



**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**

# **VIRTUAL ZOOM MEETING**

Please click the link below to join the webinar:

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**Wednesday, June 16, 2021 at 6:00 p.m.**

**Board Members**

Linda Austin, Chair

Jeff Lee, Vice Chair

Caren Ray Russom, Director

**Agencies**

Oceano Community Services District

City of Grover Beach

City of Arroyo Grande

**Alternate Board Members**

Karen Bright, Director

Lan George, Director

Shirley Gibson, Director

City of Grover Beach

City of Arroyo Grande

Oceano Community Services District

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Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82459060824?pwd=djJZdjl3TWtucGs2ZkM3dkVISHE2QT09>

Passcode: 768303

Or Telephone:

1 408 638 0968

1 669 900 6833

1 253 215 8782

1 346 248 7799

1 301 715 8592

1 312 626 6799

1 646 876 9923

Webinar ID: 824 5906 0824

Passcode: 768303

International numbers available: <https://us02web.zoom.us/j/keowhuq2zU>

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

## **Public Participation:**

In order to prevent and mitigate the effects of the COVID-19 pandemic, the District, in accordance with Executive Order N-29-20, will not make available a physical location from which members of the public may observe the meeting and offer public comment. Remote public participation is allowed in the following ways:

Community members are encouraged to submit agenda correspondence in advance of the meeting via email to the District Secretary at [amy@sslocsd.us](mailto:amy@sslocsd.us) prior to the meeting and will be published on the District website. Agenda correspondence received less than 3 hours before the meeting start time may not be posted until after the meeting. Members of the public may watch the meeting either on cable Channel 20 or as streamed on SLOSPAN <https://slo-span.org/static/index.php>

Alternatively, members of the public may watch the meeting and speak during general Public Comment or on a specific agenda item by logging in to the Zoom webinar using the information provided above. Please use the “raise hand” feature to indicate your desire to provide public comment. Each speaker will be allowed three minutes to provide input.

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 June 02, 2021**

**5C. First Amendment to the Employment Agreement with District Administrator Jeremy Ghent**

**6. ACTION ITEMS:**

**6A. PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2021-428 APPROVING BUDGET FOR FISCAL YEAR 2021-2022**

Recommendation: the Board:

1. Review the Budget for Fiscal Year 2021-22;
2. Open the Public Hearing to receive public input regarding the adoption of the Budget for Fiscal Year 2021-22;
3. Close the Public Hearing and direct revisions, if any, be incorporated into the Budget for Fiscal Year 2021-22; and
4. Adopt Resolution No. 2021-428 approving the Budget for FY 2020-21.

**6B. DISTRICT ADMINISTRATOR REPORT**

Recommendation: Receive and File.

**7. BOARD MEMBER COMMUNICATIONS:**

**8. ADJOURNMENT:**

The next regularly scheduled Board Meeting will be held July 07, 2021, at 6:00 pm. This meeting will be held virtually via ZOOM. In person meetings will reconvene on August 4<sup>th</sup> at the Oceano Community Services District Board Room, 1655 Front Street, Oceano, California

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
6/16/2021

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ALLIED ADMINISTRATORS	DENTAL	JULY 2021	060721-5340	6025	815.10	815.10
AUTOSYS, LLC	SCADA	0021	5341	20-7060	6,119.29	6,119.29
BC PUMP SALES	EQUIPMENT MAINTENANCE	34941	5342	8030	2,664.35	2,664.35
BRENNTAG	PLANT CHEMICALS	BPI148468	5343	8050	11,795.94	11,795.94
CHARTER COMMUNICATIONS	COMMUNICATIONS	05/29/2021-06/28/2021	5344	7013	319.95	319.95
COASTAL ROLLOFF SERVICE	RUBBISH	MAY 2021	5345	7093	979.40	979.40
CULLIGAN / CCWT	EQUIPMENT RENTAL	JUNE 2021	5346	7032	60.00	60.00
ENGEL & GRAY, INC.	BIOSOLIDS HANDLING	MAY 2021	5347	7085	4,082.04	4,082.04
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	JUNE 2021	5348	7082	100.00	100.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	MAY 2021	5349	8030	17.15	17.15
JB DEWAR	FUEL	114122	5350	8020	126.81	126.81
KENNEDY JENKS	REDUNDNACY	147538	5351	20-7080	33,516.25	33,516.25
MKN, INC.	REDUNDANCY ADMINISTRATION	9102	5352	20-7080	6,893.02	14,523.78
	DIGESTER NO. 2 REHAB	9125		26-8060	7,630.76	
MINERS HARDWARE	EQUIPMENT MAINTENANCE	MAY 2021	5353	8030	352.86	352.86
NEWEGG BUSINESS	SCADA	1303338218	5354	20-7060	956.85	956.85
OCSD	WATER	03/18/21-05/18/21	5355	7094	779.99	779.99
OEC ENVIRONMENTAL	CHEMICAL ANALYSIS	213047; 2102905	5356	7095	221.00	221.00
PETROLEUM SOLIDS CONTROL	EQUIPMENT MAINTENANCE	39112	5357	8030	1,350.00	1,350.00
POLYDYNE	PLANT CHEMICALS	1547925	5358	8050	9,497.48	9,497.48
PRAXAIR	EQUIPMENT RENTAL	04/20/21-05/20/21	5359	7032	38.94	38.94
ROYAL INDUSTRIAL SOLUTIONS	SCADA	7842-1001479	5360	20-7060	10,968.78	10,968.78
SDRMA	PROPERTY/LIABILITY INSURANCE	FY 2021-2022	5361	7043	56,577.04	56,577.04
SO CAL GAS	GAS	04/30/21-06/01/21	5362	7092	3,749.70	3,749.70
SOUTH COUNTY SANITARY	RUBBISH	JUNE 2021	5363	7093	394.20	394.20
SPIESS CONSTRUCTION	DIGESTER NO. 2 REHAB	221101	5364	26-8065	125,985.34	125,985.34
STATEWIDE TRAFFIC SAFETY	SAFETY SUPPLY'S	03018508	5365	8056	152.49	152.49
TELEDYNE INSTRUMENTS		ISCO REFRIG. SAMPLER	5366	8010	7,749.40	7,749.40
TOTAL COMPENSATION SYSTEMS	AUDIT	GASB 78-ROLL FORWARD VALUATION	5367	7072	1,485.00	1,485.00
UMPQUA BANK	CREDIT CARD	MAY 2021	5368		3,531.14	3,531.14
USA BLUEBOOK	EQUIPMENT MAINTENANCE	615762	5369	8030	425.20	425.20
VWR INTERNATIONAL	LAB SUPPLIES	2021-042	5370	8040	272.33	272.33
WINEMA INDUSTRIAL	SAFETY SUPPLY'S	5467	5371	8056	84.73	84.73
SSLOCSO	TRANSFER	MAY 2021	5372		97,741.73	97,741.73
<b>TOTAL</b>					<b>397,434.26</b>	<b>397,434.26</b>

We hereby certify that the demands numbered serially from 060721-5340 to 060721-5372 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 Virtual Zoom Meeting of Wednesday, June 2, 2021**

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

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

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

District Staff: Jeremy Ghent, District Administrator  
Mychal Jones, Plant Superintendent  
Keith Collins, District Legal Counsel  
Amy Simpson, District Bookkeeper/Secretary

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

Director Ray Russom led the Pledge of Allegiance.

### **3. AGENDA REVIEW**

Approved unanimously as presented.

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

None.

### **5. CONSENT AGENDA:**

**5A. Approval of Warrants**

**5B. Approval of Meeting Minutes of May 5, 2021**

The Board had a brief discussion regarding the Minutes and provided direction to correct a grammatical error in the Motion of Item 5C.; to strike the comment made by Director Austin in Item 6B. and to include a Report out of Closed Session.

Julie Tacker commented on the lack of a report out of Closed Session.

- Motion:** Director Ray Russom motioned to approve the Consent Agenda with three amendments. Grammatical correction in Item 5C; strike comment in Item 6B. and include report out of Closed Session
- Second:** Director Lee
- Action:** Approved unanimously by roll call vote.

**6. ACTION ITEMS:**

**6A. WWTP REDUNDANCY PROJECT UPDATE**

Administrator Ghent opened this item with a video titled Chapter 2 Commencing Construction. He introduced Eileen Shields from MKN and she presented the staff report.

The Board thanked Eileen Shields for her report and asked if there has been any recent discussion on materials cost. Eileen responded that they have not heard anything official, but the contractor has asked to submit equals and that has been evaluated on a case-by-case basis.

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

**6B. ADOPTION OF RESOLUTION 2021-427 FOR COLLECTING FISCAL YEAR 2021-22 DISTRICT ANNUAL WASTEWATER TREATMENT CHARGES FROM THE COMMUNITY OF OCEANO THROUGH THE COUNTY PROPERTY TAX ROLL**

Administrator Ghent introduced this item. Adina McCargo with NBS presented this item and provided a review of the process NBS used in creating the report.

Julie Tacker provided public comment on this item.

**Motion:** Director Lee motioned that the Board approve Resolution No. 2021-427 authorizing the transmittal of the report to the County to collect District wastewater treatment charges from the OCSD service area for Fiscal Year 2021-22 on the County Property Tax Roll.

**Second:** Director Ray Russom

**Action:** Approved unanimously roll call vote.

**6C. 2021/22 FISCAL YEAR BUDGET; SET PUBLIC HEARING FOR JUNE 16, 2021**

Bookkeeper Amy Simpson presented this item in PowerPoint.

The Board had a brief discussion requesting the Final Budget show reserves and to break out some of the larger accounts in the category Administrative Costs.

There was no Public Comment.

**Action:** The Board provided direction to staff to make the requested changes and bring back to the next meeting.

#### **6D. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT**

Administrator Ghent presented the Administrators Report. He updated the Board on Central Coast Blue, reported that there will be a second meeting in June on the 16<sup>th</sup> and that the District intends to reconvene in person meetings beginning on the August 4<sup>th</sup> meeting at the Oceano Community Services District. Negotiations with SEIU are ongoing.

