



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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

**AGENDA
BOARD OF DIRECTORS MEETING
Oceano Community Services District,
1655 Front St, Oceano CA 93445**

Wednesday, October 2, 2024, at 6:00 p.m.

Board Members

Linda Austin, Chair
Caren Ray Russom, Vice Chair
Karen Bright, Director

Agencies

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

Alternate Board Members

Shirly Gibson, Director
Lan George, Director
Clint Weirick, Director

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

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

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

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

Please adhere to the following procedures when addressing the Board:

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

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

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

5. CONSENT AGENDA:

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

5A. Approval of Warrants

5B. Approval of Meeting Minutes of August 7, 2024

6. ACTION ITEMS:

6A. PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING JUNE 2023 FINANCIAL AUDIT

Recommendation: That the Board receive a presentation of the audit report of the District's financial records by Moss Levy & Hartzheim, LLP, the District's independent auditor, resolve questions, call for any necessary revisions and file the 2022-23 Financial Audit.

6B. AUTHORIZATION TO ESTABLISH A PERMANENT POSITION OF LABORATORY MANAGER, ADOPT SALARY RANGE, AND APPROVE NEW AND REVISED JOB DESCRIPTIONS

Recommendation: Authorize the District Administrator to establish a permanent position of laboratory manager, adopt salary range, and approve new and revised job descriptions.

6C. AMENDMENT FOR RINCON-BIOLOGICAL MONITORING

Recommendation: Authorize the District Administrator to execute a budget amendment for Biological Monitoring Services for the Wastewater Treatment Plant Redundancy Project (Project) with Rincon Consultants, Inc., (Rincon) in the amount of \$21,199.

6D. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Recommendation: Receive and File.

7. BOARD MEMBER COMMUNICATIONS:

8. CLOSED SESSION:

Conference With Labor Negotiators

Agency designated representatives: Jeremy Ghent

Employee organization: SEIU

**Public Employee Performance Evaluation pursuant to Government Code
Section 54957:**

Title: District Administrator

9. ADJOURNMENT

The next regularly scheduled Board Meeting November 6, 2024, 6:00 pm at the
Grover Beach City Hall Council Chambers,
154 South Eighth Street,
Grover Beach, CA 93433

WARRANT REGISTER
10/2/2024
FISCAL YEAR 2024/25

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ADVANCED AUTO PARTS	EQUIPMENT MAINTENANCE	3051419421526	080524-7864	8030	43.23	43.23
AKESO OCCUPATIONAL HEALTH	SAFETY	S26580	7865	8056	170.00	170.00
ALLIED ADMINISTRATORS	DENTAL	SEPTEMBER 2024	7866	6025	1,103.68	1,103.68
ALLTECH COMPUTERS	COMPUTER SUPPORT	MULTIPLE	7867	7082	399.77	399.77
AQUATIC BIOASSAY	CHEMICAL ANALYSIS	SLO0524.0414	7868	7078	4,680.00	4,680.00
BRENNTAG	PLANT CHEMICALS	MULTIPLE	7869	8050	22,501.05	22,501.05
CHARTER COMMUNICATIONS	COMMUNICATIONS	07/29/24-08/28/24	7870	7013	319.96	319.96
COASTAL JANITORIAL	STRUCTURE MAINTENANCE	JULY AND AUGUST	7871	8061	1,550.00	1,550.00
COASTAL ROLLOFF	RUBBISH	JULY 2024	7872	7093	1,200.23	1,200.23
CULLIGAN WATER	EQUIPMENT RENTAL	AUGUST 2024	7873	7032	301.44	301.44
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	AUGUST 2024	7874	7082	100.00	100.00
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	7875	8030	708.92	708.92
GSOLUTIONZ	COMPUTER SUPPORT	241351; 242496	7876	7082	434.13	434.13
II SUPPLY	EQUIPMENT MAINTENANCE	100273; 100274	7877	8030	2,990.45	2,990.45
JB DEWAR	FUEL	348203	7878	8020	381.40	381.40
LAHR ELECTRIC MOTORS	EQUIPMENT MAINTENANCE	12019	7879	8030	2,680.62	2,680.62
MCMaster CARR	EQUIPMENT MAINTENANCE	MULTIPLE	7880	8030	373.48	373.48
MINERS	EQUIPMENT MAINTENANCE	JULY 2024	7881	8030	533.53	533.53
NVIRO	SCADA	3991	7882	20-7060	5,058.40	5,058.40
OCSO	UTILITY WATER	05/18/24-07/18/24	7883	7094	517.14	517.14
PHENOVA	CHEMICAL ANALYSIS	207281	7884	7078	496.34	496.34
POLYDYNE	PLANT CHEMICALS	1855067	7885	8050	8,425.43	8,425.43
ROYAL INDUSTRIAL	STRUCTURE MAINTENANCE	SLUDGE PUMP	7886	26-8065	5,415.84	5,415.84
SO CAL GAS	UTILITY GAS	06/27/24-07/29/24	7887	7092	2,759.09	2,759.09
SOUTH COUNTY SANITARY	GARBAGE	JULY 2024	7888	7093	338.96	338.96
SSLOCSO	BENEFITS	JULY 2024	7889		200,000.00	200,000.00
UMPQUA BANK	CREDIT CARD	JULY 2024	7890		3,614.60	3,614.60
VESTIS	UNIFORMS	07/29/24; 08/05/24	7891	7025	1,075.94	1,134.93
	SAFETY	502003589		8056	58.99	
VWR INTERNATIONAL	LAB SUPPLY'S	2024-301	7892	8040	347.35	347.35
ADVANCED FLOW MEASUREMENT	EQUIPMENT MAINTENANCE	0005380	081524-7893	8030	3,400.00	3,400.00
AIRFLOW FILTER SERVICE	EQUIPMENT MAINTENANCE	108306	7894	8030	216.60	216.60
AMERICAN BUSINESS MACHINES	OFFICE SUPPLY'S	758694	7895	8045	85.83	85.83
AT&T MOBILITY	COMMUNICATIONS	07/03/24-08/02/24	7896	7013	80.48	80.48
BRENNTAG	PLANT CHEMICALS	BPI452050	7897	8050	13,148.08	13,148.08
ENGEL & GRAY	BIOSOLIDS HANDLING	47X00012	7898	7085	7,647.46	7,647.46
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	7899	8030	292.03	292.03
I.I. SUPPLY	EQUIPMENT MAINTENANCE	100495; 100494	7900	8030	351.46	351.46
JNE CONCRETE	STRUCTURE MAINTENANCE	3057	7901	26-8065	23,840.00	23,840.00
LAHR ELECTRIC MOTORS	EQUIPMENT MAINTENANCE	12033	7902	8030	2,013.50	2,013.50
LINDE GAS	EQUIPMENT RENTAL	44591821	7903	7032	770.69	770.69
MCMaster CARR	EQUIPMENT MAINTENANCE	31644404	7904	8030	49.55	49.55
MICHAEL K NUNLEY	REDUNDANCY	1050000278	7905	20-7080	9,226.23	10,308.66
	TRUNK SEWER	1050000268		26-8015	383.68	
	WATER SUPPLY EVAL	1050000279		26-8065	698.75	
MIER BROS LANDSCAPE	EQUIPMENT MAINTENANCE	380206	7906	8030	296.31	296.31
NVIRO	SCADA	4058	7907	20-7060	5,822.50	5,822.50
OILFIELD ENVIRO COMPLIANCE	CHEMICAL ANALYSIS	MULTIPLE	7908	7078	4,285.00	4,285.00
PG&E	ELECTRICITY	07/10/24-08/07/24	7909	7091	42,086.55	42,086.55
RINCON	COASTAL HAZARD MONITORING	58924	7910	7020	3,720.13	6,173.38
	BIOLOGICAL MONITORING	58903		20-7080	2,453.25	
ROYAL INDUSTRIAL	STRUCTURE MAINTENANCE	7842-1016498	7911	26-8065	233.92	233.92
SAYLOR CONSULTING	REDUNDANCY	24-057.00	7912	20-7080	8,500.00	8,500.00
SDRMA	INSURANCE	RAV 4	7913	7043	250.00	250.00
VESTIS	UNIFORMS	08/12/24	7914	7025	513.72	513.72
CASTROS TRUCKING	STRUCTURE MAINTENANCE	2913	083024-7915	8060	950.00	950.00
CHARTER COMMUNICATIONS	COMMUNICATIONS	08/29/24-09/28/24	7916	7013	319.96	319.96
D&H WATER SYSTEMS	EQUIPMENT MAINTENANCE	I2024-1085	7917	8030	429.43	429.43
GOLD COAST ENVIRONMENTAL	STRUCTURE MAINTENANCE	CAPACITY STUDY	7918	26-8065	20,867.71	20,867.71
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	7919	8030	391.74	391.74
GSOLUTIONZ	COMMUNICATIONS	08/15/24-09/14/24	7920	7014	343.43	343.43
JB DEWAR	FUEL	351002	7921	8020	53.46	53.46
JONES MAYER	OUTSIDE COUNSEL	SECONDARY CLARIFIER	7922	7070	1,575.00	2,155.50
	LEGAL COUNSEL	JULY 2024		7071	580.50	
LINDE GAS & EQUIP	RENTAL EQUIPMENT	07/20/24-08/20/24	7923	7032	44.82	44.82
MCMaster CARR	EQUIPMENT MAINTENANCE	MULTIPLE	7924	8030	208.60	208.60
POLYDYNE	PLANT CHEMICALS	1859463	7925	8050	3,599.98	3,599.98
QUINN CAT	EQUIPMENT RENTAL	MINI EXCAVATOR	7926	7032	1,369.74	1,369.74
READY REFRESH	ADMIN OFFICE SUPPLY	06/25/24-08/24/24	7927	8045	574.50	574.50
SECURITAS TECHNOLOGY	ALARMS	SEPTEMBER 2024	7928	7011	80.08	80.08
T-MOBILE		07/16/24-08/15/24	7929	7014	60.02	60.02
TRI-COUNTY OFFICE FURNITURE	OFFICE EQUIPMENT	10619	7930	7015	1,766.47	1,766.47
VESTIS	UNIFORMS	08/19/24; 08/26/24	7931	7025	1,027.44	1,027.44
VWR INTERNATIONAL	LAB SUPPLY'S	2024-301	7932	8040	27.56	27.56
SUBTOTAL					433,216.13	433,216.13
		Continued on next page				

WARRANT REGISTER
10/02/2024 CONTINUED
FISCAL YEAR 2024/25

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AGP VIDEO	PROFESSIONAL SERVICE	AUGUST 7, 2024	091024-7933	7080	650.00	650.00
ALLIED ADMINISTRATORS	DENTAL	OCTOBER 2024	7934	6025	1,058.41	1,058.41
ALLTECH COMPUTERS	COMPUTER SUPPORT	32926201	7935	7082	100.00	100.00
BRENNTAG	PLANT CHEMICALS	MULTIPLE	7936	8050	23,507.89	23,507.89
COASTAL JANITORIAL	STRUCTURE MAINTENANCE	SEPTEMBER 2024	7937	8061	775.00	775.00
COASTAL ROLLOFF	RUBBISH	AUGUST 2024	7938	7093	1,161.87	1,161.87
CULLIGAN WATER	EQUIPMENT RENTAL	114941	7939	7032	60.00	60.00
ENDRESS HAUSER	EQUIPMENT MAINTENANCE	6002607861	7940	8030	281.57	281.57
ENGEL & GRAY	BIOSOLIDS HANDLING	AUGUST 2024	7941	7085	6,291.16	6,291.16
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	SEPTEMBER 2024	7942	7082	100.00	100.00
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	482922-IN	7943	7078	80.00	80.00
GORDON SAND	STRUCTURE MAINTENANCE	0627751; 0627761	7944	8060	3,659.04	3,659.04
GRAINGER	EQUIPMENT MAINTENANCE	9226557479	7945	8030	174.93	174.93
GSOLUTIONZ	COMPUTER SUPPORT	OCTOBER 2024	7946	7082	90.95	90.95
II SUPPLY	EQUIPMENT MAINTENANCE	101048	7947	8030	162.46	162.46
JB DEWAR	FUEL	353913	7948	8020	76.81	76.81
LARRY WALKER ASSOCIATES	TRUNK SEWER MAINTENANCE	AUGUST 2024	7949	8015	2,871.75	2,871.75
MARCEL ALAIN PHOTOGRAPHY	REDUNDANCY	OC353EEB-0015	7950	20-7080	275.00	275.00
MCMASTER CARR	EQUIPMENT MAINTENANCE	MULTIPLE	7951	8030	144.22	144.22
MICHAEL K NUNLEY	REDUNDANCY	AUGUST 2024	7952	20-7080	2,954.82	15,923.81
	TRUNK SEWER CAPACITY STUDY	AUGUST 2024		26-8015	12,968.99	
MINERS	EQUIPMENT MAINTENANCE	AUGUST 2024	7953	8030	103.46	103.46
MNS ENGINEERS	REDUNDANCY	JULY 2024	7954	20-7080	65,869.43	65,869.43
OEC. INC	CHEMICAL ANALYSIS	MULTIPLE	7955	7078	4,063.00	4,063.00
SO CAL GAS	UTILITY GAS	07/29/24-08/28/24	7956	7092	2,556.49	2,556.49
SOUTH COUNTY SANITARY	GARBAGE	SEPTEMBER 2024	7957	7093	371.42	371.42
SSLOCS	BENEFITS/PAYROLL	AUGUST 2024	7958		142,240.65	142,240.65
UMPQUA BANK	CREDIT CARD	AUGUST 2024	7959		3,855.36	3,855.36
USA BLUEBOOK	EQUIPMENT MAINTENANCE	INV00472487	7960	8030	196.98	196.98
VESTIS	UNIFORMS	09/02; 09/09	7961	7025	1,025.80	1,075.80
	SAFETY	502003726		8056	50.00	
VWR INTERNATIONAL	LAB SUPPLY'S	2024-308	7962	8040	535.50	535.50
AMERICAN BUSINESS MACHINES	OFFICE SUPPLY'S	764356	091724-7963	8045	85.83	85.83
AT&T MOBILITY	COMMUNICATIONS	08/03/24-09/02/24	7964	7013	80.48	80.48
BRENNTAG	PLANT CHEMICALS	MULTIPLE	7965	8050	22,131.70	22,131.70
CAREN RAY RUSSOM	BOARD SERVICE	AUGUST 2024	7966	7075	100.00	100.00
CASTROS TRUCKING	STRUCTURE MAINTENANCE	2916	7967	8060	475.00	475.00
GORDON SAND	STRUCTURE MAINTENANCE	0627765-IN	7968	8060	1,831.77	1,831.77
GRAINGER	EQUIPMENT MAINTENANCE	9239574198	7969	8030	170.35	170.35
GSOLUTIONZ	COMMUNICATIONS	09/15/24-10/14/24	7970	7013	343.43	343.43
I.I. SUPPLY	EQUIPMENT MAINTENANCE	101084	7971	8030	128.70	138.22
	SAFETY SUPPLY'S	101203		8056	9.52	
JB DEWAR	FUEL	356699	7972	8020	167.12	167.12
JR FILANC	REDUNDANCY	APPLICATION 39	7973	20-7080	408,001.99	408,001.99
JONES MAYER	LEGAL COUNSEL	AUGUST 2024	7974	7071	903.00	903.00
KAREN BRIGHT	BOARD SERVICE	AUGUST 2024	7975	7075	100.00	100.00
LINDA AUSTIN	BOARD SERVICE	AUGUST 2024	7976	7075	100.00	100.00
MCMASTER CARR	EQUIPMENT MAINTENANCE	MULTIPLE	7977	8030	280.16	280.16
NVIRO	SCADA	4118	7978	20-7060	1,202.50	19,340.75
	STRUCTURE MAINTENANCE	4118		26-8065	18,138.25	
PG&E	ELECTRICITY	08/08/24-09/08/24	7979	7091	47,649.16	47,649.16
RINCON	BIOLOGICAL MONITORING	59695	7980	20-7080	771.25	771.25
VESTIS	UNIFORMS	09/16/2024	7981	7025	525.85	525.85
VWR INTERNATIONAL	LAB SUPPLY'S	2024-308; 310	7982	8040	1,436.44	1,436.44
SUBTOTAL					782,945.46	782,945.46
GRAND TOTAL					1,216,161.59	1,216,161.59

