



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha Oceano, California 93445-9735
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**AGENDA
BOARD OF DIRECTORS MEETING**

OCSD Board Room
1655 Front Street
Oceano, California 93445

Wednesday, December 21, 2016 at 6:00 p.m.

Board Members

John Shoals, Chair
Linda Austin, Director
Jim Hill, Director

Agencies

City of Grover Beach
Oceano Community Services District
City of Arroyo Grande

Alternate Board Members

Karen White, Director
Tim Brown, Director
Barbara Nicolls, Director

Oceano Community Services District
City of Arroyo Grande
City of Grover Beach

-
- 1. CALL TO ORDER AND ROLL CALL**
 - 2. PLEDGE OF ALLEGIANCE**
 - 3. AGENDA REVIEW**
 - 4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

This public comment period is an invitation to members of the community to present comments, thoughts or suggestions on matters not scheduled on this agenda. Comments should be limited to those matters which are within the jurisdiction of the District. The Brown Act restricts the Board from taking formal action on matters not published on the agenda. In response to your comments, the Chair or presiding Board Member may:

- Direct Staff to assist or coordinate with you.
- Direct Staff to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to three (3) minutes or less.
- Your comments should be directed to the Board as a whole and not directed to individual Board members.
- Slanderous, profane or personal remarks against any Board Member, Staff or member of the audience shall not be permitted.

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for

public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

5. CONSENT AGENDA:

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

5A. Approval of Minutes of Meeting of November 16, 2016

5B. Approval of Minutes of Meeting of December 07, 2016

5C. Approval of Warrants

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Staff recommends the Board receive and file this report.

7. ACTION ITEMS:

7A. APPROVAL OF WASTEWATER BILLING AND CONNECTION FEE AGREEMENT(S) WITH THE CITIES OF GROVER BEACH AND ARROYO GRANDE

1. Approve the City of Grover Beach Billing Agreement
2. Approve the City of Arroyo Grande Billing and Collection Fee Agreement

7B. ELECTION OF CALENDAR YEAR 2017 BOARD OFFICERS

Consider and elect a Chair and Vice-Chair for 2017 Calendar Year

8. MISCELLANEOUS WRITTEN COMMUNICATIONS

9. ADJOURN MEETING

The next regularly scheduled Board meeting on January 4, 2016, at the City of Grover Beach, California

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday November 16, 2016
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

Present: Alternate Barbara Nicolls, City of Grover Beach; Alternate Tim Brown, City of Arroyo Grande; Acting Chair Mary Lucey, Oceano Community Services District

District Staff in Attendance: John Clemons, Plant Superintendent; Gerhardt Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel

2. FLAG SALUTE

3. AGENDA REVIEW

Acting Chair Lucey requested to remove Closed Session Item from the agenda.

Motion: It was moved by Alternate Barbara Nicolls to table Closed Session to a different date.

Second: Acting Chair Mary Lucey

Action: Approved by roll call vote

The motion carried on the following roll call vote:

AYES: Alternate Barbara Nicolls and Acting Chair Mary Lucey

NOES: Alternate Tim Brown

ABSTAIN: None

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Acting Chair Lucey opened public comment period.

Julie Tacker commented on Cambria CSD's Brine Disposal proposal and requested it be agendaized for a future meeting.

Acting Chair Lucey closed public comment.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of October 05, 2016

5B. Approval of Minutes of Meeting of October 19, 2016

5C. Approval of Warrants

Item 5B., Approval of Warrants will be presented as 7D.

Acting Chair Lucey opened public comment period.

Julie Tacker commented on follow up to meeting of September 21, asking when misinformation that was presented will be corrected.

Alternate Brown would like to know what format the corrections will be provided in. He wants the record to show he objects to fact that information from meeting of September 21 has not been corrected and provided to the public. He objects to characterization that issue has been resolved.

Administrator Hubner said he spoke to Chairman Shoals and he is satisfied with the response that has been provided to date.

Motion: It was moved by Alternate Brown to table minutes of October 05 and October 19, 2016.

Second: Alternate Nicolls

Action: The minutes of October 05, 2016 and October 19, 2016 were tabled.

The motion carried on the following roll call vote:

| | |
|----------|---|
| AYES: | Alternate Barbara Nicolls and Alternate Tim Brown |
| NOES: | Acting Chair Mary Lucey |
| ABSTAIN: | None |

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner gave updates on Cherry Ave Sewer Bridge Project, Mechanical Bar Screen, Redundancy Project, Satellite Facility Grant Study, Regional Efforts, and Public Outreach.

Plant Superintendent reported on effluent plant data, operational maintenance, homeless issue and removal of bridge leading to levee, and raccoon infestation.

Acting Chair Lucey opened public comment period.

Julie Tacker commented on permit for Administrators trailer, raccoons, payoff of CoGen project and Redundancy Project permit timeline.

Acting Chair Lucey closed public comment.

Acting Chair Lucey asked Administrator Hubner to follow up with Mr. Rickenbach regarding timeline for permit from Coastal Commission.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. FISCAL YEAR 2016/17 FIRST (1ST) QUARTER BUDGET PERFORMANCE REVIEW AND ADOPTION OF RESOLUTION NO. 2016-361 AUTHORIZING THE BUDGETARY ADJUSTMENTS AS DETAILED IN EXHIBIT A.

The Board received a verbal report from Administrator Hubner on 1st Quarter Budget Performance and recommended budget adjustments.

Acting Chair Lucey opened public comment period.

Julie Tacker recommended showing budgeted amounts and to date expenses. She commented on SCADA account, and Office Equipment account.

Acting Chair Lucey closed public comment.

Motion: Alternate Brown made a motion to move Resolution No. 2016-361, A Resolution of the Board of Directors of the South San Luis Obispo County Sanitation District amending the FY 2016-17 Budget at First Quarter including amendment to Attachment A.

Second: Alternate Nicolls

Action: Approved unanimously by roll call vote.

7B. NEW DISTRICT WEBSITE

Ted Kapner, District contracted web designer, gave a demonstration on new website. He highlighted the security of website and ease of access.

Acting Chair Lucey opened public comment period.

Julie Tacker recommended the information brought over from old website be edited and updated.

Ron Holt wanted clarification that new website is kept on a server outside of Districts server.

Administrator Hubner clarified it was.

Acting Chair Lucey closed public comment.

Action: Board received and filed this report.

7C. FINAL SETTLEMENT AND ORDER ENDING LITIGATION FROM DISTRICT'S 2010 SEWAGE SPILL

Administrator Hubner gave a power point presentation giving details about Settlement Agreement and projects that Final Settlement will be contributing to.