Plant Superintendent Mychal Jones presented the Plant Operations Report. He reported that during the reporting period of May 1<sup>st</sup> – May 28<sup>th</sup> the District's facility met its Permit limitations as required under the State of California's NPDES Permit. All analysis was within Permit limitations. He provided Operations and Maintenance Tasks, Work Orders completed, Training and Call Outs that were completed during this reporting period. He provided pictures of district operators repairing a sludge bed waterline and of the Digester No. 2 Rehabilitation Project.

Julie Tacker commented on the Central Coast Blue project.

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

#### **7. ADJOURNMENT:**

7:21 p.m.

***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 16, 2021  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator  
**Subject:** **FIRST AMENDMENT TO THE EMPLOYMENT AGREEMENT WITH DISTRICT ADMINISTRATOR JEREMY GHENT**

### **RECOMMENDATION:**

That the Board of Directors approve the amendment and direct the Chair to execute the amended agreement with Jeremy Ghent for the position of District Administrator.

### **BACKGROUND:**

At its meeting of June 14<sup>th</sup>, 2018, the Board approved resolution 2018-396 approving a contract for the District Administrator. The contract had an initial duration of three (3) years, commencing on July 2<sup>nd</sup>, 2018 and completing on July 1<sup>st</sup>, 2021.

Section 1.C of the Agreement states that: *The term of employment may be extended at any time prior to the expiration of this Agreement by the mutual consent of the District and the Employee. Such consent must be evidenced by a written Amendment to this Agreement approved by the Board and signed by the District and the Employee.*

### **DISCUSSION:**

In summary, the amended agreement provides the following changes to the employment agreement:

- Removes the employment period end date.
- Provides a 3% increase in compensation.
- Provides future increases consistent with the represented employees.
- Provides an optional benefit to convert 40 hours of vacation leave into pay on an annual basis.

The other terms of the agreement remain in effect and unchanged.

### **Attachment:**

1. First Amendment to the Employment Agreement between the South San Luis Obispo County Sanitation District and Jeremy Ghent for District Administrator Services
2. Resolution 2018-396 and Employment Agreement for the District Administrator



**FIRST AMENDMENT TO THE  
EMPLOYMENT AGREEMENT BETWEEN THE  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
AND JEREMY GHENT FOR  
DISTRICT ADMINISTRATOR SERVICES**

THIS FIRST AMENDMENT TO AGREEMENT is made and entered into on June 16, 2021 by and between the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, a California Special District, hereinafter referred to as "District," and JEREMY GHENT, hereinafter referred to as "Employee," as follows:

**Terms and Conditions**

1. Section 1 TERM OF EMPLOYMENT, subsections B. and C., are hereby withdrawn and replaced with:
  - B. This Agreement shall remain in effect unless and until terminated as provided herein.
2. Section 2 COMMITMENTS OF THE PARTIES, subsection B. District Commitments, paragraph i. Salary. Parts 1 and 2, are hereby withdrawn and replaced with:
  1. Beginning July 2<sup>nd</sup>, 2021, the District agrees to pay Employee \$13,527 monthly. Employee shall be paid in accordance with the District's customary payroll practices.
  2. The District shall provide Cost of Living increases on the anniversary of the Effective Date of this Agreement (the "Anniversary Date") at a rate consistent with that provided to District's represented employees. District will consider additional adjustments in compensation based upon performance.
3. Section 2 COMMITMENTS OF THE PARTIES, subsection B. District Commitments, paragraph ii. Benefits. Part 8 shall be amended to include:
  - c. Employee shall be permitted to convert 40 hours of vacation for pay annually.

IN WITNESS WHEREOF, District and the Employee have executed this First Amendment as of the date first written above and shall become effective on the Employee's "Anniversary Date".

**SSLOCSD:**

**EMPLOYEE:**

\_\_\_\_\_  
Linda Austin, Chair (Date)

\_\_\_\_\_  
Jeremy Ghent (Date)

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Clerk of the Board (Date)

\_\_\_\_\_  
District Legal Counsel (Date)

**RESOLUTION NO. 2018-396**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
DIRECTING THE CHAIR TO EXECUTE AN EMPLOYMENT CONTRACT  
WITH JEREMY GHENT FOR THE POSITION OF DISTRICT ADMINISTRATOR**

**WHEREAS**, the District has conducted an extensive search for a District Administrator and desires to appoint the best qualified candidate to the position; and

**WHEREAS**, the District is committed to developing and promoting an effective and professional Management Team, including the District Administrator; and

**WHEREAS**, the District Administrator shall be an "at-will" employee and shall serve at the pleasure of the District; and

**WHEREAS**, it is the desire of the District to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

**WHEREAS**, it is the desire of the District to provide inducement for Employee to remain in such employment; assist in the maintenance of the health and well-being of Employee; provide a just means for terminating the service of Employee at such time as he may be unable to discharge fully his duties or when the District desires to otherwise terminate his employment; act as a deterrent against malfeasance or dishonesty for personal gain on the part of the Employee and against morally questionable personal financial dealings; and establish a clear and mutually understood system of compensating Employee.

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

That the Chair of the South San Luis Obispo Sanitation District be directed to execute the Employment Contract with Jeremy Ghent for the position of District Administrator.

**PASSED AND ADOPTED** at a regular meeting of the South San Luis Obispo County Sanitation District on June 14, 2018.

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

**AYES:** Hill, White, Nicolls

**NOES:**

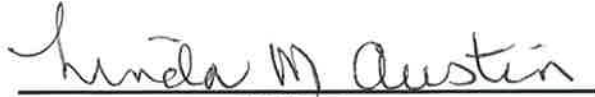
**ABSENT:**

**CONFLICTS:**

**RESOLUTION NO. 2018-396**

**CERTIFICATION:**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a regular meeting of the South San Luis Obispo County Sanitation District held on June 14, 2018.




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

**ATTEST:**

  
**DISTRICT SECRETARY**

**APPROVED AS TO FORM:**

  
**BY: KEITH F. COLLINS  
DISTRICT COUNSEL**

**APPROVED AS TO CONTENT:**

  
**BY: PAUL J. KARP OR RICHARD SWEET  
TECHNICAL CONSULTANTS**

**EMPLOYMENT AGREEMENT BETWEEN THE  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
AND JEREMY GHENT FOR  
DISTRICT ADMINISTRATOR SERVICES**

This Agreement (hereinafter referred to as the "Agreement") is entered into this 14 th day of June, 2018, ("Effective Date") by and between the South San Luis Obispo County Sanitation District, acting through the District Board of Directors, (hereinafter referred to as "District") and Jeremy Ghent, (hereinafter referred to as the "Employee"), with reference to the following:

WHEREAS, the District has conducted an extensive search for a District Administrator and desires to appoint the best qualified candidate to the position; and

WHEREAS, the District is committed to developing and promoting an effective and professional Management Team, including the District Administrator; and

WHEREAS, the District Administrator shall be an "at-will" employee and shall serve at the pleasure of the District; and

WHEREAS, it is the desire of the District to provide certain benefits, establish certain conditions of employment, and set working conditions of Employee; and

WHEREAS, it is the desire of the District to: provide inducement for Employee to remain in such employment; assist in the maintenance of the health and well-being of Employee; provide a just means for terminating the service of Employee at such time as he may be unable to discharge fully his duties or when the District desires to otherwise terminate his employment; act as a deterrent against malfeasance or dishonesty for personal gain on the part of the Employee and against morally questionable personal financial dealings; and establish a clear and mutually understood system of compensating Employee.

NOW, THEREFORE, in consideration of the promises, terms, and conditions in this Agreement, the District and Employee agree as follows:

**1. TERM OF EMPLOYMENT.**

A. Employee's status shall be "at-will" and shall serve at the pleasure of the District. Nothing in this Agreement or any other existing or future District document, not specifically amending this Agreement, shall prevent, limit or otherwise interfere with the right of the District to terminate the employment of Employee at any time and for any reason, or for no reason, subject to the provisions specified in Section 3 of this Agreement.

B. Subject to the conditions set forth in this Agreement, Employee shall be employed in the position of District Administrator for a thirty-six (36) month period commencing on July 2, 2018 ("Start Date") and continuing through July 1, 2021.

C. The term of employment may be extended at any time prior to the expiration of this Agreement by the mutual consent of District and the Employee. Such consent must be evidenced by a written Amendment to this Agreement approved by the Board and signed by the District and the Employee.

**2. COMMITMENTS OF THE PARTIES.**

A. Employee Commitments.

i. Duties, Responsibilities and Authority.

1. District retains Employee to perform the duties of the District Administrator and any other duties as may be required by the Board of Directors which are not inconsistent with the provisions of this Agreement or the law.
2. The Employee shall have those powers and perform all of the duties of the District Administrator as set forth in the laws of the State of California, District Ordinances, and District policies and procedures approved by the District from time to time.
3. The Employee shall be subject to all District rules, regulations and policies applicable to employees and management and to any subsequently adopted laws, regulations and policies, which do not conflict with this Agreement or the law.
4. The Employee shall, subject to the direction and control of the District Board of Directors, exercise administrative supervision over the District and its employees so that the statutory and other legal duties of the District are fully satisfied.
5. The Employee shall serve the District diligently and to the best of his/her abilities in all respects and shall always act in District's best interest in fulfilling its legal responsibilities as a county sanitation district organized under California Health and Safety Code Section 4700 et seq..
6. Each week, except for extenuating circumstances, the Employee agrees to make sufficient time available to each member of the District Board of Directors to provide an opportunity to be briefed on District issues.
7. The Employee agrees to remain in the exclusive employment of District during the term of this Agreement and shall not accept other employment or perform other services for compensation without having first obtained written permission from the Board, which the Board may withhold at its sole discretion.

ii. Hours of Work.