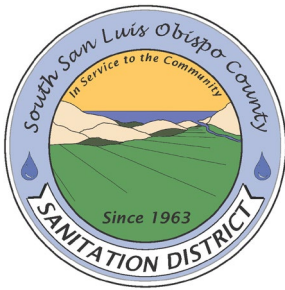
We hereby certify that the demands numbered serially from 080524-7864 to 091724-0709 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN 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

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha, Oceano, California 93445-9735
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SUMMARY ACTION MINUTES Meeting of Wednesday, August 7, 2024

1. CALL TO ORDER AND ROLL CALL

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

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

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

2. PLEDGE OF ALLEGIANCE

3. AGENDA REVIEW

Action: Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

There was no public comment.

5. CONSENT AGENDA:

- 5A. Approval of Warrants**
- 5B. Approval of Meeting Minutes of June 5, 2024**
- 5C. Request for Plant Light Replacement**

There was no public comment.

Motion: Director Bright motioned to approve Consent Agenda.

Second: Director Ray Russom

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. WWTP REDUNDANCY PROJECT UPDATE

Eileen Shields, Project Manager with MKN & Assoc. presented this report.

There was no public comment.

Action: The Board received and filed this report.

6B. CONTRACT AMENDMENT 2 FOR WWTP REDUNDANCY PROJECT ADMINISTRATION SERVICES WITH MKN AND ASSOCIATES

District Administrator Ghent presented this item.

There was no public comment.

Motion: Director Ray Russom motioned to authorize the District Administrator to execute a contract amendment for continued Wastewater Treatment Plant (WWTP) Redundancy Project Administration Services with MKN and Associates, Inc., (MKN) in the amount of \$82,674, for a total contract budget of \$342,629.

Second: Director Bright

Action: Approved unanimously by roll call vote

6C. 2024 AMENDMENT TO THE DISTRICT'S CONFLICT OF INTEREST CODE

District Administrator Ghent presented this item.

There was no public comment.

Motion: Director Ray Russom motioned Adopt Resolution No. 2024-452 amending the District's conflict of interest code to omit the position of District Engineer as part of the District's biennial review.

Second: Director Bright

Action: Approved unanimously by roll call vote

6D. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

District Administrator Jeremy Ghent presented the Administrator Report. Superintendent Mychal Jones presented the Plant Operations report. During the reporting period of June 1st – July 31st there were three exceedances of the District's National Pollutant Discharge Elimination System (NPDES) Permit. A full description of each exceedance is provided further in the report. All other process values were within Permit limitations.

The Board had a brief discussion.

Action: The Board received and filed this report.

7. BOARD MEMBER COMMUNICATIONS

Director Ray Russom asked if there would be a potential Brown Act violation if she attended the OCSD meeting when Administrator Ghent will be presenting an update on the District. Legal Counsel Wendy Stockton said that there is no issue attending a public meeting.

8. CLOSED SESSION:

Conference With Labor Negotiators - Agency designated representatives:

Jeremy Ghent

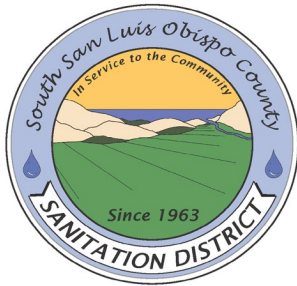
Employee organization: SEIU

There was no reportable action.

9. ADJOURNMENT:

At 6:47 p.m. the Board adjourned into Closed Session.

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



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator
Via: Amy Simpson, Bookkeeper/Secretary
Date: October 2, 2024
Subject: **PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING JUNE
2023 FINANCIAL AUDIT**

RECOMMENDATION:

That the Board receive a presentation of the audit report of the District's financial records by Moss Levy & Hartzheim, LLP, the District's independent auditor, resolve questions, call for any necessary revisions and file the 2022-23 Financial Audit.

BACKGROUND:

Moss, Levy & Hartzheim, LLP was hired as the District's independent auditor to review District financial statements and records and met with District Staff to develop the Fiscal Year 2022-23 Audit Report.

State law requires that every general-purpose local government publish an annual report on its financial position and activity, and that the report be audited by an independent firm of certified public accountants. The goal of the independent audit is to provide a reasonable assurance that the District's financial statements are free of material misstatements. In addition, the audit is responsible for providing an independent review of the District's internal financial controls. The District's financial statements, internal documents, and financial controls have been audited by the certified public accountant firm of Moss, Levy & Hartzheim, LLP for the fiscal year ending June 30, 2023.

DISCUSSION:

The District has received a clean unmodified opinion for the 2023 Fiscal Year audit. Travis Hole, CPA from MLH, will present the firm's final audit report of the District's financial records. Mr. Hole

and staff are available to respond to questions from the Board members regarding the Fiscal Year 2022-23 audit. If the Board finds it is satisfied, Staff asks approval of the audit with any appropriate revisions by motion.

Attachment: 2022/23 Audit (Not available at time of publication.)

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the South San Luis Obispo County Sanitation District (the District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October XX, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Santa Maria, CA
October XX, 2024



Moss, Levy & Hartzheim LLP

Certified Public Accountants

October 1, 2024

South San Luis Obispo County Sanitation District
1600 Aloha Pl.
Oceano, CA 93445

Attached is a draft copy of your audit with the Management's Discussion and Analysis included for your review. After reviewing and upon your approval, please sign and fax back this letter to our office. We will not finalize the audit until we receive your response, a signed and dated Management Representation Letter (to be prepared by you).

Sincerely,

MOSS, LEVY & HARTZHEIM LLP

RESPONSE:

I have reviewed the draft copy of the audit for South San Luis Obispo County Sanitation District and give my approval

By: _____

Title: _____

Date: _____

**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

FINANCIAL STATEMENTS
June 30, 2023

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
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June 30, 2023

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the South San Luis Obispo County Sanitation District (District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the major fund of the South San Luis Obispo County Sanitation District, as of June 30, 2023, and the respective changes in financial position and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the South San Luis Obispo County Sanitation District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the South San Luis Obispo County Sanitation District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South San Luis Obispo County Sanitation District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the South San Luis Obispo County Sanitation District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5, the schedule of Proportionate Share of Net Pension Liability on page 24, the schedule of Pension Contributions on page 25, the schedule of Changes in OPEB Liability and Related Ratios on page 26, and the schedule of OPEB Contributions on page 27 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, of the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October XX, 2024, on our consideration of the South San Luis Obispo County Sanitation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Santa Maria, CA
October XX, 2024

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

Management's Discussion and Analysis
Fiscal Year Ending June 30, 2023

The following is a discussion of the consolidated financial condition and the results of operations of the South San Luis Obispo County Sanitation District (the District) for the year ending June 30, 2023. This discussion refers to and is qualified by information contained in the financial statements and in the notes to the financial statements. Thus, it should be read together with these statements in the Audit Report. The financial audit of the South San Luis Obispo County Sanitation District has been performed by Moss, Levy & Hartzheim, CPAs, in accordance with U.S. generally accepted auditing standards.

Financial Highlights

- At June 30, 2023 the District's total net position was \$22.59 million. Fiscal Year 2022 ended with a total net position of \$20.48 million. This is an increase of 10.29% for net position.
- Total operating revenues increased by 0.66% from \$5.75 million in 2022 to \$5.79 million at June 30, 2023.
- At June 30, 2023 cash and cash equivalents is \$14.99 million with a total current and long-term liability of \$30.28 million.
- Total operating expenses were \$3,638,375. Operating revenues exceeded operating expenses by \$2,148,756.
- Overall decrease of cash and cash equivalents realized a decrease from \$21.10 million in Fiscal Year 2022 to \$14.99 million in Fiscal year 2023. This decrease was due to the expenditure of Redundancy construction funding.

Overview of the Financial Statements:

This annual report consists of a series of financial statements. The Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows all provide information about the District's activities and present a long-term view of its finances.

These statements are prepared using the accrual basis of accounting, which recognizes expenses when incurred and revenue when earned rather than when payment is made or received and is widely used by most private sector companies. These statements also report on the District's net position and changes in the position resulting from the current

years activity. Over time, increases or decreases in the District's net position is one indicator of whether its financial position is improving or declining.

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

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 10-23 of this report.

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position increased from \$20.48 million at June 30, 2022 to \$22.59 million at the close of June 30, 2023.

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

Business-type Activities.

The business-type activities increased the District's net position by \$2.11 million. The key elements are as follows: operating and non-operating revenues exceeded operating and non-operating expenses as of June 30, 2023. Capital contributions to the District's system totaled \$136 thousand as of June 30, 2023. The total revenues exceeded expenses during the 2023 fiscal year. The District's Construction in Progress value has been recorded as capitalized amounts as detailed in Note 4 on page 15.

Capital Asset and Debt Administration

Capital Assets. The District's investments in capital assets for its business type activities as of June 30, 2023 amounts to \$11.06 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, machinery, and equipment.

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

Long-term Debt. At the end of June 30, 2023, the District held debt of Certificates of Participation and compensated absences.

Additional information on the District's long-term debt can be found in Notes 5 and 6 and 7 on pages 15 to 20 of this report.

Economic Factors and Next Year's Budgets and Rates

Certificates of Participation. On December 1, 2020 the District issued two series of Certificates of Participation for funding the District's Redundancy Project. The payment of this Debt for the upcoming 23/24 fiscal year is \$946,544 for the Series A and \$89,300 for the Series B.

Rate Increase. Upon completion of the District's Redundancy Project the District will undertake a review of rates as actual operation and maintenance expenses of the new facilities become known. The District expects to conduct a rate study during fiscal year 24/25

Other Post-Employment Benefits. The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit fund which is administered by CalPERS. In 2000, the District joined the CalPERS medical program. An actuarial was performed with a measurement date of June 30, 2022 that was rolled forward to determine the District's June 30, 2023 total OPEB obligation. Information can be found on page 21.