Acting Chair Lucey opened item to public comment.

Julie Tacker commented on the modeling and asked how much Pismo is contributing.

Acting Chair Lucey closed public comment.

Action: The Board received and filed this report.

7D. WARRANT REGISTER

Alternate Brown asked if high cost of legal bills was related to personnel issues.

Administrator Hubner responded, answering yes.

Acting Chair Lucey opened item to public comment.

Julie Tacker commented on expenses related to Administrators trailer and legal services.

Acting Chair Lucey closed public comment.

Motion: Alternate Nicolls entertained a motion to approve warrants as presented.

Second: Alternate Tim Brown

Action: Approved unanimously by roll call vote

8. ADJOURN MEETING

This meeting adjourned at 7:25 pm.

The next regularly scheduled Board meeting on December 07, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

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

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday December 07, 2016
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

District Staff in Attendance: John Clemons, Plant Superintendent; Gerhardt Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel; Wendy Stockton District Legal Counsel; Amy Simpson; District Bookkeeper/Secretary

2. FLAG SALUTE

The Board welcomed Linda Austin as the new Oceano CSD Director.

3. AGENDA REVIEW

Motion: Director Hill made a motion to add election of Officers to the next agenda.

Second: Director Austin

Action: Approved unanimously by roll call vote.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Patty Welsh commented on medical benefits, believing them not sustainable.

Julie Tacker commented on Cambria CSD's Brine Disposal and requested it be agendized for a future meeting. She also asked that opinion piece written by Ms. Lucey presented at the meeting of September 21, 2016 be corrected.

Mary Lucey commented on medical benefits, censure of her statements, and the Cambria CSD's Brine Disposal.

Patricia Price commented on the medical benefits and there sustainability and Ms. Lucey's comments from September 21, 2016.

Terri Klier commented on health benefits.

Chairman Shoals closed public comment.

Chairman Shoals and Administrator Hubner said that work is continuing on the benefits package, and will be brought to the Board at some future date.

Chairman Shoals clarified that there was direction to find a way to identify the misinformation presented at the September 21, 2016 meeting and provide the proper information with the District and how it is operating.

Director Hill requested to move forward providing the proper information. Chairman Shoals concurred and gave direction to Administrator Hubner.

5. CONSENT AGENDA

- 5A. Approval of Minutes of Meeting of October 05, 2016
- 5B. Approval of Minutes of Meeting of October 19, 2016
- 5C. Approval of Minutes of Meeting of November 16, 2016
- 5C. Approval of Warrants
- 5D. Financial Review at October 31, 2016

Administrator Hubner clarified that the Lara HR invoices are for both October and November.

Director Hill would like the Board to be informed of the Cambria CSD brine disposal project in the near future. He also would like budget line item *Source Control* be changed to *Public Outreach* on the warrant register for the warrants related to the District Newsletter.

Chairman Shoals pulled the minutes of November 16, 2016 and asked that they be brought back at the next meeting to take action.

Chairman Shoals opened public comment period.

Ron Holt, Patricia Price, Julie Tacker, Patty Welsh and Mary Lucey all commented on the warrant register.

Motion: Director Hill made a motion to approve the minutes of October 5, 2016 and October 19, 2016.
Second: Chairman Shoals
Action: Motion carries

The motion carried on the following roll call vote:

AYES: Chairman Shoals and Director Hill
NOES: None
REFRAIN: Director Austin

Motion: Director Hill made a motion to approve the Warrant Register with a change to the description as discussed, and the Financial Review at October 31, 2016
Second: Chairman Shoals
Action: Motion carries unanimously by roll call vote

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner provided update on the settlement, Cherry Ave Sewer Bridge

Project, Grit Removal Project, Mechanical Bar Screen, Redundancy Project, Satellite Facility Grant Study, Regional Efforts, and District website.

Plant Superintendent reported on effluent plant data, operational maintenance and the Hazardous Material surprise inspection.

Chairman Shoals opened public comment period.

Patty Welsh and Julie Tacker commented on the Administrators report and Mary Lucey commented on the Superintendents report.

Chairman Shoals closed public comment.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. DISTRICT'S 2016 RECEIVING WATER AND OUTFALL INSPECTION REPORT

Administrator Hubner gave a power point presentation. He presented background information and highlights from this Report which showed contaminant concentrations during the 2016 survey are very similar to sampling results from previous surveys conducted in 2004, 2007, 2010 and 2013. Evidence suggests that contaminants are not accumulating in the area over time and no evidence of leaks, damage, erosion, holes, or cracks along entire length of the diffuser or pipe.

Chairman Shoals opened public comment period.

Julie Tacker commented on the report and believes it is a good outcome.

Chairman Shoals closed public comment.

Action: The Board received and filed this report.

7B. DISTRICT ADMINISTRATION TRAILER

This was an item requested by Director Hill as a discussion item. He questions the need for the trailer and believes the apparent need for the trailer has outlived its purpose. Director Austin feels the staff needs to continue with the trailer until the offices are ready to move back into. The Board agreed they do need to discuss how to move forward with addressing the needs of the current facilities and the permitting issues that have come to light.

Chairman Shoals opened public comment period.

Patricia Price, Julie Tacker and Ron Arnoldson commented on the trailer and the recommendations of the industrial health and safety and ergonomic evaluations.

Mary Lucey is in favor of the trailer.

Chairman Shoals closed public comment.

Administrator Hubner said the remodel and the recommendations have not been completed. He had the analysis completed because he was concerned of the health and safety issues and privacy. These are all factors for professional office space for support of the District Administrator.

Motion: Director Austin made a motion to move forward with the plans for the trailer.

Second: Chairman Shoals

Action: Motion carries

AYES: Chairman Shoals and Director Austin

NOES: Director Hill

ABSTAIN: None

8. CLOSED SESSION

Chairman Shoals opened public comment period.

Ron Arnoldson, Julie Tacker, Beatrice Spencer, Patty Welsh, Patricia Price feel Administrator Hubner should be dismissed. Ron Arnoldson submitted a CalCoast News article be received into the record as Attachment No. 1.

Andrew Brunet feels there are two options: improvement and dismissal.

Mary Lucey is in favor of keeping Administrator Hubner.

8A. CONFERENCE WITH LEGAL COUNSEL -- ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9 of the California Government Code: one case

Action: The Board took no reportable action

8B. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

Action: The Board took no reportable action

Legal Counsel Trujillo reported the Board authorized a statement by the Chair.

Chairman Shoals stated the District takes all complaints of discrimination very seriously. Discrimination on the basis of any legally protected status not only violates the law but also violates the District policy and undermines efficient operations. Therefore attorneys for the District commissioned an independent investigation of complaints of discrimination presented to the District. There have been no sustained complaints of discrimination.

