

**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.us](http://www.sslocsd.us)

**AGENDA  
BOARD OF DIRECTORS MEETING**

Grover Beach City Hall Chambers  
154 South 8<sup>th</sup> Street  
Grover Beach, CA 93433

**Wednesday, December 05, 2018, at 6:00 p.m.**

**Board Members**

Linda Austin, Chair  
Barbara Nicolls, Vice Chair  
Jim Hill, Director

**Agencies**

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

**Alternate Board Members**

Karen White, Director  
Mariam Shah, Director  
Tim Brown, Director

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

- 
- 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 Warrants**
- 5B. Approval of Meeting Minutes of November 07, 2018**
- 5C. Notice of District Board Meeting Rotation**
- 5D. Request to Purchase a Replacement Vehicle (SUV)**

**6. ACTION ITEMS:**

**6A. PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING 2017 FINANCIAL AUDIT (LATE)**

Recommendation: That the Board receive a presentation of the audit report of the District's financial records by Moss Levy & Hartzheim, LLP, the District's independent auditor, resolve questions, call for revisions and file the 2016/2017 Financial Audit.

**6B. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT**

Recommendation: Receive and File.

**6C. APPLICATION FOR DISTRICT CREDIT CARD ACCOUNT**

Recommendation: That the Board approve Resolution No. 2018-399 authorizing the District to enter into an agreement with Umpqua Bank to establish District credit card accounts; and authorize the District Administrator to negotiate and execute any necessary agreements approved as to legal form.

**7. MISCELLANEOUS ITEMS:**

**8. BOARD MEMBER COMMUNICATIONS:**

**9. CLOSED SESSION:**

**(A) CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION**

Initiation of litigation pursuant to subdivision (d)(4) of Section 54956.9:  
(two cases)

**10. ADJOURNMENT**

**The next regularly scheduled Board Meeting on December 19, 2018, 6:00 pm at the  
Grover Beach City Hall Chambers,  
154 South 8<sup>th</sup> Street, Grover Beach, California**

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
12/05/2018 FY 2018/19

| VENDOR                         | BUDGET LINE ITEM        | DETAIL                          | WARRANT NO. | ACCT    | ACCT BRKDN           | TOTAL                |
|--------------------------------|-------------------------|---------------------------------|-------------|---------|----------------------|----------------------|
| ARAMARK                        | UNIFORMS                | 11/09; 11/16; 11/23             | 120518-3413 | 7025    | 593.32               | 593.32               |
| AT&T                           | COMMUNICATIONS          | 11/11-12/10                     | 3414        | 7013    | 306.30               | 306.30               |
| AUTOSYS, INC.                  | SCADA                   | 2234                            | 3415        | 20-8010 | 1,090.00             | 3,035.00             |
|                                | BOILER                  | 2235                            |             | 8030    | 1,945.00             |                      |
| BARBARA NICOLLS                | BOARD SERVICE           | NOVEMBER                        | 3416        | 7075    | 100.00               | 100.00               |
| B & B STEEL & SUPPLY           | DISINFECTION SYSTEM     | 582074                          | 3417        | 26-8065 | 224.15               | 224.15               |
| BRENNTAG                       | PLANT CHEMICALS         | BPI892108; BPI894181; BPI894608 | 3418        | 8050    | 17,685.46            | 17,685.46            |
| CARRIE TROUP, CPA              | FISCAL SERVICES         | 08/16/18-10/15/18               | 3419        | 7083    | 4,588.50             | 4,588.50             |
| CASEY STEWART                  | EQUIPMENT MAINTENANCE   | FLOW CALIBRATION                | 3420        | 8030    | 100.00               | 100.00               |
| CENTRAL COAST TECH CONSULTANTS | COMPUTER SUPPORT        | 1820                            | 3421        | 7082    | 385.00               | 754.51               |
|                                | OFFICE EQUIPMENT        |                                 |             | 7015    | 369.51               |                      |
| CHARTER                        | COMMUNICATIONS          | 11/29-12/28                     | 3422        | 7013    | 299.95               | 299.95               |
| CULLIGAN CENTRAL COAST WTR TRT | EQUIPMENT RENTAL        | NOVEMBER; 52736                 | 3423        | 7032    | 250.00               | 250.00               |
| DE JESUS GARDENING             | STRUCTURE MAINTENANCE   | NOVEMBER                        | 3424        | 8060    | 450.00               | 450.00               |
| FGL, ENVIRONMENTAL             | CHEMICAL ANALYSIS       | 882316A                         | 3425        | 7078    | 2,241.00             | 2,241.00             |
| FISHER SCIENTIFIC              | LAB SUPPLIES            | 7852736; 7431239                | 3426        | 8040    | 299.77               | 299.77               |
| GILBERT A. TRUJILLO            | LEGAL COUNSEL           | OCTOBER                         | 3427        | 7071    | 2,405.00             | 2,405.00             |
| HAULAWAY                       | EQUIPMENT RENTAL        | OCTOBER                         | 3428        | 7032    | 93.80                | 93.80                |
| I. I. SUPPLY                   | UNSCHEDULED MAINTENANCE | 57340                           | 3429        | 8030    | 12.87                | 12.87                |
| J.B. DEWAR                     | PRIMARY CLARIFIER #1    | 33761; 33891                    | 3430        | 8030    | 568.78               | 724.76               |
|                                | FUEL                    | 891886                          |             | 8020    | 155.98               |                      |
| JAN PRO                        | STRUCTURE MAINTENANCE   | 80527; DECEMBER                 | 3431        | 8060    | 360.00               | 360.00               |
| JONES & MAYER                  | OUTSIDE COUNSEL         | OCTOBER                         | 3432        | 7070    | 3,858.50             | 3,858.50             |
| KAREN WHITE                    | BOARD SERVICE           | NOVEMBER                        | 3433        | 7075    | 100.00               | 100.00               |
| KENNEDY JENKS                  | REDUNDANCY              | 09/29/18-10/26/18               | 3434        | 20-7080 | 146,859.86           | 146,859.86           |
| LIEBERT, CASSIDY, WHITMORE     | OUTSIDE COUNSEL         | AUDIT LETTER                    | 3435        | 7070    | 520.00               | 520.00               |
| OILFIELD ENVIRONMENTAL         | BRINE SAMPLING          | 1804207; 1804208; 1804141       | 3436        | 7086    | 749.00               | 794.00               |
|                                | CHEMICAL ANALYSIS       | 1804453                         |             | 7078    | 45.00                |                      |
| PERRY'S                        | EQUIPMENT MAINTENANCE   | 22446                           | 3437        | 8030    | 381.41               | 381.41               |
| PACIFIC GAS & ELECTRIC         | ELECTRICITY             | 10/09-11/07                     | 3438        | 7091    | 17,298.56            | 17,298.56            |
| SAFETY KLEEN                   | FUEL                    | 78121238                        | 3439        | 8020    | 438.88               | 438.88               |
| SANTA MARIA FAMCON PIPE SUPPLY | EMERGENCY BYPASS PUMP   | 643                             | 3440        | 8030    | 4,794.08             | 4,794.08             |
| SLO COUNTY ENV. HEALTH         | PERMITS/FEES/LICENSES   | ANNUAL PERMIT                   | 3441        | 7068    | 1,249.00             | 1,249.00             |
| STANLEY SECURITY               | ALARMS                  | JANUARY                         | 3442        | 7011    | 67.25                | 67.25                |
| TIM BROWN                      | BOARD SERVICE           | NOVEMBER                        | 3443        | 7075    | 100.00               | 100.00               |
| THE TRIBUNE                    | LEGAL/ADVERTISING       | NPDES PERMIT                    | 3444        | 7005    | 297.66               | 297.66               |
| USA BLUEBOOK                   | EQUIPMENT MAINTENANCE   | 745543                          | 3445        | 8030    | 197.53               | 197.53               |
| VWR                            | LAB SUPPLIES            | 8084276223; 8084285956          | 3446        | 8040    | 207.55               | 207.55               |
| WEST COAST GAUGING SERVICES    | FLARE                   | 2243                            | 3447        | 8030    | 5,018.00             | 5,018.00             |
| <b>SUB TOTAL</b>               |                         |                                 |             |         | <b>\$ 216,706.67</b> | <b>\$ 216,706.67</b> |
| <b>GRAND TOTAL</b>             |                         |                                 |             |         | <b>\$ 216,706.67</b> | <b>\$ 216,706.67</b> |

We hereby certify that the demands numbered serially from 120518-3413- to 120518-3447 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

ITEM 5A.



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

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## **SUMMARY ACTION MINUTES Regular Meeting of Wednesday, November 07, 2018**

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### **1. CALL TO ORDER AND ROLL CALL**

Vice Chair Nicolls called the meeting to order and recognized a quorum.

Present: Barbara Nicolls, Vice Chair, City of Grover Beach  
Karen White, Director, Oceano Community Services District  
Tim Brown, Director, City of Arroyo Grande

District Staff: Jeremy Ghent, District Administrator  
Gil Trujillo, District Legal Counsel  
Amy Simpson, District Bookkeeper/Secretary

### **2. PLEDGE OF ALLEGIANCE**

Vice Chair Nicolls led the Pledge of Allegiance.

### **3. AGENDA REVIEW**

Bookkeeper/Secretary Simpson advised the Board that an additional Warrant Register was added after publishing the Board Pack to capture payments that would be considered late due to the cancellation of the second meeting in November.

### **4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA**

Vice Chair Nicolls opened the Public Comment period.

Julie Tacker commented on rescinding the censure of Director Hill; requested a censure of former Chair John Shoals; correction to the record of former Director Mary Lucey and consideration of civil action against former Administrator John Wallace.

Director Brown asked Administrator Ghent to review a previous motion to correct the record of former Director Mary Lucey.

Brad Snook, Surf Rider Foundation, thanked the Board for the open conversation regarding the brine standard operating procedure (SOP) and read a letter regarding the brine truck route. Surf Rider is asking for a fair and transparent study of the brine truck route.

