



**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

**AGENDA
BOARD OF DIRECTORS MEETING**
Arroyo Grande City Council Chambers
215 E. Branch Street,
Arroyo Grande, California

Wednesday, June 5, 2019, at 6:00 p.m.

Board Members

Jeff Lee, Chair
Caren Ray Russom, Vice Chair
Linda Austin, Director

Agencies

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

Alternate Board Members

Barbara Nicolls, Director
Lan George, Director
Cynthia Repogle, Director

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

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- 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 May 15, 2019**
- 5C. Request Authorization to Dispose of 1995 Flatbed Truck**

6. ACTION ITEMS:

6A. PUBLIC HEARING AND ADOPTION OF RESOLUTION 2019-406 APPROVING THE FINAL BUDGET FOR FISCAL YEAR 2019/20

Recommendation: That the Board:

1. Review the Budget for Fiscal Year 2019-20, including revisions;
2. Open the public hearing to receive public input regarding the adoption of the Budget for Fiscal Year 2019-20;
3. Close the Public Hearing and direct revisions, if any, be incorporated into the Budget for Fiscal Year 2019-20; and
4. Adopt Resolution No. 2019-406 approving the Budget for Fiscal Year 2019-20.

6B. CONSIDERATION OF ADOPTION OF A PROJECT LABOR AGREEMENT FOR THE DISTRICT'S REDUNDANCY PROJECT

6C. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Recommendation: Receive and File Report.

7. MISCELLANEOUS ITEMS:

8. BOARD MEMBER COMMUNICATIONS:

9. CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Jeremy Ghent and Alicia Lara

Employee organization: SEIU

10. ADJOURNMENT

**The next regularly scheduled Board Meeting on July 17, 6:00 pm at the
Oceano Community Services District Board Room,
1655 Front Street, Oceano, California 93445**

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
6/5/2019

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST ANALYTICAL	CHEMICAL ANALYSIS	19-1805; 19-2645	060519-3805	7078	169.00	169.00
ADVANCED FLOW MEASUREMENT	EQUIPMENT MAINTENANCE	3690	3806	8030	5,285.89	5,285.89
AGP VIDEO	PROF SERV. AGP VIDEO	MAY	3807	7080	1,510.00	1,510.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	JULY	3808	6025	720.77	720.77
AMERICAN FLAG AND GIFT	HOUSEHOLD SUPPLIES	157695A	3809	8035	188.56	188.56
AQUATIC BIOASSAY & CONSULTING	CHEMICAL ANALYSIS	SLO0519.0425	3810	7078	230.00	230.00
ARAMARK	UNIFORMS	5/10; 5/17; 5/24; 5/31	3811	7025	926.80	926.80
AT&T	COMMUNICATIONS	05/11/19-06/10/19	3812	7013	195.62	195.62
AUTOSYS, INC.	ELECTRIC INTEGRATOR	11/18/1906	3813	7062	472.50	4,122.40
	SCADA	2515; 2522		20-8010	3,649.90	
BRENNTAG	PLANT CHEMICALS	BPI942340; BPI947234	3814	8050	12,255.81	12,255.81
CALIFORNIA ELECTRIC SUPPLY	EQUIPMENT MAINTENANCE	781758; 782231	3815	8030	499.69	4,548.38
	CAPITAL EQUIPMENT	781205		8010	4,048.69	
CAREN RAY RUSSOM	BOARD SERVICE	MAY	3816	7075	200.00	200.00
CENTRAL COAST TECHNOLOGY	COMPUTER SUPPORT	JUNE	3817	7082	493.43	493.43
CITY OF GROVER BEACH	BILLING	APRIL	3818	7081	1,759.50	1,759.50
CCWT	LAB SUPPLIES	56080	3819	8040	190.00	190.00
ERIKA FROST	MEDICAL REIMBURSE	FY 18/19	3820	6075	88.00	88.00
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	JUNE	3821	7082	100.00	100.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	65752	3822	8030	6.55	6.55
FOUR STAR VILLAGE AUTO	AUTOMOTIVE MAINTENANCE	0055865	3823	8032	170.10	170.10
HARDY DIAGNOSTICS	LAB SUPPLIES	2122246	3824	8040	204.80	204.80
HAULAWAY	EQUIPMENT RENTAL	04/18/19-05/15/19	3825	7032	93.80	93.80
JB DEWAR	FUEL	906865; 908154	3826	8020	255.62	255.62
JEFF LEE	BOARD SERVICE	MAY	3827	7075	200.00	200.00
JONES & MAYER	OUTSIDE COUNSEL	APRIL	3828	7070	7,991.87	7,991.87
KEMIRA	PLANT CHEMICALS	9017633696	3829	8050	8,636.68	8,636.68
LARA HR SERVICES	HUMAN RESOURCES	APRIL	3830	7076	3,590.00	3,590.00
LINDA AUSTIN	BOARD SERVICE	MAY	3831	7075	200.00	200.00
MARIO DE LEON	CERTIFICATIONS	GRADE II	3832	7055	180.00	180.00
MCMASTER CARR	SMALL TOOLS	947040312	3833	8055	208.31	208.31
MICHAEL ARIAS	MEDICAL REIMBURSE	FY 18/19	3834	6075	588.70	588.70
MICRO PRECISION CALIBRATION	EQUIPMENT MAINTENANCE	LA-90041973	3835	8030	138.00	138.00
MKN	REDUNDANCY ADMINISTRATION	APRIL	3836	20-8010	18,585.95	18,585.95
MOUNTAIN CONTROLS	EQUIPMENT MAINTENANCE	36552	3837	8030	1,420.00	1,420.00
OILFIELD	CHEMICAL ANALYSIS	1902145; 1902222	3838	7078	215.00	816.00
	BRINE SAMPLING	DONATI; CCWT; GS NIPOMO		7086	601.00	
PG&E	ELECTRICITY	04/11/19-05/09/19	3839	7091	13,203.51	13,203.51
POLYDYNE	PLANT CHEMICALS	1352434	3840	8050	6,331.65	6,331.65
PRAXAIR	EQUIPMENT RENTAL	04/20/19-05/20/19	3841	7032	31.20	31.20
READY REFRESH	HOUSEHOLD SUPPLIES	04/25/19-05/24/19	3842	8035	142.79	142.79
ROYAL ELECTRIC	EQUIPMENT MAINTENANCE	7842-446164	3843	8030	208.12	208.12
SANTA MARIA FAMCON PIPE	EQUIPMENT MAINTENANCE	S10003673.001	3844	8030	84.83	84.83
SDRMA	INSURANCE, LIABILITY/AUTO	FY 19/20	3845	7043	35,813.20	35,813.20
SM TIRE	AUTOMOTIVE MAINTENANCE	504162	3846	8032	282.70	282.70
SPRINT	COMMUNICATIONS	04/04/19-05/03/19	3847	7014	94.03	94.03
STATE FUND	WORKERS COMPENSATION	JUNE	3848	6080	2,174.50	2,174.50
STATEWIDE TRAFFIC & SAFETY	TRUNK SEWER MAINTENANCE	3013044	3849	8015	853.51	853.51
USA BLUEBOOK	EQUIPMENT MAINTENANCE	894225; 908863	3850	8030	350.92	350.92
VWR	LAB SUPPLIES	2019-124; 2019-126	3851	8040	445.03	445.03
	CAPITAL EQUIPMENT	2019-126		8010	6,890.72	6,890.72
SUB TOTAL					\$ 143,177.25	\$ 143,177.25
GRAND TOTAL					\$ 143,177.25	\$ 143,177.25

We hereby certify that the demands numbered serially from 060519-3805 to 060519-3851 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



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SUMMARY ACTION MINUTES Regular Meeting of Wednesday, May 15, 2019

1. CALL TO ORDER AND ROLL CALL

Chair Lee called the meeting to order and recognized a quorum.

Present: Jeff Lee, Chair, City of Grover Beach
Caren Ray Russom, Vice Chair, City of Arroyo Grande
Linda Austin, Director, Oceano Community Services District

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

2. PLEDGE OF ALLEGIANCE

Bookkeeper Amy Simpson led the Pledge of Allegiance.

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

There was no public comment.

5. CONSENT AGENDA:

5A. Approval of Warrants

5B. Approval of Meeting Minutes of May 01, 2019

Chair Lee opened the Public Comment period.

Julie Tacker commented on the warrant register.

Chair Lee closed the Public Comment period.

Administrator Ghent responded that the bulk of the increase in legal fees is due to the project related expenses of moving the Redundancy Project forward. He also

said the District has two vacancies open at the operator level and the warrant for RGS is a recruitment to hire one of the positions.

Motion: Director Ray Russom motioned to adopt the Consent Agenda as presented.

Second: Director Austin

Action: Approved unanimously by roll call. Vote carries 3-0.

6. ACTION ITEMS:

6A. CONTRACT FOR ADVISORY SERVICES FOR THE WASTEWATER TREATMENT PLANT REDUNDANCY PROJECT WITH BARTLE WELLS ASSOCIATES

Administrator Ghent presented this item. Mr. Alex Handlers was present to answer questions. The overall objective of the proposal will be to serve as independent financial advisor to help the District evaluate alternatives and secure financing for the District's \$27.9 million wastewater treatment plant "Redundancy Project". This agreement would cover three services. Task A- General Financing Assistance; Task B- Interim Financing for USDA Loan; and Task C- Revenue Bonds/Certificates of Participation.

Mr. Handlers said the previous rates adopted are adequate to cover the new costs of the Redundancy Project. This new proposal will cover going after low cost financing for USDA for about 19% of funding based on Oceano's population the project will serve.

Director Ray Russom asked about the fiscal consideration.

Administrator Ghent responded that the fiscal consideration of \$500,000 was referencing the Redundancy Project budget that lays out the phases of financial support. It also contains the MKN agreement for administrative services. This \$61,000 is being charged to that phase in project development.

Director Ray Russom also asked for clarification on the difference between a competitive bond and a negotiated bond sale.

Mr. Handlers explained the difference of the two types of bond sales and said the initial preference of Bartle Wells is to start with the competitive sale. The goal is to get the lowest cost financing.

Chair Lee asked if the PLA would change anything in the proposal regarding bond issuance.

Mr. Handlers said not in the proposal but may be reflected down the road in salaries and benefits as an outcome of the PLA agreement.

Chair Lee opened the Public Comment period

Julie Tacker encouraged the Board to reject staff recommendation and go with RFP and to avoid sole sourcing.

Chair Lee closed the Public Comment period.

Administrator Ghent responded to the comment. He said this agreement is fully compliant and meets public contract code. We started project with this financial consultant and his knowledge is very valuable. Sole sourcing is allowed for professional services because they are invested in the project and have background information that can't be readily substituted by an additional party.

Legal Counsel said the process in front of the Board today is legal.

Motion: Director Austin motioned to authorize the District Administrator to execute a contract for Financial Advisory Services for Wastewater Treatment Plant Redundancy Project with Bartle Wells Associates in the amount of \$61,000.

Second: Chair Lee

Action: Approved unanimously by roll call vote.

6B. REDUNDANCY PROJECT LABOR AGREEMENTS UPDATE

Administrator Ghent presented this item. He said the initial draft from the trade's consultant Virtus had been received on May 7th. Staff has passed the document to outside counsel for review where it remained until today. On the funding side, one USDA staff member did express concern over the agreement and wanted to review the document to verify that it did qualify for a fair and competitive process. Other USDA staff have indicated that it is completely compatible. USDA has funded many projects with project labor agreements. A second potential issue is the construction management contract for the project. There is a labor compliance component as part of the contract. Staff issued the request for qualifications with general language about the PLA. So far it has been well received with the construction management firms. The firms have expressed specific concerns regarding inspection services and the District has indicated that the construction management contract will be excluded from the PLA. The frontend bid documents for the project have several areas where staff will have to cross reference the PLA.

Director Austin asked Mr. Ghent to expand on the USDA funding component concerns.

Administrator Ghent said when he informed USDA that we have added a PLA, the staff member said he would have to check on this and make sure it is compliant. USDA has agreed to review the City of SLO's document since the District's is still in draft to speed up the process.

Director Ray Russom asked if Mr. Ghent had seen red flags in the draft he had received from outside counsel today.

Mr. Ghent responded that inspection services and soil testing were not included in the City of SLO's PLA but were in the District draft PLA. The inspection services are very specific tasks staff is very engaged in.

Chair Lee asked if prior to going out to bid, the full document needed to be reviewed by USDA.

Administrator Ghent said the review is not critical for bidding, but it must be received by May 31st to present to the Board by June 5th.