1. The Employee is an FLSA exempt, at-will employee but is expected to engage in the hours of work that are necessary to fulfill the obligations of the District Administrator's position. The Employee is a full-time employee expected to work the normal business hours of the District and is expected to be available at all times unless on official leave and has designated a full-time management employee in an acting capacity as District Administrator.
2. It is recognized the Employee must devote a great deal of time to the business of the District outside of the District's customary office hours, and to that end the Employee's schedule of work each day and week shall vary in accordance with the work required to be performed. The Employee shall spend sufficient hours onsite to perform the District Administrator's duties; however, the Employee has discretion over the Employee's work schedule and work location.

B. District Commitments.

#### **i. Salary.**

- 1.** The District agrees to pay Employee \$12,500.00 monthly. Employee shall be paid in accordance with the District's customary payroll practices.
- 2.** The District will make adjustments in compensation based upon performance. At the first annual evaluation, if the District provides the Employee with a satisfactory or better evaluation, then he shall receive a 2.5% increase in salary. If at the second annual evaluation the District provides the employee with a satisfactory or better evaluation, then he shall receive a 2.5% increase in salary. Any increases in salary shall be paid retroactive to the respective anniversary date of the Employee's start date. No other increase in salary shall be considered during the term of this Agreement.
- 3.** Any future decrease in the salary of the Employee will be made by the Board of Directors only in the event that a decrease is made in the salaries of all District employees. In such event the percentage decrease in the salary of Employee shall be no more than the average percentage decrease of all other District employees.

#### **ii. Benefits.**

In addition to the Employee's salary, the Employee shall receive the following benefits:

- 1. Group Insurance.** At the Employee's election, District agrees to provide, either: (1) the same type and level of medical insurance benefits as provided to the Plant Superintendent, or (2) a cash reimbursement benefit equal to the dollar amount of the "Employee Only" District Flex Dollar Contribution as provided to the Plant Superintendent. Employee is obligated to maintain a level of medical insurance commensurate with that provided by the District. Additionally, District agrees to provide Employee the same type and level of dental, disability and life insurance as provided to the Plant Superintendent. The Employee may change options during any open enrollment or qualifying event.
- 2. Retirement.** District agrees to provide the same type and level of retirement benefits as provided to employees as defined in the Memorandum of Understanding between the South San Luis Obispo County Sanitation District and the Service Employees' International Union Local 620, as adopted by Resolution 2017-379. To the extent allowable under the law, District shall pay the full employee contribution rate, which is currently 8%.
- 3. Travel Expenses.** District Administrator duties require that he have at all times during his employment with the District the use of a personal automobile for travel within the course and scope of employment. District agrees to reimburse Employee at the current and regularly updated non-taxable IRS rate for mileage.
- 4. Business Expenses.** District agrees to reimburse the Employee for District related business expenses and travel expenses, subject to State law and such rules, regulations and policies as the District has or may establish and

amend from time to time.

5. Association Dues. District agrees to pay on behalf of the Employee any annual licensing or professional association dues as required for membership in professional organizations common to the field of wastewater, special district management, public administration, and/or if the Employee's membership in the Association is reasonably considered to be beneficial to the District.
6. The District agrees to pay the travel and subsistence expenses of the Employee to pursue official functions for the District, and meetings and occasions to continue the professional development of the Employee, including, but not limited to, national, state, regional and local training conferences; short courses, institutes and seminars; and, governmental groups and committees upon which the Employee serves as a member subject to annual review and approval by the District Board of Directors.
7. Cellphone Stipend. Employee shall be reimbursed at the rate of \$100.00 per month for maintaining a working cellphone provided that said cellphone provides "24-7" District employee and Board member access to the District Administrator.
8. Holidays, Vacation and Sick Leave. District agrees that policies, rules and regulations of District for the Plant Superintendent relating to holidays, vacation and sick leave and other leaves of absence as they now exist, or as may be amended, shall apply to the Employee with the following exception.
  - a. At the start of the term of this Agreement, District agrees to provide a vacation bank of 40 hours.
  - b. Employee's vacation leave accrual will begin at 16 days annually and will increase one (1) day for each year of continual service up to a maximum of 22 days.
9. Management Leave. The District recognizes that extraordinary efforts may be required of the Employee to fulfill the responsibilities of the District Administrator position, and that the District Administrator position is designated as being exempt from the overtime provisions of the Fair Labor Standards Act. The District agrees to provide five (5) days of Administrative Leave at the start of the term of this Agreement and then on January 1 for each remaining year of the Agreement. An additional five (5) days may, upon written request of Employee, be granted annually at the discretion of the Board of Directors.

C. District Board of Directors Commitments.

- i. The District Board of Directors sets policy for the governance and administration of the District, and it implements its policies through the District Administrator.
- ii. The District Board of Directors recognizes that to meet the challenges facing the District they must exercise decisive policy leadership. As one step in carrying out this leadership responsibility, the District Board of Directors commits to spending time each year outside of regular Board Meetings to work with the District Administrator.



- iii. The District Board of Directors will work with Administrator and staff on creating and revisiting the District's Strategic Plan, for setting goals and priorities for the District, and to work on issues that may be inhibiting the maximal achievement of District goals.

D. Mutual Commitments.

i. Strategic Workshops.

1. As soon as practicable after the Employee's Start Date, the District Board of Directors and the Employee will meet to review the District's existing Strategic Plan and/or set out goals and priorities for the Employee to implement prior to the Employee's annual performance evaluation or such other dates as determined in the course of the meeting.
2. Thereafter the review and update of the District Board of Directors' Strategic Plan will occur following each election that changes the membership of the Board between January 1st and March 31st. For purposes of clarity, the District Board of Directors and the Employee shall further establish a relative priority among those strategic goals and objectives within the Strategic Plan.

ii. Annual Performance Evaluation.

1. The District Board of Directors shall conduct an evaluation of the Employee's performance at least once each year. The District and Employee agree that performance evaluations, for the purpose of mid course corrections, may occur at any time. The parties agree that the initial evaluation shall occur within 180 days of the Employee's Start Date and then no later than 30 days following the anniversary of Employee's Start Date and each year thereafter.
2. The annual review and evaluation shall be in accordance with specific criteria developed jointly by the District Board of Directors and the Employee during the initial strategic planning and goal setting workshop described in Section 2.D.i.1 above.
3. In addition to the annual strategic plan workshops, the District Board of Directors and the Employee may further define such goals and performance objectives during the annual evaluation as they mutually determine are necessary for the proper operation of the District and for the attainment of the District Board of Directors' policy objectives. The District and the Employee shall further establish a relative priority among those goals and performance objectives. The parties may use an outside facilitator paid for by the District to assist with conducting the Employee's annual performance evaluation.

3. TERMINATION AND SEVERANCE.

The following provisions shall apply to the District's termination of Employee:

- i. The District shall have the right to terminate this Agreement at any time with or without cause. Termination shall require a vote of the District Board of Directors and a thirty (30) day written notice to the Employee.
- ii. Except as provided in Section 3.iii below, in the event that the District terminates this Agreement, as provided in Section 3.i above, prior to the 2<sup>nd</sup> anniversary of this



Agreement the District shall pay the Employee twelve (12) months current salary in twelve (12) consecutive monthly installments. In the event the District terminates this Agreement following the 2<sup>nd</sup> anniversary of this Agreement the District shall pay the Employee six (6) months current salary in six (6) consecutive monthly installments, consistent with normal District payroll practices. Payments shall be made with all appropriate payroll deductions taken. Accrued vacation, holidays and other accrued time shall be paid on the termination date. Employee shall be entitled to continued health insurance benefits in accordance with applicable law, at Employee's expense, and shall also be entitled to any retiree medical benefits as they apply to other full-time management positions. Payment in accordance with this Section 3.ii will release the District from any further obligation under this Agreement. Should the Employee subsequently be convicted of any crime related to his performance under this Agreement, such as fraud, he will forfeit any funds paid pursuant to this provision and reimburse the District all such funds received.

- iii. In the event that the Employee: (1) materially breaches this Agreement and fails or is unavailable to cure the breach within 15 days' notice given by District; (2) is convicted of a felony, or misdemeanor involving moral turpitude; (3) fails to perform his duties to the extent that it is established that such failure of his performance amounts to malfeasance or material dereliction of duty; or (4) fails or refuses to follow a direct, lawful order by the District, then District may immediately terminate this Agreement without obligation to pay any severance payments to Employee pursuant to Section 3.ii.
- iv. Employee shall not be removed during the ninety (90) day period preceding or following any election that has the effect of changing the membership of the District Board of Directors, or during the 90-day period following any change in membership of the District Board of Directors.
- v. Given the at-will nature of the position of District Administrator, an important element of the Employment Agreement pertains to termination. It is in both the District's interest and that of the Employee that any separation of the District Administrator is done in a businesslike manner.

#### 4. RESIGNATION.

The following provisions shall apply to the Employee's termination of this Agreement:

- i. In the event that the Employee voluntarily resigns from the position of District Administrator, Employee agrees to provide District with a minimum of thirty (30) days' written notice, unless the parties agree otherwise. The Employee shall not be entitled to any salary or benefits after the actual dates of resignation, except as provided in Section 4.ii.
- ii. The Employee shall be entitled to continued health benefits in accordance with applicable law, at Employee's expense, and is also entitled to any retiree medical benefits as they apply to other full-time management positions.
- iii. During the period from the stated intent to resign and the date of resignation, the Employee shall continue to faithfully and competently perform the duties of District Administrator as set forth in this Agreement.

#### 5. GENERAL PROVISIONS.

- i. Amendments. This Agreement may be amended at any time by mutual

written agreement of the District Board of Directors and the Employee.

ii. Conflict of Interest.

