | 100%          | \$ 32,900.00 | 100%       |
| 5    | New Reinforced Concrete Building Slab   | 1620              | SF   | \$20.00     | \$ 32,400.00 | 0        | \$ -        | 1,620.00      | \$ 32,400.00 | 100%       |
| 6    | New Reinforced Concrete Driveway  | 280               | SF   | \$18.50     | \$ 5,180.00  | 0        | \$ -        | -             | \$ -         | 0%         |
| 7    | New Reinforced Concrete Flatwork  | 540               | SF   | \$9.50      | \$ 5,130.00  | 0        | \$ -        | -             | \$ -         | 0%         |
| 8    | Reinforced Concrete Retaining / Bin Wall  | 147               | LF   | \$440.00    | \$ 64,680.00 | 0.30     | \$ 132.00   | 147.00        | \$ 64,680.00 | 100%       |
| 9    | CMU Flood Wall  | 150               | LF   | \$62.50     | \$ 9,375.00  | 150      | \$ 9,375.00 | 150.00        | \$ 9,375.00  | 100%       |
| 10A  | Flood Gates on Building Manddoors (2)   | 2                 | EA   | \$5,960.00  | \$ 11,720.00 | 0        | \$ -        | -             | \$ -         | 0%         |
| 10B  | Flood Gates on Building Roll-up Door (1)  | 1                 | EA   | \$13,800.00 | \$ 13,800.00 | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 11   | Pre-engineered metal Building   | 1                 | LS   | \$54,840.00 | \$ 54,840.00 | 10%      | \$ 5,484.00 | 80%           | \$ 43,872.00 | 80%        |
| 12   | Skid-mount Centrifuge Relocation & Installation & Associated piping Connections | 1                 | LS   | \$34,000.00 | \$ 34,000.00 | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 13   | Asphalt Paving / Patching   | 3270              | SF   | \$12.00     | \$ 39,240.00 | 0        | \$ -        | -             | \$ -         | 0%         |
| 14   | Shoring, Sheeting, Plating and Bracing  | 1                 | LS   | \$500.00    | \$ 500.00    | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 15   | 8" PVC SDR 35 Pipe for Centrate Drain & Storm Drain                             | 290               | LF   | \$45.00     | \$ 13,050.00 | 0        | \$ -        | 0.20          | \$ 900.00    | 7%         |
| 16   | 6" Glass Lined DI Sludge Pipe Including Valves                                  | 110               | LF   | \$697.00    | \$ 76,670.00 | 0        | \$ -        | -             | \$ 36,244.00 | 47%        |
| 17   | 6" PVC Schedule 80 Centrate Drain Pipe Including Valve                          | 40                | LF   | \$56.00     | \$ 2,240.00  | 0        | \$ -        | -             | \$ -         | 0%         |
| 18   | 3" Glass Lined DI Sludge Pipe Including Valves                                  | 2                 | LF   | \$1,543.00  | \$ 3,086.00  | 0.5      | \$ 771.50   | 0.50          | \$ 771.50    | 25%        |
| 19   | 4" PVC Schedule 80 Floor Drain & Drop Inlet Pipe                                | 50                | LF   | \$31.00     | \$ 1,550.00  | 0        | \$ -        | 100%          | \$ 1,550.00  | 100%       |
| 20   | 2" PVC Schedule 80 Underground Potable & Non-Potable Water Including Valves     | 300               | LF   | \$8.00      | \$ 2,400.00  | 0        | \$ -        | -             | \$ -         | 0%         |
| 21   | 1" PVC Schedule 80 Underground Potable & Non-Potable Water Including Valves     | 32                | LF   | \$19.00     | \$ 608.00    | 0        | \$ -        | -             | \$ -         | 0%         |
| 22   | 2" ASTM A53 Galvanized Steel Pipe Above Ground Potable Water Including Valves   | 15                | LF   | \$62.00     | \$ 930.00    | 0        | \$ -        | -             | \$ -         | 0%         |
| 23   | 1" ASTM A53 Galvanized Steel Pipe Above Ground Potable Water Including Valves   | 65                | LF   | \$16.00     | \$ 1,040.00  | 0        | \$ -        | -             | \$ -         | 0%         |
| 24   | Centrate Piping Manhole Tie-in  | 1                 | LS   | \$785.00    | \$ 785.00    | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 25   | Combination Eyewash Station Safety Shower                                       | 1                 | LS   | \$2,300.00  | \$ 2,300.00  | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 26   | Piping Pressure Testing   | 1                 | LS   | \$3,300.00  | \$ 3,300.00  | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 27   | New Pump Pedestals  | 3                 | EA   | \$1,480.00  | \$ 4,440.00  | 0        | \$ -        | -             | \$ -         | 0%         |
| 28A  | New Sludge Feed Pumps (2)   | 2                 | EA   | \$39,000.00 | \$ 78,000.00 | 0        | \$ -        | -             | \$ -         | 0%         |
| 28B  | In-Line Grinder (1)   | 1                 | EA   | \$22,400.00 | \$ 22,400.00 | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 29   | New Valves - Five 4" Valves & Thirteen 6" Valves                                | 5                 | EA   | \$830.00    | \$ 4,150.00  | 0        | \$ -        | -             | \$ -         | 0%         |
|      |   | 13                | EA   | \$1,700.00  | \$ 22,100.00 | 0        | \$ -        | -             | \$ -         | 0%         |
| 30   | 14" Plug Valve  | 1                 | EA   | \$7,200.00  | \$ 7,200.00  | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 31   | Temporary Sludge Pumps & Temporary Sludge Piping                                | 1                 | LS   | \$6,350.00  | \$ 6,350.00  | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 32   | Tie-In of New Calces / Piping with Existing Piping                              | 1                 | LS   | \$6,400.00  | \$ 6,400.00  | 0%       | \$ -        | 0%            | \$ -         | 0%         |
| 33   | Sludge Feed Pump, VFD Panel & Appurtenances                                     | 1                 | LS   | \$10,200.00 | \$ 10,200.00 | 25%      | \$ 2,550.00 | 25%           | \$ 2,550.00  | 25%        |
| 34   | Local Power Distribution Panel (MSB-CENT2AB)                                    | 1                 | LS   | \$14,770.00 | \$ 14,770.00 | 10%      | \$ 1,477.00 | 15%           | \$ 2,215.50  | 15%        |

|     |  |    |    |              |    |                   |     |    |                  |      |    |                   |            |
|-----|--|----|----|--------------|----|-------------------|-----|----|------------------|------|----|-------------------|------------|
| 35  | Power & Communications Wiring - Existing Conduits and Pull Boxes (Heating and Mixing Building) | 1  | LS | \$20,400.00  | \$ | 20,400.00         | 5%  | \$ | 1,020.00         | 30%  | \$ | 6,120.00          | 30%        |
| 36  | Power & Communications Conduits & Wiring - Existing Pull Boxes to New Centrifuge Building      | 1  | LS | \$32,400.00  | \$ | 32,400.00         | 0%  | \$ | -                | 50%  | \$ | 16,200.00         | 50%        |
| 37  | Power & Communications Conduits & Wiring - Within New Centrifuge Building                      | 1  | LS | \$17,000.00  | \$ | 17,000.00         | 35% | \$ | 5,950.00         | 40%  | \$ | 6,800.00          | 40%        |
| 38  | Reroute PG&E Main Electrical Site Supply   | 1  | LS | \$11,500.00  | \$ | 11,500.00         | 0%  | \$ | -                | 100% | \$ | 11,500.00         | 100%       |
| 39  | Design, Install and Test SCADA System  | 1  | LS | \$102,000.00 | \$ | 102,000.00        | 10% | \$ | 10,200.00        | 10%  | \$ | 10,200.00         | 10%        |
| 39A | Design, Install Graphics Screens as Req'd on Display Panel                                     | 20 | EA | \$570.00     | \$ | 11,400.00         | 0   | \$ | -                | -    | \$ | -                 | 0%         |
|     | <b>TOTAL</b>   |    |    |              | \$ | <b>827,134.00</b> |     | \$ | <b>36,959.50</b> |      | \$ | <b>305,078.00</b> | <b>37%</b> |