Chair Lee opened the Public Comment period

Cherie Cabral with the building trades said they have been working with Mr. Ghent and the USDA and have been reassured by USDA that the District will have what they need to facilitate moving along as rapidly as possible without any risk to financing. The only change in the document from the original document for the city was the name of the city and the local hire zip code delineations and the soils testing.

Chair Lee asked if surveying would be included in the PLA.

Cherie Cabral responded that the PLA would apply to anything that is controlled by prevailing wage classification.

Chair Lee closed the Public Comment period.

Action: The Board received and filed this report.

6C. 2019/20 FISCAL YEAR BUDGET; SET PUBLIC HEARING FOR JUNE 5, 2019

Administrator Ghent presented this item. He said this is largely a status quo budget with one major exception which is the District going into construction this year. This will make substantial changes with the 18 million funding going into the budget. He also said capital projects will be slowed down to accommodate the construction space needed for the redundancy project.

Chair Lee opened the Public Comment period

Julie Tacker commented on Fund 20.

Chair Lee closed the Public Comment period.

Administrator Ghent responded that there is capacity in reserves to cover the 7.2 million, but that is not what is being proposed. The funding is expected to be received this year. Absent of securing funding, we would not begin construction. He also said, Pismo is aware we are holding this money for the EIR but there is still nothing to report on the EIR.

Chair Lee asked about Fund 20 being called Expansion rather than Restricted.

Administrator Ghent responded that legal counsel did an analysis of Fund 20 in 2016. The Board took specific action to pledge Fund 20 money for redundancy by Resolution as anticipation for securing bond and SRF funding.

Action: The Board gave consensus to set a Noticed Public Hearing for June 5, 2019.

6D. ROTATION OF DISTRICT MEETING LOCATION

Administrator Ghent presented this item. This item was initiated by the Board at a former meeting to change the rotation to four-month intervals with the goal to host at each agency during a fiscal year.

Chair Lee opened the Public Comment period.

Julie Tacker commented on meeting in Grover Beach.

Chair Lee closed the Public Comment period.

Chair Lee said Grover is acceptable to participating in the cycle.

Motion: Director Ray Russom motioned to change the rotation to trimesters based on the fiscal year with the rotation starting July 1 at Oceano then Grover Beach at the second trimester and Arroyo Grande at the final trimester.

Second: Director Austin

Action: Approved by voice vote unanimously.

6E. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Administrator Ghent presented the Administrators Report. The Coastal Commission has approved the redundancy plans and we have received our final coastal development permit. We are soliciting statement of qualifications for construction management services. Submittals are to be received by the District by June 27. MKN completed the project engineering report and it has been submitted to USDA. District received the new RAV 4 and will be planning to dispose of the Ford Explorer. A charter school will be touring the plant.

Plant Superintendent Jones presented the Plant Operations report. Numbers continue to be well within permit limits. He reported the District had an equipment failure of the influent flow transmitter. He listed the operations and maintenance projects and the work orders completed. The District did receive the notice of violation from APCD on May 7th. The District is required to advise the APCO in writing before May 21 on the corrective action taken and measures taken to prevent any further violations.

Chair Lee opened the Public Comment period.

Julie Tacker commented on the student tour; the USDA application and the project engineering report and the cost of dewatering groundwater.

Administrator Ghent thanked Ms. Tacker for bringing up the teachable moment. Flushable wipes are not flushable. Accommodations have been taken to treat a substantial amount of dewatering during construction and there will be a cost associated and he cannot estimate that cost right now.

Chair Lee closed the Public Comment period.

Action: The Board received and filed the report.

7. MISCELLANEOUS ITEMS:

None

8. BOARD MEMBER COMMUNICATIONS

Administrator Ghent proposed to move the July 3rd meeting to July 17th.

Staff will put out a cancellation notice for July 3rd and notice a July 17th meeting.

9. CLOSED SESSION:

Legal Counsel announced Closed Session.

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: Jeremy Ghent and Alicia Lara

Employee organization: SEIU

There was no Public Comment period.

The meeting was adjourned to Closed Session at 7:40 p.m.

The Board returned from Closed Session and announced there was no reportable action from Closed Session.

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



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STAFF REPORT

Date: June 05, 2019

To: Board of Directors

From: Jeremy Ghent, District Administrator

Via: Mychal Jones, Plant Superintendent

Subject: **REQUEST AUTHORIZATION TO DISPOSE OF FLATBED TRUCK**

RECOMMENDATION:

That the Board of Directors approve and authorize the District Administrator to dispose of the 1995 Ford F-450 flatbed truck.

DISCUSSION:

The District purchased a 2014 Ford F-450 flatbed as a replacement in October of 2014. Staff did not request Board authorization to dispose of the 1995 Ford F-450 and the truck has remained unutilized at the plant. Staff is requesting authorization to dispose of the 1995 Ford F-450 flatbed truck.



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STAFF REPORT

Date: June 5, 2019
To: Board of Directors
From: Jeremy Ghent, District Administrator
Subject: **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2019-406
APPROVING BUDGET FOR FISCAL YEAR 2019-20**

RECOMMENDATIONS:

1. Review the Budget for Fiscal Year 2019-20 including revisions;
2. Open the Public Hearing to receive public input regarding the adoption of the Budget for Fiscal Year 2019-20;
3. Close the Public Hearing and direct revisions, if any, be incorporated into the Budget for Fiscal Year 2019-20; and
4. Adopt Resolution No. 2019-406 approving the Budget for Fiscal Year 2019-20.

DISCUSSION:

On May 15, 2019, the Board reviewed and discussed the Draft Budget for Fiscal Year 2019-20. The District Budget for Fiscal Year 2019-20 is attached. This budget covers the period of July 1, 2019 through June 30, 2020. The budget will meet the operational, maintenance and capital needs of the District. Current year budget numbers listed for 2018-19 include all adjustments approved by the Board during the current fiscal year and reflect projected year-end expenditures.

Using past experience and professional judgement, the budget for Fiscal Year 2019-20 was prepared using conservative estimates and assumptions, mindful of the need to operate the facility in a safe, cost effective, efficient manner while complying with applicable federal, state and local requirements. Revenue values for wastewater and collection fees were obtained from the District's 2016 Rate Study/Ordinance No. 2016-01 approved by the Board on February 17, 2016.

In accordance with best practices today's Budget has two major revisions made to the format of the Draft Budget that was presented on May 15th.

FIRST CHANGE

The first change is the new format presents a balanced budget in all three funds. This can be seen as Net Income. (Revenues – Expenses) The balancing was accomplished in Fund 19 by creating an account titled Redundancy Designations. Net Income for Fund 19 would have been \$1,185,700. The new format uses a transfer to Fund 20 of that amount for a Net Income of zero. The balancing of Fund 20 was accomplished by creating a new account titled Designated Funding Redundancy. This account will hold the loan money that will be used for Redundancy over the next several fiscal years. Fiscal Year Budget 2019-20 estimates that amount to be \$12,677,300.

SECOND CHANGE

The second format change is the elimination of Schedules. The new format presents an expanded version of the budget and the line items that appeared on the Schedules now appear in the Fund budget under the account they are associated with.

MINOR CHANGES

After review, it was determined that Account 19-8030 Equipment Maintenance would need an additional \$5,000 for Laboratory Calibrations. Also, the expense shown in the draft budget in Fund 19 for SCADA and a Chlorine Contact Tank was moved to to Fund 20. This was an effort to keep all SCADA expenses in Fund 20.

Tabulated below are summary values extracted from the Consolidated Budget.

Consolidated Budget

Revenues by Fund Source

	Fund 19	Fund 20	Fund 26	Totals
Total Revenues	\$ 5,477,000	\$ 18,930,000	\$ -	\$ 24,407,000

Expenditures by Fund Source

Total Operating Expenditures	\$ 2,882,300	\$ -	\$ -	\$ 2,882,300
Total Capital Outlay	\$ 181,000	\$ 7,325,000	\$ 788,000	\$ 8,294,000
Total Other Funding and Uses	\$ 1,973,700	\$ 11,491,600	\$ (788,000)	\$ 12,677,300
Debt Service	\$ 440,000	\$ -	\$ -	\$ 440,000
MOU with City of Pismo	\$ -	\$ 113,400	\$ -	\$ 113,400
Total Expense	\$ 5,477,000	\$ 18,930,000	\$ -	\$ 24,407,000

Net Income

	\$ -	\$ -	\$ -	\$ -
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Fund 19

Fund 19 revenues are generated from primarily wastewater service charges. Other revenues are generated from brine disposal with minor contributions from lease payments and reimbursements.

Fund 19 supports the following general categories of District activities:

- Personnel – Salaries, Wages and Benefits and Other Personnel Costs
- Permits, Fees and Licenses

- Communications and Computer Support
- Administrative Costs, including Professional Services – Temporary Labor, Advertisements/Recruitment, Insurance Liability, Zone 1/1A Property Tax, Office and Safety Supplies
- Disposal Services – Solids Handling, Brine Disposal Sampling
- Utilities – Electricity, Gas, Rubbish, Water
- Maintenance, Tools and Replacements – Equipment and Structures Maintenance
- Materials, Services and Supplies – Plant Chemicals, Temporary Labor, Fuel
- Training, Education and Memberships – Professional Certificates/Licenses
- Scheduled Maintenance: \$189,500 – See Fund 19 Account 19-8030
- New Capital Equipment: \$181,000 – See Fund 20 Account 19-8010
- Transfer out of Fund 19 supports Fund 26 Projects - \$788,000 – See Fund 19 Account 19-8079

Staffing

There are ten full-time positions funded in the proposed budget. Previously there were 9 full-time and 2 half-time positions. The 2 half-time positions are being consolidated into a single full-time position. Two (2) vacancies currently exist. The District has already begun and hopes to complete a recruitment for a Wastewater Plant Operator in Training early in the 19/20 Fiscal Year.

Due to the additional equipment and processes associated with the Redundancy Project it is anticipated that in FY 21/22 staffing will need to increase by one (1) to eleven (11) full-time equivalent to provide adequate operations and maintenance. In preparation of the future equipment and start-up demands of the Redundancy Project the District intends to pursue full staffing of the allocated positions in this budget.

POSITION	NUMBER	NAMES
District Administrator	1	Ghent
Secretary/Bookkeeper	1	Simpson
Wastewater Plant Superintendent	1	Jones
Laboratory Technician	1	Frost
Wastewater Plant Operations Supv.	1	VACANT¹
Wastewater Plant Senior Operator	1	Jackman
Wastewater Plant Operator (OIT-II)	4	Romhild, Arias ¹ , DeLeon, VACANT

Note: 1. Wastewater Plant Operations Supv. is currently held by Arias as interim

Fund 20

The majority of Fund 20 revenue is from connection fees. A minor amount of revenue is received from interest on the fund balance account. This fund is the designated fund in support of the Redundancy Project.

This fund supports capacity, expansion, and studies.

- Memorandum of Agreement (MOA); On June 7, 2017 the Board unanimously approved an agreement with City of Pismo for a joint Environmental Impact Report (EIR). Line item 20-7094, \$113,400, is carryover from FY 2017-18.

- Wastewater Redundancy Project: On April 18, 2016 the Board approved a contract with Kennedy Jenks for design. Design has been completed and construction is due to begin. Line item 20-7080 provides \$7.2 million to begin construction.
- An expenditure of \$125,000 is proposed under Line Item No. 20-8010 Capital Equipment, for the District's Supervisory Control and Data Acquisition (SCADA) system and a Chlorine Contact Tank PLC. This item was shown in the draft budget under Fund 19 and has been moved to Fund 20 after staff consideration.

Fund 26

Fund 26 expenditures are wholly supported by transfers from other funds. The draft budget calls for a transfer from Fund 19 (\$788,000). Fund 26 has traditionally supported replacement projects.

Proposed Fund 26 Project Budgets:

- \$738,000 is proposed under Line Item No. 26-8065 Structure/Grounds Replacement & Improvement (See Fund 26 for Projects detailed list).
- \$50,000 is proposed under Line Item No. 26-8070 Emergency Equipment Repair.

Detailed List of Replacement & Improvement Projects (as listed in Schedule B1)

- Chemical Tank and Pumping System: \$120,000.
- Chlorine Contact Tank Valves: \$40,000.
- Digester No. 1 APCD Equipment: \$45,000.
- Digester No. 2 APCD Equipment: \$45,000.
- Digester Sump Pump: \$20,000.
- Disinfection Control System: \$70,000
- Effluent Valve to Primary Clarifier #2: \$8,000.
- FFR Blower #1 and motor: \$20,000.
- FFR Blower #2 and Motor: \$20,000.
- Parshall Flume Flow transmitter: \$10,000.
- Polymer Feed System: \$20,000.
- Primary #2 Clarifier Rehabilitation: \$295,000.
- Sludge Feed Pump: \$25,000. This is carryover from FY 2017-18.