9. CLOSED SESSION REPORT BY DISTRICT COUNSEL

10. ADJOURN MEETING

This meeting adjourned at 10:39 pm.

The next regularly scheduled Board meeting on December 21, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

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

DRAFT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
12/21/16 FY 2016/17

| | BUDGET LINE ITEM | | WARRANT NO. | ACCT | ACCT BRKDN | TOTAL |
|---------------------------------|------------------------------|------------------------|-------------|---------|---------------|---------------|
| AGP VIDEO | PROF. SERVICES | NOVEMBER | 122116-1811 | 7080 | 775.00 | 775.00 |
| ALLIED ADMINISTRATORS | EMPLOYEE DENTAL | JANUARY | 1812 | 6025 | 862.26 | 862.26 |
| ARAMARK | UNIFORMS | DECEMBER | 1813 | 7025 | 488.51 | 488.51 |
| ATLAS PERFORMANCE IND. | ADMIN OFFICE SPACE | DECEMBER | 1814 | 7040 | 450.00 | 450.00 |
| BANK OF THE WEST | TRAINING | SIMPSON | 1815 | 7050 | 376.48 | 1,068.52 |
| | HOUSEHOLD SUPPLIES | WASHER/DRYER | | 8035 | 666.46 | |
| | FUEL | FUEL | | 8020 | 22.94 | |
| | OFFICE SUPPLIES | USPS | | 8045 | 2.64 | |
| BRENNTAG | PLANT CHEMICALS | BPI682809 | 1816 | 8050 | 5,387.37 | 5,387.37 |
| CENTRAL COAST TECHNOLOGY | COMPUTER SUPPORT | DECEMBER | 1817 | 7082 | 493.43 | 493.43 |
| CITY OF GROVER BEACH | BILLING | JULY - NOVEMBER | 1818 | 7081 | 9,274.25 | 9,274.25 |
| CULLIGAN CCWT | EQUIPMENT RENTAL | 39273 | 1819 | 7032 | 60.00 | 60.00 |
| CULLIGAN SANTA MARIA | EQUIPMENT RENTAL | 63030 | 1820 | 7032 | 17.50 | 17.50 |
| ENGEL & GRAY, INC. | SOLIDS HANDLING | 77961 | 1821 | 7085 | 3,382.10 | 3,382.10 |
| FRUIT GROWERS LABORATORY | CHEMICAL ANALYSIS | BIO SOLIDS MONITORING | 1822 | 7078 | 2,146.00 | 2,146.00 |
| GARING TAYLOR ASSOC. | CHERRY AVE BRIDGE PROJECT | NOVEMBER | 1823 | 26-8065 | 287.50 | 287.50 |
| GILBERT TRUJILLO | LEGAL COUNSEL | NOVEMBER | 1824 | 7070 | 6,615.00 | 6,615.00 |
| GORDON SAND CO | SOLIDS HANDLING | 0624220 | 1825 | 7085 | 335.14 | 335.14 |
| I.I. SUPPLY | EQUIPMENT MAINTENANCE | 42564; 42601 | 1826 | 8030 | 362.28 | 362.28 |
| JB DEWAR | FUEL | 832339 | 1827 | 8020 | 174.14 | 174.14 |
| | EQUIPMENT MAINTENANCE | 153731 | 1828 | 8030 | 411.50 | 411.50 |
| JESSICA MATSON | NEWSLETTER/WEBSITE | NOVEMBER | 1829 | 7065 | 270.00 | 270.00 |
| LEXIS NEXIS | SUBSCRIPTION | NOVEMBER | 1830 | 7071 | 250.00 | 250.00 |
| MINERS | EQUIPMENT MAINTENANCE | NOVEMBER | 1831 | 8035 | 518.72 | 518.72 |
| MULLAHEY FORD | AUTOMOTIVE | 54611; 55715 | 1832 | 8032 | 105.43 | 105.43 |
| NOBLE SAW | CAPITAL EQUIPMENT | 3 | 1833 | 8010 | 2,033.54 | 2,338.79 |
| | EQUIPMENT MAINTENANCE | 313837; 313838 | | 8030 | 305.25 | |
| OCSD | WATER | 09/18-11/18 | 1834 | 7094 | 282.34 | 282.34 |
| PG&E | ELECTRICITY | 11/08-12/07 | 1835 | 7091 | 9,654.31 | 9,654.31 |
| POLYDYINE, INC | PLANT CHEMICALS | 1097663 | 1836 | 8050 | 5,835.10 | 5,835.10 |
| PRAXAIR | EQUIPMENT RENTAL | 75161208 | 1837 | 7032 | 29.42 | 29.42 |
| READY REFRESH | HOUSEHOLD SUPPLIES | 10/27-11/26 | 1838 | 8035 | 174.77 | 174.77 |
| ROYAL WHOLESALE ELECTRIC | SCADA | 434472; 434500 | 1839 | 20-8010 | 10,166.50 | 10,845.89 |
| | TOOLS | 434468 | | 8055 | 679.39 | |
| SO CAL GAS | GAS | 10/27-11/30 | 1840 | 7092 | 1,450.82 | 1,450.82 |
| SO. CO. SANITARY SERV. | GARBAGE | DECEMBER | 1841 | 7093 | 664.28 | 664.28 |
| SPEISS CONSTRUCTION CO. INC. | GRIT REMOVAL | 216157 | 1842 | 20-8015 | 6,597.75 | 6,597.75 |
| STATE WATER RES. CONTROL | PERMIT FEES | WD-0117940; WD-0122341 | 1843 | 7068 | 16,182.00 | 16,182.00 |
| USA BLUEBOOK | SAFETY SUPPLIES | 129214; 124522 | 1844 | 8056 | 8,351.04 | 9,011.26 |
| | EQUIPMENT SUPPLIES | 124569 | | 8030 | 660.22 | |
| VWR | LAB SUPPLIES | 2016-902 | 1845 | 8040 | 302.43 | 302.43 |
| WATER SYSTEMS CONSULTING | WATER RECYCLING STUDY | 2313 | 1846 | 20-7090 | 8,963.75 | 8,963.75 |
| SUB TOTAL | | | | | \$ 106,067.56 | \$ 106,067.56 |
| | | | | | | |
| SO SLO CO SAN DIST. REIMB | PETTY CASH | NOVEMBER | 1847 | | 20.30 | 20.30 |
| SO. SLO CO. SANITATION DISTRICT | RABOBANK REIMB. FOR NOVEMBER | PAYROLL | 1848 | | 88,108.36 | 111,862.94 |
| | | CALPERS RETIREMENT | | 6010 | 7,701.87 | |
| | | CALPERS HEALTH | | 6060 | 15,887.36 | |
| | | WEBHOSTING | | 7011 | 165.35 | |
| SUB TOTAL | | | | | \$ 111,883.24 | \$ 111,883.24 |
| | | | | | | |
| PAYROLL | 12.09.16 | 29,955.69 | | | | |
| GRAND TOTAL | | | | | \$ 217,950.80 | \$ 217,950.80 |