Patricia Price commented on correcting the inaccurate record of former Director Mary Lucey, rescinding censure of Jim Hill and follow up of the Wallace investigation.

Vice Chair Nicolls closed the Public Comment period.

**5. CONSENT AGENDA:**

**5A. Approval of Warrants**

**5B. Approval of Meeting Minutes of October 17, 2018**

**5C. Notice of Cancellation of Meeting of November 21, 2018**

Barbara Nicolls requested a correction to the Minutes of October 03, 2018, Item 6A.

Julie Tacker commented on the warrants for training, human resources, and Redundancy. She also commented on Item 6B. Brine SOP and asked if Administrator Ghent had reached out to the Coastal Commission and the airport regarding the truck route.

Administrator Ghent said the Kennedy Jenks warrants are for August and September. Staff has weekly meetings with Kennedy Jenks and are not aware of any increases to cost equivalent to the magnitude of the additional clarifier.

Julie Tacker commented on the meeting cancellation and the comment period for the draft National Permit Discharge Elimination System (NPDES) Permit.

Administrator Ghent said the Regional Board had provided an updated draft permit. He said all correspondence should go through the Regional Board office. There are no proposals to change effluent limits in the permit. There are a few additional testing requirements. He would encourage constituents to submit comments to the Water Board on the permit. He has no concerns that the plant will not meet proposed language as drafted.

Vice Chair Nicolls asked if Administrator Ghent felt the need to schedule a special meeting to review the permit with the Board and Mr. Ghent responded no, staff had addressed the review and submitted comments to the Regional Board.

Vice Chair Nicolls closed the Public Comment period.

**Motion:** Director Brown motioned to approve the Consent Agenda as presented with one correction to the Minutes of October 17, 2018.

**Second:** Director White

**Action:** Approved unanimously by voice vote. 3-0

**6. ACTION ITEMS:**

**6A. District Administrator and Plant Operations Report**

Administrator Ghent presented this item. He said the 90% plans for Redundancy would be available late December. He said the centrifuge has been installed and the rented centrifuge will be returned. The audit for Fiscal Year 16/17 will be brought to the Board on December 5<sup>th</sup>. The Draft of the NPDES permit is available

for inspection and comment. He also presented the Plant Operations report and said the plant is compliant and has had no violations for this reporting period.

Vice Chair Nicolls opened the Public Comment period.

Julie Tacker commented on a washer and dryer for staff and the comment period for the NPDES permit.

Brad Snook commented on the NPDES permit and urged the Board and public to read, understand and comment on the new permit.

Administrator Ghent said staff had provided comments on the permit to the Water Board that were comprehensive and represent the District's interest.

Director Brown is comfortable with the Administrator and staff providing comments on behalf of the District.

Director White asked if there were any massive changes to the permit and Mr. Ghent responded that there were no significant changes.

Director White asked about the Personnel Policy Manual (PPM).

Administrator Ghent said that staff anticipates the PPM coming forward on December 19<sup>th</sup>.

**Action:** The Board received and filed the report.

**6B. FISCAL YEAR 2018/19 FIRST (1<sup>ST</sup>) QUARTER BUDGET PERFORMANCE REVIEW**

District Bookkeeper Simpson presented this item. She said the District has received 20% of its revenue. This number is low as a result of Oceano revenue being collected biannually on the property tax. The revenue for Oceano will be received starting in November. She said District expenses are at 18% and provided a list of accounts that were paid in full as well as the accounts that are over the 25% benchmark.

Vice Chair Nicolls opened the Public Comment period.

Julie Tacker commented on the budget review.

Vice Chair Nicolls closed the Public Comment period.

**Action:** The Board received and filed the report.

**7. MISCELLANEOUS ITEMS**

Letter received from James P. Erb, CPA, Auditor-Controller-Treasurer-Tax Collector dated October 17, 2018.

Administrator Ghent presented this item. He said the Bookkeeper, the Superintendent and himself have reviewed the checklist and believe staff is on track to to have all the yes boxes checked.

**8. BOARD MEMBER COMMUNICATIONS**

None

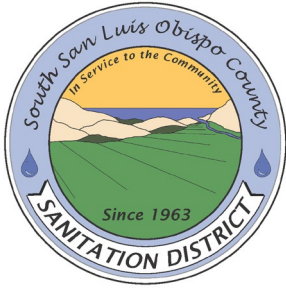
**9. ADJOURN MEETING**

The meeting was adjourned at 6:52 p.m.

***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**

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## **STAFF REPORT**

**Date:** December 05, 2018  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator  
**Subject:** **NOTICE OF ROTATION OF DISTRICT BOARD MEETING LOCATION**

### **RECOMMENDATION:**

Staff recommends that the Board approve a six-month meeting location rotation cycle starting January 2019, at the Arroyo Grande Council Chambers and then move to the Oceano Community Services District Board Room starting July 2019.

### **BACKGROUND AND DISCUSSION:**

Prior to 2014, the District had rotated its meeting location every six months between the Arroyo Grande City Council Chambers and the Oceano Community Services District (OCSD) Board Room. At the December 18, 2013 SSLOCSD Board meeting, the Board decided to not rotate meeting locations to the OCSD Board Room and remain at the Arroyo Grande City Council Chambers. The Board reviewed rotation of meeting locations at the meetings of January 7 through February 4 of 2015 and decided to continue the meetings at Arroyo Grande City Chambers. Meetings continued in Arroyo Grande until June 15 of 2016.

On July 6, 2016 the meetings rotated to the Oceano Community Services District Board Room and remained in Oceano until December 21, 2016.

On January 4, 2017 meetings rotated to the Grover Beach Council Chambers and remained in Grover Beach until August 2, 2017.

On August 16, 2017 meetings rotated to Arroyo Grande City Council Chambers and remained in Arroyo Grande until December 06, 2017.

On January 17, 2018 the meetings rotated to the Oceano Community Services District Board Room and remained in Oceano until June 20, 2018.

On July 18, 2018 meetings rotated to Grover Beach Chambers where it remains today.

District staff has contacted Arroyo Grande regarding the availability of their meeting facility. Arroyo Grande has offered to the District the use of the Council Chambers for the first half of the calendar year.

**OPTIONS:**

1. Accept staff recommendation.
2. Table this discussion to a future agenda.



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### **STAFF REPORT**

**Date:** December 5, 2018

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator

**Subject:** **REQUEST TO PURCHASE A REPLACEMENT VEHICLE (SUV)**

#### **RECOMMENDATION:**

1. That the Board of Directors of the South San Luis Obispo County Sanitation District approve and authorize staff to purchase a new replacement SUV from San Luis Obispo Toyota in the amount of \$28,594.06, and;
2. Authorize staff to dispose of existing vehicle.

#### **BACKGROUND:**

The District has budgeted for the replacement of a 2002 Ford Explorer.

#### **DISCUSSION:**

To meet operational demands at the District staff is seeking to purchase a fuel efficient AWD compact SUV.

Operations staff solicited quotes from three vendors comparing both new and used vehicles. The selected quote from San Luis Obispo Toyota was \$28,594.06 for a new 2019 Hybrid AWD Toyota RAV4.

The hybrid model was compared to a similarly equipped gas only model. The hybrid demands a premium of \$1,791.07 over the gas only model. Based on current fuel prices the additional cost will be recovered in fuel savings at approximately 12,000 miles of use.

#### **FISCAL CONSIDERATIONS:**

This piece of equipment was scheduled to be replaced during Fiscal Year 2018-2019. A line item of \$36,000.00 was included in the Adopted Budget for Fiscal Year 2018-2019, under Fund 19, Schedule A2, Project No. 18-A2-01. Staff recommends that the budgeted funds be used for the purchase of a compact SUV.

Attachment: Quotes

# Toyota San Luis Obispo

12350 LOS OSOS VALLEY ROAD - SAN LUIS OBISPO, CA 93405

Phone: 805-543-7001

Purchase Date: 11/27/18

Salesperson: HOUSE

## Cash Disclosure

Phone: 805-543-7001

Fax: 805-543-3047

### Buyer:

South San Luis Obispo County Sanitation District  
1600 Aloha Place  
Oceano, CA 93445  
Work: 805-489-6666

### Co-Buyer:

### Purchased Vehicle

| Stock # | Vehicle | Color | Miles | VIN |
|---------|---------|-------|-------|-----|
|         | 0       |       | 0     |     |

2019 RAV 4 HYBRID LE AWD - WHITE

### Purchases & Fees

|                      |                         |                    |
|----------------------|-------------------------|--------------------|
| <b>Selling Price</b> | Selling Price           | \$26,545.00        |
| <b>Front Adds</b>    | EV CHARGING STATION     | \$0.00             |
| <b>Fees</b>          | DOC FEE                 | \$80.00            |
|                      | Tire                    | \$8.75             |
|                      | Electronic/Online       | \$30.00            |
| <b>Taxes</b>         | Tax 1                   | \$1,930.31         |
|                      | <b>Total Cash Price</b> | <b>\$28,594.06</b> |

### Monies Received

|                     |                          |                    |
|---------------------|--------------------------|--------------------|
| <b>Trades</b>       | Total Trade Allowance    | \$0.00             |
|                     | Total Trade Payoff       | \$0.00             |
|                     | Total Trade Net          | \$0.00             |
| <b>Down Payment</b> | Cash Deposit             | \$0.00             |
|                     | Cash Down Payment        | \$0.00             |
|                     | Deferred Cash            | \$0.00             |
|                     | <b>Total Credits</b>     | <b>\$0.00</b>      |
|                     | <b>Total Cash Price</b>  | <b>\$28,594.06</b> |
|                     | <b>Total Credits (-)</b> | <b>\$0.00</b>      |
|                     | <b>Balance Due</b>       | <b>\$28,594.06</b> |