Conclusion

The budget emphasizes operations, maintenance, and the redundancy project.

Significant projected savings are proposed in line items pertaining to auditing and human resource service costs. Chemical Tank and Pumping System and repairs to the Primary Clarifier No. 2 highlight capital replacement projects.

Total revenue exceeds total expenditures by approximately \$12,677,300. This is largely due to funding of the Redundancy Project. It is proposed to hold the loan in an account titled Designated Funding Redundancy that resides in Fund 20.

Attachments:

Budget for 2019/20 Fiscal Year

*South San Luis Obispo County Sanitation
District*

BUDGET

2019-20 Fiscal Year

**MEMBERS OF THE
BOARD OF DIRECTORS:**

Jeff Lee – Chair
Caren Ray Russom – Vice Chair
Linda Austin – Director

South San Luis Obispo County Sanitation District

PO Box 339
1600 Aloha Place
Oceano, CA 93445-9735

(805) 489-6666 Operations
(805) 481-6903 Business Office
(805) 489-2765 Fax

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RESOLUTION NO. 2019-406

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO
COUNTY SANITATION DISTRICT
ADOPTING THE 2019-20 FISCAL YEAR BUDGET**

WHEREAS, The District is required, pursuant to State codes, to designate a financial budget for its expenditures and revenues; and

WHEREAS, such budgeting requires that proper methods be used for the acquisition and disbursements of District monies; and

WHEREAS, the District desires to make known its planned activities and associated costs for the 2019-20 Fiscal Year.

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

That the proposed budget titled, "South San Luis Obispo County Sanitation District, Fiscal Year Budget 2019-20 be adopted.

That the final budget be administered as established by past policies and practices.

PASSED AND ADOPTED at a Public Hearing held during the regular meeting of the South San Luis Obispo County Sanitation District on June 5, 2019.

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

AYES:
NOES:
ABSENT:
CONFLICTS:

Resolution 2019-406

CERTIFICATION:

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held June 5, 2019.

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

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO FORM:

BY:_____
DISTRICT COUNSEL

APPROVED AS TO CONTENT:

BY:_____
**JEREMY GHENT,
DISTRICT ADMINISTRATOR**

**NOTICE OF PUBLIC HEARING
SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT
ADOPTION OF FISCAL YEAR 2019-2020 BUDGET**

DATE: June 5, 2019
TIME: 6:00 p.m.
PLACE: Arroyo Grande City Council Chambers
215 E. Branch Street
Arroyo Grande, CA 93420

PLEASE TAKE NOTICE:

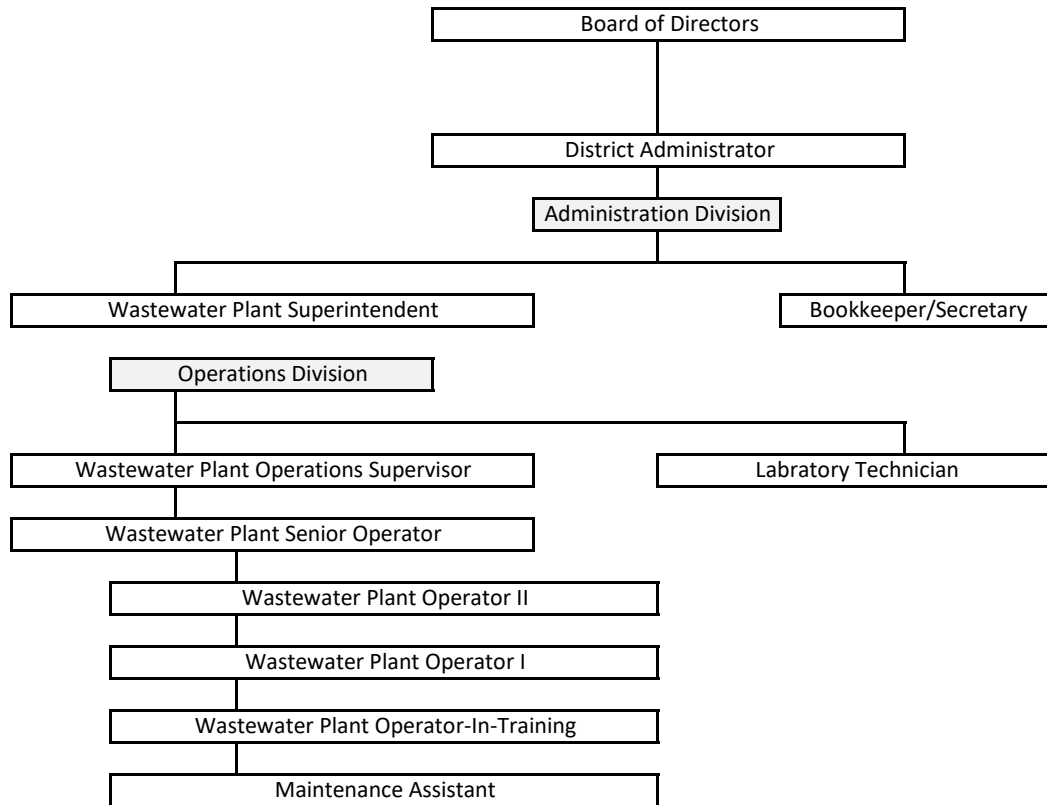
1. The District Administrator has prepared a proposed final Budget, which is available for inspection, during regular business hours, 7:30 a.m. to 4:00 p.m., Monday through Friday, at the District Office located at 1600 Aloha Place, Oceano, California.

At 6:00 p.m., on June 5, 2019, at the Arroyo Grande City Council Chambers, 215 E. Branch Street, Arroyo Grande, CA, 93420, San Luis Obispo County Sanitation District Board of Directors will meet to consider and to adopt the final Fiscal Year 2019-2020 Budget.

2. At the time and place specified in this Notice, any person may appear to be heard regarding any item in the Budget or regarding the addition of any other items.
3. The hearing on the Budget may be continued if necessary.

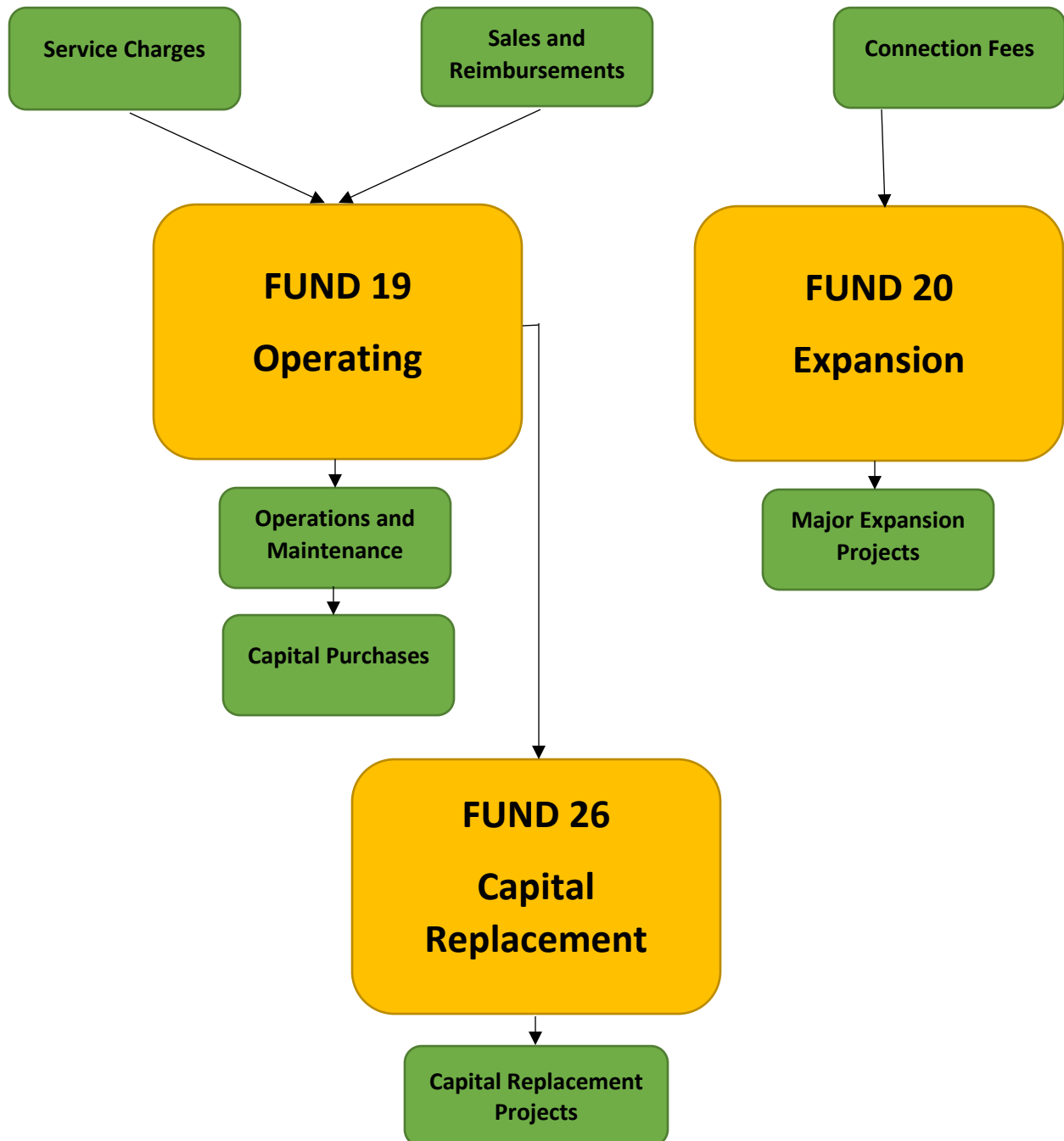
If you should have questions related to the Budget, please contact Amy Simpson, District Bookkeeper/Secretary, at (805) 481-6903.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT



South San Luis Obispo County Sanitation District

Accounting Funds



FISCAL YEAR 2019-20 CONSOLIDATED BUDGET

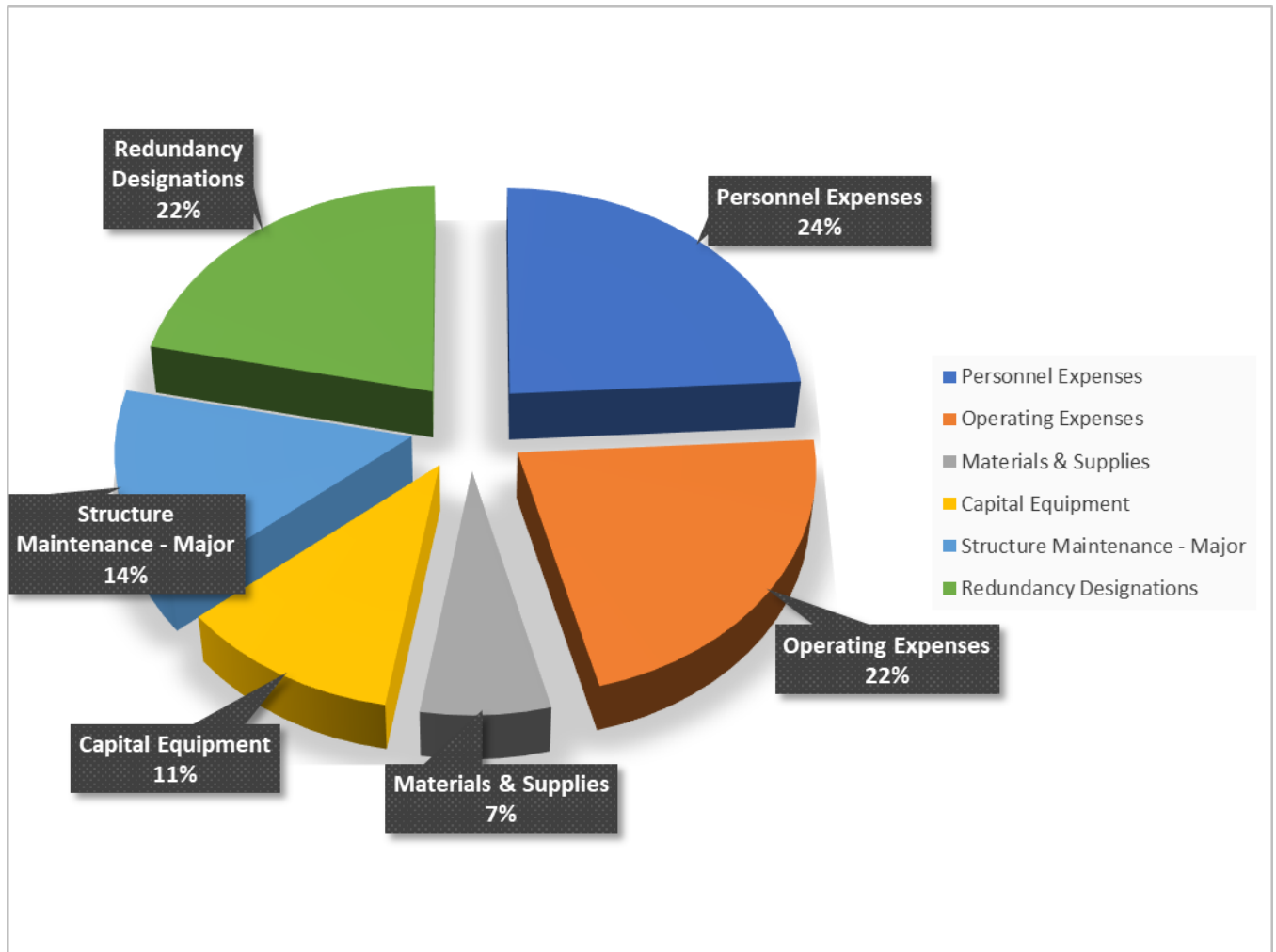
		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	FY 2019/20
Revenues					
Gross Revenues					
Service Charges and Fees		5,305,000			5,305,000
Connection Fees			156,000		156,000
Interest		40,000	64,000		104,000
Brine Revenue		132,000			132,000
Bond and USDA Funding			18,710,000		18,710,000
Total Revenues		5,477,000	18,930,000	-	24,407,000
Expenditures & Other Uses					
Operating Expenditures					
Salaries and Wages		829,000			829,000
Employee Benefits and Other Personnel Costs		491,500			491,500
Permits, Fees and Licenses		33,500			33,500
Communications		14,600			14,600
Administrative Costs		356,500			356,500
Disposal Services		63,000			63,000
Utilities		225,500			225,500
Maintenance, Tools & Replacements		447,200			447,200
Materials, Services and Supplies		362,500			362,500
Training, Education & Memberships		59,000			59,000
Total Operating Expenditures		2,882,300	-	-	2,882,300
Total Other Charges					
Debt Service		440,000			440,000
MOU with City of Pismo Beach			113,400		113,400
Total Other Charges		440,000	113,400		553,400
Capital Outlay					
Capital Replacement/Maintenance (Fund 26)				788,000	788,000
Capital Equipment		181,000	7,325,000		7,506,000
Total Capital Outlay		181,000	7,325,000	788,000	8,294,000
Other Financing Sources & Uses					
Transfers Out Fund 26		788,000		(788,000)	-
Redundancy Designations		1,185,700	(1,185,700)		-
Designated Funding Redundancy			12,677,300		12,677,300
Total Other Financing Sources & Uses		1,973,700	11,491,600	(788,000)	12,677,300
Total Funding Source		5,477,000	18,930,000	-	24,407,000
Total Expense		5,477,000	18,930,000	-	24,407,000
Net Change (Deficit)		-	-	-	-

Operating Fund 19

Provides for routine daily operations, as well as funding transfers for major maintenance and capital purchases. Primarily funded by user service fees.

2019–20 BUDGET ALLOCATIONS

OPERATING FUND 19



Personnel Expenses	\$	1,320,500.00
Operating Expenses	\$	1,199,300.00
Materials & Supplies	\$	362,500.00
Capital Equipment	\$	621,000.00
Structure Maintenance - Major	\$	788,000.00
Redundancy Designations	\$	1,185,700.00

TOTAL OPERATING BUDGET

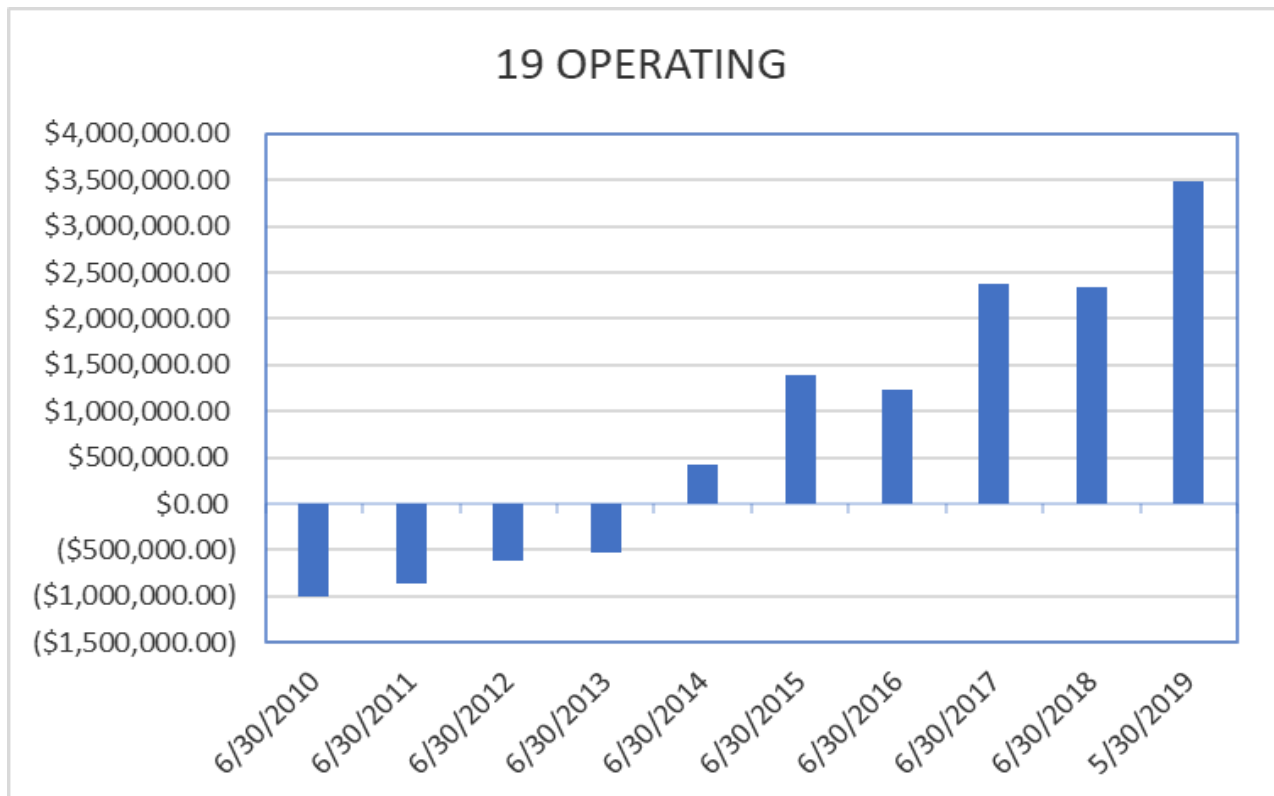
\$5,477,000

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OPERATING FUND 19

CASH BALANCE HISTORY

2010 - 2019



S. S.L.O. CO. SANITATION DISTRICT

Budget Overview

July 2018 through June 2020

	Jul '18 - Jun 19	Jul '19 - Jun 20
Ordinary Income/Expense		
Income		
19-4015 Arroyo Grande Services	2,414,000.00	2,430,000.00
19-4022 Grover Beach Services	1,794,000.00	1,887,000.00
19-4035 Oceano Services	912,000.00	923,000.00
19-4040 Other Service Income	25,000.00	25,000.00
19-4045 School Services	40,000.00	40,000.00
19-4050 Brine Disposal Service	145,000.00	132,000.00
19-5015 Interest	30,000.00	40,000.00
19-5023 FOG Reimbursement	750.00	
Total Income	5,360,750.00	5,477,000.00
Gross Profit	5,360,750.00	5,477,000.00
Expense		
19-6030 Plant Operators	543,008.00	597,000.00
19-6040 Secretary/Bookkeeper	60,912.00	62,000.00
19-6045 District Administrator	155,000.00	170,000.00
19-6010 Medical Insurance	210,000.00	215,000.00
19-6025 Dental Insurance	9,000.00	8,500.00
19-6050 S.S. & Medicare	65,000.00	65,000.00
19-6055 State Disability Insur	3,500.00	3,500.00
19-6060 State Retirement	80,000.00	80,000.00
19-6065 Unfunded Liability	65,000.00	76,000.00
19-6075 Medical Reimbursement	6,500.00	6,500.00
19-6080 Workers Compensation	33,000.00	27,000.00
19-6095 Unemployment Remiburse	12,000.00	10,000.00
19-6090 Payroll Process Fee	3,500.00	3,500.00
19-7068 Permits/Fees/License	30,000.00	30,000.00
19-7011 Communications	4,500.00	4,000.00
19-7013 Communications-Teleph	10,000.00	7,000.00
19-7014 Communcations-Cell	2,500.00	3,600.00
19-7082 Prof. Serv.-Comp. Suprt	10,000.00	10,000.00
19-7005 Advert/Legal&Recruit	10,000.00	10,000.00
19-7043 Ins, Liability/Auto	35,000.00	40,000.00
19-7062 Prof Serv.-Electrician	6,000.00	6,000.00
19-7065 Public Outreach	5,000.00	4,000.00
19-7069 LAFCO Budget Share	14,000.00	14,000.00
19-7070 Prof Serv -Out.Counsel	30,000.00	30,000.00
19-7071 Prof Serv-Attorney Fee	36,000.00	36,000.00
19-7072 Prof Serv - Auditing	30,000.00	12,000.00
19-7073 Prof Serv - AG Billing	22,000.00	23,000.00
19-7074 Prof Serv - Oceano Com	10,000.00	11,000.00
19-7075 Prof Serv - Brd Member	7,500.00	4,000.00
19-7076 Prof Serv- H R Service	40,000.00	25,000.00
19-7077 Prof Serv-Engineering	25,000.00	20,000.00

S. S.L.O. CO. SANITATION DISTRICT

Budget Overview

July 2018 through June 2020

	Jul '18 - Jun 19	Jul '19 - Jun 20
19-7078 Prof Serv-Chem Analysis	20,000.00	20,000.00
19-7079 Prof Serv-Records Mngmt	5,000.00	4,000.00
19-7095 Zone 1/1A Agreement	31,000.00	31,000.00
19-7080 Prof Serv - AGP Video	14,000.00	8,500.00
19-7081 Prof Serv-GB Bill	23,000.00	23,000.00
19-7083 Prof Serv-Fiscal Serv.	25,000.00	20,000.00
19-7088 Prof Serv-Strat Plannin	5,000.00	5,000.00
19-7085 Solids Handling	89,000.00	60,000.00
19-7086 Brine Disposal Samplin	3,000.00	3,000.00
19-7091 Util-Elec	190,000.00	175,000.00
19-7092 Util-Gas	35,000.00	35,000.00
19-7093 Util-Rubbish	13,000.00	13,000.00
19-7094 Util-Water	3,000.00	2,500.00
19-7060 Ocean Outfall Maint	25,000.00	25,000.00
19-8030 Equipment Maint-Reg		
Amiad Filters	2,000.00	1,500.00
Boiler	5,000.00	8,000.00
CCT Chlorine/Bisulfate System	0.00	5,000.00
Centrifuge	5,000.00	3,000.00
Chemical Feed Backup Systems	2,000.00	2,000.00
Chemical Feed Pumps	10,000.00	5,000.00
Elec Conductor Replacement	5,000.00	5,000.00
Electric Equip Replacement	7,500.00	10,000.00
Emergency Bypass Pump	5,000.00	10,000.00
Emergency Generator	5,000.00	4,000.00
Flare	15,000.00	8,000.00
Flow Calibration	4,000.00	8,000.00
Flow Chart Repair	2,000.00	5,000.00
Forklift	3,000.00	3,000.00
Front Loader	6,000.00	2,000.00
Heat Exchanger	1,000.00	2,000.00
Laboratory Calibration	5,000.00	5,000.00
Moyno Pumps	10,000.00	8,000.00
Plant Carts	6,000.00	5,000.00
Plant Degredation Control	5,000.00	1,000.00
Plant Storm Drains/Pumps	8,000.00	8,000.00
Primary Clarifier #1	5,000.00	8,000.00
Primary Clarifier #2	0.00	8,000.00
Sludge Mixing Pump	8,000.00	2,000.00
Sludge Water Valves	30,000.00	25,000.00
Tree Line Maintenance	5,000.00	8,000.00
Unschedule Maintenance Conting	45,000.00	30,000.00
Total 19-8030 Equipment Maint-Reg	204,500.00	189,500.00
19-8032 Automotive Maint	5,000.00	1,500.00