1. The District Administrator shall not engage in any business or transaction or shall have a financial or other personal interest or association, direct or indirect, which is in conflict with the proper discharge of official duties or would tend to impair independence of judgment or action in the performance of official duties. Personal as distinguished from financial interest includes interest arising from blood or marriage relationships or close business, personal, or political associations. This section shall not serve to prohibit independent acts or other forms of enterprise during those hours not covered by active District employment, providing such acts do not constitute a conflict of interest as defined herein and are approved by the Board as set forth in Section 2.A.i.7, above.
2. The District Administrator shall also be subject to the conflict of interest provisions of the California Government Code and any conflict of interest code applicable to the Employee's District employment.

iii. Indemnification. The District shall defend, save harmless and indemnify the Employee against any tort, professional liability claim or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as District Administrator. The District may compromise and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

iv. Severability. If any clause, sentence, part, section or portion of this Agreement is found by a court of competent jurisdiction to be illegal or unenforceable, such clause, sentence, part, section, or portion found shall be rendered as though it were not part of this Agreement and the remaining parts of this Agreement shall be fully binding and enforceable by the Parties hereto.

6. NOTICES.

Any written notices required by the Agreement shall be either given in person or by first class mail with the postage prepaid and address as follows:

To District: Chair, Board of Directors  
South San Luis Obispo County Sanitation District  
1600 Aloha Place  
Oceano, CA 93445

To Employee: Jeremy Ghent  
South San Luis Obispo County Sanitation District  
1600 Aloha Place  
Oceano, CA 93445

7. ENTIRE AGREEMENT.

This Agreement supersedes any and all other agreements and/or understandings, whether oral

or in writing, concerning District Administrator's employment hereunder.

In Witness Whereof, District and the Employee have executed this Agreement as of the date first written above.

South San Luis Obispo County Sanitation District



Linda Austin, Chair (Date)

Employee



Jeremy Ghent (Date)

ATTEST

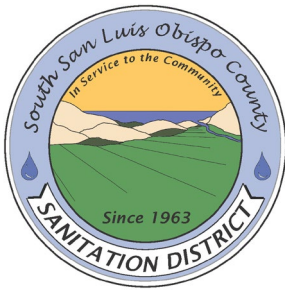


Clerk of the Board (Date)

APPROVED AS TO FORM



Attorney for District (Date)



# **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:** June 16, 2021  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator  
**Subject:** **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2021-428  
APPROVING BUDGET FOR FISCAL YEAR 2021-22**

### **RECOMMENDATIONS:**

1. Review the Budget for Fiscal Year 2021/22;
2. Open the Public Hearing to receive public input regarding the adoption of the Budget for Fiscal Year 2021/22;
3. Close the Public Hearing and direct revisions, if any, be incorporated into the Budget for Fiscal Year 2021/22; and
4. Adopt Resolution No. 2021-428 approving the Budget for Fiscal Year 2020/21.

### **BACKGROUND and DISCUSSION:**

On June 2, 2021, the Board reviewed and discussed the Draft Budget for Fiscal Year (FY) 2021/22. Upon reviewing the Draft Budget, the Board requested the following modifications:

1. That staff modify the 'Administrative Costs' line item to show some costs individually in the consolidated budget, and;
2. Asked that staff clarify the status of District Cash Reserves.

### **Administrative Costs Line Item**

The line item for 'Administrative Costs' in the Draft FY 2021/22 Consolidated Budget originally contained 20 sub-accounts. Staff revised the consolidated budget to individually list several of the larger sub-accounts in the Administrative Costs. The Consolidated Budget now individually shows Legal Costs, Engineering, Coastal Hazards Monitoring, LAFCO Budget Share, Zone 1/1A Agreement and Agency Billing as separate from Administrative Costs.

## District Cash Reserves

The Board requested staff to present information on cash reserves in a format that would show that the District had adequate reserves to meet operational demands. The District Reserve Policy currently requires that the District maintain a minimum operating reserve valued at 10% of the annual costs of operation and maintenance. The District currently has a Fund 19 Operating reserve of \$6,852,553 or 140% of Annual Operating costs. The Operating Reserve is separate from the funds in the Capital Accounts.

The Fund 20 Capital Expansion Fund holds the Bond and interim USDA funding for the Redundancy Project. Tabulated below are summary values of the Districts reserves for Operating, Capital Expansion and Capital Replacement.

	19-Operating	20-Capital Expansion	26-Capital Replacement	Total
Available Cash Reserves	\$ 6,852,553	\$ 30,402,238	\$ 810,932	\$ 38,065,723
Reserve % of Operating	140.2%	N/A	N/A	N/A
\$ Above Reserve Policy	\$ 6,363,937	N/A	N/A	N/A

## Proposed Budget

Using past experience and professional judgement, the budget for FY 2021/22 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.

The District Budget for FY 2021/22 is attached. This budget covers the period of July 1, 2021 through June 30, 2022. The budget will meet the operational, maintenance and capital needs of the District, including funding the FY 2021/22 costs for the Redundancy Project.

## Consolidated Budget

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2021/22
<b>Revenues</b>					
Service Charges and Fees		5,640,800			5,640,800
Connection Fees			157,000		157,000
Interest		142,000	15,000		157,000
Brine Revenue		132,000			132,000
<b>Total Revenues</b>		<b>5,914,800</b>	<b>172,000</b>	<b>-</b>	<b>6,086,800</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		904,000			904,000
Employee Benefits and Other Personnel Costs		547,100			547,100
Permits, Fees and Licenses		63,600			63,600
Communications		18,500			18,500
Administrative Costs		215,500			215,500
Legal Costs		70,000			70,000
Engineering		150,000			150,000
Coastal Hazards & Monitoring		60,000			60,000
LAFCO Budget Share		20,000			20,000
Zone 1/1A Agreement		34,000			34,000
Agency Billing		62,000			62,000
Disposal Services		62,500			62,500
Utilities		261,000			261,000
Maintenance, Tools & Replacements		347,500			347,500
Materials, Services and Supplies		387,000			387,000
Training, Education & Memberships		48,500			48,500
<b>Total Operating Expenditures</b>		<b>3,251,200</b>	<b>-</b>	<b>-</b>	<b>3,251,200</b>
<b>Total Other Charges</b>					
Debt Service		790,956			790,956
<b>Total Other Charges</b>		<b>790,956</b>	<b>-</b>	<b>-</b>	<b>790,956</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				769,000	769,000
Capital Equipment		75,000	20,560,000		20,635,000
<b>Total Capital Outlay</b>		<b>75,000</b>	<b>20,560,000</b>	<b>769,000</b>	<b>21,404,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Use of Bond Funding			19,359,356		19,359,356
Transfers Out/In Fund 26		769,000		(769,000)	-
Transfers Out/In Fund 20		1,028,644	1,028,644		2,057,288
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,797,644</b>	<b>20,388,000</b>	<b>(769,000)</b>	<b>21,416,644</b>
Total Funding Source		5,914,800	20,560,000	-	26,474,800
Total Expense		5,914,800	20,560,000	-	26,474,800
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **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 operation activities:

Salaries and Wages	Agency Billing
Employee Benefits and Other Personnel Costs	Disposal Services – Solids Handling, Brine Disposal Sampling
Permits, Fees and Licenses	Utilities – Electricity, Gas, Rubbish, Water
Communications	Maintenance, Tools and Replacements – Equipment and Structures Maintenance
Administrative Costs, including Professional Services – Temporary Labor, Advertisements/Recruitment,	Materials, Services and Supplies – Plant Chemicals, Temporary Labor, Fuel, and Safety Supplies
Legal Costs	Training, Education and Memberships – Professional Certificates/Licenses
Engineering	Debt Service
Coastal Hazards Monitoring and Reporting,	New Capital Equipment
LAFCO Budget Share	Transfer out of Fund 19 supports Fund 26 Projects
Zone 1/1A Property Tax	Transfer out of Fund 20 would be the Net Income and is transferred to Fund 20 to be used for the Redundancy Project.

## **Staffing**

The staff roster consists of District Administrator (1), Secretary/Bookkeeper (1), Plant Superintendent (1), Plant Operations Supervisor (1), Plant Senior Operator (1), Laboratory Technician (1), Plant Operator II (3, 1 VACANT), There are ten (10) full time positions funded in the draft budget. Nine positions are currently filled.

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	Arias
Wastewater Plant Senior Operator	1	Jackman
Wastewater Plant Operator (OIT-II)	4	Romhild, De Leon, Rigoni, VACANT

### **Fund 19 cont'**

This budget includes the new Plant Operator II that will be necessary as the Redundancy Project progresses. These costs and needs for the additional operator were previously identified and are consistent with the operational expenses included in the adopted rates necessary to build the Redundancy Project.

### **Fund 20**

Fund 20 is the Capital Expansion Fund. This Fund holds the Bond and Interim USDA funding for Construction of the Redundancy Project and receives revenue annually from connection fees. This fund supports capacity, expansion, and studies. FY 2021/22 Budgets for 2 Projects.

- Wastewater Redundancy Project \$20,410,000
- An expenditure of \$150,000 is proposed for expansion of the District's Supervisory Control and Data Acquisition (SCADA)

### **Fund 26**

Fund 26 receives no direct revenue and expenditures are wholly supported by transfers. The draft budget calls for a transfer from Fund 19 (\$769,000). This \$769,000 in Budget funds capital replacement of \$744,000 and provides an Emergency Equipment Repair Fund of \$25,000.