| REF. | ITEM DESCRIPTION - ALT. BID SCHEDULE (POTENTIAL ADDITIONAL WORK) | ORIGINAL CONTRACT |      |            |              | THIS PERIOD |        | TOTAL TO DATE |              | % COMPLETE (BASED ON 60 CALENDAR DAYS) |
|------|--|-------------------|------|------------|--------------|-------------|--------|---------------|--------------|--|
|      |  | QUANTITY          | UNIT | UNIT PRICE | AMOUNT       | QUANTITY    | AMOUNT | QUANTITY      | AMOUNT       |  |
| 40   | Dewatering Ground Water (Based on 60 calendar days)              | 60                | DAY  | \$1,100.00 | \$ 66,000.00 | 0           | \$ -   | 42.00         | \$ 27,500.00 | 70%                                    |
|      | TOTAL  |                   |      | \$         | 66,000.00    |             | \$ -   |               | \$ 27,500.00 | 42%                                    |

| CONTRACT CHANGE ORDERS           |   |          |  |      |             |              |             |        |               |               |      | % COMPLETE |
|----------------------------------|---|----------|--|------|-------------|--------------|-------------|--------|---------------|---------------|------|------------|
|                                  |   | QUANTITY |  | UNIT | UNIT PRICE  | AMOUNT       | THIS PERIOD |        | TOTAL TO DATE |               |      |            |
|                                  |   | QUANTITY |  |      |             | AMOUNT       | QUANTITY    | AMOUNT | QUANTITY      | AMOUNT        |      |            |
| 1                                | Credit for Vault Lid                        | 1        |  | LS   | \$ (906.14) | \$ (906.14)  | 0           | \$ -   | 1.00          | \$ (906.14)   | 100% |            |
| 2                                | Alternate Bid Item #40 Dewatering (25 days) | 25       |  | days | \$1,100.00  | \$ 27,500.00 | 0           | \$ -   | 25.00         | \$ 27,500.00  | 100% |            |
| 3                                | Alternate Bid Item #40 Dewatering (17 days) | 17       |  | days | \$1,100.00  | \$ 18,700.00 | 0           | \$ -   | 17.00         | \$ 18,700.00  | 100% |            |
| 4                                | Crushed Rock vs. Class II Base              | 1        |  | LS   | \$4,294.55  | \$ 4,294.55  | 0           | \$ -   | 1.00          | \$ 4,294.55   | 100% |            |
| 6                                | Encase Conduits in Red Concrete             | 1        |  | LS   | \$6,179.59  | \$ 6,179.59  | 0           | \$ -   | 1.00          | \$ 6,179.59   | 100% |            |
| SUB TOTAL CONTRACT CHANGE ORDERS |   |          |  |      |             | \$ 55,768.00 |             | \$ -   |               | \$ 55,768.00  | 33%  |            |
| TOTAL CONSTRUCTION COST          |   |          |  |      |             |              |             |        |               | \$ 882,902.00 |      |            |

| RETAINAGE        |           |         |             |
|------------------|-----------|---------|-------------|
| WORK COMPLETED   | TO DATE   | PERCENT | RETAINED    |
|                  | 36,959.50 | 10%     | \$ 3,695.95 |
| STORED MATERIALS | N/A       | N/A     | \$ -        |
| TOTAL            |           |         | \$ 3,695.95 |

NET PAY THIS APP: \$ 33,263.55



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

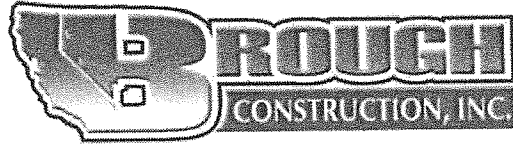
Invoice No: 100334  
Invoice Date: 02/22/2011

Estimate No: 100334  
Completed Thru: 02/28/2011  
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  | 0.000        | 0.00      | 0.600         | 18900.00  |
| 02    | Project Demo/Removal     | 1.000 LS        | 10600.0000 | 10600.00  | 0.500                | 5300.00   | 0.000        | 0.00      | 0.500         | 5300.00   |
| 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   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 07    | New Concrete Flatwork    | 540.000 SF      | 9.5000     | 5130.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 08    | Concrete Retaining Bin   | 147.000 LF      | 440.0000   | 64680.00  | 146.700              | 64548.00  | 0.300        | 132.00    | 147.000       | 64680.00  |
| 09    | CMU Flood Wall           | 150.000 LF      | 62.5000    | 9375.00   | 0.000                | 0.00      | 150.000      | 9375.00   | 150.000       | 9375.00   |
| 10A   | Flood gates on mandooors | 2.000 EA        | 5860.0000  | 11720.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 10B   | Flood gates on rollup d  | 1.000 EA        | 13800.0000 | 13800.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 11    | Pre-engineered Metal Bl  | 1.000 LS        | 54840.0000 | 54840.00  | 0.700                | 38388.00  | 0.100        | 5484.00   | 0.800         | 43872.00  |
| 12    | Centrifuge relocation    | 1.000 LS        | 34000.0000 | 34000.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 13    | Asphalt Paving/Patching  | 3270.000 SF     | 12.0000    | 39240.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 14    | Shoring/Sheeting/Platin  | 1.000 LS        | 500.0000   | 500.00    | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 15    | 8"PVC SDR 35 Pipe        | 290.000 LF      | 45.0000    | 13050.00  | 20.000               | 900.00    | 0.000        | 0.00      | 20.000        | 900.00    |
| 16    | 6" DI Sludge Pipe        | 110.000 LF      | 697.0000   | 76670.00  | 52.000               | 36244.00  | 0.000        | 0.00      | 52.000        | 36244.00  |
| 17    | 6"PVC Sch 80 Drain Pipe  | 40.000 LF       | 56.0000    | 2240.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 18    | 3" DI Sludge Pipe        | 2.000 LF        | 1543.0000  | 3086.00   | 0.000                | 0.00      | 0.500        | 771.50    | 0.500         | 771.50    |
| 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   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 21    | 1"PVC Sch 80 Undergroun  | 32.000 LF       | 19.0000    | 608.00    | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 22    | 2"ASTM A53 Galv Steel P  | 15.000 LF       | 62.0000    | 930.00    | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 23    | 1"ASTM A53 Galv Steel P  | 65.000 LF       | 16.0000    | 1040.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 24    | Centrate Piping manhole  | 1.000 LS        | 785.0000   | 785.00    | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 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   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 27    | New pumps/grinder pedst  | 3.000 EA        | 1480.0000  | 4440.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 28A   | New Sludge Feed Pumps    | 2.000 EA        | 39000.0000 | 78000.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 28B   | In-Line Grinder          | 1.000 EA        | 22400.0000 | 22400.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 29A   | New Valves-Five 4" Valv  | 5.000 EA        | 830.0000   | 4150.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 29B   | New Valves-Thirteen 6"   | 13.000 EA       | 1700.0000  | 22100.00  | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 30    | 14" Plug Valve           | 1.000 EA        | 7200.0000  | 7200.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 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   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| 33    | Sludge Feed Pump/VFD Pn  | 1.000 LS        | 10200.0000 | 10200.00  | 0.000                | 0.00      | 0.250        | 2550.00   | 0.250         | 2550.00   |
| 34    | Local Power Dist Panel   | 1.000 LS        | 14770.0000 | 14770.00  | 0.050                | 738.50    | 0.100        | 1477.00   | 0.150         | 2215.50   |





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: 100334  
Invoice Date: 02/22/2011

Estimate No: 100334  
Completed Thru: 02/28/2011  
Owner Job No: 10033

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   | 0.250                | 5100.00   | 0.050        | 1020.00   | 0.300         | 6120.00   |
| 36                       | Power/Communication Con | 1.000 LS        | 32400.0000  | 32400.00   | 0.500                | 16200.00  | 0.000        | 0.00      | 0.500         | 16200.00  |
| 37                       | Power Wiring-New Bldg   | 1.000 LS        | 17000.0000  | 17000.00   | 0.050                | 850.00    | 0.350        | 5950.00   | 0.400         | 6800.00   |
| 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  | 0.000                | 0.00      | 0.100        | 10200.00  | 0.100         | 10200.00  |
| 40                       | Design/Install Graphics | 20.000 EA       | 570.0000    | 11400.00   | 0.000                | 0.00      | 0.000        | 0.00      | 0.000         | 0.00      |
| Original Contract Total: |                         |                 |             | 827,134.00 | 268,118.50           |           | 36,959.50    |           | 305,078.00    |           |
| 60                       | Change Order #1         | -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                       | Change Order #5-Dewater | 25.000 Days     | 1100.0000   | 27500.00   | 25.000               | 27500.00  | 0.000        | 0.00      | 25.000        | 27500.00  |
| 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                       | Change Order #11-Dewate | 17.000 Days     | 1100.0000   | 18700.00   | 17.000               | 18700.00  | 0.000        | 0.00      | 17.000        | 18700.00  |
| Total Change Orders:     |                         |                 |             | 55,768.00  | 55,768.00            |           | 0.00         |           | 55,768.00     |           |
| Total Contract To-Date:  |                         |                 |             | 882,902.00 | 323,886.50           |           | 36,959.50    |           | 360,846.00    |           |

Work Completed To-Date: 360,846.00  
Less Retention: 36,084.60  

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324,761.40  
  
Less Previous Billing: 291,497.85  
Current Payment Due: 33,263.55

**(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 \$33,263.55 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 02/28/2011 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: 02/22/2011 Brough Construction, Inc.