S. S.L.O. CO. SANITATION DISTRICT

Budget Overview

July 2018 through June 2020

	Jul '18 - Jun 19	Jul '19 - Jun 20
19-8060 Structure Maint-Reg	20,000.00	20,000.00
19-8061 Struct Maint - Major	33,000.00	0.00
19-8015 Trunk Sewer Maintenanc	155,400.00	200,000.00
19-8055 Small Tools	1,200.00	1,200.00
19-8056 Safety Supplies	8,000.00	10,000.00
19-6035 Student Interns	5,000.00	5,000.00
19-6085 Temp Labor Service	10,000.00	5,000.00
19-7025 Employee Uniforms	12,500.00	12,000.00
19-7032 Equip Rental Other	5,000.00	5,000.00
19-8020 Gas & Oil	10,000.00	7,500.00
19-8035 Household Expense	4,000.00	3,000.00
19-8040 Lab Supplies	10,000.00	10,000.00
19-8045 Office Supplies&Exp	6,000.00	6,000.00
19-8050 Plant Chemicals	300,000.00	300,000.00
19-7015 Off. Equi/Computer/GIS	10,000.00	9,000.00
19-7050 Membships/Seminars/Mtg	15,000.00	16,000.00
19-7055 Prof. Certs/Licenses	3,000.00	3,000.00
19-7067 Training	10,000.00	40,000.00
19-8010 Capital Equipment		
ASKO Dishwasher 8 Steel System	10,000.00	10,000.00
Brine Tank	0.00	50,000.00
Chlorine Contact Tank Catwalk	0.00	50,000.00
Chlorine Contact Tank Skimmer	0.00	40,000.00
Elect. Conductiive Meter/Probe	0.00	2,500.00
IEC Laboratroy Centrifuge	4,500.00	5,000.00
Media Dispenser	2,000.00	2,000.00
PH Meter & Probe	0.00	2,500.00
Teledyne ISCO Sampler	6,500.00	6,500.00
Thermolyne Furnace	6,500.00	6,500.00
Valve Turner	0.00	3,000.00
YSI Dissolved Oxy Meter & Probe	2,500.00	3,000.00
17-A2-01 Clar. 1 Sludge Pmp VFD	8,000.00	
17-A2-02 Effluent Pmp #2 VFD	13,000.00	
17-B2-03 Fisher Sci. Incubator	3,500.00	
17-B2-04 HACH Turbidimeter	3,000.00	
17-B2-07 OAHAUS Advent. Scale	3,000.00	
17-B2-08 Precisa Scale	6,500.00	
17-B2-10 Thelco Laboratory Oven	5,000.00	
18-A2-01 Commuter Vehicle	36,000.00	
18-A2-02 Cushman Cart	12,000.00	
18-A2-03 Isotemp Fridge/Freezer	4,000.00	
18-A2-04 Front loader	200,000.00	
18-A2-05 Primary 2 Sludge Pump	20,000.00	
18-A2-06 Shed Emerg. Bypas Pmp	15,000.00	

S. S.L.O. CO. SANITATION DISTRICT

Budget Overview

July 2018 through June 2020

	<u>Jul '18 - Jun 19</u>	<u>Jul '19 - Jun 20</u>
18-A2-07 Truck Emergency Light	3,000.00	
18-A2-08 Truck Tool Boxes	3,000.00	
Total 19-8010 Capital Equipment	367,000.00	181,000.00
19-8077 Contingency	25,000.00	0.00
Total Expense	3,274,520.00	3,063,300.00
Net Ordinary Income	2,086,230.00	2,413,700.00
Other Income/Expense		
Other Income		
19-8080 Trsf to Expansion	400,000.00	0.00
Total Other Income	400,000.00	0.00
Other Expense		
Redundancy Designation	0.00	1,185,700.00
19-8079 Transfer to Replacement	-1,536,200.00	788,000.00
Interest Expense Debt Service	0.00	440,000.00
Total Other Expense	-1,536,200.00	2,413,700.00
Net Other Income	1,936,200.00	-2,413,700.00
Net Income	<u>4,022,430.00</u>	<u>0.00</u>

Service Charges

ORDINANCE NO. 2016 – 01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT INCREASING CHARGES FOR WASTEWATER TREATMENT SERVICES AND FACILITIES

THE BOARD OF DIRECTORS OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT ORDAINS AS FOLLOWS:

WHEREAS, Health & Safety Code §§5471 provides that, by an ordinance approved by a two-thirds vote of its membership, the Board of Directors of a sanitation district may prescribe, revise and collect charges for services and facilities it furnishes; and

WHEREAS, California Constitution Article XIII D, §6, entitled “property related fees and charges,” specifies procedures the District must use when increasing charges for wastewater treatment services and facilities, and imposes substantive requirements for those charges; and

WHEREAS, Government Code §53755 contains additional procedures and clarifications for use by agencies that wish to impose an increase to their property-related fees and charges, including charges for wastewater treatment services and facilities; and

WHEREAS, the District needs to increase its charges for wastewater treatment services and facilities because, besides operating and maintaining its regional treatment plant (which includes repair and replacement of aging plant facilities and increased costs for staffing, electricity, chemicals, insurance and other operating expenses), the District must build major new facility upgrades to comply with state and federal laws and regulations; and

WHEREAS, in compliance with the authorities set out above and subsequent case law, the District has commissioned a Wastewater Financial Plan & Rate Study, revised 2/9/16, from Bartle Wells Associates, which demonstrates all of the following with regard to the District’s proposed increased charges:

- Revenues derived from the charges do not exceed the funds required to provide the property related service.
- Revenues derived from the charges will not be used for any purpose other than that for which the fee or charge was imposed.
- The amount of the charge imposed upon any parcel or person as an incident of property ownership does not exceed the proportional cost of the service attributable to the parcel.
- The charges will not be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question.
- The charges are not imposed for general governmental services, but only for wastewater treatment services and facilities; and

WHEREAS, also in compliance with the authorities set out above and subsequent case law, the District has identified the parcels upon which the increased charge is to be imposed as all parcels that are currently customers receiving wastewater treatment services from the District; and

WHEREAS, also in compliance with the authorities set out above and subsequent case law, the District has calculated the amount of the charge proposed to be imposed on each parcel; and

WHEREAS, also in compliance with the authorities set out above and subsequent case law, the District on December 30, 2015 caused notice of a public hearing on the proposed increases (a copy of which is set out in the Wastewater Financial Plan & Rate Study) to be sent by first-class mail to the address contained in the County Assessor's office for the record owner of each identified parcel *and* to the address of record for each customer signed up for wastewater treatment service at each identified parcel; and

WHEREAS, District staff has received proof of this mailing in electronic format, which is maintained at District offices; and

WHEREAS, on February 17, 2016, the District conducted a public hearing upon the proposed increases, which date is more than 45 days after mailing of the notice; and

WHEREAS, at the public hearing, the District considered all written protests previously filed concerning the proposed increases, and all protests concerning the proposed increases offered at the public hearing—and has determined that no majority protest has been presented; and

WHEREAS, the approval of this ordinance is exempt from the California Environmental Quality Act pursuant to Public Resources Code §21080(b)(8).

NOW, THEREFORE, THE DISTRICT finds that the above recitals are true, and ordains:

Section 1. Wastewater treatment rates shall be increased as shown in the following chart:

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

Wastewater Treatment Rates

	Monthly Service Charges Effective on or After			
	July 1 2016	July 1 2017	July 1 2018	July 1 2019
a. Residences & Apartments	\$19.60	\$21.56	\$23.52	\$25.48
b. Hotel Units with Kitchens	17.14	18.85	20.56	22.27
c. Hotel Units without Kitchens	11.02	12.12	13.22	14.32
d. Hotel Room	11.02	12.12	13.22	14.32
e. Commercial Establishments	8.81	9.69	10.57	11.45
Each additional employee above 5	1.77	1.95	2.13	2.31
f. Beauty Shops	17.63	19.39	21.15	22.91
Each additional operator above 5	2.66	2.93	3.20	3.47
g. Eating Establishments w/o Grinders	27.43	30.17	32.91	35.65
Each additional 5 seats above 30	4.12	4.53	4.94	5.35
h. Restaurants (w/Grinders) <30 seats	44.09	48.50	52.91	57.32
Restaurants (w/Grinders) over 30 seats	61.72	67.89	74.06	80.23
i. Laundromats - per washing maching	12.63	13.89	15.15	16.41
Minimum Charge	37.91	41.70	45.49	49.28
j. Service Stations - no wash/rack	51.92	57.11	62.30	67.49
Service Stations - with wash/rack	74.47	81.92	89.37	96.82
k. Factories	29.39	32.33	35.27	38.21
Each additional employee above 20	1.47	1.62	1.77	1.92
l. Churches	16.26	17.89	19.52	21.15
Per ADA with elementary school	0.49	0.54	0.59	0.64
Per ADA with other school	0.72	0.79	0.86	0.93
m. Bottling Plants	35.28	38.81	42.34	45.87
n. Schools (Non-boarding)	9.76	10.74	11.72	12.70
Per ADA with elementary school	0.49	0.54	0.59	0.64
Per ADA with other school	0.72	0.79	0.86	0.93
o. Schools (Boarding)	9.80	10.78	11.76	12.74
Per ADA with elementary school	0.98	1.08	1.18	1.28
Per ADA with other school	1.38	1.52	1.66	1.80
p. Trailer/Mobile Home Space	11.77	12.95	14.13	15.31
q. RV Dump Stations - Less than 50 services	91.12	100.23	109.34	118.45

Section 2. Severability. Should any provision, section, paragraph, sentence or word of this Ordinance be declared invalid by any court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections paragraphs, sentences or words of this Ordinance shall remain in full force and effect and, to that end, the provisions of this Ordinance are severable.

Section 3. Effective date. This ordinance shall become effective 30 days from the date of final passage.

Section 4. Publication. Within 15 days of its final passage, this ordinance shall be published once, with the names of the Board members voting for and against the ordinance, in a newspaper of general circulation published in the County of San Luis Obispo.

Alternatively, a summary of the proposed ordinance may be prepared by District Counsel and published by the District Bookkeeper. A certified copy of the full text of the proposed ordinance shall be made available to the public upon request at least five days prior to the District Board meeting at which the proposed ordinance is to be adopted. The District Bookkeeper shall also post a copy of the full text of the ordinance on the District's Internet website five days prior to the District Board meeting at which the proposed ordinance is to be adopted. Within 15 days after adoption of the ordinance, the District Bookkeeper shall publish a summary of the ordinance with the names of those directors voting for and against the matter and shall make available to the public, upon request, a certified copy of the full text of the ordinance. The District Bookkeeper shall also post a copy of the full text of the ordinance with the names of those directors voting for and against the ordinance on the District's Internet website.