## Pricing Simulator

Simulation Date: 11/26/2018  
Performed By: GREGG LOBERSTEIN - Toyota San Luis Obispo  
Program Code: H7 - GOVERNMENT PROGRAM  
Model Year: 2019  
Model: 4435 RAV4 HYBRID LE AWD SUV - CVT-E - Cont Variable Trans  
Destination: Colorado  
Delivery Window: 04/02/2019 - 08/31/2019

### Standard Features

#### **MECHANICAL & PERFORMANCE**

- Hybrid Synergy Drive System
- 2.5L DOHC 4-Cylinder Engine w/ VVT-i
- 194 Net System hp
- Electronically Controlled CVT (ECVT)
- All Wheel Drive w/ Intelligence (AWD-i)
- EV, Eco and Sport Modes

#### **SAFETY & CONVENIENCE**

- Toyota Safety Sense (TM) P (TSS-P): Pre-Collision System w/ Pedestrian Detection (PCS w/PD), Lane Departure Alert (LDA) w/Steering Assist (SA), Auto High Beams (AHB), and Dynamic Radar Cruise Control (DRCC)
- Star Safety System: Enhanced Vehicle Stability Control, Traction Control, Anti-Lock Brakes, Electronic Brake Force Distribution, Brake Assist, and Smart Stop Technology
- LATCH-Lower Anchor & Tether for Children

#### **EXTERIOR**

- 17" Alloy Wheels
- Rear Spoiler
- Power Heated Outside Mirrors
- Privacy Glass- Rear Side, Qtr & Liftgate

#### **INTERIOR**

- Dual Zone Climate Control w/Air Filter
- Entune Audio, 6.1" Touch-screen Display
- Steering Wheel Audio/Bluetooth Controls
- Backup Camera
- Reclining & Folding 2nd Row Seats
- Smart Key System with Push Button Start
- 12V Power Outlets (3), USB Port (1)

**NOTE:** Standard features are based on information available when this page was posted and are subject to change without notice.

# Toyota San Luis Obispo

12350 LOS OSOS VALLEY ROAD - SAN LUIS OBISPO, CA 93405

Phone: 805-543-7001

Purchase Date: 11/27/18

Salesperson: HOUSE

## Cash Disclosure

Phone: 805-543-7001

Fax: 805-543-3047

### Buyer:

South San Luis Obispo County Sanitation District  
1600 Aloha Place  
Oceano, CA 93445  
Work: 805-489-6666

### Co-Buyer:

### Purchased Vehicle

| Stock # | Vehicle | Color | Miles | VIN |
|---------|---------|-------|-------|-----|
|         | 0       |       | 0     |     |

2019 RAM 4 LE AWD. - WHITE

### Purchases & Fees

|                      |                         |                    |
|----------------------|-------------------------|--------------------|
| <b>Selling Price</b> | Selling Price           | \$24,875.00        |
| <b>Front Adds</b>    | EV CHARGING STATION     | \$0.00             |
| <b>Fees</b>          | DOC FEE                 | \$80.00            |
|                      | Tire                    | \$8.75             |
|                      | Electronic/Online       | \$30.00            |
| <b>Taxes</b>         | Tax 1                   | \$1,809.24         |
|                      | <b>Total Cash Price</b> | <b>\$26,802.99</b> |

### Monies Received

|                     |                          |                    |
|---------------------|--------------------------|--------------------|
| <b>Trades</b>       | Total Trade Allowance    | \$0.00             |
|                     | Total Trade Payoff       | \$0.00             |
|                     | Total Trade Net          | \$0.00             |
| <b>Down Payment</b> | Cash Deposit             | \$0.00             |
|                     | Cash Down Payment        | \$0.00             |
|                     | Deferred Cash            | \$0.00             |
|                     | <b>Total Credits</b>     | <b>\$0.00</b>      |
|                     | <b>Total Cash Price</b>  | <b>\$26,802.99</b> |
|                     | <b>Total Credits (-)</b> | <b>\$0.00</b>      |
|                     | <b>Balance Due</b>       | <b>\$26,802.99</b> |

## Pricing Simulator

Simulation Date: 11/26/2018  
Performed By: GREGG LOBERSTEIN Toyota San Luis Obispo  
Program Code: H7 - GOVERNMENT PROGRAM  
Model Year: 2019  
Model: 4432 RAV4 LE AWD SUV - 8AT - 8 SPEED AUTO TRANS  
Destination: Southern California  
Delivery Window: 02/02/2019 - 08/31/2019

### Standard Features

#### MECHANICAL & PERFORMANCE

- 2.5L DOHC 4-Cylinder Engine w/Dual VVT-i
- 203 hp @ 6600 rpm / 184 lb-ft @ 5000 rpm
- Direct Shift 8-spd Auto Transmission
- All Wheel Drive w/Multi Terrain Select
- Eco, Sport and Normal Modes
- Intelligent Start and Stop Engine System

#### SAFETY & CONVENIENCE

- Toyota Safety Sense 2.0: Pre-Collision Sys w/Pedestrian Detection, Full-Speed Range Dynamic Radar Cruise Control, Lane Departure Alert w/Steering Assist, Lane Tracing Assist, Automatic High Beams, Road Sign Assist
- Star Safety System: VSC, TRAC, ABS, Elect Brake-Force Distribution, Brake Assist(BA) & Smart Stop Technology (SST)
- Eight Airbags
- Integrated Back-Up Camera
- LATCH-Lower Anchor & Tether for Children

#### EXTERIOR

- 17-in. Steel Wheels with Covers
- LED Headlights/Daytime Running Lights
- Power Outside Mirrors
- Low Profile Roof Rails
- Privacy Glass

#### INTERIOR

- Entune 3.0 Audio 7.0" Touch Screen, 6 Speakers, HandsFree Bluetooth Phone/Music, USB Media Port, Two 12V Power Outlets Siri Eyes Free, Apple CarPlay Compatible
- 4.2" Color Multi-Information Display
- Remote Keyless Entry
- Fabric Seats
- Electronic Parking Brake

**NOTE:** Standard features are based on information available when this page was posted and are subject to change without notice.

Auto/Mate Co# 01 SubCo F&I Deal Info Deal# 0000000 DLENTY3

2017 TOYOTA RAV4 LE WHITE 2T3BFREV3HW576205

Buyer SOUTH SAN LUIS OBISPO CO SANITATION

(Last; 1st - ?)

LuxTx N

LenderCd CASH ?=HLP Stock# 18355 ?=HLP N/U/D/W U TaxState CA SlstTx 7.250 %

Price & Down Payment

Selling Price 23277.00  
Trade Allowance .00  
Less Payoff .00  
Cash Deposit .00  
Cash on Delivery 25058.38  
Rebate Total .00  
Deferred Pmt Total .00

Finance Terms

Term of Loan 1 Interval 01 (?=Lst)  
Rate/APR 0.0000000 2021  
DaysTo1st 45 SaleDate 11 / 15 / 2018  
FirstPay 12/30/2018

Lease

MSRP Amount 23995.00  
Residual Percent% .00  
or Amount .00

Service Contract Total .00  
Accessory Total .00  
Fee Total 88.00

Insurance

InsCo N GAP N  
CreditLife N  
Level Life N  
Acc&Health N

GAP

GAP COVERAGE  
Amount .00  
Taxed N (Y/N)  
GAP TaxRt 7.250 %

Deal Recap

TotCash 25058.38 TotTax 1693.38  
TotDown 25058.38 AmtFin .00  
CASH

CA..PP:N OOS:Y 2017

PAYMENT AMOUNT IS .00  
Drive Off Amt Due 25058.38

Save Skip Gross Discr Jump Oth ScAccFeeRebPy





Mullahey Ford

330 TRAFFIC WAY, ARROYO GRANDE, CA 93420  
SALES: 877-375-8758  
SERVICE: 877-375-8757  
PARTS: 877-375-8760

Apply for Credit

Select Language ▼

## 2017 Toyota RAV4 LE SUV

Back To Inventory (<https://www.mullaheyford.com/used-inventory/index.htm?search=&make=Toyota&internetPrice=&saveFacetState=true&lastFacetInteracted=inventory-listing1-facet-anchor-make-11>)

(<https://www.kbb.com/instant-cash-offer/W/572028/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/?tcdcmid=129212&tcdadid=243889545019&tcdkwid=70224812>)



Photos Video

Call **877-375-8758**



Picture may not represent actual vehicle.<sup>6</sup>

Contact Internet Sales Direct at 805-316-4840



(<https://pictures.dealer.com/mullaheyford/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/129212.jpg>)  
(<https://pictures.dealer.com/mullaheyford/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/129213.jpg>)  
(<https://pictures.dealer.com/mullaheyford/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/129214.jpg>)  
(<https://pictures.dealer.com/mullaheyford/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/129215.jpg>)  
(<https://pictures.dealer.com/mullaheyford/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/129216.jpg>)

Detailed Pricing

Original Price

Please Call

Price

**\$23,995**

Get ePrice

Get ePrice

Sample Payment<sup>2</sup>:

**\$427 /mo**

60 Months @ 6.9% A.P.R. (estimated financing rate)  
(\$2,399 Down Payment)

Calculate another payment<sup>2</sup>

Save This Car!

Get Price Alerts



**\$23,995**

Final Price\*\*



**22 mpg**

EPA-Est City MPG<sup>6</sup>

**29 mpg**

EPA-Est Highway MPG<sup>6</sup>

Comments & Reviews

Item 5D. Attchment Page 006

Are you interested in a simply great car? This vehicle won't be on the lot long!

Go anywhere versatility with roomy practicality! With just over 10,000 miles on the odometer, this 4 door sport utility vehicle prioritizes comfort, safety and convenience. Toyota infused the interior with top shelf amenities, such as: fully automatic headlights, power door mirrors, and power windows. Smooth gearshifts are achieved thanks to the efficient 4 cylinder engine, and for added security, dynamic Stability Control supplements the drivetrain. All wheel drive keeps this model firmly attached to the road surface.

Our experienced sales staff is eager to share its knowledge and enthusiasm with you. They'll work with you to find the right vehicle at a price you can afford. Come on in and take a test drive!