Marketforge Autoclave	\$	24,000
Maintenance Building Office	\$	175,000
Chemical System Installation	\$	125,000
Men Bathroom Upgrade	\$	10,000
Boiler Door	\$	20,000
Digester Mixing Pump	\$	50,000
Portable Paint Booth	\$	8,000
10 MGD Bypass Pump w/Macerator	\$	200,000
pH Conductivity Probe/Meter	\$	3,000
Media Dispenser	\$	2,000
ASKO Dishwasher	\$	8,000
Brine Flow Meter	\$	3,000
CCT Slide Gates	\$	20,000
Laboratory Centrifuge	\$	6,000
Laboratory Furnace	\$	7,000
Sludge Bed Water Valve Replace	\$	15,000
Telephone System	\$	18,000
FFR Blower#1 and #2 and Motor	\$	50,000



## **CONCLUSION**

The FY 2021/22 budget meets all known District operation and maintenance needs, maintains District Reserves, funds the FY 2021/22 capital costs including the FY 2021/22 costs of construction for the Redundancy Project.

### **Attachments:**

Budget for 2021/22 Fiscal Year

*South San Luis Obispo County Sanitation  
District*

**BUDGET**

2021-22 Fiscal Year

**MEMBERS OF THE  
BOARD OF DIRECTORS:**

Linda Austin – Chair  
Jeff Lee – Vice Chair  
Caren Ray Russom – 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. 2021-428**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO  
COUNTY SANITATION DISTRICT  
ADOPTING THE 2021-22 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 2021-22 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 2021-22 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 16, 2021.

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

**AYES:**  
**NOES:**  
**ABSENT:**  
**CONFLICTS:**

**Resolution 2021-428**

**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 16, 2021.

\_\_\_\_\_  
**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 2021-2022 BUDGET**

**DATE:** June 16, 2021  
**TIME:** 6:00 p.m.  
**PLACE:** Virtual Zoom

**PLEASE TAKE NOTICE:**

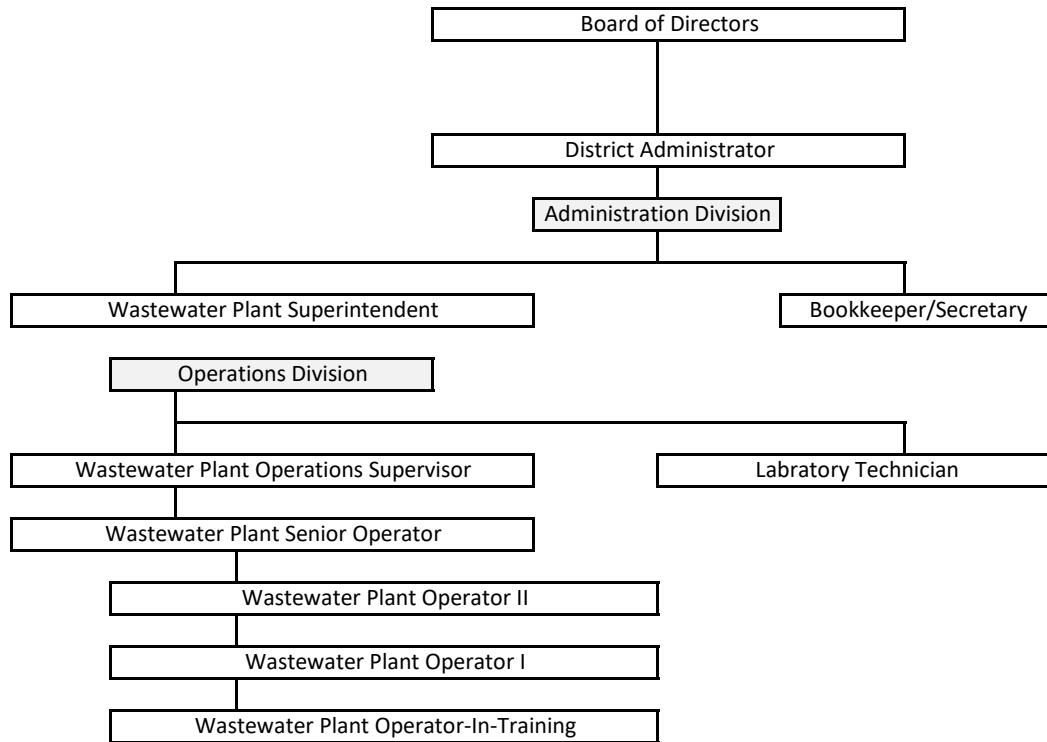
1. The District Administrator has prepared a proposed final Budget, which is available for inspection, during regular business hours, 7:30 a.m. to 4:00 p.m., Monday through Friday, at the District Office located at 1600 Aloha Place, Oceano, California.

At 6:00 p.m., on June 16, 2021, through a virtual Zoom meeting South San Luis Obispo County Sanitation District Board of Directors will meet to consider and to adopt the final Fiscal Year 2021-2022 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.

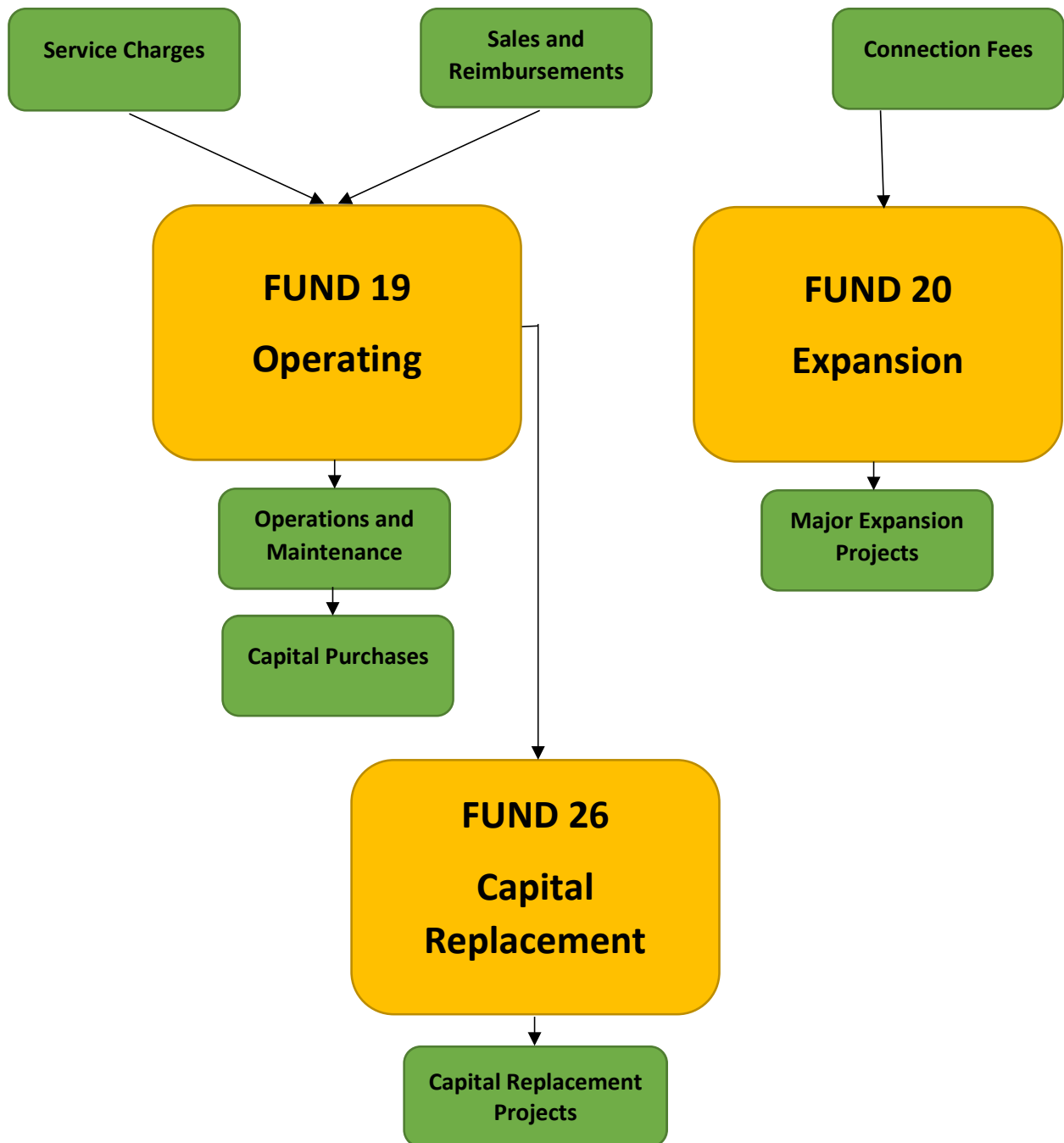
If you should have questions related to the Budget, please contact Amy Simpson, District Bookkeeper/Secretary, at (805) 481-6903.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**



# South San Luis Obispo County Sanitation District

## Accounting Funds





# CONSOLIDATED BUDGET FY 2021-22

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2021/22
<b>Revenues</b>					
Service Charges and Fees		5,640,800			5,640,800
Connection Fees			157,000		157,000
Interest		142,000	15,000		157,000
Brine Revenue		132,000			132,000
<b>Total Revenues</b>		<b>5,914,800</b>	<b>172,000</b>	<b>-</b>	<b>6,086,800</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		904,000			904,000
Employee Benefits and Other Personnel Costs		547,100			547,100
Permits, Fees and Licenses		63,600			63,600
Communications		18,500			18,500
Administrative Costs		215,500			215,500
Legal Costs		70,000			70,000
Engineering		150,000			150,000
Coastal Hazards & Monitoring		60,000			60,000
LAFCO Budget Share		20,000			20,000
Zone 1/1A Agreement		34,000			34,000
Agency Billing		62,000			62,000
Disposal Services		62,500			62,500
Utilities		261,000			261,000
Maintenance, Tools & Replacements		347,500			347,500
Materials, Services and Supplies		387,000			387,000
Training, Education & Memberships		48,500			48,500
<b>Total Operating Expenditures</b>		<b>3,251,200</b>	<b>-</b>	<b>-</b>	<b>3,251,200</b>
<b>Total Other Charges</b>					
Debt Service		790,956			790,956
<b>Total Other Charges</b>		<b>790,956</b>	<b>-</b>	<b>-</b>	<b>790,956</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				769,000	769,000
Capital Equipment		75,000	20,560,000		20,635,000
<b>Total Capital Outlay</b>		<b>75,000</b>	<b>20,560,000</b>	<b>769,000</b>	<b>21,404,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Use of Bond Funding			19,359,356		19,359,356
Transfers Out/In Fund 26		769,000		(769,000)	-
Transfers Out/In Fund 20		1,028,644	1,028,644		2,057,288
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,797,644</b>	<b>20,388,000</b>	<b>(769,000)</b>	<b>21,416,644</b>
<b>Total Funding Source</b>					
		5,914,800	20,560,000	-	26,474,800
<b>Total Expense</b>					
		5,914,800	20,560,000	-	26,474,800
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## CASH AND RESERVE SUMMARY