Requests for Information

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
June 30, 2023

ASSETS

Current Assets:

Cash and investments	\$ 14,993,605
Accounts receivable	471,098
Prepaid expenses	102,319
Total current assets	<u>15,567,022</u>

Noncurrent Assets:

Deposits	280
Capital assets	
Land	431,425
Construction in progress	32,113,845
Property, plant & equipment	28,162,622
Accumulated depreciation	(21,856,755)
Total noncurrent assets	<u>38,851,417</u>
Total assets	<u>54,418,439</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred pensions	765,016
Deferred OPEB	333,687
Total deferred outflows of resources	<u>1,098,703</u>

LIABILITIES

Current Liabilities:

Accounts payable	1,288,407
Accrued liabilities	39,150
Compensated absences, current portion	13,313
Brine deposits	30,000
Interest payable	218,686
Certificate of participation, current portion	400,000
Unamortized premium, current portion	38,832
Total current liabilities	<u>2,028,388</u>

Long-Term Liabilities:

Compensated absences, net of current portion	35,993
Net pension liability	1,591,177
Other post employment benefits	1,300,099
Certificate of participation, net of current portion	26,355,000
Unamortized premium, net of current portion	999,924
Total long term liabilities	<u>30,282,193</u>
Total liabilities	<u>32,310,581</u>

DEFERRED INFLOWS OF RESOURCES

Deferred pensions	116,371
Deferred OPEB	497,782
Total deferred inflows of resources	<u>614,153</u>

NET POSITION

Net investment in capital assets	11,057,381
Restricted for capital expansion	3,330,633
Restricted for Redundancy project	8,926,776
Unrestricted	(722,382)
Total net position	<u>\$ 22,592,408</u>

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2023

Operating Revenues:

Sewer services fees	\$ 5,787,131
Total operating revenues	<u>5,787,131</u>

Operating Expenses:

Gross wages	896,217
Payroll taxes and benefits	71,528
Employee benefits	228,123
Retirement contribution	(152,231)
OPEB expense	44,236
Uniforms	22,438
Repairs and maintenance	240,064
Equipment rental	2,314
Insurance	68,080
Depreciation	625,626
Communications	15,245
Utilities	354,091
Property tax	34,821
Special services	184,996
Office and supplies	10,737
Fuel and oil	10,557
Membership, permits, and license fees	87,563
Legal	34,117
Accounting	18,845
Plant chemicals, lab, and analysis	736,173
Employee training	6,026
Solids handling	90,327
Small tools	8,482
Total operating expenses	<u>3,638,375</u>
Net operating income	<u>2,148,756</u>

Non-Operating Revenues (Expenses):

Investment loss	440,302
Interest expense	(616,637)
Loss on disposal of assets	(1,250)
Total non-operating revenues (expenses)	<u>(177,585)</u>

Capital Contributions:

Connection fees	<u>136,318</u>
Change in net position	2,107,489

Net Position:

Net position, beginning of fiscal year	<u>20,484,919</u>
Net position, end of fiscal year	<u><u>\$ 22,592,408</u></u>

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 5,645,876
Payments to vendors	(1,877,185)
Payments to employees	<u>(1,290,195)</u>
Net cash provided by operating activities	<u>2,478,496</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital contributions	136,318
Acquisition and construction of capital assets	(8,121,577)
Principal paid on capital debt	(385,000)
Interest paid on capital debt	<u>(655,469)</u>
Net cash used by capital and related financing activities	<u>(9,025,728)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received less investment loss	<u>440,302</u>
Net cash used by investing activities	<u>440,302</u>
Net change in cash and cash equivalents	(6,106,930)
Cash and cash equivalents, July 1, 2022	<u>21,100,535</u>
Cash and cash equivalents, June 30, 2023	<u><u>\$ 14,993,605</u></u>

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND (Continued)
For the Fiscal Year Ended June 30, 2023

Reconciliation of operating income to net cash provided

by operating activities:

Operating income	\$ 2,148,756
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	625,626
Change in assets, deferred outflows, liabilities, and deferred inflows:	
Accounts receivable	(79,307)
Prepaid expenses	(82,976)
Deposits	1,028
Deferred outflows of resources relating to pensions	(434,493)
Deferred outflows of resources relating to OPEB	43,557
Accounts payable	239,347
Accrued liabilities	(629)
Brine deposits	20,000
Compensated absences	(7,692)
OPEB liability	(244,601)
Net pension liability	722,469
Deferred inflows of resources relating to pensions	(659,843)
Deferred inflows of resources relating to OPEB	<u>187,254</u>
Net cash provided by operating activities	<u><u>\$ 2,478,496</u></u>

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

NOTE 1 - REPORTING ENTITY

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

There are no component units included in this report which meet the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39, No. 61, No. 80 and No. 90.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

D. Proprietary Fund Type

Enterprise Fund

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

E. Cash and Cash Equivalents - For purposes of the statement of cash flows, cash and cash equivalents include restricted and unrestricted cash and restricted and unrestricted certificates of deposit with original maturities of three months or less.

F. Property, Plant, and Equipment - Capital assets purchased by the District are recorded at cost. Contributed or donated capital assets are recorded at fair value when acquired.

G. Depreciation - Capital assets owned by the District are depreciated over their estimated useful lives (ranging from 5-40 years) under the straight-line method of depreciation.

H. Receivables - The District did not experience bad debt losses; accordingly, no adjustment has been made for doubtful accounts, and accounts receivable is shown at the adjusted value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Encumbrances - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

J. Compensated Absences - Accumulated unpaid employee vacation and sick leave benefits are recognized as liabilities of the District.

K. Restricted Assets - Restricted assets are financial resources segregated for a special purpose such as construction of improvements and financing of debt obligations. These assets are for the benefit of a distinct group and as such are legally or contractually restricted.

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

M. Net Position

GASB Statement No. 63, requires that the difference between assets added to the deferred outflows of resources and liabilities be added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on them by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions, or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South San Luis Obispo County Sanitation District's Public Employee's Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities*," the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 7 and Note 8 for a detailed listing of the deferred outflows of resources the District has reported.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Deferred Outflows and Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 7 and Note 8 for a detailed listing of the deferred inflows of resources the District has reported.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Q. Future Accounting Pronouncements

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

Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

NOTE 3 - CASH AND INVESTMENTS

Investments are carried at fair value in accordance with GASB Statement No. 31. On June 30, 2023, the District had the following cash and investments on hand:

Cash on hand	\$	40
Cash in bank		103,208
Cash and investments with County Treasurer		12,236,780
Local Agency Investment Fund (LAIF)		<u>2,653,577</u>
Total cash and investments	\$	<u>14,993,605</u>

Cash and investments listed above are presented on the accompanying basic financial statements, as follows:

Cash and investments	\$	<u>14,993,605</u>
Total	\$	<u>14,993,605</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments Authorized by the California Government Code

three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District had investments in the San Luis Obispo County Investment Pool and the Local Agency Investment Fund, those external pools measured under Level 2.

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
Federal Agency Securities	N/A	None	None
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase and Reverse Repurchase Agreements	92 days	20% of base value	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	5 years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 Million
State Registered Warrants, Notes, or Bonds	5 years	None	None
Notes and Bonds of other Local California Agencies	5 years	None	None

Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months or Less</u>	<u>13 - 24 Months</u>	<u>25 - 60 Months</u>	<u>More than 60 Months</u>
San Luis Obispo Investment Pool	\$ 12,236,780	\$ 12,236,780	\$ -	\$ -	\$ -
State Investment Pool (LAIF)	2,653,577	2,653,577			
	<u>\$ 14,890,357</u>	<u>\$ 14,890,357</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 3 - CASH AND INVESTMENTS (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Disclosures Relating to Credit Risk

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

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End			
			AAA	Aa	Baa	Not Rated
San Luis Obispo Investment Pool	\$ 12,236,780	N/A	\$ -	\$ -	\$ -	\$ 12,236,780
State Investment Pool (LAIF)	2,653,577	N/A				2,653,577
	<u>\$ 14,890,357</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,890,357</u>

Concentration of Credit Risk

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

Custodial Credit Risk

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

As of June 30, 2023, none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Pool (LAIF)

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 4 - SCHEDULE OF CAPITAL ASSETS

A schedule of changes in capital assets and depreciation for the fiscal year ended June 30, 2023, is shown below:

	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Land	\$ 431,425	\$ -	\$ -	\$ -	\$ 431,425
Construction in Progress	24,831,461	7,977,604		(695,220)	32,113,845
Property, Plant, & Equipment	27,325,929	142,723	(1,250)	695,220	28,162,622
Total capital assets	52,588,815	8,120,327	(1,250)		60,707,892
Less Accumulated Depreciation	(21,232,379)	(625,626)	1,250		(21,856,755)
Net capital assets	<u>\$ 31,356,436</u>	<u>\$ 7,494,701</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,851,137</u>

NOTE 5 – LONG-TERM LIABILITIES

The changes in long-term liabilities for the fiscal year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due within One year
Certificate of participation	\$ 27,140,000	\$ -	\$ (385,000)	\$ 26,755,000	\$ 400,000
Unamortized premium	1,077,588		(38,832)	1,038,756	38,832
Compensated absences	56,998	95,602	(103,294)	49,306	13,313
OPEB	1,544,700	71,894	(316,495)	1,300,099	
Net pension liability	868,708	722,469		1,591,177	
Total	<u>\$ 30,687,994</u>	<u>\$ 889,965</u>	<u>\$ (843,621)</u>	<u>\$ 30,734,338</u>	<u>\$ 452,145</u>

NOTE 6 – CERTIFICATES OF PARTICIPATION

On December 1, 2020, the 2020 Certificates of Participation Series A for \$23,045,000 and Series B for \$4,465,000 at a premium of \$1,155,252 were issued to provide funding for the Redundancy Project. The District has pledged all net revenues to repay the 2020 Certificates of Participation. In the event of default, all principal and accrued interest becomes due. The certificates are payable semiannually on March 1 and September 1 of each year with interest rates varying from 2% to 5%. As of June 30, 2023, \$26,755,000 was still outstanding.

Future minimum payment obligations for the certificates at June 30, 2023, are as follows on the following page:

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 6 – CERTIFICATES OF PARTICIPATION (Continued)

Series A			
Fiscal Year Ended June 30	Principal	Interest	Total
2024	\$ 400,000	\$ 546,544	\$ 946,544
2025	430,000	525,794	955,794
2026	450,000	503,794	953,794
2027	605,000	477,419	1,082,419
2028	635,000	446,419	1,081,419
2029-2033	4,335,000	1,839,819	6,174,819
2034-2038	4,000,000	1,744,854	5,744,854
2039-2043	4,410,000	1,011,749	5,421,749
2044-2048	4,905,000	516,742	5,421,742
2049-2051	2,120,000	47,926	2,167,926
	<u>\$ 22,290,000</u>	<u>\$ 7,661,060</u>	<u>\$ 29,951,060</u>

Series B			
Fiscal Year Ended June 30	Principal	Interest	Total
2024	\$ -	\$ 89,300	\$ 89,300
2025		89,300	89,300
2026	4,465,000	44,650	4,509,650
	<u>\$ 4,465,000</u>	<u>\$ 223,250</u>	<u>\$ 4,688,250</u>

NOTE 7 – DEFINED BENEFIT PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

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

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows on the following page:

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date	2.0% @ 60	2% @ 62
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50-63	52-67
Retirement age	1.09% to 2.42%	1.0% to 2.5%
Monthly benefits, as a % of eligible compensation	7.96%	6.75%
Required employee contribution rates	11.59%+\$116,292	7.47%+ \$9,017
Required employer contribution rates		

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$262,671 for the fiscal year ended June 30, 2023.

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

At June 30, 2023, the District reported a liability of \$1,591,177 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2022, the District's proportion was 0.03401%, which decreased by 0.01175% from June 30, 2021.

For the fiscal year ended June 30, 2023, the District recognized pension expense of \$(109,195). Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 262,671	\$ -
Differences between expected and actual experience	31,954	21,401
Changes in assumptions	163,049	
Net difference between projected and actual earnings on retirement plan investments	291,461	
Adjustment due to differences in proportions	6,749	93,891
Difference in actual contributions and proportionate share of contributions	9,132	1,079
	<u>\$ 765,016</u>	<u>\$ 116,371</u>

\$262,671 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows on the following page:

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

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

Fiscal Year Ending June 30	Amount
2024	\$ 94,937
2025	74,766
2026	38,002
2027	178,269
	\$ 385,974

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.0% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

- (1) The mortality table used was developed based on CALPERS' specific data.
The probabilities are based on the 2021 CALPERS' Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
For more details on this table, please refer to the CALPERS' Experience Study and Review of Actuarial

Changes in Assumptions

The discount rate changed from 7.15% to 6.90% and the inflation rate changed from 2.50% to 2.30%.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

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

Long-term Expected Rate of Return

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

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

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return (a,b)</u>
Global Equity - cap-weighted	30.0%	4.45%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporations	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

(a) An expected inflation of 2.30% was used for this period.

(b) Figures are based on the 2021 Asset Liability Management Study.

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

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1- percentage point higher (7.90 percent) than the current rate:

	<u>1% Decrease 5.90%</u>	<u>Discount Rate 6.90%</u>	<u>1% Increase 7.90%</u>
District's proportionate share of the net pension plan liability	\$ 2,329,782	\$ 1,591,177	\$ 983,489

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

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

Pension Plan Fiduciary Net Position

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

C. Payable to the Pension Plan

At June 30, 2023, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2023.

NOTE 8 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District provides post-retirement health benefits to all retirees with five years of service who retire from the District, and must have reached the minimum age of 50. Benefits continue for the lifetime of the retiree. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Benefit Terms

For those hired prior to 2013, the employee shall receive 100% of the stipulated amount. For those hired between 2013 through 2017, they shall receive 50% of the premium. For any employees hired after 2017, they will receive the minimum employer contribution.

Employees Covered

As of the June 30, 2021, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	9
Inactive employees or beneficiaries currently receiving benefits	<u>7</u>
Total	<u><u>16</u></u>

The District currently finances benefits on a pay-as-you-go basis.

OPEB Liability

The District's OPEB liability was measured as of June 30, 2022 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the June 30, 2022 total OPEB liability, based on the following assumptions:

Discount Rate	2.16%
Inflation	2.50%
Salary Increases	2.75%
Healthcare Trend Rate	4.00%
Mortality Rate	Derived from 2017 CalPERS Active Mortality for Miscellaneous Employees
Pre-Retirement Turnover	2017 CalPERS Turnover for Miscellaneous employees.

Actuarial assumptions used in the June 30, 2021 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2017.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 3.54 percent.

Change of assumptions. The discount rate was increased from 2.16 percent to 3.54 percent.