We hereby certify that the demands numbered serially from 122116-1811 to 122116-1848 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

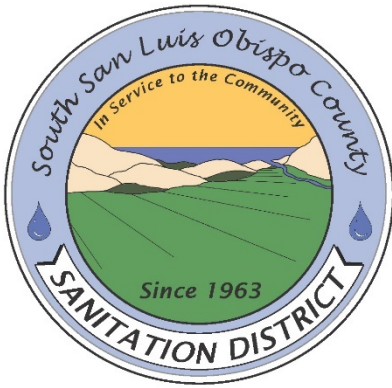
DATE: _____

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765

Date: December 21, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Today's report presents ongoing information on latest District staff activities of possible interest to the Board and members of the public, project updates, regional efforts, our regular Superintendent report, and operation and maintenance activities. *Updates since the last report are provided in italics below:*

RWQCB NPDES Permit Renewal: *District and RWQCB staff met (in conjunction with another meeting) on December 15th at the RWQCB's office to discuss the District permit renewal process and schedule. At this point, a draft permit will not be released for public review any sooner than mid to late 2017.*

Project Updates:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – The purpose of this project is to perform regular maintenance on the existing structure, remove paint and debris and replace its anti-corrosion coating. At the Board's September 7th Board meeting the Board approved the Mitigated Negative Declaration for this project. A completed Notice of Determination has been filed with the County of San Luis Obispo, and necessary permit applications to the CA Department of Fish and Wildlife (CDFW), and Regional Water Quality Control Board. On November 30th, District staff received a Notice of Applicability (general permit) from the RWQCB. We still are awaiting the remaining permit from CDFW in order for the project to proceed to the next step, preparation of final specifications.
- **Grit Removal System** – On Tuesday November 22nd our Grit Removal System project was officially turned on and operational. The final steps will be making sure the system operates as specified, and completion of the final record drawings, inspection and contract close out. *A meeting to go over the final punch list is scheduled for December 22nd.*
- **Mechanical Bar Screen** – At the September 7th Board meeting, the Board approved an award of contract for this project. A Notice to Proceed was issued to the contractor on November 2nd, with a start date of November 8th. A kickoff meeting with the contractor's representatives

from FRM was held on Friday November 4th at the District's facility. The contractor has ordered the Headworks parts, and we are awaiting delivery.

- **Secondary Process Redundancy Project** – On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. On August 5, 2016, a cover letter outlining our response(s) to the Coastal Commission staff's April 15th letter to our Coastal Development Permit application was sent to Coastal Commission staff, including five attachments (which included site plans, biological surveys, sea level rise analysis, flood risk mitigation strategy, and site photos). Subsequently on August 16th, upon receipt by us, a one-page form from the County of San Luis Obispo on its permitting determination was transmitted to Coastal Commission staff.

At the September 7th Board meeting, the Board approved an Addendum to the 2010 Mitigation Negative Declaration. This action updated the Redundancy Project's CEQA status. Subsequently, on September 9, 2016, we transmitted this Addendum, and supplemental information requested by Coastal Commission staff, via a cover letter. On October 13, 2016, we received a response from Coastal Commission staff to our September 8th submittal. Staff responded to this letter in short order on October 21st, with a cover letter providing answers to questions posed, and updated project facility design plans. The later also included project descriptions and project design plans on past and proposed projects at the District WWTP site.

State Revolving Funding (SRF) Loan Program - On August 30th, District staff participated in three meetings in Sacramento with SWRCB Division of Financial Assistance staff. At the October 5th Board meeting, the Board approved authorization to proceed with a contract with Bartle Wells Associates for assistance in preparing the financial package and evaluating other financial options. BWA has since been in touch with us on their progress, and we in turn have been provided them with requested financial information to assist them with their draft work product(s).

- **Satellite Water Resource Recovery Facilities Grant** – The Board approved a re-scoping of this grant funded project at its March 30, 2016. Regular monthly meetings are held with the consultant and City of Arroyo Grande staff, where project schedule, milestone and progress on report components are discussed. *A meeting to discuss and schedule release of the draft report was held on December 12th. A workshop on the draft Report is planned for the Board's January 4th meeting.*
- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – Staff continue to work with representatives of PG&E, MKN and Enviser on the feasibility of a co-generation system at the District's facility. Significant benefits of a co-generation system may include future saving on facility electricity costs, and a reduced carbon footprint (eliminated flare)/greenhouse gases.
- **District Control Building and Office** – Significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.

The current effort to directed toward replace the existing flooring, and staff is working to obtain quotes for a future Board consideration and approval.

On August 11th, a temporary construction trailer for administrative staff was delivered to the plant site, adjacent to the C-Train (containing a majority of the District's files). A completed CDP application was submitted to Coastal Commission staff in compliance with local and state requirements. *At their December 9th meeting, the Coastal Commission unanimously concurred with issuing a CDP waiver.*

Regional Efforts

- Arroyo Grande Watershed MOU Group – In 2006, various parties, including the District entered into a Memorandum of Understanding. The purpose of this watershed group is to develop programs and policies for the maintenance, protection, and enhancement of Arroyo Grande Watershed and creeks within the Watershed. *The next meeting is scheduled for December 20th.*
- Zone 1-1A Flood Control Advisory Committee – The Committee is focused on the goal to provide input and coordination on proposed improvement and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. At the June 15th Board meeting, the Board approved District staff participation. *On December 2, 2016, District staff was invited to participate with County of San Luis Obispo Public Works in a tour of the Arroyo Grande Creek levees and adjacent flood control facilities. This was in anticipation, and preparation for the upcoming wet weather season.*
- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:
 - Crosses jurisdictional, watershed, and political boundaries
 - Involves multiple agencies, stakeholders, individuals, and groups
 - Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
 - Develops multi-benefit solutions

At the July 6th Board meeting the Board approved the District's participation in the IRWM program through adoption of a Resolution and becoming signatory under the existing Memorandum of Understanding.