Introduced at a regular meeting of the South San Luis Obispo County Sanitation District held February 17, 2016, and **passed and adopted** at a regular meeting of the South San Luis Obispo County Sanitation District held March 2, 2016, by the following roll-call vote:

AYES: John Shoals, Matthew Guerrero, Jim Hill

NOES: ☒

ABSENT: ☒

ABSTENTIONS: ☒


John Shoals, Chairman

ATTEST:


Secretary

APPROVED AS TO FORM:


District Counsel

Expansion Fund 20

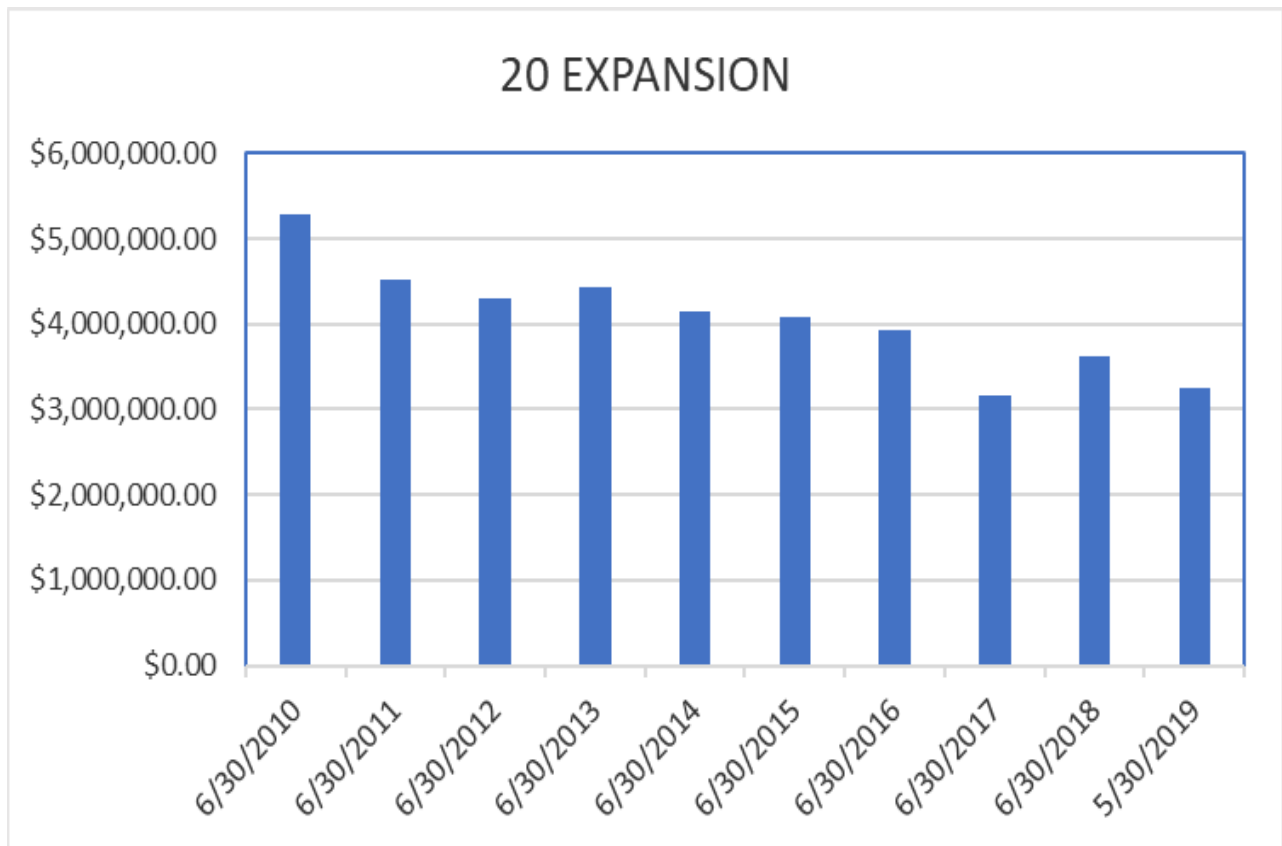
To Provide for major expenses in order to increase capacity or new equipment as required. Primarily funded by new user connection fees.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

EXPANSION FUND 20

CASH BALANCE HISTORY

2010 - 2019



So San Luis Obispo Co Sanitation District - 20 (Expansion)

Budget Overview

July 2018 through June 2020

	<u>Jul '18 - Jun 19</u>	<u>Jul '19 - Jun 20</u>
Ordinary Income/Expense		
Income		
20-4010 AG Connections	110,000.00	100,000.00
20-4020 GB Connections	30,000.00	50,000.00
20-4030 OCSD Connections	6,000.00	6,000.00
20-5015 Interest Income	30,000.00	64,000.00
Total Income	<u>176,000.00</u>	<u>220,000.00</u>
Expense		
20-7080 Redundancy Project		
Phase 1	0.00	135,000.00
Phase 3	0.00	45,000.00
Phase 4	0.00	120,000.00
Phase 5	0.00	400,000.00
Phase 6	0.00	130,000.00
Phase 7	0.00	6,300,000.00
Contingency	0.00	70,000.00
20-7080 Redundancy Project - Other	1,400,000.00	0.00
Total 20-7080 Redundancy Project	<u>1,400,000.00</u>	<u>7,200,000.00</u>
20-7094 MOU w/Pismo Joint EIR	113,400.00	113,400.00
20-8010 Capital Equipment		
SCADA Completion	0.00	75,000.00
Chlorine Contact Tank PLC	0.00	50,000.00
20-8010 Capital Equipment - Other	75,000.00	0.00
Total 20-8010 Capital Equipment	<u>75,000.00</u>	<u>125,000.00</u>
Total Expense	<u>1,588,400.00</u>	<u>7,438,400.00</u>
Net Ordinary Income	<u>-1,412,400.00</u>	<u>-7,218,400.00</u>
Other Income/Expense		
Other Income		
Redundancy Designations	0.00	1,185,700.00
Municipal Bond Proceeds	0.00	13,500,000.00
USDA Interim Financing	0.00	5,210,000.00
20-4005 Use of Fund Bal. Avail.	862,370.00	0.00
20-5040 TRSF from Operating	400,000.00	0.00
Total Other Income	<u>1,262,370.00</u>	<u>19,895,700.00</u>
Other Expense		
Designated Funding - Redundancy	0.00	12,677,300.00
Total Other Expense	<u>0.00</u>	<u>12,677,300.00</u>
Net Other Income	<u>1,262,370.00</u>	<u>7,218,400.00</u>
Net Income	<u><u>-150,030.00</u></u>	<u><u>0.00</u></u>

MEMORANDUM

TO: SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

FROM: DISTRICT CO-COUNSEL STOCKTON

RE: USE OF FUND 20

DATE: May 17, 2016

QUESTION:

For what purposes may money held in Fund 20 properly be used?

SHORT ANSWER:

Money held in Fund 20 is to be used:

- for emergency treatment plant maintenance and repair (to be borrowed at no interest);
- to equalize “the cost of sewage installation beyond the trunk system” (applies to specific charges for specified property);
- for a sinking fund for plant expansion and sewer line enlargement.

BACKGROUND AND DISCUSSION:

A. Background. In 1966 the District created a separate bank account to hold sewer connection fees. Since then the District has enacted several ordinances establishing and adjusting the cost of connecting to the system of pipes leading to the Oceano treatment plant.

In 1981 the District specified how connection fees may be spent. Ordinance 1981-3 required that connection fees be used for “maintaining a sinking fund for treatment plant expansion and sewer line enlargement.” The ordinance also provided:

- a surcharge of \$15/foot would apply to specified connections, and this surcharge would be “for the purpose of equalizing the cost of sewage installation beyond the trunk system;”
- “Funds may be borrowed at no interest by the District for the purpose of emergency maintenance and repair to the District facilities.”

B. Discussion. When connection fees pay for existing or new public facilities which proportionally benefit property, they are called “capacity charges.” The law requires that capacity charges *not* exceed the reasonable cost to provide the service for which they are collected. Also, capacity charges:

- Must not exceed the reasonable cost of providing the service for which they are charged unless approved by 2/3 of the voters;
- Must be deposited into a separate capital facilities fund;
- Must be accounted for in a manner to avoid any commingling with other moneys of the local agency, except for investments;

- And any interest they earn, must be spent solely for the purposes for which they are collected. [Government Code §66013(c)];
- Must be identified in a report available to the public within 180 days after the last day of each fiscal year. [Government Code §66013(d).]

The law does not require any particular process to be used to spend connection fees collected. Authority to spend could be provided through the budget process, purchasing guidelines, an interpreting resolution or ordinance, or Board action on individual projects. Public agencies commonly create a list of short- and long-term projects for partial funding by connection fees.

Replacement Fund 26

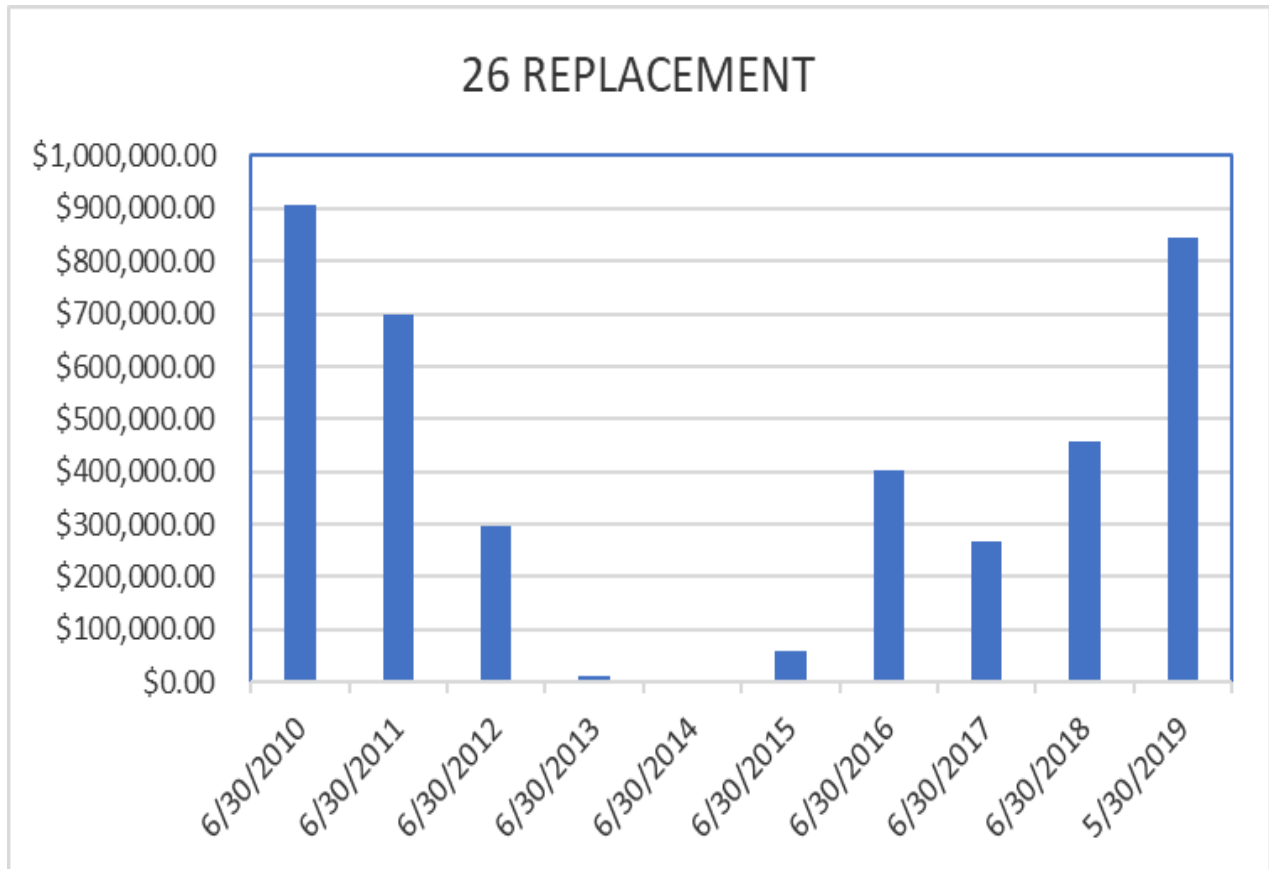
To Provide for the replacement of Plant treatment and processing equipment. Also provides for future solids handling requirements. Primarily funded by user service fees provided for through transfers from the Operating Fund as budgeted annually.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

REPLACEMENT FUND 26

CASH BALANCE HISTORY

2010 - 2019



So San Luis Obispo Co Sanitation District - 26(Replacement)

Budget Overview

July 2018 through June 2020

	Jul '18 - Jun 19	Jul '19 - Jun 20
Ordinary Income/Expense		
Expense		
26-8015 Trunk Sewer Maintenanc	175,000.00	
26-8061 Struct/Grnds Maint-Maj	40,000.00	
26-8065 Struct/Grnds Repl&Imp		
Chemical Tank & Pumping System	0.00	120,000.00
Chlorine Contact Tank Valves	0.00	40,000.00
Digester #1 APCD Equipment	0.00	45,000.00
Digester #2 APCD Equipment	0.00	45,000.00
Digester Sump Pump	0.00	20,000.00
Disinfection Control System	0.00	70,000.00
Effl. Valve to Prim. Clar. #2	0.00	8,000.00
FFR Blower #1 and motor	0.00	20,000.00
FFR Blower #2 and Motor	0.00	20,000.00
Parshall Flume Flow Transmitter	0.00	10,000.00
Polymer Feed System	0.00	20,000.00
Primary #2 Clarifier Rehab	250,000.00	295,000.00
Sludge Feed Pump	0.00	25,000.00
17-B1-04 Biosolids Handling	40,000.00	
17-B1-07 Primary Dig. #1 Repair	266,200.00	
18 B1-01 Digester No. 2 Cleanin	390,000.00	
18 B1-02 Digester No. 2 Repair	200,000.00	
18 B1-03 Disinfect Assess & Op	50,000.00	
18 B1-04 Influent Pump No. 3	55,000.00	
18 B1-06 Sodium Bisulfite Tank	20,000.00	
Total 26-8065 Struct/Grnds Repl&Imp	1,271,200.00	738,000.00
26-8070 Emergency Equip Repair	50,000.00	50,000.00
Total Expense	1,536,200.00	788,000.00
Net Ordinary Income	-1,536,200.00	-788,000.00
Other Income/Expense		
Other Income		
26-5040 Transfer from funds	1,536,200.00	788,000.00
Total Other Income	1,536,200.00	788,000.00
Net Other Income	1,536,200.00	788,000.00
Net Income	0.00	0.00

Investment Policy

Investment Policy to establish the guidelines for the prudent Investment of South San Luis Obispo County Sanitation District Funds. The objectives of this policy are safety, liquidity, yield, and compliance with state and federal laws and policies.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
RESOLUTION NO. 2009-256**

**A RESOLUTION OF THE
BOARD OF DIRECTORS OF THE
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
ADOPTING THE YEAR 2009 DISTRICT INVESTMENT POLICY**

WHEREAS, the Board of Directors of the South San Luis Obispo County Sanitation District ("District") believes that public funds should, so far as is reasonably possible, be invested in financial institutions to produce revenue for the District rather than to remain idle; and


WHEREAS, from time to time there are District funds which for varying periods of time will not be required for immediate use by the District, and which will, therefore, be available for the purpose of investing in financial institutions with the objectives of safety, liquidity, yield and compliance with state and federal laws and policies.