Discount rate. GASB No. 75 requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long Term Expected Return of Plan Investments	Municipal 20 Year High Grade Rate Index	Discount Rate
June 30, 2023	June 30, 2022	3.54%	3.54%	3.54%
June 30, 2022	June 30, 2021	2.16%	2.16%	2.16%
June 30, 2021	June 30, 2020	2.20%	2.20%	2.20%

Changes in the OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (Valuation Date, June 30, 2021)	<u>\$ 1,544,700</u>
Changes recognized for the measurement period:	
Service cost	38,862
Interest	33,032
Changes of assumptions	(246,749)
Experience (Gains)/Losses	(10,285)
Benefit payments	<u>(59,461)</u>
Net Changes	<u>(244,601)</u>
Balance at June 30, 2023 (Measurement Date, June 30, 2022)	<u><u>\$ 1,300,099</u></u>

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2023

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

Sensitivity of the OPEB liability to changes in the discount rate. The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease 2.54%	Current Rate 3.54%	1% Increase 4.54%
OPEB Liability	\$ 1,475,899	\$ 1,300,099	\$ 1,177,667

Sensitivity of the OPEB liability to changes in the healthcare trend rates. The following presents the OPEB liability, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1-percentage point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current healthcare cost trend rates:

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
OPEB Liability	\$ 1,245,814	\$ 1,300,099	\$ 1,363,664

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$44,236. As of the fiscal year ended June 30, 2023 the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 58,026	\$ -
Change in assumptions	275,661	440,818
Differences between expected and actual experience		56,964
	<u>\$ 333,687</u>	<u>\$ 497,782</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to OPEB liability to be recognized in future periods in a systematic and rational manner. \$58,026 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the fiscal year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the pension expense as follows:

Fiscal year Ending June 30,	Amount
2024	\$ (27,658)
2025	(27,658)
2026	(27,658)
2027	(27,658)
2028	(27,658)
Thereafter	(83,831)
	<u>\$ (222,121)</u>

NOTE 9 – COMMITMENTS AND CONTINGENCIES

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

Required Supplementary Information

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Last 10 Years*
As of June 30, 2023

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Proportion of the net pension liability	0.01378%	0.01606%	0.01255%	0.01232%
Proportionate share of the net pension liability	\$ 1,591,177	\$ 868,708	\$ 1,365,924	\$ 1,262,383
Covered payroll	\$ 862,687	\$ 846,584	\$ 784,070	\$ 702,820
Proportionate share of the net pension liability as percentage of covered payroll	184.4%	102.6%	174.2%	179.6%
Plan's total pension liability	\$ 49,525,975,138	\$ 46,174,942,264	\$ 43,702,930,887	\$ 41,426,453,489
Plan's fiduciary net position	\$ 37,975,170,163	\$ 40,766,653,876	\$ 32,822,501,335	\$ 31,179,414,067
Plan fiduciary net position as a percentage of the total pension liability	76.68%	88.29%	75.10%	75.26%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability	0.01200%	0.01186%	0.01163%	0.01117%
Proportionate share of the net pension liability	\$ 1,156,301	\$ 1,176,202	\$ 1,006,552	\$ 766,801
Covered payroll	\$ 762,177	\$ 776,359	\$ 648,335	\$ 512,061
Proportionate share of the net pension liability as percentage of covered payroll	151.7%	151.5%	155.3%	149.7%
Plan's total pension liability	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402
Plan's fiduciary net position	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871
Plan fiduciary net position as a percentage of the total pension liability	75.26%	73.31%	74.06%	78.40%
	<u>2015</u>			
Proportion of the net pension liability	0.00894%			
Proportionate share of the net pension liability	\$ 556,113			
Covered payroll	\$ 496,070			
Proportionate share of the net pension liability as percentage of covered payroll	112.1%			
Plan's total pension liability	\$ 30,829,966,631			
Plan's fiduciary net position	\$ 24,607,502,515			
Plan fiduciary net position as a percentage of the total pension liability	79.82%			

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Years*
As of June 30, 2023

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

	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ 262,671	\$ 204,264	\$ 177,437	\$ 161,923
Contribution in relation to the actuarially determined contributions	262,671	204,264	177,437	161,923
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 927,281	\$ 862,687	\$ 846,584	\$ 784,070
Contributions as a percentage of covered payroll	28.33%	23.68%	20.96%	20.65%
	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 136,795	\$ 98,219	\$ 104,648	\$ 77,019
Contribution in relation to the actuarially determined contributions	136,795	98,219	104,648	77,019
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 702,820	\$ 762,177	\$ 776,539	\$ 648,335
Contributions as a percentage of covered payroll	19.46%	12.89%	13.48%	11.88%
	2015			
Contractually required contribution (actuarially determined)	\$ 48,422			
Contribution in relation to the actuarially determined contributions	48,422			
Contribution deficiency (excess)	<u>\$ -</u>			
Covered payroll	\$ 512,061			
Contributions as a percentage of covered payroll	9.46%			

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS

Last 10 Years*

As of June 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total OPEB Liability				
Service cost	\$ 38,862	\$ 12,593	\$ 8,416	\$ 71,936
Interest on the total OPEB liability	33,032	39,495	50,948	68,087
Actual and expected experience difference	(10,285)	(29,564)	(7,164)	(33,833)
Changes in assumptions	(246,749)	(234,894)	345,086	63,487
Change in benefit terms				(403,851)
Benefit payments	(59,461)	(64,892)	(60,728)	(69,690)
Net change in total OPEB Liability	(244,601)	(277,262)	336,558	(303,864)
Total OPEB liability - beginning	1,544,700	1,821,962	1,485,404	1,789,268
Total OPEB liability - ending	<u>\$ 1,300,099</u>	<u>\$ 1,544,700</u>	<u>\$ 1,821,962</u>	<u>\$ 1,485,404</u>
Covered payroll	\$ 979,438	\$ 846,584	\$ 784,070	\$ 702,820
Total OPEB liability as a % of covered payroll	132.74%	182.46%	232.37%	211.35%
	<u>2019</u>	<u>2018</u>		
Total OPEB Liability				
Service cost	\$ 75,519	\$ 73,498		
Interest on the total OPEB liability	68,178	60,374		
Actual and expected experience difference				
Changes in assumptions	(76,832)			
Change in benefit terms				
Benefit payments	(68,012)	(65,396)		
Net change in total OPEB Liability	(1,147)	68,476		
Total OPEB liability - beginning	1,790,415	1,721,939		
Total OPEB liability - ending	<u>\$ 1,789,268</u>	<u>\$ 1,790,415</u>		
Covered payroll	\$ 762,177	\$ 776,359		
Total OPEB liability as a % of covered payroll	234.76%	230.62%		

*- Fiscal year 2018 was the 1st year of implementation, therefore only six years are shown.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS

Last 10 Years*

As of June 30, 2023

The District's contribution for the fiscal year ended June 30, 2023 was \$58,026. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2023, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2022 was \$59,461. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2022, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2021 was \$64,892. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2021, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2020 was \$60,728. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2019 was \$69,690. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2019, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

The District's contribution for the fiscal year ended June 30, 2018 was \$73,106. The District did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2018, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

*- Fiscal year 2018 was the 1st year of implementation, therefore only six years are shown.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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www.sslocsd.org

Staff Report

To: Board of Directors

From: Jeremy Ghent, District Administrator

Via: Mychal Jones, Plant Superintendent

Date: October 2, 2024

Subject: **AUTHORIZATION TO ESTABLISH A PERMANENT POSITION OF
LABORATORY MANAGER, ADOPT SALARY RANGE, AND APPROVE NEW
AND REVISED JOB DESCRIPTIONS**

RECOMMENDATION:

Authorize the District Administrator to establish a permanent position of laboratory manager, adopt salary range, and approve new and revised job descriptions.

BACKGROUND AND DISCUSSION

Staff is requesting authorization to establish a new permanent District Laboratory Manager position to ensure;

- continued compliance with all new federal, state, and local government requirements and standards;
- maintain the District's laboratory Environmental Laboratory Accreditation Program (ELAP) certification, including annual recertification, data integrity, quality assurance, and reporting;
- implementation and oversight of the District's Pretreatment Program;
- and offset the extensive workload of the District's current Laboratory Technician.

Additionally, this new position would be required to manage the District's updated Pretreatment Program as recommended by the District's consultant. Furthermore, Staff is requesting approval of the District's new Laboratory Manager job description and revised Laboratory Technician job description which aligns with the current needs of the District. Staff has outlined below the current rationale that necessitates the new District Laboratory Manager position and revision of the existing Laboratory Technician job description for the Board's consideration.

- **State Water Resources Control Board Adoption of The NELAC Institute (TNI) 2016 Standard** - On May 5, 2020, the California State Water Resources Control Board (SWRCB) adopted comprehensive regulations for the ELAP to modernize the program and elevate data quality for California communities. The new regulations require accredited laboratories to implement The 2016 TNI Standard, a nationally recognized standard that covers not only laboratories' analytical methods, but a broader set of factors including the quality of equipment and supplies laboratories use, the training of laboratory staff, and laboratory documentation practices. These new regulations became effective on January 1, 2021. However, several of the new provisions were not required immediately to allow laboratories a 3-year transition period until January 1, 2024, when meeting the TNI Standard was required. (California Code of Regulations Title 22. Social Security, Division 4. Environmental Health, Chapter 19. Certification of Environmental Laboratories)
 - The new standard outlines management requirements which require a technical manager and quality manager and describes the additional duties each position is responsible for. Per this new standard and due to the District having limited staffing, the new proposed Laboratory Manager position can/would act as both the technical manager and quality manager.
 - This new standard creates an extensive workload due to its many requirements, and the District's laboratory cannot maintain compliance with a sole laboratory technician.
 - The District's laboratory technician has taken on the considerable task of bringing the District's laboratory into compliance with these new standards and is currently awaiting approval of its application for ELAP Certification for 2025.
- **Redundancy Project Startup/Commissioning Sampling and Analyses and Continued Process Control Sampling and Analyses** – The District's laboratory currently performs approximately 2,133 samples and analyses on an annual basis for process control and to ensure compliance with its NPDES Permit. In preparation of startup and commissioning of the Redundancy Project's new activated sludge process, the District's laboratory began performing additional process control samples and analyses in August of 2023. The additional process control accounted for 936 samples and analyses performed in addition to what is currently required. Furthermore, additional samples and analyses will be necessary for the new activated sludge system for process control once the system is fully operational. This sampling will account for approximately 2,237 samples and analyses performed in addition to what is currently required. This brings the total annual samples and analyses being performed to approximately 5,306. Once Operations staff have established a good data set, the total number of annual samples and analyses is expected to decrease approximately 25% to 3,979 samples and analyses performed.
- **Pretreatment Program Implementation** – The District is currently in the process of developing an updated Pretreat Program to regulate users (primarily industrial, food service establishments, and some commercial) in its service area. The objectives of the Pretreatment Program are to prevent interference and/or upset with treatment operations, pass-through of conventional or toxic pollutants, harm to the treatment plant and/or collection system, contamination of biosolids, and worker exposure to chemical hazards. In the process of developing the updated Pretreatment Program, the District's consultant, Larry Walker and Associates, provided a Memorandum (attached) to outline the two potential approaches for implementing the program and provide a recommendation for the District to consider for program implementation. The two approaches provided are that the

District implement the Pretreatment Program for its entire service area or Member agencies implement the Pretreatment Program for their respective service area. Based on the Consultant's evaluation, it is recommended that the District take the responsibility for fully implementing the Pretreatment Program because it helps centralize the effort for consistent implementation across the District's entire service area and mitigates the need for Member Agencies to identify and train staff to implement the program within their respective jurisdictions. Staff included requirements for implementation and oversight in the new Laboratory Manager and revised Laboratory Technician job descriptions in preparation for implementation and continuation of the District's Pretreatment Program.

To continue to meet federal, state, and local government comprehensive requirements and standards, continue to perform the required additional samples and analyses for process control and compliance, and manage the District's laboratory and Pretreatment Program, Staff recommends establishing a new Laboratory Manager position. Additionally, Staff is requesting approval of the District's Laboratory Manager job description and Laboratory Technician job description revision.

Fiscal Considerations:

Staff has reviewed similar positions in the San Luis Obispo and Santa Barbara county area and recommends a proposed salary range for the new Laboratory Manager position be \$6,624 – \$8,051 monthly (\$79,488 - \$96,612 annually). This recommended salary range may increase due to ongoing union negotiations. Staff will be monitoring the financial impact of this new proposed position, and if budget adjustments are necessary, will return to the Board for direction. Staff is not recommending any change to the current Laboratory Technician salary and feels it is within range of similar positions in the area. In addition, Staff contacted Bartle Wells to get preliminary budgetary numbers to perform a rate study to account for recent inflation and new operational costs. The District's last rate study was performed in 2019 and was initially anticipated to be performed following completion of the Redundancy Project in 2023 but has been pushed back due to project delays.

Attachments:

1. Larry Walker and Associates Memo for Pretreatment Program Implementation Approaches
2. Draft Laboratory Manager Job Description
3. Proposed Laboratory Manager Salary Schedule
4. Draft Revised Laboratory Technician Job Description
5. Existing Laboratory Technician Job Description

MEMORANDUM



DATE: August 6, 2024

TO: Mychal Jones, South San Luis Obispo
County Sanitation District

COPY TO:

GORMAN LAU, P.E.
1480 Drew Avenue, Suite 100
Davis, CA 95618
530.753.6400 x 225
GormanL@LWA.com

SUBJECT: Pretreatment Program Implementation Approaches

INTRODUCTION

The South San Luis Obispo County Sanitation District (District) owns and operates the Wastewater Treatment Facility (WWTF), which treats wastewater from the Cities of Arroyo Grande and Grover Beach and the Oceano Community Services District, collectively Member Agencies. The District currently implements a Sanitary Sewer Use Ordinance (Ordinance No. 2011-1), which was adopted in June 2011, and Pretreatment Ordinance (Ordinance 1994-1), which was adopted in April 1994. The District is in the process of developing a Pretreatment Program to regulate users (primarily industrial, food service establishments [FSEs], and some commercial) in its service area. The objectives of the Pretreatment Program are to prevent:

- Interference and/or upset with WWTF treatment operations
- Pass-through of conventional and toxic pollutants
- Harm to the WWTF and/or collection system infrastructure
- Contamination of municipal biosolids
- Worker exposure to chemical hazards

The development of the Pretreatment Program includes an Administrative Procedures Manual that outlines the procedures for implementing the Pretreatment Program, an update to the Sewer Use Ordinance to provide the legal authority for implementing the Pretreatment Program, an update to the local limits that provide effluent limits that permitted users must meet to discharge to the sanitary sewer system, an Enforcement Response Plan that outlines the procedures for conducting enforcement against dischargers that are not complying with pretreatment standards, and an initial review of existing industrial users and other potential users that may need to be regulated under the Pretreatment Program.