- Water Reuse, Central Coast Chapter - The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. The Water Reuse Association provides a comprehensive and complementary approach to increasing water reuse in California. *We were recently informed that the District Administrator was elected as the Vice Chair for the local Regional Water Use group.*
- North Cities Management Area Technical Group - The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater

Basin (SMGB) Adjudication. This group is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. At the meetings, group members share hydrologic and water resources data and information, and water conservation efforts. *The group's next meeting is December 16th with the County.*

A meeting with Regional Board staff was held December 14th to coordinate expectations with the Supplemental Environmental Project (SEP) groundwater model development. The meeting went well, with discussions on how to administer the SEP and minimize costs, and how best leverage both Phase I (this effort) with Phase II funds from the County of San Luis Obispo.

- Regional Groundwater Sustainability Project: Staff participates in meeting with the various cities to collaborate on a potential regional recycling project in the South San Luis Obispo county and how might the District participate. The third meeting of this group was held on October 12th in Grover Beach, with topics that included updates on a collaboration structure, efforts to develop a groundwater model, a joint EIR, and the site selection process. District staff was asked and provided an update on progress with our recycling grant study.
- Countywide Water Action Team/Water Management Efforts: A Countywide Water Action Team has formed, with water managers throughout San Luis Obispo County convening to discuss and collaborate on water supply management solutions, especially in light of the severe drought. *The next meeting is scheduled for December 16th.*

Programmatic Initiatives

- Outreach Initiative: At the September 21, 2016 Board meeting the Board approved moving forward with distribution of our Fall 2016 Newsletter. *A separate flyer for the Oceano community highlighting the Redundancy project is anticipated to be distributed next week.*
- Record's Management Initiative: As a first step, staff have recently compiled several other agencies' Record's Retention Policies. We intend to evaluate them and compare them to the District's existing Record Retention Policy, and at some future date, come to the Board with an updated Policy for consideration.
- Human Resources/Personal Policy Manual Update: *Significant progress is being made to update the District's Personnel Policy Manual. Currently, review of and proposed revisions, have completed on draft Sections 100-5000. Work will now shift to Section 5000+, and then an update to some of our job descriptions. At this time staff has not decided whether to bring the entire revised Manual, or a partial Manual to the Board for consideration and approval. Note, the proposed revised sections of the Manual will also need further vetting internally, and through a "meet and confer process" with employee union representatives. We currently are on schedule to meet the Board's six-month deadline for completion.*

Finally, we were also informed this week that our Lab Technician/Operator Ms. Fannie Mui has been selected as the "Tri-Counties Section Winner: TRIS Lab Person of the Year". Congratulations Fannie!

Superintendent's Report

During this reporting period (December 1st through December 15th) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. All process values (lab test results) were within permit limits.

Plant Data (Monthly Data as Available December 15th), 2016

| December 2016 | INF Flow MGD | Peak Flow MGD | INF BOD mg/L | EFF BOD mg/L | INF TSS mg/L | EFF TSS mg/L | Fecal Coli | Cl2 lbs/day | BOD REM Eff. % |
|-----------------|--------------|---------------|--------------|--------------|--------------|--------------|------------|-------------|----------------|
| Average | 2.31 | 3.35 | 495 | 26 | 460 | 36 | 2.0 | 172 | 95 |
| High | 2.48 | 4.1 | 520 | 28 | 482 | 41 | 2.0 | 219 | |
| Limit | 5.0 | | | 40/60/90 | | 40/60/90 | 2000 | | 80 |
| CY 2015 Monthly | | | | | | | | | |
| Average | 2.17 | 3.42 | 415 | 29 | 438 | 36 | 67 | 194 | 93 |
| High | 2.42 | 4.8 | 495 | 43 | 494 | 47 | 255 | 402 | |

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

Operation and Maintenance Projects

- Conducted water test of FFR Emergency Back-up Piping Project.
- Collected and submitted biosolids samples for quarterly testing.
- Troubleshoot #2 auger at headworks. Removed auger for further maintenance.
- Repaired electrical controls on FFR roll-up door.
- Removed and replaced back-pressure valve at ferric pump.
- Cleaned and painted piping at primary clarifier #2.
- Underground Service Alerts

Training

- Staff attended a training session on Proper Lifting Techniques/Back Safety.
- Staff attended a Hazardous Materials Business Plan Review training session.

Miscellaneous

- Staff toured the Los Osos Wastewater Treatment Plant.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Date: December 21, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **APPROVAL OF WASTEWATER BILLING AND CONNECTION FEE AGREEMENT(S) WITH THE CITIES OF GROVER BEACH AND ARROYO GRANDE**

RECOMMENDATION

1. Approve the City of Grover Beach Billing Agreement
2. Approve the City of Arroyo Grande Billing and Collection Fee Agreement

BACKGROUND

Prior to this year, all wastewater fees for the District were collected on its behalf by its member agencies the Cities of Arroyo Grande and Grover Beach, and the Oceano Community Service District. No written agreement was in place to formalize this arrangement or to reimburse the member agencies for their time and effort.

After several meetings on the subject, the Board at its June 1, 2016 Board meeting adopted Resolution No. 2016-347 approving the report of wastewater services and facilities charges and delinquent charges, and directing the filing of charges and delinquent charges from the community of Oceano for collection by the County Tax Collector.

The Board also directed at a prior Board meeting (May 4th) for: "staff to renegotiate the contracts with the member agencies and bring these negotiated contracts back to the Board for final approval, with no set with no set dollar at this time."

DISCUSSION

Per the May 4th and June 1st Board direction, the District Administrator engaged both cities with the intent to update and/or confirm the previous developed Agreement language, at least as a starting point.

After several discussions, and review by both the City of Grover Beach's and the District's legal counsel, all parties accepted the Agreement's language. On October 17th, the City Council for Grover Beach adopted the Grover Beach Agreement (Attachment No. 1). Under this Agreement the District will reimburse the City at an annual "base fee" of \$15,000 plus a per account fee of

\$0.25 per account per billing period. The Agreement will remain in effect until terminated by either Party. Grover Beach staff requested that connection fees be handled under a separate agreement or other legal mechanism, thus this language was taken out of the final Agreement. In addition, there was some language changes requested by the City of Grover Beach's legal counsel with concurrence by District's counsel.

Shortly thereafter, District staff engaged staff from the City of Arroyo Grande to see whether they were still agreeable to the Agreement executed back in March of this year. On November 23rd, via an email message received City staff indicated they concurred going forward since no changes were being proposed from the previous executed March Agreement. The City of Arroyo Grande's Agreement has the same basic terms and conditions for reimbursement as the City of Grover Beach's Agreement.

Conclusion

If approved today, the District will now have two Agreements in place to formally collect the District's wastewater fees, and in turn reimburse the Cities for their services.