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

1. The District hereby adopted the Investment Policy attached hereto as Exhibit "A" as the District's Investment Policy;
2. The District Administrator shall act as Treasurer/Finance Officer of the District and is authorized to invest and re-invest funds in accordance with the Investment Policy for the succeeding twelve (12) month period or until such time as the delegation of authority is revoked.


PASSED AND ADOPTED by the Board of Directors of the South San Luis Obispo County Sanitation District this 18th day of February, 2009, on the following roll call vote:

AYES: Jim Hill, Bill Nicolls
NOES: None
ABSENT: Tony Ferrara
ABSTAIN: None




Bill Nicolls, Chairperson,
South San Luis Obispo County
Sanitation District

ATTEST:



John Wallace
Secretary to the Board

APPROVED AS TO FORM:



Michael W. Seitz,
District Legal Counsel

**RESOLUTION 2009-
EXHIBIT A**

YEAR 2009 INVESTMENT POLICY
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

1. INTRODUCTION

The purpose of this written *Investment Policy* is to establish the guidelines for the prudent investment of South San Luis Obispo County Sanitation District funds (herein referred to as District funds). The objectives of this policy are safety, liquidity, yield and compliance with state and federal laws and policies.

District funds are to be managed with a high degree of care and prudence. Though all investments contain a degree of risk, the proper concern for prudence, maintenance of high level of ethical standards and proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the District's Finance Officer will conduct business with financial institutions with regard to the investment process.

2. FINANCE OFFICER

The Board of Directors appoints the District Administrator as the District Finance Officer and Treasurer.

3. SCOPE

The District investment portfolio shall consist of money held in a sinking fund of, or surplus money in, the District's treasury not required for the immediate necessities of the District. The District's investment portfolio shall be invested in accordance with this policy.

4. OBJECTIVES

The primary objectives are safety, liquidity, yield, and compliance.

A. SAFETY

The investment portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements. This shall be accomplished by structuring the investment portfolio so that investments mature concurrent with cash needs.

C. YIELD

Yield shall be a consideration only after the requirements of safety and liquidity have been met.

D. COMPLIANCE

This Investment Policy is written to be in compliance with California and Federal law.

**RESOLUTION 2009-
EXHIBIT A**

YEAR 2009 INVESTMENT POLICY
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

5. STANDARDS OF CARE

A. PRUDENCE

The Finance Officer will manage the portfolio pursuant to the "Prudent Investor Standard." When investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds in the District's investment portfolio, the Finance Officer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the District.

B. DISCLOSURES

Finance Officer shall disclose any material interest in financial institutions with which he/she conducts the District business.

6. INVESTMENTS AUTHORITY

A. PERMITTED INVESTMENTS

The District Finance Officer is authorized to invest in the following institutions:

1. County pooled funds (California Government Code § 61730)
2. The Local Agency Investment Fund created by the California State Treasury (California Government Code § 16429.1)
3. One or more FDIC insured Banks and/or Savings and Loan Associations that are designated as District depositories by resolution of the Board of Directors (California Government Code § 61053).
4. Such other financial institutions or securities that may be designated by the Board of Directors from time to time in compliance with California and Federal law.

B. PROHIBITED INVESTMENTS

The District's Finance Officer shall not invest in:

1. Inverse floaters, range notes or interest only strips that are derived from a pool of mortgages.
2. Any security that could result in a zero interest accrual if held to maturity.
3. A state or federal credit union, if a member of the District's Board of Directors or an administrative officer also serves on the Board of Directors, or any committee appointed by the Board of Directors, or the credit committee or supervisory committee, of the state or federal credit union.

C. DIVERSIFIED INVESTMENTS

Investments, other than investments referenced in paragraphs A (1) and (2) above, will be diversified to avoid losses that may be associated with any one investment.

**RESOLUTION 2009-
EXHIBIT A**

YEAR 2009 INVESTMENT POLICY
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

7. REPORTS

A. MONTHLY REPORT

Finance Officer/Treasurer shall make monthly reports to the Board of investments made or retired during the preceding month.

B. QUARTERLY REPORT

Finance Officer shall file a quarterly report that identifies the District's investments and their compliance with the District's Investment Policy. The quarterly report must be filed with the District's auditor and considered by the District's Board of Directors within thirty (30) days after the end of each quarter (i.e., by May 1, August 1, November 1, and February 1) (California Government Code § 53646). Required elements of the quarterly report are as follows:

1. Type of Investment.
2. Institution.
3. Date of Maturity (if applicable).
4. Amount of deposit or cost of the security.
5. Current market value of securities with maturity in excess of twelve months (if applicable).
6. Rate of Interest.
7. Statement relating the report to the Statement of Investment Policy.
8. Statement of the District's ability to meet cash flow requirements for the next six months.
9. Accrued Interest (if applicable).

C. ANNUAL REPORT

Prior to June 30th of each year, the Finance Officer shall file and submit an annual report to the District's auditor and Board of Directors which will contain the same information required in the quarterly report.

The annual report will include a recommendation to the Board of Directors to either:

1. Readopt the District's then current annual Investment Policy; or
2. Amend the District's then current Investment Policy.

D. LIMITED QUARTERLY REPORT

If the District has placed all of its investments in the Local Agency Investment Fund (LAIF), created by California Government Code § 16429.1, or in Federal Deposit Insurance Corporation, insured accounts in a bank or savings and loan association, in a County investment pool, or any combination of these, the Finance Officer may submit to the Board of Directors, and the auditor of the District the most recent statement or statements received by the District from these institutions in lieu of the information required in paragraph 7.B above. This special reporting policy does not relieve the Finance Officer of the obligation to prepare an annual investment report as identified in paragraph 7.C, above.

Purchasing Policy

Policy and Procedures for the expenditure of District Funds for supplies, equipment, construction, and services.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
RESOLUTION NO. 2016-353**

**A RESOLUTION AMENDING THE ADOPTED POLICIES AND PROCEDURES FOR THE
EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION,
AND SERVICES AS SET FORTH IN RESOLUTION NO. 2010-274**

**ARTICLE I
Adoption of Purchasing and Construction Policies**

- 1.1 **Statutory Authority:** These policies and procedures are adopted pursuant to the Government Code Section 54201 (l), et seq., and the Public Contract Code Section 22000 et seq. ("Uniform Public Construction Cost Accounting Act") in order to establish an efficient procedure for the purchase of supplies, equipment and contracting for work and services.
- 1.2 **Board Findings and Declaration:** The Board finds and declares that placing all of these policies in one procedural set of guidelines will make these procedures clearer and easier to find. Furthermore, it is the intent of the Board in enacting these procedures to achieve the following objectives:
- A. To establish an efficient procedure for the purchase of supplies, equipment, and services at the lowest possible cost;
 - B. To assure that all supplies, equipment, construction and services at the plant are of sufficient quality to assure the efficient running of the plant;
 - C. To exercise positive financial control over purchases;
 - D. To clearly define authority for the purchase of supplies and equipment and for contracting for outside services and construction;
 - E. To assure as full and open competition as possible on all purposes;
 - F. Fitness and quality being equal, a preference may be granted to local vendors for the purchase of materials, supplies and services with a bid price less than \$45,000. The District may provide a preference to each qualified local vendor if the bid of a local qualified vendor does not exceed the lowest bid or price quoted by other vendors by more than five percent. To qualify as a local vendor, a business must have all current applicable city licenses and permits, must maintain its primary office and/or place of business within district boundaries. This preference is not applicable to any materials, supplies or services for which formal bids are required pursuant to statutory or California common law.

ARTICLE II
Purchase of Supplies and Equipment
District Manager Duties

2.1 The District Administrator or Plant Superintendent, as the case may be, shall be the purchasing authority whose functions shall include the following powers and duties:

- A. To purchase or contract for supplies and equipment required by the District in accordance with the purchasing procedures outlined herein.
- B. To negotiate and recommend execution of contracts for the purchase of supplies and equipment.
- C. To ensure as full and open competition as possible on all purchases.
- D. To inspect supplies and equipment delivered, as well as contractual services performed, to determine their conformance with the specifications set forth in the purchase orders and contracts.
- E. To sell surplus supplies and equipment to interested private and/or public agencies or vendors.
- F. To keep informed of current developments in the field of purchasing, prices, market conditions and new products.
- G. To maintain a bidders' list, vendors' catalog file and records.
- H. To develop and prescribe administrative policies, forms, and files as may be reasonably necessary for the internal management and operation of these purchasing procedures.

2.2 Exemptions From Policies

- A. **Emergencies:** The purchasing procedures described above may be dispensed with at the discretion and judgment of the purchasing authority in the best interest of the District when the Board of Directors adopts a resolution by two-thirds vote declaring that it is in the public interest and necessity to demand an immediate expenditure of public funds to safeguard life, health, or property.
- B. **Single Source:** When the Board of Directors adopts a finding that there is only a single source of procurement and that the purchase is for the sole purpose of duplicating or replacing supplies, equipment, or material which is in use.
- C. **Deliveries Under Annual or Biannual Contracts:** When the Board of Directors has contracted for services or supplies on an annual or other regular basis, the payment for delivery of such services or supplies upon delivery is exempt from the need for additional authority for payment. This exemption does not apply to the actual negotiation or contracting for services or delivery of supplies.

2.3 Supplies and Equipment - District purchases under \$1,500.00

- A. The Plant Superintendent shall act as purchasing agent for the District in connection in obtaining materials, supplies, and equipment with a cost of **\$1,500.00** or less.
- B. Open Accounts:
 - 1. The Plant Superintendent shall maintain a list of all open accounts with suppliers on which employees of the District have the ability to sign for purchases. The list of open accounts shall be approved by the District Administrator.
 - 2. The Plant Superintendent shall maintain a list of all employees with the ability to sign on open accounts and such list shall be approved by the District Administrator.
 - 3. No employee shall sign on an open account without prior approval of the District Administrator.
- C. In regards to the purchases of supplies or equipment with a cost of **\$300.00** or more, a "purchase order" shall be used.
 - 1. District employees shall submit a requisition for any required supplies, equipment, or services with an anticipated cost in excess of **\$300.00** on a form approved by the District Administrator.
 - 2. If the requisition is approved by the Plant Superintendent, the Plant Superintendent shall seek the most favorable terms and price for the approved requisition either through comparative pricing or competitive bidding, whichever method the Plant Superintendent deems most appropriate under the circumstances. To the extent possible, the Plant Superintendent will review at least two quotations to ensure that the products or supplies purchased are of a quality suitable for the District's purposes and to obtain the lowest price available.
 - 3. Once the Plant Superintendent has determined the most advantageous price or bid, as the case may be, for the requisition, he/she shall issue a purchase order which will constitute a formal offer by the District to purchase the supplies, equipment, or to procure the service for the price and terms indicated therein.
- D. Except in cases of emergency or in cases where specific authority has been first obtained from the District Administrator, the Plant Superintendent shall not purchase supplies or equipment unless there exists an unencumbered appropriation in the fund account against which the purchase is to be charged.