On a day-to-day basis, implementation of the Pretreatment Program primarily consists of identifying potential users that need to be regulated, permitting identified users, conducting compliance sampling and inspections of the permitted users, reviewing reports and assessing compliance with pretreatment standards, and conducting enforcement activities.

The purpose of this technical memorandum is to outline the potential approaches for implementing the Pretreatment Program and provide a recommendation for the District to consider for program implementation.

The major elements of this technical memorandum include the following:

- Pretreatment Program implementation approaches
- Other considerations
- Pretreatment Program implementation recommendation

Pretreatment Program Implementation Approaches

The District is considering two potential approaches for implementing the Pretreatment Program:

- The District will implement the Pretreatment Program for its entire service area
- The Member Agencies will implement the Pretreatment Program for their respective service areas

The following sections will discuss each approach, the advantages and disadvantages of each approach, and staffing requirements for each approach.

DISTRICT IMPLEMENTATION

Under this approach, District staff (e.g., laboratory manager, laboratory technician) will likely implement the Pretreatment Program for the District's entire service area. This approach may require agreements or an understanding with the Member Agencies to facilitate coordination for identifying potential users that may need to be regulated under the Pretreatment Program and allowing for the District to have enforcement authority for non-compliant users.

The major advantage of this approach is that it allows for a single person (or team) from the District to implement the Pretreatment Program whereas if each Member Agency is required to implement the program separately, individuals across multiple agencies will need to be trained to implement the program and there is the potential for inconsistent approaches for implementation. If a Central Coast Regional Water Quality Control Board (Central Coast Water Board)-approved Pretreatment Program is required in the future, inconsistent approaches for program implementation may be identified in pretreatment compliance inspections or audits and required to be rectified. It should be noted that at this time, the Central Coast Water Board does not require the development and implementation of an approved Pretreatment Program.

A second important advantage of this approach is that the District will develop direct relationships with its regulated community especially since the permitted users have the potential to directly impact the WWTF. This direct relationship can make it easier to work with

permitted users during periods of non-compliance because of the rapport that is developed between the District and the regulated community. Another benefit of working directly with the regulated community is that they are typically forthcoming about new businesses (e.g., competition) that may need to be investigated for potential permitting under the Pretreatment Program.

As discussed above, the primary disadvantage of this approach is that the Member Agencies will need to cede some control for regulating users in their jurisdiction to the District. This may require formal agreements that outline the District’s and the Member Agencies’ responsibilities under the Pretreatment Program. At this time, it is expected that the Member Agencies will maintain control and regulation of their sanitary sewer systems.

An estimate of the labor hours required to implement the proposed Pretreatment Program is presented in **Table 1**. The estimated hours for each permitted user and FSE are based on an average user. If the user’s facility or discharge is more complex (e.g., multiple connections to the sanitary sewer system, categorical industrial users), additional time may be required for oversight. If the Pretreatment Program is later required by the Central Coast Water Board, annual reports will need to be generated by the District that summarizes the previous year’s activities and compliance.

Table 1. Estimated Labor Hours for Pretreatment Program Implementation

Pretreatment Program Task	Estimated Annual Labor Hours
Identification of potential users requiring permitting	12
Hours per Permitted User	
Permit development (once every five years for each permitted user)	2
Compliance inspection (once per year)	2
Compliance sampling (once per year)	8
Compliance report review (expected two compliance reports per year)	4
Enforcement activities	Varies
Hours per Permitted Food Service Establishment	
Permit development (once every five years for each permitted user)	0.5
Compliance inspection (once per year)	2
Enforcement activities	Varies

Based on the 2 currently permitted users and approximately 110 FSEs, it is expected that the annual District staff time is approximately 315 hours, excluding enforcement activities. The level of effort required for enforcement activities can vary significantly depending on the magnitude of non-compliance, urgency of resolving the non-compliance, and cooperation from

the permitted user in non-compliance. If additional users are required to be permitted following a review of potential permitted users, this labor estimate could increase.

MEMBER AGENCY IMPLEMENTATION

Under this approach, the Member Agencies will implement the Pretreatment Program, as directed by the District's Sewer Use Ordinance, for their respective service area.

The major advantage of this approach is that it will significantly reduce the District's labor requirements for program implementation. While each Member Agency will implement the Pretreatment Program within their jurisdiction, the District will still need to be involved in certain discussions related to permitting (e.g., authorization of variances from established pretreatment standards, enforcement, and potential impacts to the WWTF. In most cases, this will likely result in as-needed support from the District without a defined level of effort. The work effort identified in **Table 1** will be required of the Member Agencies.

There are several disadvantages to this approach with the most significant being that each Member Agency will need to have trained staff and sufficient equipment and tools to properly implement the Pretreatment Program. For the District to implement the Pretreatment Program, it may require about 20 percent of one staff person's time. For the Cities of Arroyo Grande and Grover Beach, this workload may be about 10 percent of one staff person's time for each agency. For Oceano Community Services District, the level of effort is minimal and might only be limited to permitting and inspecting several FSEs in its service area pending further evaluation of businesses in its service area. This small allocation of time for each Member Agency can introduce the risk of not accumulating experience from repetition of these tasks.

A second disadvantage to this approach is that it can result in inconsistent implementation of the Pretreatment Program. Since each Member Agency will be permitting and conducting enforcement of the permitted users in its service area, this implementation can vary based on non-regulatory factors such as local politics, considerations, and issues. Inconsistent implementation of the Pretreatment Program can result in potential issues at the WWTF and affect the District's ability to comply with its National Pollutant Discharge Elimination System (NPDES) permit and other applicable regulatory requirements.

Other Considerations

Pretreatment Programs, and in particular local limits, are intended to be reviewed and updated as needed on a regular basis. For local limits reviews and evaluations, it is typically recommended that these are conducted with a new NPDES permit and associated effluent limitations, significant changes to the operations or treatment facilities at the WWTF, significant changes in the industrial user base, changes in regulations, etc. While some Regional Water Boards require a local limits evaluation every five years with the issuance of a new NPDES permit, the Central Coast Water Board does not currently have those requirements in NPDES permits. This effort will likely be led by the District as it may eventually be responsible for implementing or overseeing implementation of the Pretreatment Program in the future if the Central Coast Water Board requires an approved program under the NPDES permit.

Pretreatment Program Implementation Recommendation

This technical memorandum identified two approaches (i.e., District or Member Agency implementation) for implementing the proposed Pretreatment Program that is being developed. Based on this evaluation, it is recommended that the District take the responsibility for fully implementing the Pretreatment Program because it helps centralize the effort for consistent implementation across the District's entire service area and mitigates the need for Member Agencies to identify and train staff to implement the program within their respective jurisdictions. The District will need to work with the Member Agencies in developing a framework for allowing the District to implement the program in the Member Agencies' service areas. Although the District will primarily implement the Pretreatment Program under this approach, the Member Agencies will still be involved in the implementation as it relates to providing business licenses to the District to help identify potential new users and enforcement actions that may impact the sanitary sewer system.

7015 – LABORATORY MANAGER

EMPLOYMENT STANDARDS:

Position Characteristics: Under general direction of the Wastewater Plant Superintendent, the Laboratory Manager is an advanced professional position that plans, organizes, manages, and reviews the operations of the District's laboratory including day-to-day supervision of laboratory operations, pollution prevention, pretreatment, and data reporting. This position administers the District's National Pollutant Discharge Elimination System (NPDES) Monitoring and Reporting (MRP) program and reviews and reports on regulatory issues. This position provides supervision and support to laboratory staff and operations staff and ensures efficient and effective functionality of the District laboratory. Maintains an Environmental Laboratory Accreditation Program (ELAP) certified laboratory and functions as the Technical Manager and Quality Manager for regulatory and compliance purposes. Prepares reports to regulatory agencies and performs related duties as required. Implements programs and policies to comply with federal, state, and local regulations and industry standards.

Distinguishing Characteristics: This is a management level classification in which the incumbent plans, develops, and ensures execution of duties associated with the laboratory and pretreatment programs of the water pollution control plant. Responsibilities include coordinating the activities of the laboratory with those of operations and managing and accomplishing the complex and varied functions of the laboratory.

Supervision Received and Exercised: Receives general direction from the Wastewater Plant Superintendent. The position provides supervision over laboratory staff as well as operations staff, interns, contractors and/or consultants in the conductance of routine laboratory work and related duties.

Minimum Qualifications: The Laboratory Manager must meet the general and educational requirements and qualifications of a "Technical Manager", as required by the Environmental Laboratory Accreditation Program (ELAP), TNI, and State Water Resources Control Board.

Education: Possession of a bachelor's degree or higher from an accredited college in chemistry, biology, environmental sciences, or a closely related field.

Experience: Minimum of six (6) years of environmental laboratory experience as a laboratory technician in a wastewater treatment facility or commercial laboratory analyzing wastewater samples. Experience as a lead or senior position in an environmental laboratory is required.

OR any combination of education, training and/or work experience to demonstrate knowledge, skills, and abilities to meet the above minimum requirements.

Possession of: A California Water Environment Association (CWEA) Grade II Laboratory Analyst certificate is required or higher certification from the CWEA. Possession of a CWEA Grade II Environmental Compliance Inspector, or ability to obtain one within eighteen (18) months of hire. Must possess a valid Class "C" California driver's license, with a satisfactory driving record. Must have and maintain a satisfactory driving record to be insurable to operate District vehicles.

Failure to possess and maintain the required license(s) and/or certificate(s) may be cause for discipline up to and including termination.

Knowledge of:

- Standards and accepted principles of management and supervision, on-the-job training, and work review.
- Organization and supervisory practices as applied to the development, analysis, and evaluation of programs, policies, and operational needs of the laboratory.
- Principles and methods of chemical, microbiological, and toxicological analyses of wastewater and associated sampling procedures.
- Practices of researching program issues, evaluating alternatives, making sound recommendations, and preparing and presenting effective staff reports.
- Principles and practices of budget development, administration, and accountability.
- State and local regulatory practices and technical terms applied to laboratory processes.
- TNI and California Environmental Laboratory Accreditation Program (ELAP) standards.
- NPDES permits and Federal testing regulations and guidelines (including 40 CFR part 136 and EPA's Clean Water Act).
- Principles, practices, and programs for the District's wastewater pretreatment program, the waste inspection function, and related programs and projects.
- Principles, practices, and terminology of commercial wastewater source control.
- Practices and techniques of performing facility and process inspections related to areas of assignment.
- Characteristics and problems involved with wastewater and environmental compliance analysis.
- Sampling techniques and statistical analysis.
- Standard laboratory equipment operation and maintenance.
- Laboratory quality assurance and quality control measures.

- Process control practices, methods, and equipment.
- Chemical and biological tests applied in wastewater treatment.
- Laboratory and wastewater plant safety procedures and equipment.
- Principles and practices of safety management and application.
- Specific tasks employed in using personal protective equipment.
- Operating systems including SCADA and other computer applications related to the work.
- Laboratory Information Management Software (LIMS)
- Methods and techniques for record keeping and report preparation and writing.
- English composition, spelling, grammar, vocabulary, and punctuation for both written and oral communications.
- Techniques for providing a high level of customer service to public and District staff, in person, over the telephone, and in writing.

Ability to:

- Schedule, perform complex and accurate chemical, biochemical, bacteriological, physical, and biological analyses of water, wastewater, and biosolids.
- Analyze the results of such tests and make appropriate recommendations for plant operations.
- Provide for the selection, training, development, motivation, and work evaluation of staff.
- Develop and implement goals, objectives, policies, procedures, work standards, and internal controls for the laboratory.
- Research, analyze, and summarize data, and prepare and present accurate and reliable reports containing findings and recommendations.
- Manage monitoring and reporting programs to ensure compliance with federal and state water quality and environmental regulations as well as company standards.
- Manage required permits and make any necessary modifications and renewals.
- Identify potential issues and problems and initiate responsive actions and mitigate environmental violations.
- Perform in-depth inspections of industrial, commercial, and residential users
- Assemble data and prepare reports and Notices of Violations and maintain records of testing and findings.
- Interpret, apply, and explain complex laws, codes, regulations, and ordinances.
- Read and interpret a variety of meters, gauges, and recording charts.
- Interpret, apply, and explain applicable federal, state, and local policies, laws, and regulations.
- Implement, understand, interpret, follow, and successfully communicate both orally and in writing, pertinent department policies and procedures.

- Analyze data and information using established criteria to determine consequences and to identify and select alternatives.
- Make accurate arithmetic and statistical computations.
- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, maintain attention to detail and accuracy while meeting critical deadlines.
- Operate modern office equipment including computer equipment and specialized software application programs.
- Organize, maintain, and update office database and records systems.
- Identify and take appropriate action when unusual operating problems occur.
- Use English effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgement within general policy and legal guidelines.
- Establish and maintain effective working relationships with those contacted in the course of work.
- Work unusual shifts, weekends, evening, and holidays when required.
- Lift up to fifty (50) pounds in the normal course of work.

Typical Duties:

Duties may include, but are not limited to, the following:

- Serves as the District's Technical Manager and meets the requirements for Technical Manager under Environmental Laboratory Accreditation Program (ELAP) regulations.
- Exercises management authority for assigned services and activities of the Laboratory and performs managerial responsibilities such as:
 - Monitoring lab performance data and validity of analysis for the laboratory;
 - Maintaining the laboratory's ELAP certification and serving as the Technical Manager and Quality Manager;
 - Preparing and developing the laboratory budget;
 - Monitoring purchases and expenditures;
 - Approving non-routine expenditures for workplace improvements, training, computer software and hardware, etc.;
 - Monitoring goals and objectives of the laboratory and taking corrective actions as appropriate;
 - Recommending and implementing new policies and procedures to eliminate or reduce barriers to efficient and effective production and/or to improve customer service;
 - Coordinating and monitoring the work of consultants and contractors by reviewing the performance and quality of work to ensure compliance with the applicable contract and by reviewing and approving claims for payments to ensure conformance with contract provisions and to prevent cost overruns.