Comments

Nothing posted yet.

Post a Comment



2.5L 4  
Automatic



Exterior Color : White  
Interior Color :



Mileage : 10,430 Miles  
Stock # : 18355  
VIN : 2T3BFREV3HW576205

Next Steps

Schedule a Test Drive

Request More Info

➤ Value Your Trade<sup>5</sup>  
(<https://www.kbb.com/instant-cash-offer/W/572028/43A6F9B8-DB6C-48C0-A360-F658B2176E3E/?tcdcmid=129212&tcdadid=243889545019&tcdk>)

➤ Apply For Credit



Detailed Specifications

Standard Features

|                                       |                                      |  |  |   |  |                                 |  |
|---------------------------------------|--------------------------------------|--|--|---|--|---------------------------------|--|
| Fuel Consumption: City: 22 mpg        | Fuel Consumption: Highway: 29 mpg    | Remote power door locks                    | Braking Assist                             | ABS and Driveline Control                                 | Stability control  | on steering wheel               | lights Cloth seat upholstery               |
| Power windows                         | Cruise controls on steering wheel    | Adaptive cruise control 4-wheel ABS Brakes | Wheel Diameter: 17 Urethane steering wheel | Wheel Width: 6.5 Urethane shift knob trim                 | Deep Driver knee airbags Metal-look dash trim                        | Bucket front seats              | Fold forward seatback rear seats           |
| Front Ventilated disc brakes          | 1st and 2nd row curtain head airbags | Passenger Side airbag Rear spoiler: Lip    | Metal-look door trim                       | Video Monitor Location: Front                             | Trip computer External temperature display                           | Rear seats center armrest       | Speed-proportional electric power steering |
| Bluetooth wireless phone connectivity | Digital Audio Input                  | In-Dash single CD player                   | Tachometer                                 | Manufacturer's 0-60mph acceleration time (seconds): 7.7 s | Auxilliary transmission cooler Power remote driver mirror adjustment | Suspension class: Regular       | Manual front air conditioning              |
| Entune                                | MP3 player                           | AM/FM stereo                               |  |   |  | Tire Pressure Monitoring System | Max cargo capacity: 73 cu.ft.              |
| Radio Data System                     | Speed Sensitive Audio Volume Control | Total Number of Speakers: 6                | Power remote passenger mirror adjustment   | Dual vanity mirrors Audio controls                        | Daytime running lights Front reading                                 | Vehicle Emissions: ULEV II      | Fuel Capacity: 15.9 gal.                   |
|                                       |                                      |  |  |   |  | InstrumentationClock: Low       | Dusk sensing headlights                    |

|                |            |             |        |              |             |            |           |       |
|----------------|------------|-------------|--------|--------------|-------------|------------|-----------|-------|
| fuel           | Coil       | Regular     | Coil   | Rear         | Independent | rear       | wipers    | wheel |
| level          | front      | front       | rear   | Stabilizer   | rear        | suspension |           | rim   |
|                | spring     | stabilizer  | spring | Bar:         | suspension  | stabilizer | Spare     |       |
|                |            | bar         |        | Regular      | Double      | bars       | Tire      |       |
| Independent    | Strut      | Four-       |        |              | wishbone    |            | Mount     |       |
| front          | front      | wheel       |        |              | rear        |            | Location: |       |
| suspension     | suspension | Independent |        |              | suspension  |            | Inside    |       |
| classification |            | Suspension  | Front  | Intermittent | Steel       |            | under     |       |
|                |            |             | and    | front        | spare       |            | cargo     |       |

Recommended for You



2018 Ford Super Duty F-250 SRW...  
\$71,703



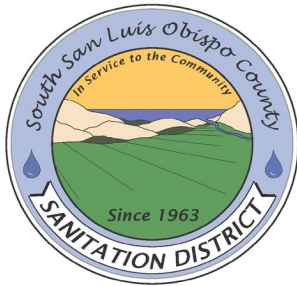
2018 Ford Super Duty F-250 SRW  
\$67,655



2019 Ford Super Duty F-250 SRW...  
\$42,977



2019 Ford Super Duty F-250 SRW...  
\$69,345



## **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](http://www.sslocsd.org)

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### **STAFF REPORT**

**Date:** December 05, 2018  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator  
**Via:** Amy Simpson, Bookkeeper/Secretary

**Subject: PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING 2017  
FINANCIAL AUDIT (LATE)**

#### **RECOMMENDATION:**

That the Board receive a presentation of the audit report of the District's financial records by Moss Levy & Hartzheim, LLP, the District's independent auditor, resolve questions, call for revisions and file the 2016-17 Financial Audit.

#### **BACKGROUND:**

At the meeting of July 18, 2018, the Board authorized the District Administrator to advise Fiscal Year 2015-16 auditor Glenn Burdette (GB) of the the District's intent to change auditor. The original estimate by GB to prepare the Fiscal Year 2016 audit was \$11,500. The final cost of the product paid by the District was \$16,500 and took twenty months to complete. The District was advised in a meeting with GB on June 26, 2018, that the actual budget prepared by the firm to perform the work exceeded the billed amount. In that meeting, GB estimated the amount that would be required to perform the audit for FY 2016-17 as \$30,000. Due to the length of time and the increased cost to continue with GB Staff recommended the Board execute an agreement with Moss, Levy & Hartzheim (MLH) to perform the District audit for FY 2016-17, 2017-18, and 2018-19 for an amount of \$9,300, \$9,630 and \$9,970 respectively. MLH was able to review District financial statements and records and met with District Staff to develop the Fiscal Year 2016-17 Audit Report within a five-month timeframe at a cost of \$9,300.

#### **DISCUSSION:**

Alex Hom from MLH will be at the board meeting of December 5, 2018 to present the firm's final audit report of the District's financial records. Staff is seeking questions from the Board members

regarding the Fiscal Year 2017 audit. The auditor will respond to these questions and resolve any issues. If the Board finds it is satisfied, Staff asks approval of the audit with any appropriate revisions by motion.

Attachment: 2016/2017 Audit

**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

**FINANCIAL STATEMENTS**  
June 30, 2017



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
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**June 30, 2017**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
South San Luis Obispo County Sanitation District  
Oceano, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the South San Luis Obispo County Sanitation District (District) as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the South San Luis Obispo County Sanitation District, as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5, the schedule of Proportionate Share of Net Pension Liability on page 22, and the schedule of Contributions on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2018, on our consideration of the South San Luis Obispo County Sanitation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Moss, Levy & Hargheim LLP*

Santa Maria, CA  
November 8, 2018

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
POST OFFICE BOX 339  
1600 ALOHA PLACE  
OCEANO, CA 93475

Management's Discussion and Analysis  
Fiscal Year Ending June 30, 2017

The following is a discussion of the consolidated financial condition and the results of operations of the South San Luis Obispo County Sanitation District (the District) for the year ending June 30, 2017. This discussion refers to and is qualified by information contained in the financial statements and in the notes to the financial statements. Thus, it should be read together with these statements in the Audit Report. The financial audit of the South San Luis Obispo County Sanitation District has been performed by Moss, Levy & Hartzheim, CPAs, in accordance with U.S. generally accepted auditing standards.

**Financial Highlights**

- At June 30, 2017 the District's a total net position was \$11.88 million. Fiscal Year 2016 ended with a total net position of \$10.98 million. This is an increase of 8% for net position. .
- Total operating revenues increased by 36% from \$3.46 million to \$4.69 million. This increase is due to a rate increase that began in 2016.
- Depreciation expense decreased 0.5% from \$1.24 million in Fiscal Year 2016 to \$1.23 million in Fiscal Year 2017.
- Total operating expenses increased by 5% from \$3.98 million to \$4.18 million.
- Non-operating revenues and expenses increased 329% from \$43 thousand gain in Fiscal Year 2016 to \$183 thousand gain in Fiscal Year 2017.
- Overall increase of cash and cash equivalents realized a 4% increase from \$5.58 million in Fiscal Year 2016 to \$5.81 million in Fiscal year 2017.
- Net cash provided by operating activities increased 129% from \$835 thousand in Fiscal year 2016 to \$1.91 million in Fiscal Year 2017.

## **Overview of the Financial Statements:**

This annual report consists of a series of financial statements. The statement of net position, statement of revenues, expenses and changes in net position, and statement of cash flows all provide information about the District's activities and present a long-term view of its finances.

These statements are prepared using the accrual basis of accounting which recognizes expenses when incurred and revenue when earned rather than when payment is made or received and is widely used by most private sector companies. These statements also report on the District's net position and changes in the position resulting from the current years' activity. Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or declining.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The various funds are presented in the accompanying financial statements as a proprietary fund category, enterprise fund type.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 10-21 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension benefits to its employees.

## **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position increased from \$10.98 million at June 30, 2016 to \$11.88 million at the close of June 30, 2017.

The largest portion of the net position, \$7.85 million as of June 30, 2017, reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## **Business-type activities.**

The business-type activities increased the District's net position by \$807 thousand. The key elements are as follows: operating and non-operating revenues exceeded operating and non-operating expenses as of June 30, 2017. Capital contributions to the District's

system totaled \$117 thousand as of June 30, 2017. The total revenues exceeded expenses during the 2017 fiscal year. The District's construction in progress value has been recorded as capitalized amounts as detailed in Note 4 on page 15.

### **Capital Asset and Debt Administration**

**Capital Assets.** The District's investments in capital assets for its business type activities as of June 30, 2017 amounts to \$7.85 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment.

Additional information on the South San Luis Obispo County Sanitation District capital assets can be found in Note 4 on page 15 of this report.

**Long-term debt.** At the end of June 30, 2017, the District held debt of loan payable and compensated absences. The District's total debt decreased by \$68,317 during the fiscal year ended June 30, 2017 due to payment on the District's only loan payable, CoGen payment.

