

**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

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

**AGENDA  
BOARD OF DIRECTORS MEETING  
Arroyo Grande Council Chambers,  
215 E. Branch Street,  
Arroyo Grande, California 93420**

**Wednesday, June 18, 2025, at 6:00 p.m.**

**Board Members**

Kassi Dee, Chair  
Linda Austin, Vice Chair  
Caren Ray Russom, Director

**Agencies**

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

**Alternate Board Members**

Clint Weirick, Director  
Shirly Gibson, Director  
Jim Guthrie, Director

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

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

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

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

Please adhere to the following procedures when addressing the Board:

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

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California

Government Code §54954.2, requests for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

**5. CONSENT AGENDA:**

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

**5A. Approval of Warrants**

**5B. Approval of Meeting Minutes of June 4, 2025**

**6. ACTION ITEMS:**

**6A. PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2025-460  
APPROVING TH BUDGET FOR FISCAL YEAR 2025/26**

Recommendation:

1. Open the Public Hearing to receive input on the proposed Fiscal Year 2025/26 Budget.
2. Receive and consider public testimony regarding the proposed budget.
3. Close the Public Hearing following the conclusion of public comment.
4. Incorporate any Board-directed revisions into the final budget document.
5. Adopt Resolution No. 2025-460, thereby approving the District Budget for Fiscal Year 2025/26.

**6B. ADOPTION OF A RESOLUTION GRANTING COST OF LIVING  
ADJUSTMENTS AND MODIFICATIONS TO BENEFITS FOR NON-  
REPRESENTED EMPLOYEES**

Recommendation: Adopt Resolution No. 2025-461, granting Cost of Living Adjustments (COLA) and Modifications to Benefits for Non-Represented Full-time Employees, Exhibit "A".

**6C. ADOPTION OF A RESOLUTION APPROVING A PUBLICLY AVAILABLE  
PAY SCHEDULE, AS REQUIRED BY CALIFORNIA PUBLIC  
EMPLOYEES' RETIREMENT SYSTEM (CALPERS) REGULATIONS,  
EXHIBIT "A".**

Recommendation: Adopt Resolution No. 2025-462 Adopting a Publicly Available Pay Schedule for Fiscal Year 2025/2026 in accordance with California Public Employees Retirement System (CalPERS) regulations, Exhibit "A".

**6D. CONTRACT AMENDMENT 3 FOR WWTP REDUNDANCY PROJECT  
ADMINISTRATION SERVICES WITH MKN AND ASSOCIATES**

Recommendation: 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 \$35,317, for a total contract budget of \$377,946.

**6E. DISTRICT ADMINISTRATOR REPORT**

Recommendation: Receive and File.

**7. BOARD MEMBER COMMUNICATIONS:**

**8. ADJOURNMENT**

The next regularly scheduled Board Meeting is  
July 2, 2025, 6:00 pm at the  
Oceano Community Services District,  
1655 Front St, Oceano CA 93445