- Performs supervisory duties to direct reports and to others through subordinate supervisors such as:
 - Establishing standards for acceptable work products and evaluating performance;
 - Interviewing applicants and making selections;
 - Reviewing, approving, and implementing disciplinary actions and terminations;
 - Providing career development mentoring and recommending training and career development opportunities;
 - Assigning work and planning and scheduling staff's work activities and deadlines;
 - Reviewing work and recognizing employee's work efforts and accomplishments;
 - Providing technical oversight and review of reports for quality control purposes;
 - Ensuring that employees are properly trained and have the appropriate educational and technical background to perform the tests for which the lab is accredited;
 - Ensuring District safety practices are implemented throughout the departments to ensure a safe and healthy work environment;
 - Reviewing and approving timesheets and requests for leave;
 - Supporting and ensuring compliance with District policies and procedures including those related to equal opportunity and to safety;
 - Assures that federal, state, and local laws, rules, regulations, and guidelines applicable to the laboratory are adhered to.
- Maintains a thorough understanding of the NELAC Institute (TNI) and Environmental Laboratory Accreditation Program (ELAP) standards and assures they are adhered to.
- Implements monitoring and reporting programs as required by Regional Water Quality Control Board, State Water Resources Control Board, U.S. Environmental Protection Agency (EPA), or other regulatory agencies such as the District's NPDES and Pretreatment Program.
- Manages, coordinates and administers environmental compliance and operational analyses programs, ensuring that NPDES parameters are analyzed, and any noncompliance is reported to the Wastewater Plant superintendent.
- Coordinates the use of the Water Information Management System (WIMS) and electronic data applications and procedures.
- Oversees improvements to work procedures (SOPs), methods, and documentation; verifies compliance of technical work procedures (SOPs).
- Participates in a variety of technical and/or regulatory studies, evaluates results and alternatives, makes recommendations; prepares analyses, reports, recommendations, and position papers on wastewater matters pending before legislative or regulatory bodies; prepares a variety of reports required by regulatory agencies.

- Implements and maintains the laboratory document control and record keeping systems and complies with all laboratory traceability requirements; reviews records and documents for accuracy, clarity, and compliance.
- Assumes responsibility for covering a part of the work assignments of technical staff during short absences.
- Schedules, performs, and interprets a variety of complex and standard chemical, physical, microbiological, and toxicological analyses of wastewater, receiving water, and biosolids independently, following approved SOPs and federal and state regulations.
- Participates in skills and safety training programs; learns and implements safety policies and procedures; may provide or assist with training other laboratory staff and operations staff on sampling and testing procedures.
- Participates in special projects, committees and/or teams related to internal District operations.
- Establishes positive working relationships with District management, staff, and the public.
- Represents the District to outside groups and organizations; may act as District liaison on various inter agency coordination projects; may lead a team of District staff engaged in discussions with representatives in other governmental entities; makes presentations to public groups regarding District activities and programs.
- Respond to emergency situations.
- Perform other related duties as may be assigned.

Working Conditions: Work in wastewater treatment plant, wastewater collection system environments; exposure to the environment, water, chemicals, hazardous materials, noise, and traffic; heavy lifting/moving, standing, and climbing. Wear personal protective equipment as appropriate for job assignments. May work at heights, in confined spaces, and in inclement weather conditions.

Physical Demands: Must possess strength, stamina and mobility to work in a wastewater treatment plant, collections system, and laboratory setting. Ability to move materials weighing up to fifty (50) pounds and to use specialized test equipment, hand and power tools and instrumentation; stamina to work in confined spaces around machines and to ascend and descend ladders; vision to read printed materials, charts, gauges and a computer screen; hearing and speech to converse in person and over the telephone or radio.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
SALARY SCHEDULE ADOPTED BY RESOLUTION 2021-431**

SEIU Salaries Per Resolution 2021-429 - Effective July, 2023

Non-Rep Salaries Per Resolution 2021-430 - Effective July, 2023

Exec Mgmt Salary Per Resolution 2018-396 - (First Amendment 06.16.21) Effective July 2023

Classifications	Authorized Number	Unit	Rate Type	Step A	Step B	Step C	Step D	Step E
District Administrator	1	Exec Mgmt	Monthly	n/a	n/a	n/a	n/a	14351
Wastewater Plant Superintendent*	1	Non-Rep	Monthly	9510	9985	10485	11009	11559
Wastewater Plant Operations Supervisor*	1	SEIU	Monthly	6624	6955	7303	7668	8051
Laboratory Manager*	1	SEIU	Monthly	6624	6955	7303	7668	8051
Wastewater Plant Senior Operator*	1	SEIU	Monthly	6088	6393	6712	7048	7400
Laboratory Technician*	1	SEIU	Monthly	5457	5730	6016	6317	6633
Wastewater Plant Operator II*	4	SEIU	Monthly	5303	5569	5847	6139	6446
Wastewater Plant Operator I*	0	SEIU	Monthly	4923	5170	5428	5699	5984
Wastewater Plant Operator In Training Intern	0	SEIU	Monthly	4451	4673	4907	5152	5410
Maintenance Assistant	0	Non-Rep	Monthly	4419	4640	4872	5115	5371
Bookkeeper/Secretary	1	Non-Rep	Monthly	4962	5210	5470	5744	6031

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*Eligible for Higher Operator Grade Program; 2.5%

OTHERS

Board Member or Alternate (elected) \$100 per meeting attended
(Resolution 1995-150)

Volunteers See Resolution No. 76

Plant Worker (temporary) Hourly rate of equiv position

Summer Intern (temporary) California Minimum Wage

7042 – LABORATORY TECHNICIAN

EMPLOYMENT STANDARDS:

Position Characteristics: Under general supervision, performs a variety of routine to complex standardized chemical, biological, and bacteriological analysis on wastewater, reclaimed water, biosolids, and soil samples; performs a variety of technical tasks relative to conducting and interpreting standard and complex laboratory analysis; coordinates or performs sample collection activities; sets up testing procedures, records data, and analyzes results; assists with field investigations to determine and mitigate wastewater problems; performs the inspection of industrial, commercial, and residential discharge to the collection system; provides guidance and recommendations to local business owners to ensure compliance with the District's Pretreatment Program; assists in coordinating and implementing a source control program; ensures that discharge is in compliance with local regulations and ordinances; and performs related work as required.

Distinguishing Characteristics: The Laboratory Technician is designed to serve as the designated District Laboratory Technical Manager if/when the District Laboratory Manager is absent for a period of time exceeding fifteen (15) consecutive calendar days; perform routine to complex laboratory tests and analyses with only occasional instruction or assistance, as well as inspections of industrial, commercial, and residential discharges to the sewer system including tactfully enforcing codes, ordinances, and other regulations. The Laboratory Technician requires a CWEA Grade I Laboratory analyst Certification.

Supervision Received and Exercised: Receives general supervision from the Laboratory Manager. No Supervision of staff is exercised.

Minimum Qualifications:

Education: Possession of a bachelor's degree or higher from an accredited college in chemistry, biology, environmental sciences, or a closely related field.

Experience: Minimum of six months experience with water or wastewater lab equipment.

OR any combination of education, training and/or work experience to demonstrate knowledge, skills, and abilities to meet the above minimum requirements.

Possession of: A Grade I or higher certification from the California Water Environmental Agency (CWEA) or California-Nevada American Water Works Association (CA-NV/AWWA) certification as a Lab Analyst/Water Quality Analyst. A CWEA Grade I Environmental Compliance Inspector, or ability to obtain one within twelve (12) months of hire. A valid Class "C" California driver's license, with a satisfactory driving record. Must have and maintain a satisfactory driving record to be insurable to operate District vehicles.

Failure to possess and maintain the required license(s) and/or certificate(s) may be cause for discipline up to and including termination.

Knowledge of:

- Chemical, biological, and physical characteristics of wastewater.
- Principles, practices, equipment, and materials related for the chemical, biochemical, biological, bacteriological, and physical analysis of samples of wastewater.
- Principles, practices, and programs for the District's wastewater pretreatment program, the waste inspection function, and related programs and projects.
- Use of laboratory and analytical equipment.
- Principles, practices, and terminology of commercial wastewater source control.
- Sampling techniques and related statistical analysis techniques.
- Laboratory and wastewater plant safety procedures and equipment.
- Basic principles of wastewater treatment and disposal.
- Practices and techniques of performing facility and process inspections related to areas of assignment.
- Applicable Federal and State laws; District regulations, codes, ordinances, policies and procedures.
- Principles of report writing and preparation.
- Principles and practices of safety management and application.
- Operating systems including SCADA and other computer applications related to the work.
- Laboratory Information Management Software (LIMS)
- Record keeping principles and procedures.
- English usage, grammar, spelling, vocabulary, and punctuation.
- Techniques for providing a high level of customer service to public and District staff, in person and over the phone.

Ability to:

- Perform complex and accurate chemical, biochemical, biological, bacteriological, and physical analyses of water, wastewater, and biosolids.
- Analyze the results of such test and make appropriate recommendations for plant operations.
- Research, analyze, and summarize data, and prepare and present accurate and reliable reports containing findings and recommendations.
- Perform in-depth inspections of industrial, commercial, and residential users.
- Assemble data and prepare reports and Notices of Violation and maintain records of testing and findings.
- Read and interpret a variety of meters, gauges, and recording charts.
- Use and perform calibration and minor maintenance and repair on a variety of laboratory equipment.
- Interpret, apply, and explain applicable federal, state, and local policies, laws, and regulations.
- Understand, interpret, follow, and successfully communicate both orally and in writing, pertinent department policies and procedures.
- Analyze data and information using established criteria to determine consequences and to identify and select alternatives.
- Make accurate arithmetic and statistical computations.

- Organize and prioritize a variety of projects and multiple tasks in an effective and timely manner; organize own work, set priorities, maintain attention to detail and accuracy while meeting critical deadlines.
- Understand and follow oral and written instructions.
- Operate modern office equipment including computer equipment and specialized software application programs.
- Organize, maintain, and update office database and record systems.
- Identify and take appropriate action when unusual operating problems occur.
- Use English effectively to communicate in person, over the telephone, and in writing.
- Use tact, initiative, prudence, and independent judgement within general policy and legal guidelines.
- Establish and maintain effective working relationships with those contacted in the course of work, using diplomacy and tact.
- Work unusual shifts, weekends, evening, and holidays when required.
- Prepare a variety of basic reports and other written materials on division activities in a clear and concise manner, using proper English, grammar, spelling, vocabulary, and punctuation.
- Keep accurate and legible records.
- Effectively and efficiently implement operations changes.
- Take a proactive approach to problem solving, including recognizing and correcting unusual, inefficient or dangerous conditions.
- Lift up to fifty (50) pounds in the normal course of work.

Typical Duties:

Duties may include, but are not limited to, the following:

- Performs and interprets complex chemical, biochemical, biological, bacteriological, and physical analyses of samples related to the treatment, quality control, and disposal of wastewater influent and effluent, following standard procedures and guidelines.
- Identifies and determines sampling procedures and programs; collects samples at various sites throughout the treatment plant and other District sites for testing to determine the effectiveness of each stage of the treatment process.
- Prepares standard chemical solutions and reagents; disposes of outdated materials in a safe manner and ensures that the laboratory is maintained in a clean and orderly condition.
- Analyzes and interprets laboratory results, recognizing problems that may be occurring during the treatment process.
- Sets up, calibrates, operates, and performs maintenance and repair to a variety of laboratory instruments and equipment.
- Maintains quality control and quality assurance and follows safe work procedures within standard operating procedures and protocols.
- Maintains accurate records of work performed and analysis results.
- Assists in the preparation of periodic and special reports for submission to appropriate regulatory agencies in a timely manner; develops methods and assembles data to ensure that laboratory certification is in compliance with regulatory requirements.

- Enters data into and retrieves data from an automated data control system.
- Meets and corresponds with industrial, commercial, and residential users to interpret and implement Federal, State, and local regulations, ordinances, and policies of the pretreatment and pollution prevention programs.
- Prepares accurate records and correspondence, including writing, updating, negotiating, and maintaining wastewater discharge permits.
- May collect wastewater samples from industrial, commercial, residential users and District sanitary sewers and perform well-defined chemical and biological tests in the field.
- Organizes, maintains, and documents all required information for enforcement of District code as directed by the federal requirements; analyzes lab data by comparing test results to requirements; prepares technical reports, evidence, and documentation; prepares and issues Notice of Violation when noncompliance is established.
- Writes and issues permits, and notices related to the pretreatment program.
- Tracks new business entering District boundaries; research new business license requirements; collects pertinent data; updates and maintains records; enrolls in environmental compliance program as necessary.
- Responds to public inquiries on wastewater services, and other problem areas as related to compliance program.
- Reads, interprets, applies, and explains regulations and standards to customers.
- Participates in various technical projects related to process problems and improvement.
- Attends professional conferences and seminars to keep abreast of new developments in the industry; participates in various industry related groups and meetings; serves as a representative of the District.
- Operates standard office equipment, including job-related computer hardware and software applications, facsimile equipment, and multi-line telephones; may operate other department specific equipment.
- Researches and maintains awareness of current and proposed state and local regulations, ordinances, and legislation as it relates to District programs, services, and customer and community relations.
- Assists in training new staff as required.
- Builds and maintains positive working relationships with co-workers, other District employees, and the public.
- Drives motor vehicles.
- Performs related duties similar to above in scope and function as required.

Working Conditions: Work in wastewater treatment plant, wastewater collection system environments; exposure to the environment, water, chemicals, hazardous materials, noise, and traffic; heavy lifting/moving, standing, and climbing. Wear personal protective equipment as appropriate for job assignments. May work at heights, in confined spaces, and in inclement weather conditions.