Additional information on the District's long-term debt can be found in Notes 5 and 6 on page 15 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

**Financial Plan.** Bartle Wells has been engaged to evaluate evolving capital and maintenance needs and the District's ability to accommodate these needs within the existing rate structure. Upon completion of the Updated Financial Plan by Bartle Wells the District will consider financial strategies, including rate adjustments, to fulfill the financial demands of the District.

**Rate Increase.** The District implemented a rate increase beginning July 1, 2016. The new rates are designed to meet the District's operational and capital funding needs, comply with legal requirements and be fair to all customers. Rate increases are phased in over approximately five years to minimize the annual impact on District customers.

**Other Post-Employment Benefits.** The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit fund which is administered by CalPERS. In 2000, the District joined the CalPERS medical program. An actuarial was performed for 2016-17 fiscal year to determine the District's Annual Required Contribution (ARC) to the OPEB Fund in order to meet the obligation of providing Retiree Medical Insurance.

### **Requests for Information**

This financial report is designed to provide a general overview of the South San Luis Obispo County Sanitation District's finances for all those with an interest in the government's finances. Questions concerning any of the information should be addressed to the District Administrator, South San Luis Obispo County Sanitation District 1600 Aloha Place, Oceano, CA 93445.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**STATEMENT OF NET POSITION - PROPRIETARY FUND**  
June 30, 2017

---

**ASSETS**

Current Assets:

|                      |                  |
|----------------------|------------------|
| Cash and investments | \$ 5,807,764     |
| Accounts receivable  | 651,912          |
| Interest receivable  | 5,608            |
| Prepaid expenses     | 19,204           |
| Total current assets | <u>6,484,488</u> |

Noncurrent Assets:

|                             |                  |
|-----------------------------|------------------|
| Deposits                    | 6,697            |
| Capital assets              |                  |
| Land                        | 431,425          |
| Construction in progress    | 1,096,120        |
| Property, plant & equipment | 23,554,483       |
| Accumulated depreciation    | (17,155,439)     |
| Total noncurrent assets     | <u>7,933,286</u> |

|              |                   |
|--------------|-------------------|
| Total assets | <u>14,417,774</u> |
|--------------|-------------------|

**DEFERRED OUTFLOWS OF RESOURCES**

|                                      |                |
|--------------------------------------|----------------|
| Deferred pensions                    | <u>293,370</u> |
| Total deferred outflows of resources | <u>293,370</u> |

**LIABILITIES**

Current Liabilities:

|                               |                |
|-------------------------------|----------------|
| Accounts payable              | 161,174        |
| Accrued liabilities           | 21,222         |
| Accrued interest payable      | 1,406          |
| Brine deposits                | 20,000         |
| Settlement payable            | 443,925        |
| Loan payable, current portion | 71,952         |
| Total current liabilities     | <u>719,679</u> |

Long-Term Liabilities:

|                                |                  |
|--------------------------------|------------------|
| Compensated absences           | 43,055           |
| Net pension liability          | 1,006,552        |
| Other post employment benefits | 997,770          |
| Total long term liabilities    | <u>2,047,377</u> |

|                   |                  |
|-------------------|------------------|
| Total liabilities | <u>2,767,056</u> |
|-------------------|------------------|

**DEFERRED INFLOWS OF RESOURCES**

|                                     |               |
|-------------------------------------|---------------|
| Deferred pensions                   | <u>68,318</u> |
| Total deferred inflows of resources | <u>68,318</u> |

**NET POSITION**

|                                  |                      |
|----------------------------------|----------------------|
| Net investment in capital assets | 7,854,637            |
| Restricted for capital expansion | 4,125,019            |
| Unrestricted                     | (103,886)            |
| Total net position               | <u>\$ 11,875,770</u> |

The notes to basic financial statements are an integral part of this statement.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -**  
**PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2017

---

**Operating Revenues:**

|                          |                  |
|--------------------------|------------------|
| Sewer services fees      | \$ 4,687,671     |
| Total operating revenues | <u>4,687,671</u> |

**Operating Expenses:**

|                                       |                  |
|---------------------------------------|------------------|
| Gross wages                           | 799,203          |
| Payroll taxes and benefits            | 62,105           |
| Employee benefits                     | 225,261          |
| Retirement contribution               | 173,067          |
| OPEB expense                          | 200,838          |
| Uniforms                              | 11,671           |
| Repairs and maintenance               | 227,703          |
| Equipment rental                      | 17,855           |
| Insurance                             | 29,554           |
| Depreciation                          | 1,231,628        |
| Communications                        | 19,882           |
| Utilities                             | 189,397          |
| Property tax                          | 29,181           |
| Special services                      | 197,780          |
| Office and supplies                   | 16,821           |
| Fuel and oil                          | 3,611            |
| Membership, permits, and license fees | 52,501           |
| Legal                                 | 273,431          |
| Accounting                            | 11,488           |
| Plant chemicals, lab, and analysis    | 247,684          |
| Water recycling study                 | 101,352          |
| Employee training                     | 2,150            |
| Solids handling                       | 49,572           |
| Small tools                           | <u>6,992</u>     |
| Total operating expenses              | <u>4,180,727</u> |
| Net operating income                  | <u>506,944</u>   |

**Non-Operating Revenues (Expenses):**

|   |                |
|---|----------------|
| Governmental agencies                   | 2,042          |
| Interest income                         | 42,633         |
| Grant income                            | 109,500        |
| Lease income                            | 33,026         |
| Interest expense                        | <u>(3,876)</u> |
| Total non-operating revenues (expenses) | <u>183,325</u> |

**Capital Contributions:**

|                        |                |
|------------------------|----------------|
| Connection fees        | <u>116,943</u> |
| Change in net position | <u>807,212</u> |

**Net Position:**

|  |                      |
|--|----------------------|
| Net position, beginning of fiscal year           | 10,982,592           |
| Prior period adjustment                          | <u>85,966</u>        |
| Net position, beginning of fiscal year- restated | <u>11,068,558</u>    |
| Net position, end of fiscal year                 | <u>\$ 11,875,770</u> |

The notes to basic financial statements are an integral part of this statement.

Item 6A. Attachment



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND**  
For the Fiscal Year Ended June 30, 2017

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Receipts from customers                   | \$ 4,781,471     |
| Payments to vendors                       | (2,312,640)      |
| Payments to employees                     | <u>(554,326)</u> |
| Net cash provided by operating activities | <u>1,914,505</u> |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

|  |                  |
|--|------------------|
| Cash received from other governmental agencies   | 2,042            |
| Payment of settlement payable                    | (665,888)        |
| Grant income                                     | 109,500          |
| Lease income                                     | <u>33,026</u>    |
| Net cash used by noncapital financing activities | <u>(521,320)</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

|   |                    |
|---|--------------------|
| Capital contributions                                     | 116,943            |
| Acquisition and construction of capital assets            | (1,269,907)        |
| Payments of capital debt                                  | (68,317)           |
| Interest paid on capital debt                             | <u>(6,479)</u>     |
| Net cash used by capital and related financing activities | <u>(1,227,760)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |               |
|---|---------------|
| Interest received                         | <u>66,410</u> |
| Net cash provided by investing activities | <u>66,410</u> |

|   |         |
|---|---------|
| Net change in cash and cash equivalents | 231,835 |
|---|---------|

|   |                  |
|---|------------------|
| Cash and cash equivalents, July 1, 2016 | <u>5,575,929</u> |
|---|------------------|

|  |                            |
|--|----------------------------|
| Cash and cash equivalents, June 30, 2017 | <u><u>\$ 5,807,764</u></u> |
|--|----------------------------|

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND (Continued)**  
**For the Fiscal Year Ended June 30, 2017**

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**Reconciliation of operating income to net cash provided**

**by operating activities:**

Operating income \$ 506,944

Adjustments to reconcile operating income to net  
cash used by operating activities:

Depreciation 1,231,628

Change in assets, deferred outflows, liabilities, and deferred inflows:

Accounts receivable 93,996

Prepaid expenses (19,204)

Deposits (992)

Deferred outflows of resources (157,425)

Accounts payable (162,744)

Accrued liabilities 21,222

Brine deposits 20,000

Compensated absences 10,683

OPEB liability 144,013

Net pension liability 239,751

Deferred inflows of resources (13,367)

Net cash provided by operating activities \$ 1,914,505

#### NOTE 1 - REPORTING ENTITY

The reporting entity is the South San Luis Obispo County Sanitation District. The District is responsible for trunk main and sewer pipes from the Cities of Arroyo Grande, Grover Beach, and the Oceano Community Services District. The District is governed by a three-member body, known as the District Board, who are appointed by the respective member agencies on a yearly basis. The District Board includes one representative from each of its Member Agencies, specifically, the City of Arroyo Grande, City of Grover Beach and the Oceano Community Services District. The District provides wastewater disposal services.

There are no component units included in this report which meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61 and No. 80.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Policies - The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

- B. Accounting Method - The District is organized as an Enterprise Fund and follows the accrual method of accounting, whereby revenues are recorded as earned, and expenses are recorded when incurred.

- C. Fund Financial Statements – The fund financial statements provide information about the District’s proprietary fund.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

- D. Proprietary Fund Type

##### **Enterprise Fund**

Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

- E. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.
- F. Property, Plant, and Equipment – Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.
- G. Depreciation – Capital assets owned by the District are depreciated over their estimated useful lives (ranging from 5-40 years) under the straight-line method of depreciation.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- H. Receivables - The District did not experience bad debt losses; accordingly, no adjustment has been made for doubtful accounts, and accounts receivable is shown at the adjusted value.
- I. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.
- J. Compensated Absences - Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the District. The amounts are included in current liabilities.
- K. Restricted Assets - Restricted assets are financial resources segregated for a special purpose such as construction of improvements and financing of debt obligations. These assets are for the benefit of a distinct group and as such are legally or contractually restricted.
- L. Use of Estimates  
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.
- M. Net Position  
GASB Statement No. 63, requires that the difference between assets added to the deferred outflows of resources and liabilities be added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.  
  
Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.
- N. Pensions  
For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South San Luis Obispo County Sanitation District's Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- O. Deferred Outflows and Inflows of Resources  
Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the District recognizes deferred outflows and inflows of resources.  
  
In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 7 for a detailed listing of the deferred outflows of resources the District has reported.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

O. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 7 for a detailed listing of the deferred inflows of resources the District has reported.

P. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

|                  |  |  |
|------------------|--|--|
| Statement No. 75 | "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" | The provisions of this statement are effective for fiscal years beginning after June 15, 2017.     |
| Statement No. 81 | "Irrevocable Split-Interest Agreements"  | The provisions of this statement are effective for fiscal years beginning after December 15, 2016. |
| Statement No. 82 | "Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"          | The provisions of this statement are effective for fiscal years beginning after June 15, 2017.     |
| Statement No. 83 | "Certain Asset Retirement Obligations"   | The provisions of this statement are effective for fiscal years beginning after June 15, 2018.     |
| Statement No. 84 | "Fiduciary Activities"   | The provisions of this statement are effective for fiscal years beginning after December 15, 2018. |
| Statement No. 85 | "Omnibus 2017"   | The provisions of this statement are effective for fiscal years beginning after June 15, 2017.     |
| Statement No. 86 | "Certain Debt Extinguishment Issues"   | The provisions of this statement are effective for fiscal years beginning after June 15, 2017.     |
| Statement No. 87 | "Leases"   | The provisions of this statement are effective for fiscal years beginning after December 15, 2019. |

**NOTE 3 - CASH AND INVESTMENTS**

Investments are carried at fair value in accordance with GASB Statement No. 31. On June 30, 2017 the District had the following cash and investments on hand:

|  |    |                         |
|--|----|-------------------------|
| Cash on hand                               | \$ | 140                     |
| Cash in Bank                               |    | 156,900                 |
| Cash and investments with County Treasurer |    | 3,215,466               |
| Local Agency Investment Fund (LAIF)        |    | <u>2,435,258</u>        |
| Total cash and investment                  | \$ | <u><u>5,807,764</u></u> |

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the San Luis Obispo County Investment Pool and the Local Agency Investment Fund, however, those external pools are not measured under Level 1, 2 or 3.

Investments Authorized by the California Government Code

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

| <u>Authorized<br/>Investment Type</u>                 | <u>Maximum<br/>Maturity</u> | <u>Maximum<br/>Percentage<br/>Of Portfolio</u> | <u>Maximum<br/>Investment<br/>in One Issuer</u> |
|---|-----------------------------|--|---|
| Local Agency Bonds                                    | 5 years                     | None   | None  |
| U.S. Treasury Obligations                             | 5 years                     | None   | None  |
| Federal Agency Securities                             | N/A                         | None   | None  |
| Bankers' Acceptances                                  | 180 days                    | 40%  | 30%   |
| Commercial Paper                                      | 270 days                    | 25%  | 10%   |
| Negotiable Certificates of Deposit                    | 5 years                     | 30%  | None  |
| Repurchase and Reverse Repurchase<br>Agreements       | 92 days                     | 20% of base value                              | None  |
| Medium-Term Notes                                     | 5 years                     | 30%  | None  |
| Mutual Funds  | 5 years                     | 15%  | 10%   |
| Money Market Mutual Funds                             | N/A                         | None   | None  |
| Mortgage Pass-Through Securities                      | N/A                         | 20%  | None  |
| County Pooled Investment Fund                         | N/A                         | None   | None  |
| Local Agency Investment Fund (LAIF)                   | N/A                         | None   | None  |
| State Registered Warrants, Notes, or<br>Bonds         | 5 years                     | None   | None  |
| Notes and Bonds of other Local<br>California Agencies | 5 years                     | None   | None  |

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2017

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Disclosures Relating to Interest Rate Risk (Continued)

| Investment Type                 | Carrying Amount     | Remaining Maturity (in Months) |                |                |                     |
|---------------------------------|---------------------|--------------------------------|----------------|----------------|---------------------|
|                                 |                     | 12 Months or Less              | 13 - 24 Months | 25 - 60 Months | More than 60 Months |
| San Luis Obispo Investment Pool | \$ 3,215,466        | \$ 3,215,466                   | \$ -           | \$ -           | \$ -                |
| State Investment Pool (LAIF)    | 2,435,258           | 2,435,258                      |                |                |                     |
|                                 | <u>\$ 5,650,724</u> | <u>\$ 5,650,724</u>            | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>         |

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code and the District's investment policy, and the actual rating as of fiscal year end for each investment type.

| Investment Type                 | Carrying Amount     | Minimum Legal Rating | Rating as of Fiscal Year End |             |             |                     |
|---------------------------------|---------------------|----------------------|------------------------------|-------------|-------------|---------------------|
|                                 |                     |                      | AAA                          | Aa          | Baa         | Not Rated           |
| San Luis Obispo Investment Pool | \$ 3,215,466        | N/A                  | \$ -                         | \$ -        | \$ -        | \$ 3,215,466        |
| State Investment Pool (LAIF)    | 2,435,258           | N/A                  |                              |             |             | 2,435,258           |
|                                 | <u>\$ 5,650,724</u> |                      | <u>\$ -</u>                  | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,650,724</u> |

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2017, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2017

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

Investment in State Pool (LAIF)

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**NOTE 4 - SCHEDULE OF CAPITAL ASSETS**

A schedule of changes in capital assets and depreciation for the fiscal year ended June 30, 2017, is shown below:

|                               | Balance<br>July 1, 2016 | Additions        | Deletions   | Transfers   | Balance<br>June 30, 2017 |
|-------------------------------|-------------------------|------------------|-------------|-------------|--------------------------|
| Land                          | \$ 431,425              | \$ -             | \$ -        | \$ -        | \$ 431,425               |
| Construction in Progress      | 545,932                 | 1,244,377        |             | (694,189)   | 1,096,120                |
| Property, Plant, & Equipment  | 22,834,764              | 25,530           |             | 694,189     | 23,554,483               |
| Total capital assets          | 23,812,121              | 1,269,907        | -           | -           | 25,082,028               |
| Less Accumulated Depreciation | (15,923,811)            | (1,231,628)      |             |             | (17,155,439)             |
| Net capital assets            | <u>\$ 7,888,310</u>     | <u>\$ 38,279</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,926,589</u>      |

**NOTE 5 – LOAN PAYABLE**

On October 19, 2009, the District received a loan from Municipal Finance Corporation in the amount of \$483,159. The purpose of the loan was to install a new electrical generator system. The District will make semi-annual payments under the loan agreement of \$37,398 through August 16, 2017. The interest rate for the loan is 5.25%. Future debt service payments are as follows:

| Fiscal Year Ended<br>June 30 | Principal        | Interest        | Total            |
|------------------------------|------------------|-----------------|------------------|
| 2018                         | \$ 71,952        | \$ 2,845        | \$ 74,797        |
|                              | <u>\$ 71,952</u> | <u>\$ 2,845</u> | <u>\$ 74,797</u> |

**NOTE 6 – LONG-TERM DEBT**

The changes in long-term debt at June 30, 2017, are as follows:

|                       | Balance<br>July 1, 2016 | Additions         | Retirements         | Balance<br>June 30, 2017 | Due within<br>One year |
|-----------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| Compensated Absences  | \$ 32,372               | \$ 38,890         | \$ (28,207)         | \$ 43,055                | \$ -                   |
| Loan Payable          | 140,269                 |                   | (68,317)            | 71,952                   | 71,952                 |
| OPEB                  | 853,757                 | 200,838           | (56,825)            | 997,770                  |                        |
| Net Pension Liability | 766,801                 | 316,770           | (77,019)            | 1,006,552                |                        |
| Total                 | <u>\$ 1,793,199</u>     | <u>\$ 556,498</u> | <u>\$ (230,368)</u> | <u>\$ 2,119,329</u>      | <u>\$ 71,952</u>       |



**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plans**

*Plan Descriptions*

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*Benefits Provided*

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

|   | Miscellaneous    |                  |
|---|------------------|------------------|
|   | Prior to         | On or after      |
| Hire Date   | January 1, 2013  | January 1, 2013  |
| Benefit formula                                   | 2.0% @ 60        | 2% @ 62          |
| Benefit vesting schedule                          | 5 years service  | 5 years service  |
| Benefit payments                                  | monthly for life | monthly for life |
| Retirement age                                    | 50-63            | 52-67            |
| Monthly benefits, as a % of eligible compensation | 1.09% to 2.42%   | 1.0% to 2.5%     |
| Required employee contribution rates              | 7%               | 6.5%             |
| Required employer contribution rates              | 9.539%           | 6.533%           |

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$104,648 for the fiscal year ended June 30, 2017.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2017

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**NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2017, the District reported a liability of \$1,006,552 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2016, the District's proportion was 0.02897%, which increased by 0.00102% from June 30, 2015.