At some point in the future the District may wish to direct staff to undertake a similar process recently completed for the Oceano community for the collection of the District's wastewater fees from the residents of Arroyo Grande and Grover Beach through the County of San Luis Obispo's property tax roll.

Attachment:

1. City of Grover Beach Billing Agreement
2. City of Arroyo Grande Billing and Connection Agreement

AGREEMENT FOR BILLING SERVICES

THIS AGREEMENT FOR BILLING SERVICES ("Agreement") is made and effective on July 1, 2016 by and between the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, a county sanitation district ("**SSLOCDSD**"), and THE CITY OF GROVER BEACH, a Municipal Corporation ("**CITY**") (collectively, the "**Parties**").

WHEREAS, SSLOCDSD provides wastewater collection and treatment services ("**SSLOCDSD Services**") to account holders within the jurisdiction of its member agencies; and

WHEREAS, CITY is a member agency of SSLOCDSD; and

WHEREAS, CITY has provided billing services to account holders receiving SSLOCDSD Services within CITY's jurisdiction for many years ("**Billing Services**"); and

WHEREAS, SSLOCDSD desires that CITY provide these Billing Services as provided in this Agreement; and

WHEREAS, CITY agrees to provide Billing Services to SSLOCDSD as provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. INCORPORATION OF RECITALS.

1.1 Incorporation of Recitals. SSLOCDSD and CITY agree the foregoing Recitals are true and correct, are considered contractual provisions of this Agreement and are hereby incorporated by reference.

2. TERM.

2.1 Term. The initial term of this Agreement shall begin on the Effective Date and shall remain in effect until terminated by either Party or by both Parties pursuant to Section 6.

3. SERVICES.

3.1 Billing Services. CITY agrees to do all of the following:

3.1.1 At least bi-monthly (that is, once every two months), bill accounts within CITY's jurisdiction receiving SSLOCDSD Services ("**SSLOCDSD Charges**"). Unless otherwise agreed, CITY's bill shall include (1) a description of the service provided by SSLOCDSD; (2) period for which the service was provided; (3) address of the property; (4) name of the customer(s); (5) amount, if any, that the account is delinquent.

3.1.2 At least bi-monthly (that is, once every two months), collect all SSLOCSD Charges billed by CITY.

3.1.3 At least bi-monthly (that is, once every two months), remit to SSLOCSD all SSLOCSD Charges received by CITY.

3.1.4 From time to time, as requested by SSLOCSD, provide SSLOCSD with the information contained in paragraph 3.1.1 for each account. Such information shall be provided in an available electronic format.

4. SERVICE FEE.

4.1 **Service Fee.** For Billing Services provided, SSLOCSD agrees to pay CITY a fee as set forth in this Section ("Service Fee"). The Service Fee consists of an Annual Base Fee and a Per Account Fee, as defined below:

4.1.1 **Annual Base Fee.** The Annual Base Fee shall be \$15,000.00. SSLOCSD shall pay CITY the Annual Base Fee in equal monthly installments of \$1,250.

4.1.2 **Per Account Fee.** The Per Account Fee shall be charged at the rate of \$0.25 per account, per billing period. The Per Account Fee shall be based on the actual number of accounts billed by CITY in each billing period.

5. PAYMENT TERMS.

5.1 **Invoice.** CITY shall provide SSLOCSD with a monthly invoice for the Service Fee ("Invoice"). The Invoice shall include the following details: (1) a single installment of the Annual Base Fee, as set forth in Section 4.1.1; and (2) the actual number of accounts billed SSLOCSD Charges in the billing period covered by the Invoice. The Service Fee shall be due and payable within thirty (30) days of SSLOCSD's receipt of the Invoice or of SSLOCSD's receipt of all SSLOCSD Charges for the billing period covered in the Invoice, whichever is later.

5.2 Remittance of SSLOCSD Charges. CITY shall remit SSLOCSD Charges to SSLOCSD together with the Invoice and on the same schedule as set forth in Section 5.1. This means that CITY shall remit SSLOCSD Charges to SSLOCSD prior to receiving the Service Fee for that billing period.

6. TERMINATION.

6.1 Termination Without Cause. Either party may terminate this Agreement, for any or no reason, upon sixty (60) days written notice to the other party. In the event of a termination, the date of termination shall be deemed to be the first business day occurring after the expiration of the notice period.

6.2 **Termination With Cause.** Either party may terminate this Agreement upon thirty (30) days written notice if the other party commits a material breach of this Agreement and fails to cure such breach within the notice period. In the event of a termination, the date of

termination shall be deemed to be the first business day occurring after the expiration of the notice period.

6.3 Termination Upon Mutual Consent. This Agreement may also be terminated by mutual consent of the Parties and in accordance with the terms and conditions of any plan of termination established by the Parties. In the event of a termination by mutual consent, the date of termination shall be such date as is agreed upon by the Parties. The Parties may agree to suspend or terminate a portion of this Agreement and such suspension or termination shall not make void or invalidate the remainder of this Agreement.

6.4 Payment Upon Termination. In the event this Agreement is terminated pursuant to this Section, CITY shall remit SSLOCSD Charges to date and submit a final Invoice for the outstanding balance owed for Billing Services performed up to the date of termination. CITY shall submit a final Invoice to SSLCOSD according to the schedule set forth in Section 5.1. The date of termination shall be deemed to be the first business day occurring after the expiration of the notice period.

7. GENERAL PROVISIONS.

7.1 Further Assurances. SSLOCSD and CITY each agree to cooperate with one another, to use their best efforts, to act in good faith, and to promptly perform such acts and execute such documents or instruments as are reasonably necessary and proper to consummate the transactions contemplated by this Agreement.

7.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served or on the second day after mailing if mailed by first-class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

SSLOCSD:
Attn: District Administrator
South San Luis Obispo County Sanitation District
P.O. Box 339
Oceano, CA 93475
P: (805) 489-6670
F: (805) 489-2765

CITY:
CITY OF GROVER BEACH
Attn: City Manager
154 South 8th Street
Grover Beach, CA 93433

Any party may change their address for the purpose of this paragraph by giving the other party written notice of the new address in the above manner.

7.3 Waiver. No waiver of a provision of this Agreement shall constitute a waiver of any other provision, whether or not similar. No waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

7.4 Force Majeure. Neither SSLOCSD nor CITY shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

7.5 Construction of Terms. All parts of this Agreement shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the parties.

7.6 Controlling Law. The Parties understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement, with venue proper only in the County of San Luis Obispo, State of California.

7.7 Authorization. All officers and individuals executing this and other documents on behalf of the respective Parties hereby certify and warrant that they have the capacity and have been duly authorized to execute said documents on behalf of the entities indicated.