Physical Demands: Must possess strength, stamina and mobility to work in a wastewater treatment plant, collections system, and laboratory setting, to move materials weighing up to fifty (50) pounds and to use specialized test equipment, hand and power tools and

instrumentation; stamina to work in confined spaces around machines and to ascend and descend ladders; vision to read printed materials, charts, gauges and a computer screen; hearing and speech to converse in person and over the telephone or radio.

DRAFT

7042 – LABORATORY TECHNICIAN

EMPLOYMENT STANDARDS:

Position Characteristics: Under limited supervision of the Wastewater Plant Superintendent, collects samples and performs a variety of routine analyses of water, wastewater, reclaimed water and sludge in support of treatment plant operations and to meet regulatory requirements. Supports the operations staff by performing basic plant operational activities.

Distinguishing Characteristics: The Laboratory Technician is designed to serve as the District Lab Director; perform technical Laboratory duties, and support operations functions as an Operator. The Laboratory Technician requires a CWEA Grade I Laboratory analyst Certification.

Minimum Qualifications:

Education: Graduation from high school or G.E.D. bachelor's degree in chemistry, biochemistry, biology, microbiology environmental, sanitary or public health engineering, natural or physical science is desirable.

Experience: Minimum of six months experience with water or wastewater lab equipment.

OR any combination of education, training and/or work experience to demonstrate knowledge, skills, and abilities to meet the above minimum requirements.

Possession of: A Grade I or higher certification from the California Water Environmental Agency (CWEA) or California-Nevada American Water Works Association (CA-NV/AWWA) certification as a Lab Analyst/Water Quality Analyst and a valid Class "C" California driver's license, with a satisfactory driving record. Must have and maintain a satisfactory driving record to be insurable to operate District vehicles. State Water Resources Control Board Operator-in-Training within three months of hire. Grade I Operator certification within two years of hire.

Knowledge of:

- General principles, methods and techniques of wastewater sampling.
- Performing biological and chemical test analyses and treatment processes.
- Principles and practices of qualitative and quantitative chemistry, biology and bacteriology.
- Principles of chemical and physical analysis.
- Fundamentals of laboratory chemistry and intermediate mathematics.
- Use and care of laboratory equipment.
- Aseptic laboratory techniques; laboratory hazards.
- Proper laboratory safety precautions and procedures as required by federal and state mandates, industry standards, and District procedures.
- Quality assurance and quality control procedures.

- Proper methods and disinfection.
- Laboratory equipment care.
- Principles and practices of excellent customer service.

Ability to:

- Perform accurate chemical, physical, and biological analyses of water, wastewater, and sludge.
- Operate, maintain, and calibrate analytical instrumentation and equipment.
- Utilize proper sampling collection and handling techniques with speed and accuracy.
- Meet the physical requirements necessary to safely and effectively perform required duties.
- Generate accurate reports; complete data analysis and provide graphical representations of the data.
- Operate laboratory equipment; prepare laboratory reagents and solutions.
- Plan, prioritize, and organize assigned work.
- Learn practices and techniques of wastewater pumping, disinfection, and collection activities.
- Learn the operation and maintenance of a variety of wastewater treatment equipment.
- Read meters and gauges correctly.
- Learn to make routine adjustments and minor repairs to motors, pumps, and other equipment.
- Learn to perform and interpret tests and adjust chemical feed equipment accordingly.
- Operate a variety of equipment ranging from small tools to heavy equipment.
- Use good judgment within established policy and procedural guidelines.
- Provide effective guidance and oversight to less experienced staff as assigned.
- Understand and follow written and oral directions.
- Use computers and spreadsheets.
- Communicate effectively, both orally and in writing.
- Establish and maintain effective working relationships with those contacted in the course of employment, using diplomacy and tact.
- Prepare a variety of basic reports and other written materials on division activities in a clear and concise manner, using proper English, grammar, spelling, vocabulary, and punctuation.
- Keep accurate and legible records.
- Effectively and efficiently implement operations changes.
- Take a proactive approach to problem solving, including recognizing and correcting unusual, inefficient or dangerous conditions.
- Lift 50 pounds in the normal course of work.

Typical Duties:

Duties may include, but are not limited to, the following:

- Performs a variety of laboratory chemical, physical and biological tests to characterize plant and industrial waste streams, and to determine plant compliance with state and

federal regulatory agencies requirements, and process control parameters.

- Analyzes and interprets routine test results.
- Collects water, wastewater, sludge and receiving water samples from a variety of sources including creeks, spill sites, manholes, sewer lines and storm drains and maintains automatic samplers in proper working condition.
- Prepares chemical reagents, lab supplies and glassware for use in analysis.
- Follows established Chemical Hygiene Plan, Laboratory Quality Assurance (QA) program and chain of custody procedures. Recommends changes in collection, analyses, QA procedures or lab manuals.
- Monitors system by reading gauges, graphs, meters, and control panels.
- Monitors level of laboratory supplies and recommends requisitions of supplies as needed.
- Monitors condition of analytical instruments and performs preventative maintenance of equipment. Observes proper safety precautions and procedures and maintains the laboratory in a safe, clean, neat and orderly condition.
- Operates a variety of wastewater equipment.
- Maintains logs and worksheets of operation.
- Compiles equipment readings and test results.
- Maintains wastewater treatment plant facilities, including grounds, buildings, and structures.
- Performs related duties similar to above in scope and function as required.

Working Conditions: Work in wastewater treatment plant, wastewater collection system environments; exposure to the environment, water, chemicals, hazardous materials, noise, and traffic; heavy lifting/moving, standing, and climbing. Wear personal protective equipment as appropriate for job assignments. May work at heights, in confined spaces, and in inclement weather conditions.

Physical Demands: Must possess strength, stamina and mobility to work in a wastewater treatment plant, collections system, and laboratory setting, to move materials weighing up to fifty (50) pounds and to use specialized test equipment, hand and power tools and instrumentation; stamina to work in confined spaces around machines and to ascend and descend ladders; vision to read printed materials, charts, gauges and a computer screen; hearing and speech to converse in person and over the telephone or radio.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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www.sslocsd.org

Staff Report

To: Board of Directors

From: Jeremy Ghent, District Administrator

Date: October 2, 2024

Subject: AUTHORIZE EXECUTION OF AMENDMENT #3 FOR WWTP REDUNDANCY PROJECT BIOLOGICAL MONITORING SERVICES WITH RINCON CONSULTANTS, INC.

RECOMMENDATION:

Authorize the District Administrator to execute a budget amendment for Biological Monitoring Services for the Wastewater Treatment Plant Redundancy Project (Project) with Rincon Consultants, Inc., (Rincon) in the amount of \$21,199.

BACKGROUND AND DISCUSSION:

Rincon's 36-month contract (dated October 15, 2020) expired on October 14, 2023. The District extended the contract term with Amendment 1 on October 13, 2023 with no change in scope or budget. The proposed amendment is based on the biological monitoring services needed during the repair of Secondary Clarifier #2 (SC2) and is based on an assumed additional six months of services for the repair of the secondary clarifier structure. The biological monitoring is required for certain construction activities as part of the Biological Opinion (08EVEN00-2020-F-0185) issued by the United States Fish and Wildlife Service (USFWS) on May 15, 2020, and is a condition of the USDA loan planned to fund a portion of the project.

The proposed scope amendment includes providing additional biological services for Task 3 (Environmental Compliance Monitoring Services). Biological monitoring services authorized under this amendment would commence in September 2024 and would include four months of biological monitoring services related to the continued construction activities at the Project site.

The Amendment includes the following main services:

- Biological monitoring, assuming up to 19 days of partial-day monitoring will be required over the 4-month construction period;
- Continued preparation and submission of monthly summary reports that summarize the Project compliance, document all non-compliance issues and remedies taken, and provide recommendations for new procedures to ensure compliance in the future, as necessary;

- Preparation of a final report to be submitted to the USFWS within 30 days of the Project completion, as required in the Biological Opinion. The report will include all listed species observations, capture and release locations of any relocated California red-legged frogs, and applicant feedback on the effectiveness of the avoidance and minimization measures.

Based on the cost of services performed to date and the remaining balance in the current contract, Rincon estimates the additional cost required to complete the work described above including closeout to be \$21,199.

FISCAL CONSIDERATION:

The recommended contract amendment amount is \$21,199 for a total biological monitoring services budget of \$126,174. The Project budget estimated an additional \$12,100 would be required for additional biological monitoring. This was based on the anticipated schedule at the time. The professional services contingency budget for SC2-related work was based on 10% of the anticipated costs, or \$82,490. Staff recommends reallocating a portion of the professional services contingency to cover the unanticipated amount for this proposed amendment (\$9,099) to maintain adequate biological monitoring services during construction in compliance with the USFWS Biological Opinion for the Project.

The damage to SC2 is estimated to be due to a design error. Costs associated with SC2 damage investigations and repair are the responsibility of the designer. The District's Project Team is tracking costs and schedule, along with remaining work to be completed, and coordinating with the designer to determine a path forward for recuperation of costs related to the SC2 damage and repair.

Attachments:

Rincon Budget Amendment Request dated August 23, 2024



Rincon Consultants, Inc.

1530 Monterey Street, Suite D
San Luis Obispo, California 93401

805 547 0900 OFFICE AND FAX

info@rinconconsultants.com
www.rinconconsultants.com

August 23, 2024
Rincon Project No: 20-10019

Eileen Shields
South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, California 93445
Via email: eshields@mknassociates.us

Subject: Budget Amendment #2 Request to Provide Additional Biological Monitoring Services for the South San Luis Obispo Wastewater Treatment Plant Redundancy Project, Oceano, California

Dear Ms. Shields:

Rincon Consultants, Inc. (Rincon) is pleased to submit this budget amendment #2 request to provide additional biological monitoring services for the South San Luis Obispo Wastewater Treatment Plant (WWTP) Redundancy Project (Project) located in San Luis Obispo County (County), California.

As you know, our 36-month contract (dated October 15, 2020) expired on October 14, 2023. The South San Luis Obispo County Sanitation District approved an extension of our contract on October 13, 2023. The budget amendment #1 was executed on January 18, 2024, to provide an additional 6 months of biological services for the repair for the secondary clarifier structure. This budget amendment #2 request is based on the services needed for the extended repair of the secondary clarifier structure, for an additional 6 months of biological monitoring services, as identified during the execution of previously authorized tasks. Therefore, our amendment request includes providing additional biological services for Task 3 – Environmental Compliance Monitoring Services. Biological Monitoring Services authorized under this amendment would commence in September 2024 and would include 4 months of biological monitoring services related to the continued construction activities at the Project site.

Task 3 – Environmental Compliance Monitoring Services

Rincon will continue to provide biological monitoring services in support of compliance with the Biological Opinion (08EVEN00-2020-F-0185) issued by the United States Fish and Wildlife Service (USFWS) on May 15, 2020. Rincon will continue to provide a USFWS-approved biologist for California red-legged frog (CRLF) CRLF relocation should individuals of any life stage be found in Project areas, as well as for CRLF pre-activity surveys on any day when work is occurring outside, and rainfall is predicted greater than or equal to 0.1 inch.

Rincon assumes a total of up to 19 days of partial day monitoring (total of 95 staff hours) will be required over the 4-month period.

Rincon will also continue to prepare and submit monthly summary reports that summarize the Project compliance, documents all non-compliance issues and remedies taken, and provides recommendations for new procedures to ensure compliance in the future as necessary.



Rincon assumes 5 monthly reports, and 3 hours per monthly report (total of 15 staff hours). Preparation of monthly reports will include 5 monthly reports between August 2024 and December 2024.

Rincon will also prepare a final report to be submitted to the USFWS within 30 days of the Project completion, as required in the Biological Opinion. The report will include all listed species observations, capture and release locations of any relocated California red-legged frogs, and applicant feedback on the effectiveness of the avoidance and minimization measures. Rincon assumes a total of 25 hours for preparation of the final report.

We will perform the additional work as outlined above for an estimated not-to-exceed cost of \$23,399. As the contract has \$2,200 in existing funds, the total amount of this budget amendment #2 request is **\$21,199**. To authorize the additional work, please review the attached cost estimate table and then sign below and return for our records. The additional work would be billed on a time and materials basis in accordance with our *Professional Services Contract Amendment*, which was fully executed on October 16, 2023.

Thank you for the continued opportunity to provide biological monitoring services for this project. Please contact me if you have any questions or need any additional information.

Sincerely,
Rincon Consultants, Inc.

A handwritten signature in blue ink, appearing to read "Amber Nichols", written in a cursive style.

Amber Nichols
Project Manager/Senior Biologist

A handwritten signature in blue ink, appearing to read "Colby J. Boggs", written in a cursive style.

Colby J. Boggs, MS
Principal/Senior Ecologist

Amendment Authorized by:

Eileen Shields



RINCON CONSULTANTS, INC.

South San Luis Obispo County Sanitation District - Biological Monitoring
Services for the WWTP Redundancy Project

Cost Estimate

	Rincon Labor Classification →			Principal I	Supervisor I	Senior Professional I	Professional III
	Labor Description →			(2024 Rates)	(2024 Rates)	(2024 Rates)	(2024 Rates)
Tasks	Labor Cost	Direct Expense	Hours	\$248	\$219	\$180	\$146
Task 3: Construction Monitoring and Reporting							
Task 3.2 Construction Monitoring	\$16,331	\$3,420	95	4.5	7	46	37
Task 3.3 Report	\$2,851		15	3	3	4	5
Task 3.4 Final Report to USFWS/USDA	\$4,097		25	1	1	8	15
<i>Task Subtotal</i>	\$23,279	\$3,420	135	9	11	58	57
SUBTOTAL COST	\$ 23,279	\$ 3,420	\$ 135	\$ 2,108	\$ 2,409	#####	\$ 8,322

Direct Cost Detail

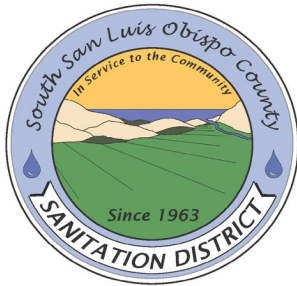
Vehicle Costs	\$ 1,615
Standard Field Equipment Package	\$ 1,805
Subtotal Additional Costs:	\$ 3,420

Summary

Professional Fees Subtotal	\$23,279
Direct Costs Subtotal	\$3,420
TOTAL PROJECT BUDGET	\$ 26,699
Existing Authorized Budget Remaining Funds	3,300.00
Total Amendment #2 Budget Request	\$ 23,399

Professional Services - are based on Rincon's standard fee schedule and labor classifications. The above is provided as an estimate of Rincon's effort per task. Rincon may reallocate budget between staff and tasks, as long as the total contract price is not exceeded.