For the year ended June 30, 2017, the District recognized pension expense of \$173,607. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                                | \$ 104,648                           | \$ -                             |
| Differences between expected and actual experience                                  | 1,854                                |                                  |
| Changes in assumptions  |                                      | 22,821                           |
| Net difference between projected and actual earnings on retirement plan investments | 118,774                              |                                  |
| Adjustment due to differences in proportions  | 68,094                               |                                  |
| Difference in actual contributions and proportionate share of contributions         |                                      | 45,497                           |
|   | <u>\$ 293,370</u>                    | <u>\$ 68,318</u>                 |

\$104,648 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

| Fiscal Year<br>Ended June 30 | Amount            |
|------------------------------|-------------------|
| 2018                         | \$ 16,743         |
| 2019                         | 17,070            |
| 2020                         | 55,828            |
| 2021                         | 30,763            |
|                              | <u>\$ 120,404</u> |

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

*Actuarial Assumptions*

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

|                                     |  |
|-------------------------------------|--|
|                                     | Miscellaneous  |
| Valuation Date                      | June 30, 2015  |
| Measurement Date                    | June 30, 2016  |
| Actuarial Cost Method               | Entry-Age Normal Cost Method   |
| Actuarial Assumptions:              |  |
| Discount Rate                       | 7.65%  |
| Inflation                           | 2.75%  |
| Salary Increases                    | Varies by Entry Age and Service  |
| Investment Rate of Return           | 7.5% Net of Pension Plan Investment<br>and Administrative Expenses;<br>includes Inflation  |
| Mortality Rate Table (1)            | Derived using CalPERS' Membership<br>Data for all Funds  |
| Post Retirement Benefit<br>Increase | Contract COLA up to 2.75% until<br>Purchasing Power Protection Allowance<br>Floor on Purchasing Power applies,<br>2.75% thereafter |

- (1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2014 experience study report.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund, including PERF C. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB No. 68 section.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

**NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

| Asset Class                   | New<br>Strategic<br>Allocation | Real Return<br>Years 1-10(a) | Real Return<br>Years 11+(b) |
|-------------------------------|--------------------------------|------------------------------|-----------------------------|
| Global Equity                 | 51.0%                          | 5.25%                        | 5.71%                       |
| Global Fixed Income           | 20.0%                          | 0.99%                        | 2.43%                       |
| Inflation Sensitive           | 6.0%                           | 0.45%                        | 3.36%                       |
| Private Equity                | 10.0%                          | 6.83%                        | 6.95%                       |
| Real Estate                   | 10.0%                          | 4.50%                        | 5.13%                       |
| Infrastructure and Forestland | 2.0%                           | 4.50%                        | 5.09%                       |
| Liquidity                     | 1.0%                           | -0.55%                       | -1.05%                      |
| Total                         | 100%                           |                              |                             |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.65 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.65 percent) or 1- percentage point higher (8.65 percent) than the current rate:

|  | 1% Decrease<br>6.65% | Discount Rate<br>7.65% | 1% Increase<br>8.65% |
|--|----------------------|------------------------|----------------------|
| District's proportionate share of the net pension plan liability | \$ 1,568,181         | \$ 1,006,552           | \$ 542,393           |

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2017

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**NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)**

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**C. Payable to the Pension Plan**

At June 30, 2017, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2017.

**NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

Plan Description

The District provides post-retirement health benefits to all retirees who retire from the System and have reached the minimum age of 50.

Funding Policy

The District is required to contribute the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of the GASB Statement No. 45. The System used the alternative measurement method as allowed under GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the District's Annual OPEB Cost for the fiscal year ended June 30, 2017, the amount actually contributed to the plan (including administrative costs), and changes in the System's Net OPEB Obligation/(Asset):

|  | Fiscal Year<br>Ending June 30, 2017 |
|--|-------------------------------------|
| Annual Required Contributions                            | \$ 162,419                          |
| Interest on Net OPEB Obligation/(Asset)                  | 38,419                              |
| Annual OPEB Cost/Expense                                 | 200,838                             |
| Contributions made                                       | 56,825                              |
| Increase in Net OPEB Obligations/(Asset)                 | 144,013                             |
| Net OPEB Obligations/(Assets) - beginning of fiscal year | 853,757                             |
| Net OPEB Obligations/(Assets) - end of fiscal year       | \$ 997,770                          |

The District's Annual OPEB cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation (Asset) are as follows:

| Fiscal<br>Year<br>Ended | Annual<br>OPEB Cost | Actual<br>Contribution | Percentage of<br>OPEB<br>Cost Contributed | Net OPEB<br>Obligation (Asset) |
|-------------------------|---------------------|------------------------|---|--------------------------------|
| June 30, 2015           | \$ 155,232          | \$ 35,273              | 23%                                       | \$ 731,192                     |
| June 30, 2016           | \$ 178,655          | \$ 56,090              | 31%                                       | \$ 853,757                     |
| June 30, 2017           | \$ 200,838          | \$ 56,825              | 28%                                       | \$ 997,770                     |

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2017

---

**NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)**

Annual OPEB Cost and Net OPEB Obligation/(Asset) (Continued)

The funded status of the plan was as follows:

| Valuation<br>Date | Value of<br>Assets | Projected Unit<br>Credit Actuarial<br>Accrued<br>Liabilities | Unfunded<br>AAL<br>(UAAL) | Funded<br>Ratio | Covered<br>Payroll | UUAL as a<br>Percentage of<br>Covered Payroll |
|-------------------|--------------------|--|---------------------------|-----------------|--------------------|---|
| June 30, 2013     | \$ -               | \$ 1,017,897   | \$ 1,017,897              | 0%              | \$ 405,804         | 251%  |
| June 30, 2014     | \$ -               | \$ 1,295,363   | \$ 1,295,363              | 0%              | \$ 366,444         | 353%  |
| June 30, 2017     | \$ -               | \$ 1,569,113   | \$ 1,569,113              | 0%              | \$ 776,539         | 202%  |

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

The District did not pre-fund retiree healthcare costs nor establish an irrevocable trust for retiree healthcare costs. The decision not to use an irrevocable trust was made because of the current national and state economic issues and the possibility that the funds may be required to provide current services.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

According to the District's staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

**NOTE 10 – SETTLEMENT PAYABLE**

On October 3, 2012, the District was levied a penalty of \$1,109,813 from the State Water Resources Control Board for a sewage spill in December 2010. On September 1, 2016, the District agreed with the State Water Resources Control Board, that \$554,906 would go to the State Water Resources Control Board, \$110,981 would fund the Central Coast Ambient Monitoring Program Groundwater Assessment and Protection through the Bay Foundation of Morro Bay, \$221,963 would be contributed towards developing a groundwater basin model for the Northern Cities Management Area and Nipomo Mesa Management Area of the Santa Maria Groundwater Basin through the Bay Foundation of Morro Bay, and \$221,963 would be used to fund construction of a grit removal system at the District's treatment facility. As of June 30, 2017, the balance is \$443,925.

**NOTE 11 – SUBSEQUENT EVENT**

On October 10, 2017, the District agreed to a separation settlement with Plant Superintendent John Clemons for \$150,000 to be paid in two installments.

**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

A prior period adjustment of \$85,966 was made which affects the statement of net position- proprietary fund. The prior period adjustment was to adjust Deferred Outflows (\$37,012) and Deferred Inflows (\$48,954) to their correct values.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
Last 10 Years\*  
As of June 30, 2017

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The following table provides required supplementary information regarding the District's Pension Plan.

|  | <u>2017</u>       | <u>2016</u>       | <u>2015</u>       |
|--|-------------------|-------------------|-------------------|
| Proportion of the net pension liability  | 0.0116%           | 0.0112%           | 0.0089%           |
| Proportionate share of the net pension liability   | \$ 1,006,552      | \$ 766,801        | \$ 556,113        |
| Covered- employee payroll  | \$ 648,335        | \$ 512,061        | \$ 496,070        |
| Proportionate share of the net pension liability as percentage of covered-employee payroll | 155.3%            | 149.7%            | 112.1%            |
| Plan's total pension liability   | \$ 33,358,627,624 | \$ 31,771,217,402 | \$ 30,829,966,631 |
| Plan's fiduciary net position  | \$ 24,705,532,291 | \$ 24,907,305,871 | \$ 24,607,502,515 |
| Plan fiduciary net position as a percentage of the total pension liability                 | 74.06%            | 78.40%            | 79.82%            |

\*- Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**SCHEDULE OF CONTRIBUTIONS**  
Last 10 Years\*  
As of June 30, 2017

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The following table provides required supplementary information regarding the District's Pension Plan.

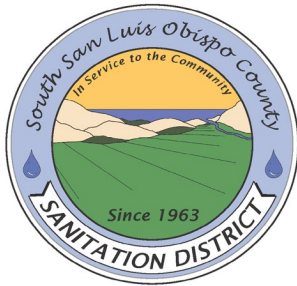
|  | <u>2017</u>    | <u>2016</u>   | <u>2015</u>   |
|--|----------------|---------------|---------------|
| Contractually required contribution (actuarially determined)         | \$ 104,648     | \$ 77,019     | \$ 48,422     |
| Contribution in relation to the actuarially determined contributions | <u>104,648</u> | <u>77,019</u> | <u>48,422</u> |
| Contribution deficiency (excess)                                     | <u>\$ -</u>    | <u>\$ -</u>   | <u>\$ -</u>   |
| Covered- employee payroll  | \$ 776,539     | \$ 648,335    | \$ 512,061    |
| Contributions as a percentage of covered-employee payroll            | 13.48%         | 11.88%        | 9.46%         |

**Notes to Schedule**

|   |  |
|---|--|
| Valuation Date:   | 6/30/2014  |
| Methods and assumptions used to determine contribution rates: |  |
| Actuarial cost method   | Entry Age  |
| Asset valuation method  | 5-year smoothed market   |
| Amortization method   | The unfunded actuarial accrued liability is amortized over an open 17 year period as a level percentage of payroll                         |
| Discount rate   | 7.50%  |
| Amortization growth rate                                      | 3.75%  |
| Price inflation   | 3.25%  |
| Salary increases  | 3.75% plus merit component based on employee classification and years of service.  |
| Mortality   | Sex distinct RP-2000 Combined Mortality projected to 2010 using Scale AA with a 2 year setback for males and a 4 year setback for females. |
| Valuation Date:   | 6/30/2015  |
| Discount rate:  | 7.65%  |

\*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.