	19-Operating	20-Capital Expansion	26-Capital Replacement	Total
<b>Available Cash Reserves</b>	\$ 6,852,553	\$ 30,402,238	\$ 810,932	\$ 38,065,723
<b>Reserve % of Operating</b>	140.2%	N/A	N/A	N/A
<b>\$ Above Reserve Policy</b>	\$ 6,363,937	N/A	N/A	

## *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.

# CONSOLIDATED BUDGET FY 2021-22

	Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2021/22
<b>Revenues</b>				
Service Charges and Fees	5,640,800			5,640,800
Connection Fees		157,000		157,000
Interest	142,000	15,000		157,000
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<b>Expenditures &amp; Other Uses</b>				
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Salaries and Wages	904,000			904,000
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Materials, Services and Supplies	387,000			387,000
Training, Education & Memberships	48,500			48,500
<b>Total Operating Expenditures</b>	<b>3,251,200</b>	<b>-</b>	<b>-</b>	<b>3,251,200</b>
<b>Total Other Charges</b>				
Debt Service	790,956			790,956
<b>Total Other Charges</b>	<b>790,956</b>	<b>-</b>	<b>-</b>	<b>790,956</b>
<b>Capital Outlay</b>				
Capital Replacement/Maintenance (Fund 26)			769,000	769,000
Capital Equipment	75,000	20,560,000		20,635,000
<b>Total Capital Outlay</b>	<b>75,000</b>	<b>20,560,000</b>	<b>769,000</b>	<b>21,404,000</b>
<b>Other Financing Sources &amp; Uses</b>				
Use of Bond Funding		19,359,356		19,359,356
Transfers Out/In Fund 26	769,000		(769,000)	-
Transfers Out/In Fund 20	1,028,644	1,028,644		2,057,288
<b>Total Other Financing Sources &amp; Uses</b>	<b>1,797,644</b>	<b>20,388,000</b>	<b>(769,000)</b>	<b>21,416,644</b>
<b>Total Funding Source</b>				
	5,914,800	20,560,000	-	26,474,800
<b>Total Expense</b>				
	5,914,800	20,560,000	-	26,474,800
<b>Net Change (Deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

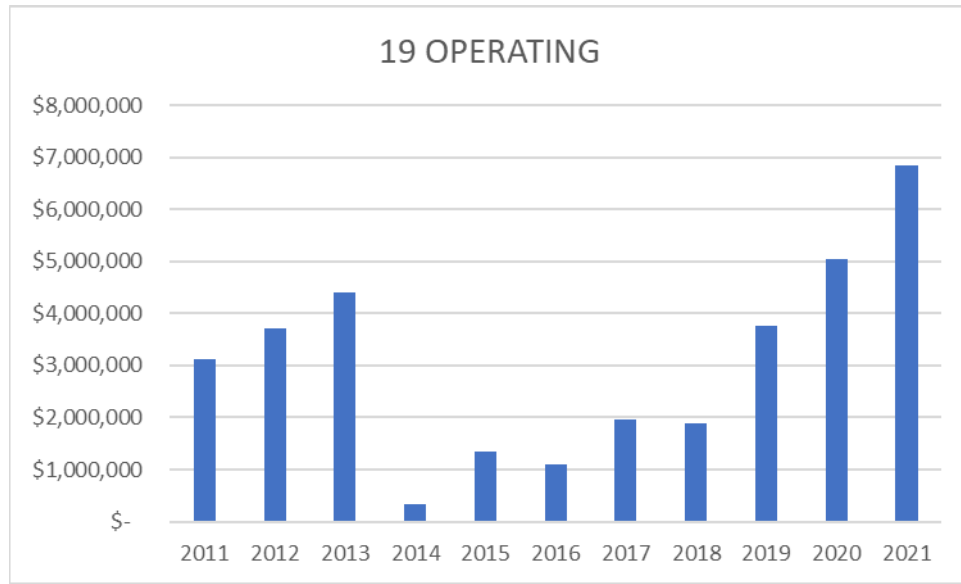
# OPERATING FUND BUDGET ALLOCATIONS

	Adopted Budget FY 2020-21	Proposed Budget FY 2021-22
<b>REVENUE</b>		
19-4015 Arroyo Grande Services	\$ 2,430,000	\$ 2,650,000
19-4022 Grover Beach Services	\$ 1,887,000	\$ 1,940,000
19-4035 Oceano Services	\$ 923,000	\$ 990,800
19-4040 Other Service Income	\$ 25,000	\$ 20,000
19-4045 School Services	\$ 40,000	\$ 40,000
19-4050 Brine Disposal Service	\$ 132,000	\$ 132,000
19-5015 Interest	\$ 112,000	\$ 142,000
<b>REVENUE TOTALS</b>	<b>\$ 5,549,000</b>	<b>\$ 5,914,800</b>
<b>PERSONNEL EXPENSES</b>		
19-6030 Plant Operators	\$ 597,000	\$ 645,000
19-6040 Secretary/Bookkeeper	\$ 64,000	\$ 73,000
19-6045 District Administrator	\$ 170,000	\$ 186,000
19-6010 Medical Insurance	\$ 220,000	\$ 229,000
19-6025 Dental Insurance	\$ 9,000	\$ 10,000
19-6030 Life Insurance	\$ -	\$ 1,000
19-6050 S.S. & Medicare	\$ 65,000	\$ 69,000
19-6055 State Disability Insure	\$ 3,500	\$ 4,500
19-6060 State Retirement	\$ 80,000	\$ 90,000
19-6065 Unfunded Liability	\$ 77,000	\$ 111,000
19-6075 Medical Reimbursement	\$ 6,600	\$ 6,600
19-6080 Workers Compensation	\$ 25,000	\$ 23,000
19-6095 Unemployment Reimburse	\$ 10,000	\$ 3,000
19-6090 Payroll Process Fee	\$ 3,600	\$ 3,600
<b>PERSONNEL TOTALS</b>	<b>\$ 1,330,700</b>	<b>\$ 1,454,700</b>
<b>OPERATING EXPENSES</b>		
19-7068 Permits/Fees/License	\$ 55,000	\$ 60,000
19-7011 Communications	\$ 5,000	\$ 5,000
19-7013 Communications-Telephone	\$ 7,000	\$ 9,000
19-7014 Communications-Cell	\$ 4,800	\$ 4,500
19-7082 Prof. Serv.-Comp. Support	\$ 12,000	\$ 25,000
19-7005 Advert/Legal&Recruit	\$ 8,000	\$ 8,000
19-7020 Coastal Hazard Monitoring	\$ -	\$ 60,000
19-7043 Ins, Liability/Auto	\$ 55,000	\$ 55,000
19-7062 Prof Serv.-Electrician	\$ 6,000	\$ 5,000
19-7065 Public Outreach	\$ 4,000	\$ 5,000
19-7069 LAFCO Budget Share	\$ 24,000	\$ 20,000
19-7070 Prof Serv -Out.Counsel	\$ 30,000	\$ 20,000
19-7071 Prof Serv-Attorney Fee	\$ 45,000	\$ 50,000
19-7072 Prof Serv - Auditing	\$ 18,000	\$ 18,000
19-7073 Prof Serv - AG Billing	\$ 24,000	\$ 26,000
19-7074 Prof Serv - Oceano Com	\$ 12,000	\$ 12,000
19-7075 Prof Serv - Brd Member	\$ 3,800	\$ 4,500
19-7076 Prof Serv- H R Service	\$ 10,000	\$ 10,000
19-7077 Prof Serv-Engineering	\$ 100,000	\$ 150,000
19-7078 Prof Serv-Chem Analysis	\$ 25,000	\$ 50,000
19-7079 Prof Serv-Records Mngmt	\$ 4,000	\$ 4,000
19-7095 Zone 1/1A Agreement	\$ 33,000	\$ 34,000
19-7080 Prof Serv - AGP Video	\$ 11,000	\$ 11,000
19-7081 Prof Serv-GB Bill	\$ 23,000	\$ 24,000
19-7083 Prof Serv-Fiscal Serv.	\$ 18,000	\$ 15,000
19-7088 Prof Serv-Strat Planning	\$ 5,000	\$ 5,000
19-7085 Solids Handling	\$ 60,000	\$ 60,000
19-7086 Brine Disposal Sampling	\$ 4,000	\$ 2,500
19-7091 Util-Elec	\$ 180,000	\$ 200,000
19-7092 Util-Gas	\$ 36,000	\$ 36,000
19-7093 Util-Rubbish	\$ 22,000	\$ 22,000
19-7094 Util-Water	\$ 2,500	\$ 3,000
19-8079 Transfer to Replacement	\$ 1,552,000	\$ 769,000
Interest Expense Debt Service	\$ 440,000	\$ 790,956
<b>OPERATING TOTALS</b>	<b>\$ 3,270,600</b>	<b>\$ 3,602,100</b>