By: 

Title: Sec/Corp

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.

## Earth Systems Pacific

4378 Old Santa Fe Road, San Luis Obispo, CA 93401 (805) 544-3276

|                   |                   |
|-------------------|-------------------|
| Invoice Number    | 236416            |
| Invoice Date      | February 08, 2011 |
| PO Number         | Peter Rynning     |
| Project           | SL-12901-TG       |
| Customer Acct No. | SOSLOCOSA         |
| Page              | 1 of 1            |
| Corp. Fed. ID #   | 77-0521790        |

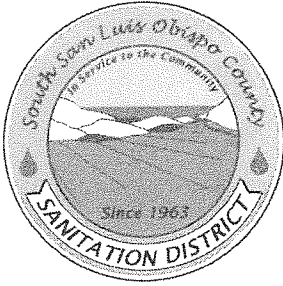
South SLO County Sanitation  
P.O. Box 339  
Oceano, CA 93445

Please return payment to:  
P.O. Box 3757  
San Luis Obispo, CA 93403-3757

For services rendered on South SLO Sanitation District, Centrifuge No. 2A, 1600 Aloha Place, Oceano  
through January 30, 2011.

| DATE                     | DESCRIPTION               | CLASSIFICATION | UNITS | RATE   | CHARGE          |
|--------------------------|---------------------------|----------------|-------|--------|-----------------|
| 01/20/11                 | Concrete Sampling         | Technician     | 1.00  | 287.25 | 287.25          |
| 01/24/11                 | Concrete Comp.: 4538-4540 |                | 3.00  | 61.25  | 183.75          |
| 01/26/11                 | Bolt Inspection           | Inspector      | 1.00  | 287.25 | 287.25          |
| TOTAL OF CURRENT CHARGES |                           |                |       |        | <u>\$758.25</u> |

*This invoice is due and payable upon presentation.  
1.5% service charge per month from the invoice date (18% Annual Percentage Rate).  
Please indicate invoice & Project number on your payment.*



## 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:** March 02, 2011

**Subject:** December 19, 2010 Storm Event Upgrade 2 (U - 2), All Inclusive Plant Breaker Coordination Study/Short Circuit Analysis

### Recommendation:

Staff recommends awarding a Professional Services contract to Thoma Electric in the amount of **\$9,500** for a Plant Breaker Coordination Study and Short Circuit Analysis

### Funding:

The District's cost resulting from storm damage is currently being evaluated in anticipation of partial offset funding from CAL EMA. The County and Federal recent proclamations of an emergency may qualify the District for up to 93.75% of our losses. It is not known at this time whether or not this expense will qualify. In the meantime, this should be funded from Account No. 19-8030, Equipment Repair (approximately \$55,000 balance as of January 1, 2011.)

### Discussion:

The Influent pumps are on Variable Frequency Drives (VFD's) with their circuits protected by a Main Distribution breaker, and four individual breakers – one for each VFD/motor. One of the main contributing factors to the SSO event of December 19, 2010 was when water inundated an electrical pull-box that feeds the Influent pumps, water short circuited the motor and tripped the individual motor breaker, and as the Main Distribution breaker was set incorrectly, it tripped as well, taking all the influent pumps offline with it.

Part of the District's response to the Regional Water Quality Control Board was item U-2 which recommends performing a breaker coordination study/short circuit analysis to identify any areas of risk for the District in the future. Any corrective actions as a result of this analysis report will be assessed for risk and implemented per the District's purchasing policy.

Thoma Electric of San Luis Obispo who has an Electrical Engineering Professional Engineer on staff provided a quote of **\$9,500** for these analyses. Staff also asked Thoma to also quote ArcFlash Analysis and training for staff – it is good information but will be addressed by Staff in the future as it is one of a few options being considered. The relevant sections for this staff report have been outlined for ease of Board member review.

Staff recommends awarding a Professional Services contract to Thoma Electric in the Not to Exceed amount of **\$9,500** for a Plant Breaker Coordination Study and Short Circuit Analysis. The terms and conditions of the contract will be reviewed and executed in a form approved by District Counsel.



February 1, 2011

Wallace Group  
612 Clarion Ct.  
San Luis Obispo, CA 93401

Attn: Peter Rynning

Re: SSLOCSD Oceano Waste Water Treatment Facility Proposal for Short Circuit Study, Arc Flash Analysis, and Arc Flash Hazard Training

Dear Peter:

Pursuant to your request, the following is our proposal which outlines the conditions and scope of work proposed to be completed as part of the short circuit analysis, arc flash study, and arc flash hazard training. The following is a description of our scope of work in coordination with our vendor, Eaton Cutler Hammer Company.

In order to provide a complete arc flash analysis, a system model will be created using the SKM Systems Analysis software. This model will represent the system from the medium voltage utility substation down to and including all major equipment locations such as motor control centers (MCCs), motor disconnects, panelboards, switchboards, and switchgear. Items such as variable frequency drive (VFD) cabinets, disconnect switches, control panels, etc. will not be included in the analysis. The model will include the impedance model (cables, transformers, etc.), sources of short circuit contribution (utility source, large motors, etc.) and the tripping characteristics of the overcurrent protection. This quote is based on one-line diagram E1.0. (See attached Appendix A).

The arc flash analysis will be performed according to the IEEE 1584 equations that are presented in NFPA70E-2009, Annex D. The short circuit calculations and the clearing times of the devices will be retrieved from the system model.

For the arc flash calculations, the *worst-case* scenario is not always described by the greatest magnitude of fault current. Eaton has developed an innovative method of considering several scenarios and providing a *worst-case* scenario for each system location. The arc flash analysis will, therefore, include calculations for maximum and minimum contributions of fault current magnitude. The minimum calculation will assume that the utility contribution is at a minimum and will assume a minimum motor load. Conversely, the maximum calculation will assume a maximum contribution from the utility and will assume all motors to be operating under full-load conditions.

Thoma Electric, Inc., and Eaton Services and Systems (EESS) Division has experienced Power System Engineers and the latest Power System Analysis Software. We will provide the District with sound engineering analysis and evaluations.

3562 Empleo, Ste.C - P.O.Box 1167  
San Luis Obispo, California 93406  
(805) 543-3850 FAX (805) 543-3829  
E-mail - bthoma@thomaelec.com

## 1. SCOPE

The scope of work includes the following:

- Study One-Line Diagram (AutoCAD)
- Short-Circuit and Protective Device Coordination Study
- Arc Flash Hazard Analysis
- System Review and Recommendations
- Arc Flash Hazard Warning Labels
- Report Presentation and Arc Flash Hazard Training

See attachment Appendix B for further details.

## 2. CLARIFICATIONS / EXCEPTIONS

- This proposal includes only one formal, complete report submittal (maximum of six hardcopies using permanent velo binding system) prior to project substantial completion.
- Selective Coordination Analysis of Emergency, Legally Required Standby Systems per the 2005 NEC Articles 700.27, 701.18 and 517.26 is not included (only normal power distribution system).
- Thoma Electric, Inc. will provide the following scope of services as part of this project proposed working with Eaton Cutler Hammer:
  1. All information needed for study from the existing electrical systems (as available without power shutdown and disassembly or removal of circuit breakers).
  2. Obtain settings for overload relays or motor circuit protectors within the MCC's.
  3. On-site data collection services is provided for the short-circuit and coordination, and arc flash hazard analysis; customer to provide all necessary field data, cable sizes and lengths and as-builts.
  4. Thoma Electric, Inc. will obtain utility short circuit requirements from PG&E for the study.
  5. The SSLOCSD will be responsible for any fees required by the local utility to provide the available fault current information (none are expected for this project). The study project cannot be completed until Eaton receives this data from utility.