2.4 Supplies and Equipment - District purchases under \$7,500.00

The District Administrator shall act as purchasing agent for the District in connection with the obtaining of supplies, equipment, or services with costs in excess of **\$1,500.00** but not more than **\$7,500.00**.

- A. The purchase of supplies and equipment with a value of **\$1,500.00** to **\$7,500.00** may be made by the District Administrator in the open market pursuant to the procedure hereinafter proscribed:

1. The District Administrator or his/her designee shall solicit quotations for the purchase of all such goods and supplies. Said quotations may be solicited by telephone or in writing.
2. Open market purchases shall, whenever possible, be based on at least three written quotations approved by the District Administrator and shall be awarded to the supplier submitting the lowest responsive quote.
 - a. Single Source Items: If the District Administrator determines that there is a single source of procurement and that the purchase of the supplies or equipment is for the sole purpose of duplicating or replacing supplies, equipment, or material which is in use, the requirement of obtaining competitive quotations shall not be required.

2.5 Supplies and Equipment - District Purchases over \$7,500.00 and less than \$45,000.00

- A. For the purposes of this section, the District Administrator shall be the purchasing agent for the District in connection with supplies, equipment, and services with a cost in excess of **\$7,500.00**, but not more than **\$45,000.00**. The Board of Directors of the District shall approve all services in excess of \$25,000.00.
- B. The District Administrator and/or his/her designee shall solicit quotations for all goods and supplies with a cost of more than **\$7,500.00** and less than **\$45,000.00**. Said quotations may be solicited by telephone or in writing.
 1. Open market purchases shall, whenever possible, be based upon at least three written quotations approved by the District and shall be awarded to the entity submitting the lowest responsive quote. The Board of Directors of the District shall approve all purchases in excess of **\$7,500.00** and less than **\$45,000.00**.
 - a. Exception: When the District Administrator determines that it is reasonably necessary to purchase equipment and supplies on an expedited basis, the District Administrator may do so, but only on approval by the Chairman of the Board of Directors obtained prior to the actual purchase.

2.6 Supplies and Equipment -District Purchases over \$45,000.00 and less than \$175,000 – Informal Bidding Process

- A. For the purposes of this section, the District Administrator shall be the purchasing agent for the District in connection with supplies, equipment, and services with costs in excess of **\$45,000.00**, but not more than **\$175,000**.
- B. Public projects, as defined by the Uniform Public Construction Cost Accounting Act (Act) and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Code.
- C. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

D. Notice Inviting Informal Bids:

Where a public project is to be performed, which is subject to the provisions of the Act, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code. Additional contractors and/or construction trade journals may be notified at the discretion of the District Administrator and/ or his/her designee, provided however:

1. If there is no list of qualified contractors maintained by the District for the particular category of work to be performed, the notice inviting bids shall be sent only to the construction trade journals specified by the Commission.
2. If the product or service is proprietary in nature such that it can be obtained only from a certain contractor or contractors, the notice inviting informal bids may be sent exclusively to such a contractor or contractors.

E. The District Administrator is authorized to award informal contracts pursuant to this section.

2.7 Supplies and Equipment - District Purchases over \$175,000.00 - Formal Competitive Bidding/Notice

Except as otherwise provided in these procedures, purchases and contracts for supplies and equipment subject to the one-hundred seventy-five-thousand-dollar contract limitations of the Uniform Public Construction Cost Accounting Act (or an amount specified in a subsequent statute), shall be by written contract with the lowest responsible bidder pursuant to the procedures prescribed herein.

A. Notice of Inviting Bids:

1. Notices inviting bids shall include, but not be limited to, the following:
 - a. The notice shall distinctly state the supplies and equipment to be purchases;
 - b. The location and deadline for submission of bids;
 - c. The location where bid blanks and specifications may be secured;
 - d. The date, time, and place assigned for the opening of sealed bids;
 - e. The type and character of bidder's security required, if any;
 - f. Notice that the District reserves the right to waive minor irregularities in the bid.
 - g. Notice that no bidder can withdraw his/her bid for a period of 60 days after the date set for the award of the contract.
 - h. Notice that a successful bidder can substitute securities for performance retention pursuant to Public Contract Code Section 22300.

2. Notices inviting bids shall be published at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the District, or if there is none, the notice shall be posted in at least three public places in the District that have been designated by the District Board of Directors as places for posting such notice.
3. The first publication or posting of the notice shall be at least ten days before the date of opening bids.

B. Supplies and Equipment Bids - Security Requirements:

Bidder's security may be required when deemed necessary. Bidders shall be entitled to the return of any bid security within 60 days from the time the award is made. A successful bidder shall forfeit his/her bid security, however, upon refusal or failure to execute a contract within 15 days after notice of award of the contract unless the district is responsible for the delay. The contract may be awarded to the next lowest responsible bidder upon the refusal or failure of the successful bidder to execute the contract within the time herein prescribed.

C. Bids Opening:

Sealed bids shall be opened in public at a time and place stated in the notice of inviting bids. A tabulation of all bids received shall be made available for public inspection until the award of the contract.

D. Bid Rejection:

The District may reject:

1. Any bid that fails to meet the bidding requirements in any respect; or
2. All bids, for any reason whatsoever, and may readvertise for new bids;
3. All bids, and adopt by two-thirds vote, a resolution declaring that the materials or supplies can be furnished at a lower price in the open market and the District may purchase the materials or supplies as stated in the resolution in order to take advantage of the lower cost.

E. Contract Award:

Contracts shall be awarded at the next regularly scheduled meeting after the date set for opening bids to the lowest responsible bidder except as follows:

1. If two or more bids are the same and the lowest, the District Board may accept the one it chooses.
2. If no bids are received, the District Board may order the supplies and equipment purchased without further bid.

F. Determination of Lowest Responsible Bidder:

In addition to the bid or quotation price, criteria for determining the lowest responsible bid or quotation, shall include, but not be limited to, the following:

1. The character, integrity, reputation, judgment, experience and efficiency of the bidder (this may include an analysis of previous dealings with the District or other public agencies);
2. The ability of the bidder to provide the supplies, equipment or services required, within the time specified, without delay or interference;
3. The ability of the bidder to provide future maintenance, repair parts and replacement of purchased equipment or supplies; and
4. Compliance by the bidder with Federal Acts, Executive Orders, and State Statutes.

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


AYES: Jim Hill, John Shoals, Mary Lucey

NOES: X

ABSENT: X

ABSTAINING: X


The forgoing Resolution is hereby adopted this 15 day of June 2016.

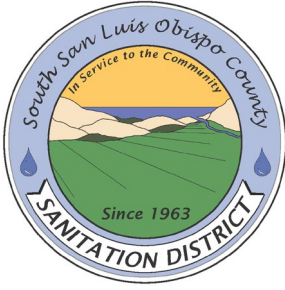

Chairman

ATTEST:


District Administrator

APPROVED AS TO FORM:


District Legal Counsel



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

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STAFF REPORT

Date: June 5, 2019

To: Board of Directors

From: Jeremy Ghent, District Administrator

Subject: **CONSIDERATION OF ADOPTION OF A PROJECT LABOR AGREEMENT
FOR THE DISTRICT'S REDUNDANCY PROJECT**

RECOMMENDATION:

That the Board receive and consider the update, and direct staff to bring back an item at the 7/17/2019 meeting.

BACKGROUND:

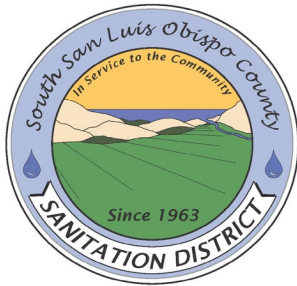
At the May 1st, 2019 District Board meeting staff was directed to pursue adoption of a PLA for implementing construction of the Redundancy Project. Staff was directed to utilize the recent PLA adopted by the City of San Luis Obispo as a template in order to shorten the effort and timeframe.

DISCUSSION:

General: Following the May 1st board direction the District Administrator reached out to Jones & Mayer and was able to identify counsel with relevant PLA experience. On May 7th the District received an initial draft from the trade's consultant Virtus. Staff passed the document to Counsel and the Project Team. At the 5/15 District Board Meeting staff provided the Board with a status update. On 5/25 District Counsel returned a marked-up document for the review of the trades group. On 5/29 both parties reviewed the document on a conference call. Both parties agreed to a variety of modifications. However, there remained language that the parties could not reach final resolution on. District language was returned to the Trades group on 5/31. Final language is not ready to be presented to the Board and revisions are ongoing.

OPTIONS:

1. Direct staff to bring back the item on 7/17/2019
2. Direct staff to move forward without the Project Labor Agreement
3. Provide other direction to staff



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STAFF REPORT

Date: June 5, 2019
To: Board of Directors
From: Jeremy Ghent, District Administrator; Mychal Jones, 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:

- *Staff is putting in substantial effort crafting a project labor agreement*
- *District and MKN have begun soliciting statements of qualifications for Construction Management Services. Proposals are due 6/27/19*
- *District and MKN met with USDA Staff on 5/31/19 to discuss funding and project status*

Misc:

- *County Flood Control Zone 1/1A will use a portion of the District's property for securely storing equipment and materials August through October of 2019. The County is undertaking a project to repair and modify the AG Creek Levy to better protect local properties from flood risk including the Sanitation District.*

Central Coast Blue:

District Administrator will participate in an upcoming project team meeting on June 28th

Plant Tours:

1. *15 Children and 3 adults from the Insight Charter School toured the facility on May 22nd.*

Upcoming Items:

District Goals and Priorities
Redundancy Project Construction Management Services Contract
Central Coast Blue update tentatively scheduled for August 7th 2019 meeting

Plant Operations Report

During this reporting period (May 9th – May 28th) 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 May 28, 2019

May 2019	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/10 0mL	Chlorine Usage lbs/day
Low	0.73**	3.4	499	15.1		310	24.5		<1.8	125
High	2.98	4.7	645	20		792	29.5		130	281
Average	2.5	3.9	560	17.3	96.9	622	26.5	95.7	11.5	194
May 2018 AVG	2.4	3.68	559	24	95.7	601	25	95.8	256	168
Limit	5.0			40/60/90			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.

** The District's flow meter failed causing a faulty reading for daily influent flow. The District installed a new controller and flow meter.

Fecal Coliform Numbers for May 2019

5/2/2019	<	2	MPN/100 mL
5/3/2019	=	2	MPN/100 mL
5/4/2019	=	2	MPN/100 mL
5/7/2019	=	4	MPN/100 mL
5/8/2019	=	2	MPN/100 mL
5/9/2019	<	1.8	MPN/100 mL
5/10/2019	=	2	MPN/100 mL
5/11/2019	=	2	MPN/100 mL
5/14/2019	<	1.8	MPN/100 mL
5/15/2019	<	1.8	MPN/100 mL
5/16/2019	<	1.8	MPN/100 mL
5/17/2019	<	1.8	MPN/100 mL
5/18/2019	=	2	MPN/100 mL
5/21/2019	=	7.8	MPN/100 mL
5/22/2019	=	2	MPN/100 mL
5/23/2019	=	130	MPN/100 mL
5/24/2019	<	1.8	MPN/100 mL
5/25/2019	<	1.8	MPN/100 mL
5/28/2019	=	49	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

- Performed confined space entry to install new submersible pump
- Advanced Flow Systems
 - Temporarily repaired influent flow meter
 - Installed new flow meter and controller
- Reviewed and marked Underground Service Alerts
- Performed confined space entry to remove automatic drip trap
- Opened and inspected drip trap actuator and found a blown motor starter condenser
- Continued the review and update of standard operating procedures
- Installed new conduit in headworks for new level sensors
- Began rebuilding sludge bed valve
- Thoma Electric pulled new electrical wires from Primary Clarifier No. 2 to Main Control Center
- Flushed Fixed Film Reactor
- Troubleshoot centrifuge failure and found blockage in auger drain line causing material to backup into centrifuge
- Prepared Chlorine Contact Tank for cleaning

Work Orders Completed

- Inspected digester vacuum/pressure relief valves
- De-ragged primary sludge pumps
- Test ran emergency generator and emergency bypass pump
- Rinsed down all clarifiers
- Inspected and performed maintenance on Wacker 6" pump
- Performed monthly service on forklift

Training

- Operations staff participated in training held by Famcon on mechanical joint restraints
- Operations staff participated in training on safety footwear regulations

Call Outs

- May 17th, 9:45 PM – Motion Sensor Alarm. Operations staff responded and inspected all buildings. There were no signs of entry into any of the buildings. Motion sensor alarm may have been caused by a bird.