Annual Escalation - Standard rates subject to 3% escalation annually



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Staff Report

To: Board of Directors

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

Date: October 2, 2024

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

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

Capital Projects:

Redundancy Project:

- *Micropile installation is complete*
- *Contractor is currently preparing to pour replacement slab*
- *Construction activity is expected to be completed 12/30/2024*
- *District staff will then begin a 45 day "Start-Up" of the new process*

Cogeneration Project:

- *The Project Team had a design meeting on 9/12/2024. Project design continues.*

Misc:

- *SEIU and the District Continue Negotiations*
- *District Administrator will provide an overview of the Sanitation District and our current efforts to the OCSD on October 9th.*
- *District Administrator attended Flood Control Zone 1/1A Meeting on 9/17/2024*
- *The Meadow Creek Lagoon Restoration Project Science Panel met on 9/13/2024*
- *On 9/11/2024 Creeklands and the San Luis Coastal RCD held a meeting on prioritization of projects in the Arroyo Grande Creek Watershed.*

Plant Tours:

- *OCSD General Manager Peter Brown (9/20/2024)*
- *OCSD President Charles Varni (9/20/2024)*
- *OCSD Director Shirley Gibson (9/19/2024)*
- *SSLOCSD Chair Linda Austin (9/19/2024)*

Tentative Items:

- *MOU with SEIU 11/6/2024 (Tentative)*

Plant Operations Report

During the reporting period of August 1st – September 27th there were no violations of the District's National Pollutant Discharge Elimination System (NPDES) Permit to report. All process values were within Permit limitations.

Monthly Plant Data for August 2024

August 2024	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100 mL	Chlorine Usage lbs/day
Low	2.15	3.1	430	20.4		478	18.6		<1.8	156
High	2.43	3.9	504	28.7		578	24.7		79	801
Aug 2024 AVG	2.26	3.43	470	24.5	94.8	534	21.5	96.0	16	355
Aug 2023 AVG	2.20	3.26	521	26.6	94.7	521	25.7	95.1	60	485
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

Monthly Plant Data for September 2024

September 2024	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100 mL	Chlorine Usage lbs/day
Low	2.13	2.9	414	19.2		480	21.7		<1.8	250
High	2.47	4	476	62.4		582	25.6		23	753
Sept 2024 AVG	2.25	3.3	450	35.9	92.0	517	24.1	95.3	6.8	470
Sept 2023 AVG	2.18	3.4	526	25.9	95.1	509	26.4	94.8	25	435
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

Operation and Maintenance Tasks

- Power outage August 8th. Verified all processes were operational on emergency generator and again following power restoration.
- Completed bollard installation project around emergency generator
- Rinsed down aeration basins
- Continued organization and cleanup of PVC and stainless-steel pipe parts in shop
- Performed a hydraulic flush of the Fixed Film Reactor (FFR)
- Fixed Front Loader wiper blades
- Drained and cleaned all Chlorine Contact Tank (CCT) serpentine channels
- Checked and marked Underground Service Alerts
- Troubleshoot impacted Secondary Clarifier No. 1 (SC1) manifold
- Rinsed old polymer totes
- Assisted Nviro with Primary Clarifier sludge pump variable frequency drive (VFD) and controls installation
- Troubleshoot sludge bed drainage, excavated center of sludge beds and backfilled with fresh sand

- Continued installation of new valve tags and decal painting
- Installed new disinfection controller display screens
- Prepared items for Public Surplus
- Troubleshoot reclaim water pump No. 1 VFD
- Performed landscaping of plant grounds
- Thoroughly cleaned and power washed mechanical bar screens
- Installed new Oxidation Reduction Potential (ORP) probe and cabling at SC1 effluent box
- Calibrated disinfection control probes
- Repaired minor leak on Sodium Hypochlorite pump feed line
- Began tree trimming around plant fence line
- Assisted Gold Coast Environmental with installation of collection system flow meters
- Rebuilt storm drain butterfly valve
- Troubleshoot influent pump No. 1 VFD fault

Work Orders Completed

- Performed algae control on all clarifiers
- De-ragged Primary Clarifier sludge pumps
- Performed preventative maintenance on plant carts
- Test ran both emergency generators and emergency bypass pump
- Performed preventative maintenance on air compressor
- Performed preventative maintenance on forklift
- Inspected and performed preventative maintenance on all clarifier drive units
- Inspected and performed preventative maintenance on digester vacuum/pressure relief valves
- Inspected and cleaned CCT effluent weir
- Performed preventative maintenance on mechanical bar screens and washer compactor
- Inspected and replaced main office heating and air conditioning air filter
- Performed preventative maintenance on 6-inch trash pump and installed new key switch
- Replaced boiler air intake filter
- Performed FFR orifice cleaning and distributor drive oil replacement
- Performed preventative maintenance on front loader
- Performed monthly safety walk inspection

Training

Operations Staff participated in computer-based training on:

- Active Shooter Response – Course objectives;
 - State the approximate number of mass shootings since 2010
 - Describe the value of having a personal active shooter response plan
 - List the three major components of an active shooter response plan
 - Describe some of the correct ways to interact with law enforcement officers at an active shooting
- Fire Prevention Safety – Course objectives;
 - Identify fire hazards
 - Prevent fires
 - Report fires
 - Extinguish fires

- Ethics in the Workplace – Course objectives;
 - Define ethics in the workplace
 - Explain the importance of a code of ethics policy
 - Understand the difference between business law and business ethics
 - Determine the proper course of action when faced with ethical dilemmas
 - Determine what can be considered an ethical violation
 - Interpret the steps for developing a successful workplace code of conduct
- Forklift Safety – Course objectives;
 - Training and regulatory requirements related to forklifts
 - Basic forklift operating principles
 - The different types of forklifts
 - Forklift safety requirements

Call Outs

- There were no callouts during the August 1st – September 27th reporting period.

Report on Cause of July 18th and July 31st Exceedances

On August 6th, District Operations Staff performed a hydraulic flush of the Fixed Film Reactor (FFR). Operations Staff typically perform hydraulic flushes of the FFR quarterly or as needed to wash off accumulated solids, snails, and fly larvae. During the FFR flush, Operations Staff noticed a substantial amount of air bubbles coming from the bottom of Secondary Clarifier No. 1 (SC1) near the center stilling well. The air bubbles were observed for approximately 4 hours before abruptly stopping. Following the initial observation on August 6th, District Operations Staff contacted the Redundancy Project design engineer and SC1 mechanism process engineer to figure out the potential cause.

On August 8th, District Operations Staff met with the SC1 mechanism process engineer and his assessment was that the air bubbles in SC1 were likely due to what's termed "island formation" where material gets hung up on the rake arm adjacent to the SC1 manifold and builds a little island. As that island forms, it densifies and the sludge age of the material increases to a point where septicity or nitrification can occur, causing bubbles. The process engineer offered a couple of ways to check this:

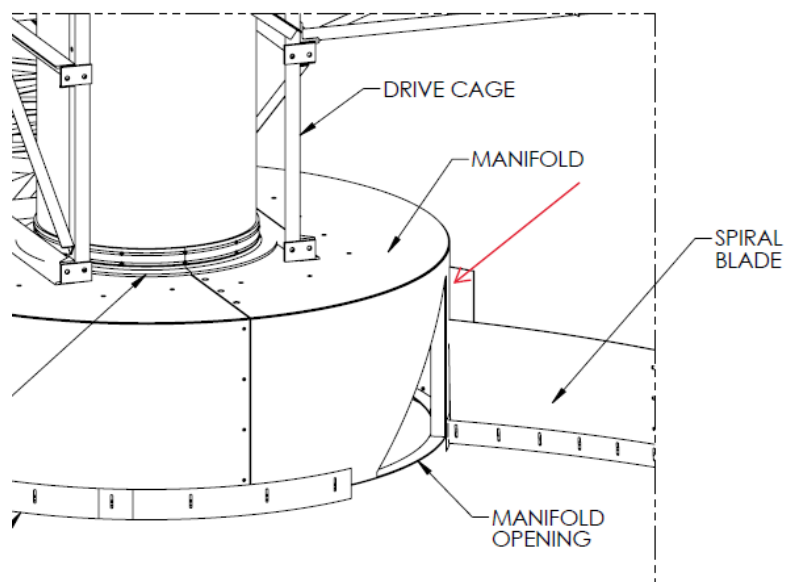
1. Perform a sludge depth check in front of the rake arm and check for sludge accumulation in that area which would be very dense at the bottom.
2. Check the underflow concentrations. They'll drop when there is active bubbling, then come back up when the bubbling stops.

Additionally, the process engineer offered a couple of ways to mitigate the active bubbling. However, he noted that since it's occurring within the feed well, the phenomenon may not be contributing to water quality issues.

1. Increase the rake speed by 10 – 15% to reduce the potential for island formation without impacting treatment.
2. Increase sludge removal rates to 600 gpm periodically (once/hour).

Following the meeting, District Operations Staff performed a sludge depth check at SC1 and found an abnormally high sludge blanket depth of approximately 40-inches near where the bubbles were observed. Immediately following the observation, Operations Staff ramped up the return sludge pump to minimize the blanket depth or any “island formation” that had occurred. During the ramp up of the return sludge pump, Operations Staff observed very dark solids along with a very strong septic smell coming from the pump discharge. Additionally, Operations Staff found a heavy buildup of solids on top of the manifold that wasn’t being removed.

Due to the buildup of solids in the SC1 from the impacted solids removal manifold, I strongly believe this may have been the cause of the fecal coliform exceedances. Additionally, the intermittent bubbling could have potentially kicked up heavily concentrated solids causing bypass into the SC1 effluent which in turn caused a large disinfection demand that was not achievable due to heavy solid/bacterial concentrations.



Red arrow indicates where the blockage may have occurred due to a buildup of solids.

Operations Staff have updated its SC1 operational procedures to mitigate solids buildup and to prevent reoccurrence.

As of September 27th, and following the update of operational procedures, there have been no bubbles, buildup, or sludge blanket observed at SC1. These operational procedures are expected to continue until the successful startup and commissioning of the District’s new activated sludge treatment process.

2024 Exceedances

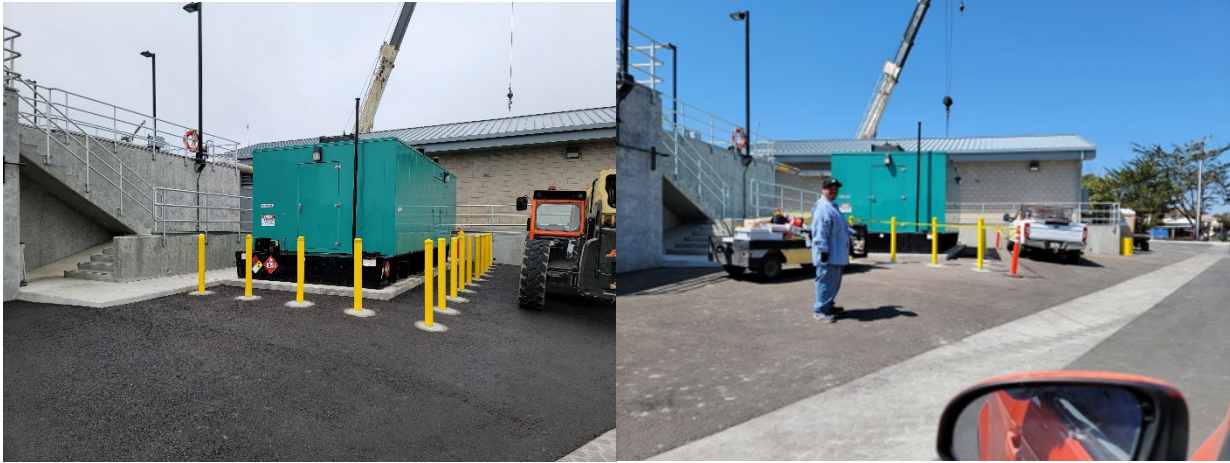
- **July 12, 2024** – Daily Maximum Total Chlorine Residual
This exceedance expires January 8, 2025.
- **July 18, 2024** – Daily Maximum Fecal Coliform
This exceedance expires January 14, 2025.
- **July 31, 2024** – Daily Maximum Fecal Coliform
This exceedance expires January 27, 2025.

Projects

Bollard Installation Project – Completed July 25, 2024

As of September 2024, District Operations staff completed the installation of new safety bollards around the District's new emergency generator. This project consisted of cutting and augering 14 holes, installation and leveling of bollard sleeves, cement back fill and finishing, bollard cutting to appropriate height of 42-inches, and painting of bollards. District Operator, Mario De Leon, was the project lead, and with assistance from District Operations staff, was able to complete this project in approximately 1 months' time. The installation of the new safety bollards will protect the District's new emergency generator from vehicle impacts.





Staff



District Laboratory Technician Erika Frost performing Biochemical Oxygen Demand analysis in the District's Laboratory.



District Operator Christopher Rigoni excavating the District's sludge beds.



District Operator in Training/Intern Robert Grajeda showing off the difference between a dirty mechanical bar screen and a freshly power washed mechanical bar screen.