Excluded from the scope is:

1. Settings for any software, configuration, or control devices within the VFD's (drive technician should perform this, if applicable).
2. Field service for testing, training or performing the actual protective settings. Completing the settings cannot be determined until completion of the study to see how many adjustments may need to be completed.

See attachments for further details.



### 3. STUDY PRESENTATION

An on-site presentation and discussion of study results and recommendations will be held at the SSLOCSO site and is included in the quoted study price. During the on-site study presentation, all questions and concerns regarding the study results will be addressed. Should it be determined that system changes, upgrades or modifications will be incorporated in order to eliminate Dangerous locations or reduce the hazard class at any location in the power system, the resulting study revision will be quoted and performed under a separate order and said changes are not considered a part of this scope of services.

Note: The Arc Flash warning labels will be provided after the results of the analysis have been presented to the customer and after any system changes, upgrades or modifications have been incorporated in the system. Thoma Electric, Inc. will apply appropriate label to each corresponding piece of equipment upon final approval of system.

### 4. ARC FLASH TRAINING

A 4-hour arc flash safety training session (15 person maximum attendees) will be presented immediately following the report presentation (see attachment for course outline in Appendix B). A training manual will be provided for all attendees (\$50 value each). Additional charge of \$100 per person if attendees exceed maximum is allowed. Training will be completed at the site (South San Luis Obispo County Sanitation District WWTF in Oceano, CA).

### 5. PRICE

Prices for the analysis services described in this quotation will be as follows:

- Short-Circuit and Protective Device Coordination Study - \$9,500.00
- Arc Flash Hazard Analysis - \$3,800.00
- Arc Flash Hazard Warning Labels (included with Arc Hazard Analysis)
- One-Line Diagram showing scope of this study (included)
- Report Presentation and Arc Flash Hazard Training (South San Luis Obispo County Sanitation District WWTF in San Luis Obispo, CA) – \$6,500.00
- Includes Study Materials for the Arc Flash Hazard Training up to 15 Participants.

Prices for Report Presentation and Arc Flash Hazard Training include all travel time and related expenses.

## 6. DELIVERY

The scheduling of work will be mutually agreed upon between the SSLOCSD, Thoma Electric, Inc. and Eaton Services and Systems.

## 7. TERMS AND CONDITIONS

- **Standard of Care** - The standard of care for all professional services performed or furnished by Consultant under this Agreement will be the skill and care used by member of Consultant's profession practicing under similar circumstances at the same time and in the same locality. Consultant makes no warranties, express or implied, under this Agreement or otherwise, in connection with Consultant's services.
- **Compensation** - For the scope of services described in proposal, Client agrees to pay Consultant the compensation stated Consultant agrees to submit invoices monthly for services rendered in the manner and format stated in proposal.
- **Indemnification** - Client and Consultant each agree to indemnify and hold the other harmless, and their respective officers, employees, agents and representatives, from and against liability for all claims, losses, damages and expenses, including reasonable attorneys' fees, to the extent such claims, losses, damages, or expenses are caused by the indemnifying party's negligent acts, error or omissions. In the event claims, losses, damages or expenses are caused by the joint or concurrent negligence of Client and Consultant, they shall be borne by each party in proportion to its negligence up to, and limited by the value of the consultant's compensation.
- **Force Majeure** - Neither party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of their obligations results from any cause beyond any party's reasonable control and without the parties' negligence.
- **Dispute Resolution** - Client and Consultant agree that they shall submit any and all unsettled claims, counterclaims, disputes, and other matters in question between them arising out of or relating to this Agreement to mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association, effective as of the date of this agreement.
- **Termination of Contract** - Client may terminate this Agreement with seven prior written days notice to Consultant for convenience or cause. Consultant may terminate this Agreement for cause with seven days prior written notice to Client. Failure of Client to make payments when due shall be cause for suspension of services or ultimately, termination, unless and until Consultant has been paid in full all amounts due for services, expenses and other approved related charges.
- **Hazardous Environmental Conditions** - It is acknowledged by both parties that Consultant's scope of services does not include any services related to the presence at the site of asbestos, PCBs, petroleum, hazardous waste or radioactive materials. Client acknowledges that Consultant is performing professional services for Client and Consultant is not and shall not be required to become an "arranger," "operator,"

"generator" or "transporter" of hazardous substances, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1990 (CERCLA).

- **Ownership of Documents** - All documents prepared or furnished by Consultant pursuant to this Agreement are instruments of Consultant's professional service, and Consultant shall retain the ownership and property interest therein. Consultant grants Client a license to use instruments of Consultant's professional service for the purpose of providing Contract Documents to its Client. Reuse or modification of any such documents by Client, without Consultant's written permission, shall be at Client's sole risk, and Client agrees to indemnify and hold Consultant harmless from all claims, damages and expenses, including attorneys' fees, arising out of such reuse by Client or by others acting through Client. Notwithstanding the foregoing, Thoma Electric retains ownership of all right, title, and interest, but not limited to, all copyright interest, in the instruments of service contained in such documents. Thoma Electric grants the Client a non-exclusive, non-transferable, without rights to sublicense, license solely to use the instruments of service for the project set forth in this request for proposal. For the purposes of this paragraph, instruments of service shall include, but not be limited to, details, drawings, plans, specifications, renderings, models, and reports.
- **Use of Electronic Media** - Copies of documents that may be relied upon by Client are limited to the printed copies (also known as hard copies) that are signed or sealed by Consultant. Files in electronic media format or text, data, graphic or other types that are furnished by Consultant to Client are only for convenience of Client. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. When transferring documents in electronic media format, Consultant makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems or computer hardware differing from those in use by Consultant at the beginning of this assignment. The Client shall not modify, create derivative works of, distribute, sell, lease, deliver or otherwise transfer the instruments of services and it shall not cause or permit anyone else to do any of the foregoing.
- **Construction Phase Services** - If this Agreement provides for any construction phase services by Consultant, it is understood that the Contractor, not Consultant, is responsible for the construction of the project, and that Consultant is not responsible for the acts or omissions of any contractor, subcontractor or material supplier; for safety precautions, programs or enforcement; or for construction means, methods, techniques, sequences and procedures employed by the Contractor.
- **Opinions of Cost** - When included in Consultant's scope of services, opinions or estimates of probable construction cost are prepared on the basis of Consultant's experience and qualifications and represent Consultant's judgment as a professional generally familiar with the industry. However, since Consultant has no control over the cost of labor, materials, equipment or services furnished by others, over contractor's methods of determining prices, or over competitive bidding or market conditions, Consultant cannot and does not guarantee that proposals, bids, or actual

construction cost will not vary from Consultant's opinions or estimates of probable construction cost.

Billing for the work will be submitted on a progressive monthly cycle and will be due net 30 days. If special billing arrangements or cut off dates are to be enforced, we must be notified in writing of those dates, prior to commencement of the work. Delinquent payments will be assessed at 1-1/2% per month finance charge beyond the 30-day period. Additional work that is not specifically included or described on the following proposal will be performed hourly at the following rates:

|                                  |          |
|----------------------------------|----------|
| Professional Electrical Engineer | \$157.50 |
| Electrical Engineer / Designer   | \$134.00 |
| Electrical Design Assistant      | \$ 95.00 |
| Electrical Cost Estimator        | \$ 98.50 |
| Field Technician / Electrician   | \$ 97.50 |
| Computer Aided Design / Drafter  | \$ 86.50 |
| Secretarial                      | \$ 72.50 |

Direct expenses shall be reimbursed as follows:

- Air fare Cost + 15%
- Lodging Cost + 15%
- Mileage \$0.50 per mile
- Reproduction Cost + 15%
- Mailing/Shipping Cost + 15%

Please sign/date below and return with attached proposal to us before we begin work. Please indicate your proposed schedule for our work. Information to be provided by the client shall be furnished in a timely manner and in writing for us to incorporate into the contract documents.