# OPERATING FUND BUDGET ALLOCATIONS

	Adopted Budget FY 2020-21	Proposed Budget FY 2021-22
<b>MATERIALS AND SUPPLIES EXPENSES</b>		
19-8030 Equipment Maint-Reg	\$ 195,000	\$ 175,000
19-8032 Automotive Maint	\$ 2,000	\$ 2,500
19-8060 Structure Maint-Reg	\$ 20,000	\$ 20,000
19-8015 Trunk Sewer Maintenance	\$ 150,000	\$ 150,000
19-8055 Small Tools	\$ 1,200	\$ -
19-8056 Safety Supplies	\$ 8,000	\$ 8,000
19-6035 Student Interns	\$ -	\$ 5,000
19-6085 Temp Labor Service	\$ 5,000	\$ -
19-7025 Employee Uniforms	\$ 14,500	\$ 19,500
19-7032 Equip Rental Other	\$ 8,000	\$ 5,000
19-8020 Gas & Oil	\$ 6,000	\$ 6,000
19-8035 Admin Building Expense	\$ 3,000	\$ 3,000
19-8040 Lab Supplies	\$ 10,000	\$ 15,000
19-8045 Office Supplies&Exp	\$ 6,500	\$ 6,500
19-8050 Plant Chemicals	\$ 300,000	\$ 310,000
19-7015 Off. Equip/Computer/GIS	\$ 9,000	\$ 9,000
19-7050 Memberships	\$ 16,000	\$ 16,000
19-7055 Prof. Certs/Licenses	\$ 2,500	\$ 2,500
19-7067 Training/Conferences	\$ 30,000	\$ 30,000
MATERIALS AND SUPPLIES TOTALS	\$ 786,700	\$ 783,000
<b>CAPITAL EQUIPMENT</b>		
19-8010 Capital Equipment	\$ 161,000	\$ 75,000
Redundancy Designation	\$ 431,500	\$ 1,028,644
CAPITAL EQUIPMENT TOTALS	\$ 592,500	\$ 1,103,644
TOTAL OPERATING REVENUES	\$ 5,549,000	\$ 5,914,800
TOTAL OPERATING EXPENSES	\$ 5,549,000	\$ 5,914,800
FUND 19 CASH BALANCE @ 5/31/21	\$ 6,852,553	
Estimated Remaining Expenses	\$ 354,665	
Estimated Remaining Revenue	\$ 470,000	
<b>Estimated Cash Balance @ 7/1/21</b>	<b>\$ 6,967,888</b>	

## FUND 19 CASH BALANCE HISTORY



## *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.

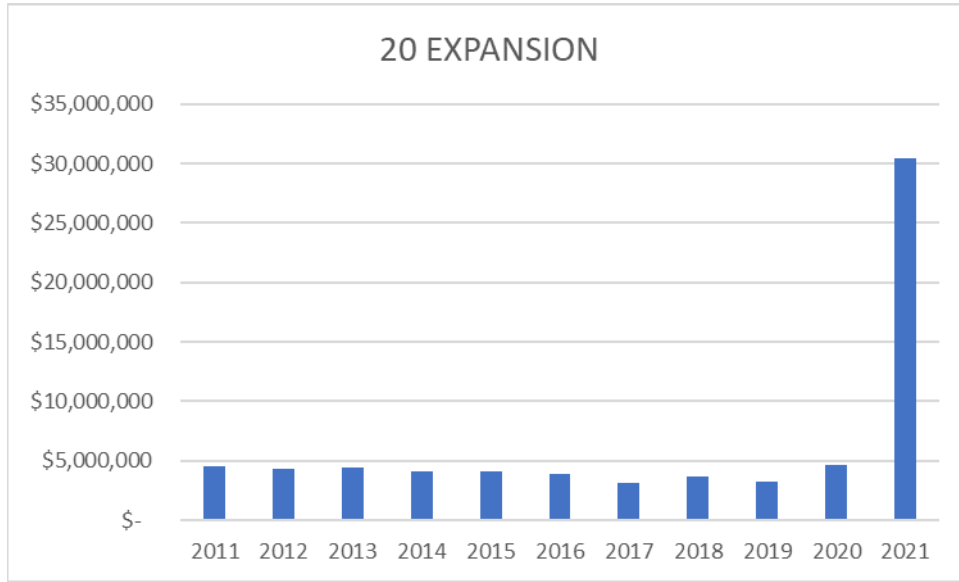
# CONSOLIDATED BUDGET FY 2021-22

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2021/22
<b>Revenues</b>					
Service Charges and Fees		5,640,800			5,640,800
Connection Fees			157,000		157,000
Interest		142,000	15,000		157,000
Brine Revenue		132,000			132,000
<b>Total Revenues</b>		<b>5,914,800</b>	<b>172,000</b>	<b>-</b>	<b>6,086,800</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		904,000			904,000
Employee Benefits and Other Personnel Costs		547,100			547,100
Permits, Fees and Licenses		63,600			63,600
Communications		18,500			18,500
Administrative Costs		215,500			215,500
Legal Costs		70,000			70,000
Engineering		150,000			150,000
Coastal Hazards & Monitoring		60,000			60,000
LAFCO Budget Share		20,000			20,000
Zone 1/1A Agreement		34,000			34,000
Agency Billing		62,000			62,000
Disposal Services		62,500			62,500
Utilities		261,000			261,000
Maintenance, Tools & Replacements		347,500			347,500
Materials, Services and Supplies		387,000			387,000
Training, Education & Memberships		48,500			48,500
<b>Total Operating Expenditures</b>		<b>3,251,200</b>	<b>-</b>	<b>-</b>	<b>3,251,200</b>
<b>Total Other Charges</b>					
Debt Service		790,956			790,956
<b>Total Other Charges</b>		<b>790,956</b>	<b>-</b>	<b>-</b>	<b>790,956</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				769,000	769,000
Capital Equipment		75,000	20,560,000		20,635,000
<b>Total Capital Outlay</b>		<b>75,000</b>	<b>20,560,000</b>	<b>769,000</b>	<b>21,404,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Use of Bond Funding			19,359,356		19,359,356
Transfers Out/In Fund 26		769,000		(769,000)	-
Transfers Out/In Fund 20		1,028,644	1,028,644		2,057,288
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,797,644</b>	<b>20,388,000</b>	<b>(769,000)</b>	<b>21,416,644</b>
<b>Total Funding Source</b>					
Total Funding Source		5,914,800	20,560,000	-	26,474,800
Total Expense		5,914,800	20,560,000	-	26,474,800
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# EXPANSION FUND BUDGET ALLOCATIONS

	Adopted Budget FY 2020-21	Proposed Budget FY 2021-22
REVENUE		
20-4010 AG Connections	\$ 100,000.00	\$ 100,000.00
20-4020 GB Connections	\$ 50,000.00	\$ 45,000.00
20-4030 OCSD Connections	\$ 6,000.00	\$ 12,000.00
20-5015 Interest Income	\$ 70,000.00	\$ 15,000.00
REVENUE TOTALS	\$ 226,000.00	\$ 172,000.00
EXPENSES		
20-7060 SCADA	\$ 135,000.00	\$ 150,000.00
20-7080 Redundancy Project	\$ 7,130,000.00	\$ 20,410,000.00
20-7094 MOU w/Pismo Joint EIR	\$ 113,400.00	\$ -
EXPENSES TOTAL	\$ 7,378,400.00	\$ 20,560,000.00
Fund 20 Cash Balance @ 05/31/2021	\$ 30,402,238.42	
Estimated Remaining Expenses	\$ 2,096,664.00	
Estimated Remaining Revenue	\$ 3,275.13	
<b>Estimated Cash Balance @ 7/1/21</b>	<b>\$ 28,308,849.55</b>	

## FUND 20 CASH BALANCE HISTORY





## MEMORANDUM

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**TO: SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**FROM: DISTRICT CO-COUNSEL STOCKTON**

**RE: USE OF FUND 20**

**DATE: May 17, 2016**

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**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.

Please advise if you have questions concerning this memo.

## *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.

# CONSOLIDATED BUDGET FY 2021-22

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2021/22
<b>Revenues</b>					
Service Charges and Fees		5,640,800			5,640,800
Connection Fees			157,000		157,000
Interest		142,000	15,000		157,000
Brine Revenue		132,000			132,000
<b>Total Revenues</b>		<b>5,914,800</b>	<b>172,000</b>	<b>-</b>	<b>6,086,800</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		904,000			904,000
Employee Benefits and Other Personnel Costs		547,100			547,100
Permits, Fees and Licenses		63,600			63,600
Communications		18,500			18,500
Administrative Costs		215,500			215,500
Legal Costs		70,000			70,000
Engineering		150,000			150,000
Coastal Hazards & Monitoring		60,000			60,000
LAFCO Budget Share		20,000			20,000
Zone 1/1A Agreement		34,000			34,000
Agency Billing		62,000			62,000
Disposal Services		62,500			62,500
Utilities		261,000			261,000
Maintenance, Tools & Replacements		347,500			347,500
Materials, Services and Supplies		387,000			387,000
Training, Education & Memberships		48,500			48,500
<b>Total Operating Expenditures</b>		<b>3,251,200</b>	<b>-</b>	<b>-</b>	<b>3,251,200</b>
<b>Total Other Charges</b>					
Debt Service		790,956			790,956
<b>Total Other Charges</b>		<b>790,956</b>	<b>-</b>	<b>-</b>	<b>790,956</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				769,000	769,000
Capital Equipment		75,000	20,560,000		20,635,000
<b>Total Capital Outlay</b>		<b>75,000</b>	<b>20,560,000</b>	<b>769,000</b>	<b>21,404,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Use of Bond Funding			19,359,356		19,359,356
Transfers Out/In Fund 26		769,000		(769,000)	-
Transfers Out/In Fund 20		1,028,644	1,028,644		2,057,288
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,797,644</b>	<b>20,388,000</b>	<b>(769,000)</b>	<b>21,416,644</b>
<b>Total Funding Source</b>					
		5,914,800	20,560,000	-	26,474,800
<b>Total Expense</b>					
		5,914,800	20,560,000	-	26,474,800
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