WARRANT REGISTER  
6/18/2025  
FISCAL YEAR 2024/25

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AIRFLOW FILTER SERVICE, INC	EQUIPMENT MAINTENANCE	79170	060925-8589	8030	44.00	44.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	JULY 2025	8590	6025	786.73	786.73
AQUA-METRIC SALES, INC	EQUIPMENT MAINTENANCE	0108568	8591	8030	2,831.18	2,831.18
AQUATIC BIOASSAY	CHEMICAL ANALYSIS	SLO0625.0407	8592	7015	5,165.00	5,165.00
AUTOSYS, LLC	EQUIPMENT MAINTENANCE	0299; 0277	8593	8030	1,332.50	1,332.50
CHARTER COMMUNICATIONS	COMMUNICATIONS	05/29/25-06/28/25	8594	7013	319.99	319.99
COASTAL JANITORIAL	STRUCTURE MAINTENANCE	JUNE 2025	8595	8061	775.00	775.00
COLD CANYON LANDFILL	EQUIPMENT MAINTENANCE	44618D100	8596	8030	284.25	284.25
CULLIGAN WATER	RENTAL EQUIPMENT	JUNE 2025	8597	7032	301.40	301.40
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	JUNE 2025	8598	7082	100.00	100.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	114935	8599	8030	52.05	52.05
FLUID RESOURCE MANAGEMENT	EQUIPMENT MAINTENANCE	AERATION BASIN CLEANING	8600	8030	5,500.00	5,500.00
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	8601	8030	450.10	450.10
GSOLUTIONZ	COMMUNICATIONS	JULY 2025	8602	7013	101.15	101.15
HACH COMPANY	LAB SUPPLY'S	MULTIPLE	8603	8040	2,790.01	2,790.01
II SUPPLY	EQUIPMENT MAINTENANCE	105911; 106021	8604	8030	809.76	809.76
JB DEWAR	FUEL	401839	8605	8020	138.35	138.35
MCCLATCHY COMPANY LLC	ADVERTISING	302755	8606	7005	138.81	138.81
MCMaster CARR	EQUIPMENT MAINTENANCE	MULTIPLE	8607	8030	98.85	98.85
MINERS	EQUIPMENT MAINTENANCE	MAY 2025	8608	8030	715.06	715.06
NVIRO	EQUIPMENT MAINTENANCE	4794	8609	8030	1,896.25	1,896.25
OCSD	WATER	03/18/25-05/18/25	8610	8030	1,468.65	1,468.65
OILFIELD ENVIRO. & COMPLIANCE	CHEMICAL ANALYSIS	MAY 2025	8611	7078	15,711.10	15,711.10
RESURECT AUTO DETAILING	AUTOMOTIVE MAINTENANCE	143	8612	8032	600.00	600.00
SECURITAS TECHNOLOGY	ALARMS	JUNE 2025	8613	7011	84.09	84.09
SO CAL GAS	UTILITY GAS	04/30/25-05/30/25	8614	7092	4,242.70	4,242.70
SO CO SANITARY SERVICE INC	TRASH	JUNE 2025	8615	7093	389.92	389.92
UMPQUA BANK	CREDIT CARD	MAY 2025	8616		4,978.08	4,978.08
USA BLUEBOOK	EQUIPMENT MAINTENANCE	MULTIPLE	8617	8030	606.18	606.18
VESTIS	UNIFORMS	06/02/2025	8618	7025	617.17	617.17
<b>GRAND TOTAL</b>					<b>53,328.33</b>	<b>53,328.33</b>

We hereby certify that the demands numbered serially from 060925-8589 to 060925-8618 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



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## **SUMMARY ACTION MINUTES Meeting of Wednesday, June 4, 2025**

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

Chair Kassi Dee called the meeting to order and recognized a quorum.

Present: Kassi Dee, Chair, City of Grover Beach  
Shirley Gibson, Vice Chair, Oceano Community Services District  
Caren Ray Russom, Director, City of Arroyo Grande

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 May 5, 2025**

There was no public comment.

**Motion:** Director Gibson motioned to approve the Consent Agenda as presented.

**Second:** Director Ray Russom

**Action:** Approved unanimously by voice vote.

## 6. ACTION ITEMS:

### 6A. 2025/26 FISCAL YEAR BUDGET; SET PUBLIC HEARING FOR JUNE 18, 2025

Administrator Ghent introduced this item. Secretary Bookkeeper Amy Simpson presented the FY 2025/26 Draft Budget.

The Board provided comments regarding the Fund 26 Projects. Mr. Jones clarified that the FFR Rehabilitation Planning project includes preliminary engineering and potential repair costs, which are currently unknown. In response to a question about Structural Inspections, Mr. Jones explained that the inspections are focused on aging infrastructure, specifically multiple concrete tanks. If these inspections reveal the need for repairs, the current budget includes funding to initiate those repairs.