Thank you for the opportunity to submit a proposal on this project, we look forward to working with you. Please don't hesitate to call should you have any questions.

Sincerely,



William A. Thoma, P.E.  
Thoma Electric, Inc.

\\elo\_thoma\shares\ENGINE\PROPOSALS\2011\WALLACE\SSLOCSD Oceano Waste Water Treatment Facility Short Circuit Study, Arc Flash Analysis and Arc Flash Hazard Training\_2011-1-28.DOC

Signature \_\_\_\_\_  
Peter Rynning, Wallace Group

Date \_\_\_\_\_

**Appendix A – Single Line Diagram (See Next Page)**

## **Appendix B**

### **One-Line Diagram**

A one-line diagram of the electrical distribution system will be provided to support the system evaluation and analysis only. The one-line should not be used as an "as-built" drawing, for system trouble-shooting or as an aid in maintenance switching plans and/or procedures.

This model will represent the system from the *South San Luis Obispo County Sanitation District WWTF* incoming utility service down to and including all major equipment such as LV switchboard, manual transfer switches, panelboards, and motor control centers. Items such as variable frequency drive (VFD) cabinets, disconnect switches, control panels, etc. will not be included unless requested by the customer.

The one-line diagram will show the identification and ratings of electrical equipment covered in this study, such as: transformers, cables, motors, circuit breakers, protective relays, fuses, current transformers, etc.

### **Short Circuit Study**

#### ***Background***

The best-designed electrical distribution systems will occasionally experience short circuits. Overcurrent protective devices such as fuses and circuit breakers should isolate the fault current at desired locations safely with minimal equipment damage and minimal disruption of facilities processes. Other components of the distribution system, such as transformers, cables, and disconnect switches, must be able to withstand the mechanical and thermal stresses produced by the fault current flowing through them. The magnitudes of short circuit current are determined by calculation, and electrical equipment ratings are selected based upon the calculation results.

#### ***Procedure***

The study input data shall include the utility short circuit contribution, resistance, and reactance components of the branch impedances, the X/R ratios, motor and generator contributions, base quantities selected, and other source impedances down to and including all equipment listed in the scope of work.

Eaton power systems engineers will calculate maximum available fault current at each significant location throughout the system. The short circuit tabulations shall include symmetrical fault currents and X/R ratios, for both momentary and interrupting conditions. For each fault location, the total duty on the bus, as well as the individual contribution from each connected branch, shall be included with its respective X/R ratio.

All short circuit calculations will be made in accordance with the latest standards adopted by the American National Standards Institute (ANSI) and the National Electrical Code (NEC). Each interrupting protective device will be analyzed to determine if its interrupting and momentary



ratings can withstand the calculated interrupting and momentary duties. If the study reveals problem areas, the study will recommend changes to improve system performance.

#### *Results*

At the conclusion of the Short Circuit Study, Eaton will submit the following for each circuit condition analyzed:

- Fault current calculation summary listing momentary and interrupting duties with their respective X/R ratios,
- Tabulated summaries listing circuit breaker, fuse and other protective device interrupting and momentary duties in percent of their respective ratings,
- Complete fault current magnitudes, including individual branch current contributions, for each bus in the electrical distribution system,
- Complete tabulation of circuit breaker, fuse and other protective device momentary and interrupting ratings versus calculated short circuit duties for every protective device in the scope of the Short Circuit Analysis,
- Recommendations for replacement or retrofit of overdutied protective devices, and
- Definitions of terms and guidelines for interpretation of computer printout.

#### **Protective Device Coordination Study**

##### *Background*

A protective device coordination study determines the characteristics, ratings, and settings of overcurrent protective devices that will ensure that the minimum unfaulted load is interrupted when the protective devices isolate a fault or overload anywhere in the distribution system. At the same time, the devices and settings are selected to provide satisfactory protection against overloads on equipment and interrupt short circuits as rapidly as possible.

The coordination study evaluates current transformer ratios, protective relay characteristics and settings, fuse ratings, and low-voltage circuit breaker ratings, characteristics, and trip settings. It also provides other information pertinent to the provision of optimum protection and selectivity in coordination of devices.

Note: This study cannot guarantee that the outcome will allow for full selective coordination under all fault conditions and in fact could result in no improvement to the existing equipment without replacement of equipment. Simple adjustments may not always be able to correct a mis-coordination.

##### *Study Procedure*

Using the SKM Systems Analysis Computer Program, Eaton power system engineers will evaluate the protective device coordination. Revised time-current coordination curves showing the recommended phase and ground-fault protective device time-current characteristics will be plotted. Time current curves for the protective devices that do not require change will also be plotted. The curves will illustrate the coordination among the devices shown on the system one-line diagram.

The coordination curves will include, as a minimum, the following information:

- Appropriate NEC and ANSI protection criteria for equipment.
- Magnetizing inrush points of transformers.
- A simplified one-line diagram identifying the devices plotted.
- Short-circuit current levels used for coordination.
- Motor starting characteristics, where applicable.

The coordination analysis will start by plotting the MCC or distribution panel main breaker (largest branch breaker when main breaker does not exist) downstream from 208V feeder breakers. The coordination process will then extend up through the 208V main switchboard until coordination is achieved with the last incoming utility protective device.

#### *Results*

- Detailed recommendations for new and replacement protective devices when the study determines those existing devices do not provide proper protection or coordination.
- Time-current coordination curves with the information described above.
- Tabulations of recommended protective device settings identified by location, equipment number, function number and adjustable range.

Note: The fees outlined in this report do not include replacement or modification to existing circuit breakers, fuses or other overcurrent and short circuit protective devices.

#### **Arc Flash Hazard Analysis**

##### *Background*

NFPA 70E Standard, Article 110.7 (F) states that an electrical safety program shall identify a hazard/risk evaluation procedure to be used before work is started on or near live parts. Article 130.7 (A) states that employees working in areas where electrical hazards are present shall be provided with, and shall use, protective equipment that is designed and constructed for the specific part of the body to be protected and for the work to be performed.

##### *Procedure*

In accordance with NFPA 70E and IEEE 1584, SKM Systems Analysis software provides the calculation of these values. The equations used in these calculations are based on actual test values. These tests measured the calories per square centimeter ( $\text{cal}/\text{cm}^2$ ) radiating from a simulated arcing fault. The measurements were performed at a theorized working distance of 18 inches.

The intent of the NFPA 70E and IEEE 1584 guidelines is to establish standard calculations to determine an Approach Boundary and an associated PPE Hazard Level that will limit the injury to the onset of a second-degree burn to the face and the torso of the worker. An incident energy of  $1.2 \text{ cal}/\text{cm}^2$  represents the onset of a second-degree burn. The various PPE Hazard Levels are described in the NFPA 70E standard on a scale of 0 to 4. An incident energy greater than  $40 \text{ cal}/\text{cm}^2$  will be described in this study as "Dangerous" and no Hazard Level can be applied. Thus, no PPE is approved to protect the worker from a potential Arc Flash Hazard and the

equipment enclosure should not be opened unless the equipment is de-energized, tagged-out, and locked-out.

The Arc Flash analysis considers each medium and low voltage system location within the scope of the work. IEEE Std 1584<sup>TM</sup>-2002 states that equipment below 240 V need not be considered unless it involves at least one 125 kVA or larger low-impedance transformer in its immediate power supply. Therefore, no detailed calculations will be performed for 120/208V locations supplied by a transformer smaller than 125kVA, however within the scope of this proposal, labels will be provided for these locations and will be labeled as hazard risk category zero. For the detailed calculations, the SKM Systems Analysis software determines the available fault currents for each location and the clearing time of the device protecting the same location. From these determinations, the potential incident energy is calculated for each location. Arc flash computations shall include both line and load side of main breaker calculations, where necessary.