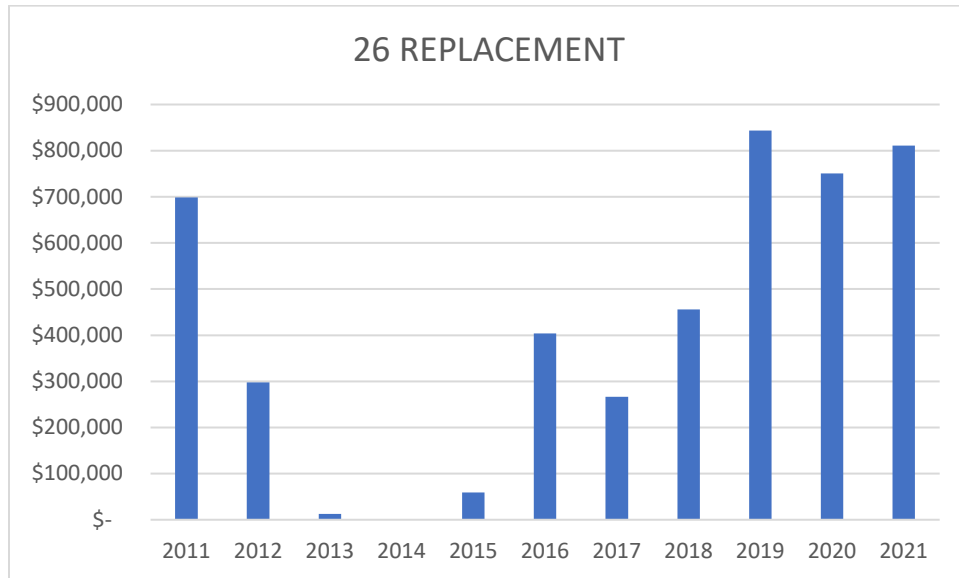
# REPLACEMENT FUND BUDGET ALLOCATIONS

	Adopted Budget FY 2020-21	Proposed Budget FY 2021-22
EXPENSES		
26-8015 Trunk Sewer Maintenance	\$ 100,000	\$ -
26-8065 Struct/Grounds Replace	\$ 1,377,000	\$ 744,000
26-8070 Emergency Equip Repair	\$ 25,000	\$ 25,000
EXPENSES TOTAL	\$ 1,502,000	\$ 769,000
Fund 26 Cash Balance @ 05/31/2021	\$ 810,932	
Estimated Remaining Expenses	\$ 265,692	
Estimated Remaining Revenue		
<b>Estimated Balance @ 7/1/21</b>	<b>\$ 545,240</b>	

# CAPITAL REPLACEMENT/MAINTENANCE FY 2021-22

Marketforge Autoclave	\$	24,000
Maintenance Building Office	\$	175,000
Chemical System Installation	\$	125,000
Men Bathroom Upgrade	\$	10,000
Boiler Door	\$	20,000
Digester Mixing Pump	\$	50,000
Portable Paint Booth	\$	8,000
10 MGD Bypass Pump w/Macerator	\$	200,000
pH Conductivity Probe/Meter	\$	3,000
Media Dispenser	\$	2,000
ASKO Dishwasher	\$	8,000
Brine Flow Meter	\$	3,000
CCT Slide Gates	\$	20,000
Laboratory Centrifuge	\$	6,000
Laboratory Furnace	\$	7,000
Sludge Bed Water Valve Replace	\$	15,000
Telephone System	\$	18,000
FFR Blower#1 and #2 and Motor	\$	50,000
		<hr/>
		\$ 744,000

## FUND 26 CASH BALANCE HISTORY



## *Reserve Policy*

Reserve Policy to provide for a reserve fund of 20% of annual charges or 10% of the annual costs of District maintenance and operation, whichever is less.



**RESOLUTION 2016-352**

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO  
COUNTY SANITATION DISTRICT,  
APPROVING A RESERVE POLICY AND AUTHORIZING AND DIRECTING  
THE DISTRICT ADMINISTRATOR TO IMPLEMENT THE POLICY**

**WHEREAS**, on August 18, 1976 the South San Luis Obispo County Sanitation District (District) adopted Resolution 53, providing for a reserve fund in the amount of 20% of annual charges or 10% of the annual costs of District maintenance and operation, whichever is less; and

**WHEREAS**, in addition to its standard operations, the District is now proceeding with significant capital and updating projects including a redundancy project, and wishes to implement a prudent reserve to assure success of these efforts; and

**WHEREAS**, the District wishes to limit use of the reserve to one-time cases of emergency, natural disaster or unexpected event; and

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, that the Board of South San Luis Obispo County Sanitation District:

1. Hereby approves a reserve within Fund 19, as follows:


- To be made in the amount of 10% of the annual costs of District maintenance and operation;
- To be made to the reserve fund by July 31 of each year;
- May be used only in one-time cases of emergency, natural disaster, or unexpected event;
- A majority vote of the Board is required to access the reserve;
- The reserve will be reviewed annually with the budget.

2. Authorizes and directs the District Administrator, or his/her designee, to take all steps necessary to implement this resolution.

**PASSED AND ADOPTED** at a regular meeting of the South San Luis County Sanitation District Board of Directors held this 15th day of June, 2016.

On the motion of Shoals seconded by Hill, and after the following roll call vote:

AYES:  
NOES:  
ABSENT:  
CONFLICTS:

  
\_\_\_\_\_  
John Shoals,  
Chairman  
Board of Directors  
South San Luis Obispo County Sanitation District

ATTEST:

  
\_\_\_\_\_  
DISTRICT SECRETARY

APPROVED AS TO FORM:

BY:   
\_\_\_\_\_  
DISTRICT COUNSEL

CONTENTS:

BY:   
\_\_\_\_\_  
DISTRICT ADMINISTRATOR

# *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:

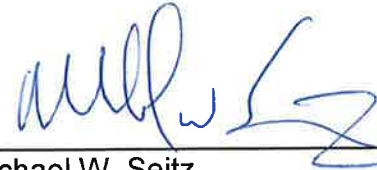
AYES: Jim Hill, Bill Nicolls  
NOES: None  
ABSENT: Tony Ferrara  
ABSTAIN: None

  
\_\_\_\_\_  
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.



## RESOLUTION NO. 2019-410

### A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT 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 AND AMENDED IN RESOLUTION NO. 2014-314 AND NO. 2016-353

#### 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 (I), 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**

- 2.0** The Board of Directors of the District shall approve all contracts for services and/or supplies and equipment in excess of \$30,000.00.
- 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 \$2,500.00**

- A. The Plant Superintendent shall act as purchasing agent for the District in connection in obtaining materials, supplies, and equipment with a cost of **\$2,500.00** 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 \$15,000.00**

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 **\$2,500.00** but not

more than **\$15,000.00**.

A. The purchase of supplies and equipment with a value of **\$2,500.00** to **\$15,000.00** 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 \$15,000.00 and less than \$60,000.00**

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 **\$15,000.00**, but not more than **\$60,000.00**.

B. The District Administrator and/or his/her designee shall solicit quotations for all goods and supplies with a cost of more than **\$15,000.00** and less than **\$60,000.00**. 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 **\$15,000.00** and less than **\$60,000.00**.

- 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 \$60,000.00 and less than \$200,000.00 – 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 **\$60,000.00**, but not more than **\$200,000.00**.

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 \$200,000.00 - Formal Competitive Bidding/Notice**

Except as otherwise provided in these procedures, purchases and contracts for supplies and equipment subject to the two-hundred 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 Austin, seconded by Director Ray Russom,  
and on the following roll call vote, to wit:

AYES: Austin, Ray Russom, Lee

NOES:

ABSENT:

ABSTAINING:

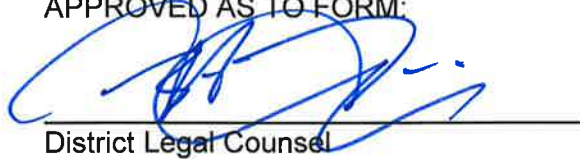
The forgoing Resolution is hereby adopted this 6<sup>th</sup> day of Nov 2016.

  
Chairman

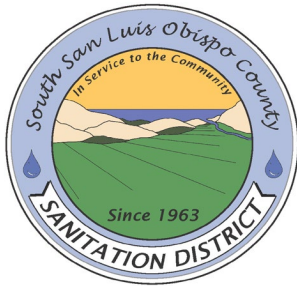
ATTEST:

  
District Administrator

APPROVED AS TO FORM:

  
District Legal Counsel





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

Post Office Box 339 Oceano, California 93475-0339  
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:** June 16, 2021  
**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator; Mychal Jones, Plant Superintendent  
**Subject:** **DISTRICT ADMINISTRATOR 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 VibroStoneColumn work is complete.*
- *Contractor is currently installing sheet pile shoring.*
- *Staff notified the residents near the plant of the planned noise and vibration from the sheet piles.*
- *Excavation work is expected to begin in early July.*

##### **Central Coast Blue:**

- *No Update*

##### **Misc:**

- *The District will meet on July 7<sup>th</sup> and this will be our last virtual Zoom meeting.*
- *The District intends to reconvene in person meetings beginning at the August 4<sup>th</sup> meeting. This meeting will be held at the Oceano Community Services District.*
- *Negotiations with SEIU reached a tentative agreement on 06/09/2021*
- *District received our renewed encroachment permit with Caltrans for the maintenance of District trunk mains located in the Caltrans Highway 1 right-of-way.*

**Plant Tours:**

*Suspended due to Covid-19*

**Tentative Items:**

- |   |            |
|---|------------|
| 1. Resolution for Non-Represented Employees         | 07/07/2021 |
| 2. MOU Between SSLOCSD and SEIU Local 620           | 07/07/2021 |
| 3. Adoption of District Salary Schedule             | 07/07/2021 |
| 4. Updates and Revisions to Personnel Policy Manual | 07/07/2021 |