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

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## **STAFF REPORT**

**Date:** December 5, 2018

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator; Mychal Jones, Interim Plant Superintendent

**Subject:** **DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT**

This report represents ongoing information on the latest District staff activities on major capital projects and studies, programmatic initiatives, regional collaboration, Miscellaneous activities, and Plant Operations. *Updates since the last report are provided in italics below:*

### **Capital Projects:**

#### **Redundancy Project:**

The bid-ready documents are scheduled for completion in February 2019, and the 2½ year construction will begin in the fall of 2019. Financial consultant, Bartle Wells Associates, is advising the District regarding rates and financing. 90% Plans will be submitted in late December. *No Update*

#### **Rental Centrifuge:**

The need for the rental centrifuge remains until Digester #1 is fully back online. District is Coordinating removal of the Rental Centrifuge. *Rental unit has been returned. This will reduce monthly expenses by approximately \$16,000.*

### **Programmatic Initiatives:**

**Human Resources/Personnel Policy Manual (PPM) Update:** *Present Final PPM @ 12/19 Meeting*

#### **Financial Initiative:**

The Audit for FY 16/17 is underway with Moss Levy Hartzheim. *Presentation this evening.*

#### **Social Media/District News:**

*The District will be starting a Facebook Page where information and accomplishments can be shared with the community. Page will go live January 2<sup>nd</sup>.*

**Misc.:**

**Regional Board WDR/NPDES Permit:**

District received a draft permit from the RWQCB on 10/9/2018 of our new permit conditions. District has reviewed and commented on the Draft Permit. *No Update*

**Regional Collaboration:**

**Central Coast Blue (Regional Groundwater Sustainability Project (RGSP)):**

*No Update.*

**Plant Tours:** Caren Ray 12/19/2018

**Upcoming Agenda Items:**

- Approval and Adoption (Resolution) of the final draft of the PPM

## Plant Operations Report

During this reporting period (Nov. 1<sup>st</sup> – Nov. 28<sup>th</sup>) the District's facility met its Permit Limitations as required under the State of California's National Pollutant Discharge Elimination System (NPDES) Permit issued to the District.

### Monthly Plant Data as of November 28, 2018

| November 2018 | INF Flow<br>MGD | INF Peak<br>Flow MGD | INF BOD<br>mg/L | EFF BOD<br>mg/L | BOD %<br>Removal | INF TSS<br>mg/L | EFF TSS<br>mg/L | TSS %<br>Removal | Fecal<br>Coliform<br>MPN/100mL | Chlorine<br>Usage<br>lbs/day |
|---------------|-----------------|----------------------|-----------------|-----------------|------------------|-----------------|-----------------|------------------|--------------------------------|------------------------------|
| Low           | 2.39            | 3.4                  | 439             | 15.7            |                  | 482             | 26.5            |                  | <1.8                           | 94                           |
| High          | 2.82            | 4.7                  | 481             | 21.3            |                  | 644             | 33.3            |                  | 17                             | 250                          |
| Average       | 2.58            | 3.96                 | 461             | 18.3            | 96               | 526             | 26.9            | 94.9             | 4.2                            | 161                          |
| Nov. 2017 AVG | 2.4             | 3.8                  | 491             | 28.4            | 94.2             | 516             | 34.7            | 93.3             | 12.7                           | 159                          |
| Limit         | 5.0             |                      |                 | 40/60/90        | >80              |                 | 40/60/90        | >80              | 2000                           |                              |

\*Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous maximum value for plant effluent Biochemical Oxygen Demand and Total Suspended Solids.

### Fecal Coliform Numbers for November 2018

|            |   |     |            |
|------------|---|-----|------------|
| 11/2/2018  | = | 17  | MPN/100 mL |
| 11/3/2018  | = | 14  | MPN/100 mL |
| 11/6/2018  | < | 1.8 | MPN/100 mL |
| 11/7/2018  | = | 4.5 | MPN/100 mL |
| 11/8/2018  | = | 4.5 | MPN/100 mL |
| 11/9/2018  | = | 4.5 | MPN/100 mL |
| 11/10/2018 | < | 1.8 | MPN/100 mL |
| 11/13/2018 | = | 4   | MPN/100 mL |
| 11/14/2018 | = | 4.5 | MPN/100 mL |
| 11/15/2018 | < | 1.8 | MPN/100 mL |
| 11/16/2018 | < | 1.8 | MPN/100 mL |
| 11/17/2018 | < | 1.8 | MPN/100 mL |
| 11/20/2018 | = | 4.5 | MPN/100 mL |
| 11/21/2018 | = | 2   | MPN/100 mL |
| 11/22/2018 | = | 2   | MPN/100 mL |
| 11/23/2018 | < | 1.8 | MPN/100 mL |
| 11/24/2018 | < | 1.8 | MPN/100 mL |
| 11/27/2018 | = | 4   | MPN/100 mL |
| 11/28/2018 | < | 1.8 | MPN/100 mL |

\*Limit – 200/2000 represent NPDES Permit limits for the running weekly median and instantaneous maximum for fecal coliform bacteria.

### **Operation and Maintenance Projects**

- Removed polymer mixing pump from service and installed replacement
- Began servicing failed polymer mixing pump
- Entered confined space to replace broken water piping on secondary clarifier spray bar
- Cleaned out Amiad filter psi switch due to failure
- Removed pulley and sheave from centrifuge due to signs of slippage
- Checked and marked Underground Service Alerts
- Installed new pulley and sheave on centrifuge
- Removed and installed new grating on secondary clarifier
- Autosys, Inc.
  - Installed new inlet and outlet temperature transmitters for digester boiler heating control
- Thoma Electric
  - Troubleshoot and replaced clarifier overload switch
- Flushed and filled centrifuge auger gearbox
- Replaced hose fitting on fixed film reactor blower drain
- Unplugged and removed debris from drains on backside of fixed film reactor
- Removed piping, hoses, and electrical wiring from rental centrifuge in preparation for removal
- Removed and replaced O-ring on leaking Amiad filter

### **Work Orders Completed**

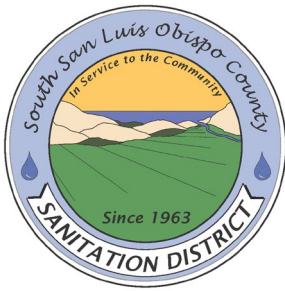
- Rinsed both primary clarifiers and secondary clarifier
- Inspected all digester vacuum/pressure relief valves
- Drained and replaced oil in digester mixing pump
- Serviced chlorine water champ and replaced cracked elbow fitting
- Lubed and oiled influent pump room fan
- Replaced heating and air conditioning office filter
- Performed monthly clarifier drive maintenance on all clarifiers
- Performed monthly service on forklift
- Thoroughly cleaned area around effluent junction box
- Flushed all sump pumps throughout plant
- Cleaned fixed film reactor orifices and netting

### **Training**

- Operations staff participated in a safety meeting on chemical handling safety.
- Operations staff participated in a safety meeting on Spiral to Disaster which covered safety policies and procedures, work permits, risk analysis, and timely action.

### **Call Outs**

- November 6<sup>th</sup>, 5:01 PM – Reclaim water low pressure alarm. C.P.O. Jones responded and bypassed the reclaim water filtration system until the system could be troubleshooted in the morning.
- November 26<sup>th</sup>, 7:50 PM – Wet well low-level alarm. Operator Arias responded and found foam in the headworks wet well causing a faulty reading. Rinsed down foam and placed back into normal operation.



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

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### **Staff Report**

**Date:** December 05, 2018  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator  
**Subject:** **APPLICATION FOR DISTRICT CREDIT CARD ACCOUNT**

#### **RECOMMENDATION:**

It is the staff recommendation that the Board approve Resolution No. 2018-399 authorizing the District to enter into an agreement with Umpqua Bank to establish District credit card accounts; and authorize the District Administrator to negotiate and execute any necessary agreements approved as to legal form.

#### **BACKGROUND:**

In 2014 California Special Districts Association (CSDA) introduced a purchasing card program to its members. The program provides rebates to the participating districts and a rebate to CSDA as a source of non-dues revenue. The program's credit card was initially offered by Bank of the West. The District joined the CSDA program on October 16, 2014 by adopting Resolution 2014-315. In August 2017, Bank of the West notified CSDA that they would be discontinuing their support of the program at the end of 2018. CSDA started negotiations with other banks for a replacement commercial card program and selected Umpqua Bank as the new provider in March 2018.

#### **DISCUSSION:**

Umpqua Bank has partnered with the California Special Districts Association (CSDA) for a purchasing program which issues purchasing or credit cards to qualified member agencies. The District is a CSDA member and is eligible to submit an application to this program. The program aggregates the purchases of all participating members and offers free annual membership and variable cash rebates based on the volume of purchasing of all of the participating members.

Resolution No. 2018-399, as recommended for adoption by the Board, together with the application and other necessary documents will be submitted to Umpqua Bank to establish the credit card accounts.

**RESOLUTION NO. 2018-399**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
AUTHORIZING AGREEMENT WITH UMPQUA BANK TO PARTICIPATE IN THE  
CSDA DISTRICT PURCHASING CARD PROGRAM**

**WHEREAS**, credit cards and purchasing cards are mechanisms for purchasing goods and services for the convenience of the South San Luis Obispo County Sanitation District (District); and

**WHEREAS**, the California Special Districts Association (CSDA) has negotiated with Umpqua Bank to provide a Purchasing Card Program for vendor payments, purchasing, travel and or fleet transactions;

**WHEREAS**, the CSDA Purchasing Card Program (Program) is available to CSDA members, and the District is a member of the CSDA; and

**WHEREAS**, the Program requires an application for credit approval, a resolution by the District Board and District policies and procedures regarding the use of credit cards; and

**WHEREAS**, the District has adopted a District Credit Card Policy for using credit cards as required by the Program.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors of the South San Luis Obispo County Sanitation District that the Board directs the following actions:

Authorize participation with Umpqua Bank in the CSDA District Purchasing Card Program;

Authorize the application to the Program for credit cards or purchasing cards;

Authorize the District Administrator to negotiate and execute any necessary agreements, approved as to legal form.

**BE IT FURTHER RESOLVED** that this Resolution shall take effect upon its adoption.

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

AYES:

NOES:

ABSENT:

the foregoing resolution was passed and adopted this 5<sup>th</sup> day of December 2018.

\_\_\_\_\_  
Linda Austin, Chair

ATTEST:

\_\_\_\_\_  
Jeremy Ghent,  
District Administrator

APPROVED AS TO FORM:

\_\_\_\_\_  
Gilbert Trujillo,  
District Legal Counsel