The results of this study will be based on a protective device clearing time that is capped at 2 seconds. This is based on IEEE Std 1584<sup>TM</sup>-2002, Annex B, Instructions and Examples, page 76, which states *"If the time is longer than two seconds, consider how long a person is likely to remain in the location of the arc flash. It is likely that a person exposed to an arc flash will move away quickly if it is physically possible and two seconds is a reasonable maximum time for calculations. A person in a bucket truck or a person who has crawled into equipment will need more time to move away."*

### *Results*

At the conclusion of the Arc Flash Hazard Study, Eaton will submit the following for each circuit condition and arc location analyzed:

- Arcing fault magnitude
- Device clearing time
- Duration of arc
- Arc flash boundary
- Working distance
- Incident energy
- Recommendations for new equipment and/or system changes necessary to reduce the calculated arc flash energy level below 40 cal/cm<sup>2</sup>, where possible. Cost for any improvements or recommendations will be considered beyond the scope of this proposal and are considered extra services.

General recommendations for arc flash hazard reduction will also be discussed.

### *Arc Flash Labels*

Arc flash warning labels for equipment described by the study Single Line Diagram (E-1 Appendix A) will be provided in the following manner:

- For each low voltage panelboard, one arc flash label will be provided.
- For each motor control center, one arc flash label will be provided.
- For each low voltage switchboard, one arc flash label will be provided.

- For each low and/or medium voltage switchgear, one flash label will be provided.
- For medium voltage switches one arc flash label will be provided
- Additional labels will require advance notification in writing and an executed change order.

All labels will be based on recommended overcurrent device settings and will be provided after the results of the analysis have been presented to the customer and after any system changes, upgrades or modifications have been incorporated in the system.

Labels will be 4 in. x 6 in. thermal transfer type label of high adhesion polyester for each work location analyzed and will be machine printed, with no field markings. The label shall have an orange header with the wording, "WARNING, ARC FLASH HAZARD", and shall include the following information (see example label on following page).

- Location designation
- Nominal voltage
- Flash protection boundary
- Hazard risk category
- Incident energy
- Working distance
- Engineering report number, revision number and issue date.

Also, note that Shock Hazard information is generally not provided on an arc flash label for two reasons. The first reason is that shock hazard and arc flash are not related. Arc flash is based upon a calculated fault current and a specific device clearing time while shock hazard is based upon the reference voltage. The second reason is providing too much information on one label. In order to detail all the required information the font on each label would have to be reduced. This may render the labels illegible. Moreover if shock hazard boundary labels are required it would be recommended that this information be provided on a separate label.

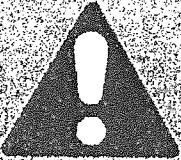
|   |  |   |                               |                      |
|---|--|---|-------------------------------|----------------------|
|  |  | <b>WARNING</b>                            |                               | CABEL 001            |
|   |  | <b>ARC FLASH HAZARD</b>                   |                               |                      |
| <b>LINE SIDE FLASH PROTECTION BOUNDARY: 48 inches</b>                             |  |   |                               |                      |
| <b>of MAIN</b>  |  | <b>HAZARD RISK CATEGORY: #2</b>           |                               |                      |
| <b>INCIDENT ENERGY RANGE: 4-8 cal/cm<sup>2</sup> at 18" WORKING DISTANCE</b>      |  |   |                               |                      |
| <b>LOAD SIDE FLASH PROTECTION BOUNDARY: 10 inches</b>                             |  |   |                               |                      |
| <b>of MAIN</b>  |  | <b>HAZARD RISK CATEGORY: #0</b>           |                               |                      |
| <b>INCIDENT ENERGY RANGE: 0-1.2 cal/cm<sup>2</sup> at 18" WORKING DISTANCE</b>    |  |   |                               |                      |
| <b>0.48 kV</b>  |  | <b>PSE TQS#: XXXX.X</b>                   | <b>Date Issued: July 2006</b> | <b>Study Rev.: 0</b> |
| <b>LOCATION: BUS NAME</b>   |  | <b>PROTECTIVE DEVICE: UPSTREAM DEVICE</b> |                               |                      |

Figure 1: Sample 4" x 6" Arc Flash Warning Label

## **SUBJECT OUTLINE -- ARC FLASH TRAINING (4hrs)**

### **Developments Leading to NFPA 70E-2009**

#### **NFPA 70E History**

#### **What Is the Industry Incentive for Defining Incident Energy Hazards?**

- Characteristics of an Electric Arc

- Arc Blast Pressure

- Inhalation Injuries

#### **Burn Injuries**

- Stoll Curve

- Definition of Incident Energy

- First Degree Burns

- Second Degree Burns

- Third Degree Burns

#### **Organizations Having Existing or Proposed Standards**

- National Fire Protection Association (NFPA)

  - NEC 2002 Edition

  - NFPA 70E-2004

- Institute for Electrical and Electronics Engineers (IEEE)

- Occupational Health and Safety Administration (OSHA)

- OSHA Apparel Standard 1910.269(l)(6)

### **Flash Protection Boundary and Limits of Approach**

#### **Definitions of Boundaries and Spaces**

- Flash Protection Boundary

- Limited Approach Boundary

- Restricted Approach Boundary

- Prohibited Approach Boundary

- Limited Space

- Restricted Space

- Prohibited Space

#### **How Does Flash Protection Boundary Relate to Working On or Near**

- Exposed Energized Parts?

#### **How Does Flash Protection Boundary Relate to Working On or Near**

- Enclosed Electrical Equipment?

#### **Who Can Work On Energized Electric Circuits?**

#### **Determining the Safe Approach Distance for an Unqualified Person**

#### **Determining the Safe Approach Distance for a Qualified Person**

- NFPA 70E, Qualified Person References

### **NFPA 70E-2009 Calculations for Flash Protection Boundary and Incident Energy**

#### **Electrical Power System Short Circuits**

- Bolted Faults

- Arcing Faults

#### **Calculating Prospective Short Circuit Current, $I_{sc}$**

#### **Calculating Bolted Fault MVA**

#### **Calculating Flash Protection Boundary, $D_c$**

- System Voltage 600 V and Below



**System Voltage Above 600 V**

- Determining Flash Protection Boundary Using Engineering Studies
- Information Needed from a Power System Engineering Study
- Arc Flash Evaluation Report
- Incident Energy Exposure
  - NFPA 70 E, Calculation for Arc in Open Air
  - NFPA 70 E, Calculation for Arc in a Cubic Box
  - Comparison of "Arc in Open Air" to "Arc in a Box"

**Protective Clothing and PPE**

- Definitions -- Arc Thermal Performance Exposure Value (ATPV), Break-Open Threshold Energy ( $E_{BT}$ ), Heat Attenuation Factor (HAF)
- American Society for Testing and Materials (ASTM) Standards
- Untreated Natural-Fiber Clothing
- Flame Resistant (FR) Clothing
  - Flame Resistance Defined
  - Characteristics of Common FR Garments
  - FR Clothing Color
  - Layering of Clothing
  - Fabric Contamination
  - Cleaning and Laundering of FR Clothing
  - Re-certifying Arc Flash Products
  - Choosing FR Clothing and PPE from an Electrical Flash Hazard Assessment
- Specialized Arc Flash Protective Equipment
  - Flash Suits (Switching Jackets)
  - Eye and Face Protection
  - Gloves
  - Footwear

**IEEE Methods For Selecting Protective Clothing and PPE**

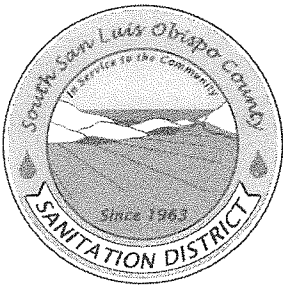
- Arc Flash Hazard Analysis Using IEEE Std 1584-2002
  - Procedural Steps
  - Range of the Model Used in IEEE Std 1584-2002
- Selecting Protective Clothing Using IEEE Std 1584-2002 Equations

**Practical Methods for Reducing Arc Flash Hazards**

- Safety Practices
  - Minimize Risk with Good Safety Practices
  - Job Briefing
  - Practice of De-Energizing Equipment versus "Working It Live"
  - Arc Flash Labeling
- Metal-Clad Switchgear
- Arc Resistant Switchgear
- Application of Current-Limiting Reactors
- Specifying or Retrofitting Equipment Having Current-Limiting Protective Devices
- Experiences of Electric Utilities
- Sources of Additional Information

National Fire Protection Association (NFPA)  
American Society for Testing Materials (ASTM)  
U.S. Regulatory Guides  
IEEE Articles and Papers






# 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:** March 02, 2011  
**Subject:** FFR Check Valve Purchase, 09 MBI 01