7.8 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and supersedes all prior and contemporaneous agreements, representations and understandings of the Parties. This Agreement may only be altered, amended or modified in writing executed by the Parties to this Agreement and by no other means. Each party waives any future right to claim, contest, or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreement, course of conduct, waiver or estoppel.

7.16 Counterparts. This Agreement may be executed in counterparts, each of which shall remain in full force and effect as to each party.

7.17 Assignment. CITY shall not assign the performance of this Agreement, nor any part thereof, without prior written consent of SSLOCSD.

IN WITNESS \WHEREOF, the parties have executed this Agreement.

(Signatures appear on the next page)

"SSLOCSD"
South San Luis Obispo County Sanitation District

By: _____
District Administrator

Date: _____

APPROVED AS TO FORM:

Wendy Stockton, Esq.
District Co-Counsel

Date: _____

"City"
City of Grover Beach

By: _____
John P. Shoals, Mayor

Date: _____ -

Attest:

Donna L. McMahon, City Clerk

APPROVED AS TO FORM:
City of Grover Beach

By: _____
David Hale, City Attorney

Date: _____

AGREEMENT FOR BILLING SERVICES

THIS SHORT-TERM AGREEMENT FOR BILLING SERVICES (“Agreement”) is made and effective on the last date executed (**“Effective Date”**) by and between the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, a county sanitation district (**“SSLOCSD”**), and THE CITY OF ARROYO GRANDE, a Municipal Corporation (**“CITY”**) (collectively, the **“Parties”**).

WHEREAS, SSLOCSD provides wastewater collection and treatment services (**“SSLOCSD Services”**) to account holders within the jurisdiction of its member agencies; and

WHEREAS, CITY is a member agency of SSLOCSD; and

WHEREAS, CITY has provided billing services to account holders receiving SSLOCSD Services within CITY’s jurisdiction for many years (**“Billing Services”**); and

WHEREAS, SSLOCSD desires that CITY provide these Billing Services as provided in this Agreement; and

WHEREAS, CITY agrees to provide Billing Services to SSLOCSD as provided in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. INCORPORATION OF RECITALS.

1.1 Incorporation of Recitals. SSLOCSD and CITY agree the foregoing Recitals are true and correct and are hereby incorporated by reference.

2. TERM.

2.1 Term. The initial term of this Agreement shall begin on the Effective Date and shall remain in effect until terminated by either Party or by both Parties pursuant to Section 6.

3. SERVICES.

3.1 Billing Services. CITY agrees to do all of the following:

3.1.1 At least bi-monthly (that is, once every two months), bill accounts within CITY’s jurisdiction receiving SSLOCSD Services (**“SSLOCSD Charges”**). Unless otherwise agreed, CITY’s bill shall include (1) a description of the service provided by SSLOCSD; (2) period for which the service was provided; (3) address of the property; (4) name of the customer(s); (5) name of the property owner; (6) address of the property owner; and (7) amount, if any, that the account is delinquent.

3.1.2 At least bi-monthly (that is, once every two months), collect all SSLOCSD Charges billed by CITY.

3.1.3 At least bi-monthly (that is, once every two months), collect approved fees for all new connections for SSLOCSD Services ("New Connection Fees").

3.1.4 At least bi-monthly (that is, once every two months), remit to SSLOCSD all SSLOCSD Charges and New Connection Fees received by CITY.

3.1.5 From time to time, as requested by SSLOCSD, provide SSLOCSD with the information contained in paragraph 3.1.1 for each account. Such information shall be provided in a mutually convenient electronic format.

4. SERVICE FEE.

4.1 Service Fee. For Billing Services provided, SSLOCSD agrees to pay CITY a fee as set forth in this Section ("Service Fee"). The Service Fee consists of an Annual Base Fee and a Per Account Fee, as defined below:

4.1.1 Annual Base Fee. The Annual Base Fee shall be \$15,000.00. SSLOCSD shall pay CITY the Annual Base Fee in equal monthly installments of \$1,250.

4.1.2 Per Account Fee. The Per Account Fee shall be charged at the rate of \$0.25 per account, per billing period. The Per Account Fee shall be based on the actual number of accounts billed by CITY in each billing period.

5. PAYMENT TERMS.

5.1 Invoice. CITY shall provide SSLOCSD with a monthly invoice for the Service Fee ("Invoice"). The Invoice shall include the following details: (1) a single installment of the Annual Base Fee, as set forth in Section 4.1.1; (2) the actual number of accounts billed SSLOCSD Charges in the billing period covered by the Invoice; and (3) the number of New Connection Fees collected. The Service Fee shall be due and payable within thirty (30) days of SSLOCSD's receipt of the Invoice or of SSLOCSD's receipt of all SSLOCSD Charges and New Connection Fees for the billing period covered in the Invoice, whichever is later.

5.2 Remittance of SSLOCSD Charges and New Connection Fees. CITY shall remit SSLOCSD Charges and New Connection Fees to SSLOCSD together with the Invoice and on the same schedule as set forth in Section 5.1. This means that CITY shall remit SSLOCSD Charges and New Connection Fees to SSLOCSD prior to receiving the Service Fee for that billing period.

6. TERMINATION.

6.1 Termination Without Cause. Either party may terminate this Agreement, for any or no reason, upon sixty (60) days written notice to the other party. In the event of a

termination, the date of termination shall be deemed to be the first business day occurring after the expiration of the notice period.

6.2 Termination With Cause. Either party may terminate this Agreement upon thirty (30) days written notice if the other party commits a material breach of this Agreement and fails to cure such breach within the notice period. In the event of a termination, the date of termination shall be deemed to be the first business day occurring after the expiration of the notice period.

6.3 Termination Upon Mutual Consent. This Agreement may also be terminated by mutual consent of the Parties and in accordance with the terms and conditions of any plan of termination established by the Parties. In the event of a termination by mutual consent, the date of termination shall be such date as is agreed upon by the Parties. The Parties may agree to suspend or terminate a portion of this Agreement and such suspension or termination shall not make void or invalidate the remainder of this Agreement.

6.4 Payment Upon Termination. In the event this Agreement is terminated pursuant to this Section, CITY shall remit SSLOCSD Charges and New Connection Fees collected to date and submit a final Invoice for the outstanding balance owed for Billing Services performed up to the date of termination. CITY shall submit a final Invoice to SSLCOSD according to the schedule set forth in Section 5.1. The date of termination shall be deemed to be the first business day occurring after the expiration of the notice period.

7. GENERAL PROVISIONS.

7.1 Further Assurances. SSLOCSD and CITY each agree to cooperate with one another, to use their best efforts, to act in good faith, and to promptly perform such acts and execute such documents or instruments as are reasonably necessary and proper to consummate the transactions contemplated by this Agreement.