### Recommendation:

Staff recommends the Board approve the sole-source purchase of a 12" APCO 250 series Cushioned Check Valve (through the Gene Ford Company, Inc.) in the estimated amount of **\$4,156.20**;

### Funding:

The FY 2010-11 Budget includes the project in Major Budget Item 09 MBI 01 – *FFR Pump Refurbishment* – in the amount of **\$147,000**. This includes the purchase and installation of a third pump train, and the refurbishment/replacement of pumps/seals and check valves as is required. It is possible the budget will be adjusted up and brought to the Board for approval in order to accommodate unanticipated badly worn parts or extra work found during inspections.

|   | Expenditures<br>to Date | Proposed<br>Expenditures | Totals        |
|---|-------------------------|--------------------------|---------------|
| <b>Fiscal Year Budget (A)</b>                                   | \$ 147,000.00           | \$ -                     | \$ 147,000.00 |
| <b>Equipment expenditures (B)</b>                               | \$ 53,682.26            | \$ 4,156.20              | \$ 57,838.46  |
| <b>Design expenditures (C)</b>                                  | \$ 3,917.00             | \$ -                     | \$ 3,917.00   |
| <b>Testing expenditures (D)</b>                                 | \$ -                    | \$ -                     | \$ -          |
| <b>Construction expenditures (E)</b>                            | \$ -                    | \$ -                     | \$ -          |
| <b>Const. Admin expenditures (F)</b>                            | \$ -                    | \$ -                     | \$ -          |
| <b>Retainage (G): {E-10%}</b>                                   | \$ -                    | \$ -                     | \$ -          |
| <b>Payments (B+C+D+E+F-G)</b>                                   | \$ 57,599.26            | \$ 4,156.20              | \$ 61,755.46  |
| <b>Subtotal (H): {B+C+D+E+F}</b><br><i>(includes retainage)</i> | \$ 57,599.26            |                          | \$ 61,755.46  |
| <b>Balance to Complete (A-H)</b>                                | \$ 89,400.74            |                          | \$ 85,244.54  |

|                                   | Expenditures<br>to Date | Proposed<br>Expenditures | Balance<br>to Complete |
|-----------------------------------|-------------------------|--------------------------|------------------------|
| <b>Total Budget</b> \$ 147,000.00 | \$ 57,599.26            | \$ 4,156.20              | \$ 85,244.54           |

**Discussion:**

On May 19, 2010, the Board approved the sole source purchase of a third FFR pump to provide redundancy to the existing two pumps. After many delays, the pump finally arrived in January 2011 from Fairbanks-Morse. Inventory issues and efforts to help the Katrina affected areas delayed the District's order. Staff is attempting to negotiate a price break to compensate the District for the inconvenience of a 5 month delay.

As a reminder, staff is recommending installing the new pump directly into the old pump position (with the leaky seal) during a short, night-time shutdown. Once installed, Staff will have time to send the original pump back to the Manufacturer for a thorough refurbishment.

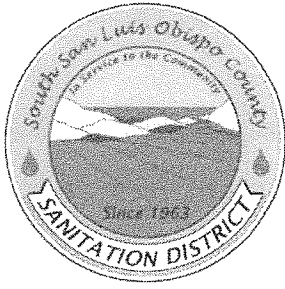
While this pump is out for refurbishment, the third pump train pad can be constructed, the electrical and VFD cabinet installed, and be waiting for the pump's return. This part of the project will be bid separately at a later date and will be brought back to the Board. Once this first pump is back online, the last pump can be sent in for refurbishment.

Staff thought the specialized Cushioned Check Valve on the pump discharge would be ok to refurbish, but is not sure it will be successful. As a third valve will need to be purchased eventually, staff is recommending purchasing it now. The recommended specialty valve is a sole source, high-quality APCO cushioned check valve with the exact face-to-face dimensions of the existing valve. Staff has been told that this new valve is kept in stock and can ship immediately. Staff would install the new valve when the new pump is installed.

Staff has solicited a bid from the authorized Sales Representative (attached). The summary is as follows:

|                            |             |
|----------------------------|-------------|
| APCO Cushioned Check Valve | \$ 3,408.00 |
| Estimated Shipping         | \$ 450.00   |
| SLO County 8.75% Sales Tax | \$ 298.20   |
| Total                      | \$ 4,156.20 |

Staff recommends the Board approve the sole-source purchase of a 12" APCO 250 series Cushioned Check Valve (through the Gene Ford Company, Inc.) in the estimated amount of **\$4,156.20**.



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<http://sslocsd.org/>

### Staff Report

**To:** Board of Directors

**From:** John Wallace, *District Administrator* 

**Date:** March 3, 2011

**Subject:** Temporary Employment Contract with Robert Barlogio, Grade 4 WWTP Operator as Plant Superintendent

### Recommendation:

Staff recommends the Board approve a temporary employment agreement with Robert Barlogio to act as the District's Plant Superintendent and Chief Plant Operator (CPO)

### Funding:

Funds for this contract will be provided from the Operating Budget for FY 2010-11, Personnel Expenses

### Discussion:

Recently the District has experienced a shortage of manpower. The Water Board requires that the District have a Chief Plant Operator (CPO) as part of our permit requirements. In Mr. Appleton's absence, it is necessary to temporarily fill this position. In the last several weeks, Mr. Trini Rodriguez has temporarily filled this position. Trini has done a great job, but because of the many projects underway it has become necessary for him to devote more of his time to the supervision of the operators and for Mr. Barlogio to assist with more of the administrative functions at the plant.

Staff has again approached Mr. Barlogio, a Grade 4 level WWTP Operator who is now available on more or less full time basis. Mr. Barlogio has considerable experience with wastewater treatment plant operations in general and with local WWTPs in particular. In addition he performed very well in his previous assignment with the District.

We are fortunate to have a person with Mr. Barlogio's technical and administrative skills to help us out during this period of time.

District Counsel drafted an agreement for Board approval. It is now appropriate for the Chairman to execute the contract on behalf of the District.



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
INTERIM PLANT SUPERINTENDENT  
EMPLOYMENT AGREEMENT**

Attachment:

Exhibit "A" – Plant Superintendent Job Description

Exhibit "B" – Salary Schedule

This Agreement (sometimes referred to herein as "Contract"), is made and entered into by and between the South San Luis Obispo County Sanitation District, (herein referred to as "District"), and Robert Barlogio, (herein referred to as "Temporary Contract Employee") with reference to the following recitals:

**RECITALS**

A. District is a County Sanitation District organized and operating under Health and Safety Code § 4700 et. seq.

B. Temporary Contract Employee has read the Job Description for the Plant Superintendent (Exhibit "A") and possesses the required knowledge, education/experience and licenses/certificates described in the Job Description.

C. District desires to enter into a Contract Employment relationship with Robert Barlogio as Interim Plant Superintendent;

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

**SECTION 1. DUTIES**

A. District hereby agrees to employ Robert Barlogio as Interim Plant Superintendent. A general description of the duties and responsibilities of the Interim Plant Superintendent are set forth in the Plant Superintendent Job Description, attached hereto as Exhibit "A" and incorporated herein by this reference.

B. Robert Barlogio agrees to perform the function and duties of the position of Interim Plant Superintendent and to perform other duties specified by statute and any additional duties as may be assigned from time to time by the District Administrator or District Board of Directors.

## **SECTION 2. TERM**

A. Subject to approval by Board of Directors and providing District with proof of insurance as required by Section 9, this Contract shall take effect on March 1, 2011, at 8:00 a.m. ("Effective Date").

B. Subject to the provisions set forth in Section 3, below, this Contract shall automatically terminate one (1) week after either of the following events:

- (1) Jeff Appleton is returned as District Plant Superintendent; or
- (2) A permanent District Plant Superintendent is appointed and begins his/her employment with District ("Termination Date").
- (3) The District desires to make other arrangements for Interim Plant Superintendent duties/responsibilities.

C. Nothing in this Contract shall prevent, limit or otherwise interfere with the right of Temporary Contract Employee to resign at any time from his position with District, subject only to the provisions set forth in Section 3 of this Contract.

## **SECTION 3. TERMINATION**

A. Temporary Contract Employee understands and expressly agrees that he has no constitutionally protected property or other interests in his employment as Interim Plant Superintendent. Temporary Contract Employee understands and expressly agrees that he serves at the will and pleasure of the District Board of Directors and that he may be terminated or asked to resign at any time by the District Board of Directors, with or without cause.

B. Termination For Cause: In the event Temporary Contract Employee is terminated for good cause, Temporary Contract Employee shall be entitled to all salary earned, but not paid as of the date of termination only. Temporary Contract Employee shall not be entitled to any other compensation, including, without limitation, any severance compensation. For purpose of this Agreement, "good cause" shall include, but not necessarily be limited to, any of the following:

- (1) Any material breach by Temporary Contract Employee of any term or provision of this Agreement;
- (2) Temporary Contract Employee's failure to perform his duties in a professional and responsible manner consistent with generally accepted standards of the profession;

- (3) Temporary Contract Employee's misfeasance;
- (4) Temporary Contract Employee's malfeasance;
- (5) Conduct unbecoming the position of Interim Plant Superintendent or likely to bring discredit or embarrassment to the District;
- (6) Insobriety;
- (7) Conviction of a misdemeanor involving moral turpitude;
- (8) Conviction of a felony;
- (9) Engaging in illegal business practices in connection with the District's business;
- (10) Misappropriation of the District's assets;
- (11) Excessive unexcused absences of Temporary Contract Employee from his employment during agreed upon working hours; or
- (12) Failure to perform or habitually neglecting the duties which he is required to perform under this Agreement.

C. Temporary Contract Employee may terminate this Contract at any time by giving District twenty-one (21) calendar days written notice in advance, unless the parties otherwise agree in writing.

D. If this Agreement is terminated by District for cause pursuant to Section C, above and it is later determined that the termination was wrongful, such termination automatically shall be converted and treated as a Termination Without Cause under Section B, above, and Temporary Contract Employee shall be entitled to receive only the amounts payable hereunder in the event of a Termination Without Cause.

#### **SECTION 4. SALARY AND WORKING HOURS**

Subject to the time off provisions of Section 5, the following shall apply to Temporary Contract Employee.

- A. Salary. District agrees to pay Temporary Contract Employee for his services rendered, based upon a monthly salary of \$6,268 (step 3) per month for an amount of \$1,218.12 per week with normal withholdings deducted as required by law, payable in equal installments at the same time as other employees of the District are paid. On call/standby pay is included in the salary.

- B. Hours per week. Temporary Contract Employee shall work an agreed upon four (4 ) days a week on Monday through Thursday from 7:30 a.m. to 4:00 p.m. during normal District business hours or on a work schedule otherwise approved in writing by the District Administrator. Temporary Contract Employee shall be on call/standby from 4:00 p.m. Friday to 7:30 a.m. Monday.

## **SECTION 5. TIME OFF**

Temporary Contract Employee may take time off for the purposes of vacation as follows:

- (1) Temporary Contract Employee may take time off for vacation as follows:  
a. District legal holidays.

(2) Provided that Temporary Contract Employee's duties are duly delegated and the District Administrator has been provided with a minimum of five (5) calendar days notice, then, in addition to the vacation time authorized by subparagraph (1), Temporary Contract Employee may take additional vacation days not to exceed two (2) days in a thirty (30) day period.

(3) Temporary Contract Employee's monthly compensation shall be proportionally reduced for vacation time off.

## **SECTION 6. BENEFITS**

Temporary Contract Employee shall not receive District benefits such as health insurance, retirement, vacation or sick leave. Temporary Contract Employee shall not be credited for holidays or leave for jury duty.

## **SECTION 7. EXPENSES**

The District shall reimburse Temporary Contract Employee for incurred expenses as follows:

- A. Automobile.

1. In the event Temporary Contract Employee is required to use his own automobile in performing services for the District than District shall reimburse Temporary Contract Employee for automobile expenses at the prevailing IRS per diem mileage rate for expenses incurred.

B. Payment.

1. Temporary Contract Employee shall invoice District on a monthly basis for automobile expenses referenced in this Section A(1) which shall be considered for approval as part of the monthly Warrant Register prior to payment.

## **SECTION 8. EMPLOYMENT STATUS**

A. Temporary Contract Employee understands and agrees that he is not entitled to be paid compensation comparable to a regular District employee performing similar work, but that the compensation received herein is negotiated for services rendered by Temporary Contract Employee.

B. Temporary Contract Employee understands and agrees that the terms of his employment is governed only by this Contract and that no other right of regular employment is created hereby.

## **SECTION 9. AUTOMOBILE INSURANCE**

Plant Superintendent shall procure and maintain automobile insurance coverage, on an "occurrence basis", with companies authorized to do business in the State of California, with coverage of no less than five-hundred thousand dollars (\$500,000) per accident.

## **SECTION 10. PERSONNEL POLICIES**

Temporary Contract Employee has read and agrees to be bound by the following District Policies:

- A. INJURED ON DUTY
- B. SAFETY
- C. USE OF DISTRICT VEHICLES AND PROPERTY
- D. APPEARANCE AND CONDUCT
- E. SUBSTANCE ABUSE
- F. SEXUAL HARASSMENT
- G. HARASSMENT
- H. FITNESS FOR DUTY

## **SECTION 11. NOTICES.**

A. Notices pursuant to this Agreement shall be in writing and shall be deemed received at the earlier of either (a) actual receipt, or (b) three (3) days following deposit in the U.S. Mail as provided below. Notices delivered by U.S. or private mail shall be directed to the addresses shown below, provided that a party may change addresses by giving written notice to the other party in accordance with this subsection:

1. District:  
South San Luis Obispo County Sanitation District  
1600 Aloha Place, Oceano, CA 93449  
Attn: John Wallace, District Administrator
2. Temporary Contract Employee:  
Robert Barlogio  
P.O. Box 492  
Templeton, CA 93465-0492

B. Notices under this section may be:

- (1) Served personally; or
- (2.) Sent by facsimile (provided a hard copy is mailed within one (1) business day); or
- (3) Delivered by first class U.S. Mail, certified, with postage prepaid and a return receipt requested; or
- (4) Sent by Federal Express or equivalent private mail delivery service.

## **SECTION 12. GENERAL PROVISIONS.**

A. Temporary Contract Employee shall comply with all local and state requirements regarding conflicts of interest and shall avoid personal involvement in situations which are inconsistent or incompatible with a position of Interim Plant Superintendent or give rise to the appearance of impropriety.

B. Subject to the provisions of Sections 995 et seq. of the Government Code and upon request of Temporary Contract Employee, District shall provide for the defense of any civil action or proceeding brought against him, in his official or individual capacity or both, on account of an act or omission in the scope of his employment as an employee of the District.



C. The terms of this Agreement are intended by the parties as the final expression of their Agreement and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. The parties further intend that this Agreement 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 Agreement. Any amendments to this Agreement must be in writing and executed by both parties.

D. In the event of Temporary Contract Employee's death, Temporary Contract Employee's heirs, legatees, devisees, executors or legal representatives shall be entitled to all salary earned, but not paid. Temporary Contract Employee 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 Agreement 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 affected, impaired or invalidated thereby.

F. This Agreement shall be governed by the laws of the State of California. Temporary Contract Employee and the District agree that venue for any dispute shall be in San Luis Obispo County, California.

G. The parties acknowledge that they understand the significance and consequences of this Agreement. The parties also acknowledge that they have been given full opportunity to review and negotiate this Agreement 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 Agreement shall not be interpreted against the party who prepared the initial draft because all parties participated in the drafting of this Agreement by having ample opportunity to review and submit suggested changes or corrections for incorporation into the final version of this Agreement.

H. Temporary Contract Employee may not assign this Agreement in whole or in part.

I. This Agreement 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.

J. This Agreement shall become effective on the date the Agreement is approved by the District Board of Directors.

**IN WITNESS WHEREOF**, District and Temporary Contract Employee have executed this Contract on the day and year first set forth above.

I have read this Contract and agree to be employed by the District under the terms and condition herein stated. I understand and agree that no representative of the District has the authority to enter into any agreement, expressed or implied, that would modify the terms and conditions of this Contract.

\_\_\_\_\_  
Robert Barlogio,  
Temporary Contract Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Tony Ferrara, President  
Board of Directors  
South San Luis Obispo County Sanitation District

\_\_\_\_\_  
Date