7.2 Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if personally served or on the second day after mailing if mailed by first-class mail, registered or certified, return receipt requested, postage prepaid and properly addressed as follows:

SSLOCSD:
John Clemons, District Administrator
South San Luis Obispo County Sanitation District
P.O. Box 339
Oceano, CA 93475
P: (805) 489-6670
F: (805) 489-2765

CITY:
CITY OF ARROYO GRANDE
CITY MANAGER

300 E. BRANCH STREET
ARROYO GRANDE, CA 93420

Any party may change their address for the purpose of this paragraph by giving the other party written notice of the new address in the above manner.

7.3 Waiver. No waiver of a provision of this Agreement shall constitute a waiver of any other provision, whether or not similar. No waiver shall constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

7.4 Force Majeure. Neither SSLOCSD nor CITY shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labor dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

7.5 Construction of Terms. All parts of this Agreement shall in all cases be construed according to their plain meaning and shall not be construed in favor or against either of the parties.

7.6 Controlling Law. The Parties understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement, with venue proper only in the County of San Luis Obispo, State of California.

7.7 Authorization. All officers and individuals executing this and other documents on behalf of the respective Parties hereby certify and warrant that they have the capacity and have been duly authorized to execute said documents on behalf of the entities indicated.

7.8 Entire Agreement. This Agreement constitutes the entire Agreement between the Parties and supersedes all prior and contemporaneous agreements, representations and understandings of the Parties. This Agreement may only be altered, amended or modified in writing executed by the Parties to this Agreement and by no other means. Each party waives any future right to claim, contest, or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreement, course of conduct, waiver or estoppel.

7.16 Counterparts. This Agreement may be executed in counterparts, each of which shall remain in full force and effect as to each party.

7.17 Assignment. CITY shall not assign the performance of this Agreement, nor any part thereof, without prior written consent of SSLOCSD.

IN WITNESS WHEREOF, the parties have executed this Agreement.

(signatures appear on the next page)

"SSLOCS"

South San Luis Obispo County Sanitation District

By: John Z. Clemons Date: 3/11/2016
John Clemons, District Manager

APPROVED AS TO FORM:
South San Luis Obispo County Sanitation District

By: Wendy Stockton Date: 3/11/16
Wendy Stockton, Esq.
District Co-Counsel

"CITY"

City of Arroyo Grande

By: Jim Hill Date: 3/22/16
Jim Hill, Mayor

Attest:

Kelly Wetmore
Kelly Wetmore, City Clerk

APPROVED AS TO FORM:
City of Arroyo Grande

By: Heather Whitham Date: 3/22/16
Heather Whitham, City Attorney



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

www.sslocsd.org

Staff Report

Date: December 21, 2016

To: Board of Directors

From: Gerhard Hubner, District Administrator

Subject: **ELECTION OF CALENDAR YEAR 2017 BOARD OFFICERS**

RECOMMENDATION:

Consider and elect a Chair and Vice-Chair for 2017 Calendar Year.

BACKGROUND

Per the District's Bylaws, annually the District is required to elect a Chair and Vice-Chair. The term is for one-year. Presently the City of Grover Beach representative Mr. John Shoals holds the position of Chair. The position of Vice-Chair is presently vacant.

DISCUSSION:

With the conclusion of the 2016 election, recent appointments of all new and returning Board members to the District's Board, and last Board meeting of the 2016 Calendar Year, it is appropriate to consider and elect a Chair and Vice-Chair for the upcoming Calendar Year 2017.

Staff recommends after discussion and deliberation, the Board elect a Chair, and Vice Chair for Calendar Year 2017.

ITEM 8

MISCELLANEOUS WRITTEN CORRESPONDENCE

December 15, 2016

To: South County Sanitation District Board of Directors:

Chairman, Mayor Shoals, Grover Beach

Director: Mayor Hill, Arroyo Grande

Director: Linda Austin, Oceano Community Service District

Dear Directors,

We request this correspondence be included in your board packet for December 21, 2016 and to please have it verbally read into the record.

Many in the community of Oceano have been paying close attention to the operations of the Sanitation District since the flood of 2010.

After a long and costly investigation by The State of California, and after several years of litigation it has been brought to closure. With Mr. Hubner's knowledge and experience, and his ability to negotiate, we were able to keep a portion of the million dollar fine to be used to upgrade the facility and support other projects in the South County. We are now at a point where the rates have been increased to perform vital functions to the plant if we are going to continue to use this facility.

Mr. Hubner was offered a contract in early April 2016 to oversee multiple upgrades and to bring the plant into compliance with the anticipated State regulations for waste water treatment plants and to oversee all functions of the operations.

We are speaking up today in support of Mr. Hubner. As the community that houses this important project, it is imperative that we maintain the highest standards of the plant.

Recently we have once again, seen our plant come under attack with false accusations against our Administrator, Mr. Hubner. We have a voice. We demand that the best qualified person with the most experience oversee ALL plant operations. Mr. Hubner has been targeted out by a few vocal Arroyo Grande rate payers and their representative on the Board.

Mr. Hubner has 25 years experience in the field. We were lucky to have him consider this little plant as a salvageable project. In return his reputation has been called in question. At the last meeting there was a closed session item to discuss a recent investigation into allegations of racism. The allegations were of a personnel nature and the reason it became public knowledge was because of a leak to an online news source that wrote about it. This article was also brought to the meeting and presented into the record by a resident of Grover Beach. This kind of unfair, unfounded publicity is doing damage to the district and it's reputation in the business world.

After the closed session, the Board returned and reported that there was no discrimination. None. The damage done to this man's reputation, along with the time and money wasted on this is despicable. I would like to see the Board come out and show support for this Administrator who has in spite of all the disruption and attacks on his character and integrity continued to do a good job for the district. We ask this Board today to formally apologize to Mr. Hubner. We ask that only the Board as a whole give him direction, under the guidance of the chairperson of the Board. We ask that this Board let this man do what we hired him to do and that is to oversee

operations. Our wish is that only the best and most qualified people operate the plant. After all, this project is housed in our boundaries and we deserve only the best.

In closing we would like to add that this District needs Mr. Hubner's professionalism, his knowledge of issues affecting water, sewer and reclamation, and his skills in representing the District well to other agencies. With the trend being toward collaboration and regional plants for water reclamation it is imperative to have someone with Mr. Hubner's expertise on our side. He is well known and respected throughout California and is a valuable asset to this District.

Thank you for your time.

Respectfully submitted,

Mary Lucey

and the residents of Oceano