There was no public comment.

**Motion:** Director Ray Russom motioned to set a Noticed Public Hearing for June 18, 2025.

**Second:** Director Gibson

**Action:** Motion approved by roll call vote.

### 6B. 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 May 1<sup>st</sup> – May 31<sup>st</sup> there were no violations of the District's National Pollutant Discharge Elimination System (NPDES) Permit. All process values were within Permit limitations.

There was no Public Comment.

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

## 7. BOARD MEMBER COMMUNICATIONS

None.

## 8. ADJOURNMENT:

6:24 p.m.

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



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## **STAFF REPORT**

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator

**Date:** June 18, 2025

**Subject:** **PUBLIC HEARING AND ADOPTION OF RESOLUTION NO. 2025-460  
APPROVING TH BUDGET FOR FISCAL YEAR 2025/26**

### **RECOMMENDATIONS:**

1. **Open the Public Hearing** to receive input on the proposed Fiscal Year 2025/26 Budget.
2. **Receive and consider public testimony** regarding the proposed budget.
3. **Close the Public Hearing** following the conclusion of public comment.
4. **Incorporate any Board-directed revisions** into the final budget document.
5. **Adopt Resolution No. 2025-460**, thereby approving the District Budget for Fiscal Year 2025/26.

### **BACKGROUND AND DISCUSSION**

On June 4, 2025, the Board of Directors reviewed, discussed, and approved the Draft Budget for Fiscal Year (FY) 2025/26, and set a Public Hearing for June 18, 2025.

#### **Proposed Budget**

The FY 2025/26 budget has been developed using conservative estimates and professional judgment, with a focus on operating the District's facilities in a safe, cost-effective, and efficient manner. The budget ensures compliance with all applicable federal, state, and local regulations.

The attached budget covers the period July 1, 2025, through June 30, 2026, and provides the necessary funding to meet the operational, maintenance, and capital improvement needs of the District.

## **District Cash Reserves**

In accordance with the District Reserve Policy, Fund 19 is required to maintain a minimum operating reserve equal to 10% of annual operating and maintenance costs. As of June 30, 2023, this reserve was \$486,051, meeting the 10% requirement based on that year's expenses.

Following the completion of the 2024 audit, the reserve amount was updated on July 1, 2024, to \$541,200, reflecting the revised 10% threshold.

As of the current reporting period, Fund 19 maintains an operating cash balance of \$3,500,189. This amount includes the required operating reserve and is separate from Capital Accounts.

The Fund 20 Capital Expansion Fund includes LAIF (Local Agency Investment Fund) and is designated for capacity improvements and system expansion.

## **District Cash & Reserve Summary (as of May 31, 2025)**

### **Cash Balances by Fund:**

- **Fund 19 – Operations & Maintenance:** \$3,500,189
- **Fund 20 – Capital Expansion (LAIF):** \$1,262,699
- **Fund 26 – Capital Replacement:** \$361,294

**Total Cash Balance:** \$5,124,182

**Minimum Operating Reserve (as of June 30, 2025):** \$541,200

**Available Cash After Reserve:** \$4,582,983

The District has expended \$9.3 million dollars in SC2 damages. Payment of the claim in Quarter 1 of Fiscal Year 2025/26 will add to the District's cash balance.



## CONSOLIDATED BUDGET FY 2025/26

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2025/26
<b>Revenues</b>					
Service Charges and Fees		6,183,000			6,183,000
Connection Fees			100,000		100,000
Interest		436,000			436,000
Use of Reserves		331,900	1,060,000		1,391,900
Brine Revenue		90,000			90,000
<b>Total Revenues</b>		<b>7,040,900</b>	<b>1,160,000</b>		<b>8,200,900</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		1,167,000			1,167,000
Employee Benefits and Other Personnel Costs		747,100			747,100
Permits, Fees and Licenses		58,000			58,000
Communications		21,100			21,100
Administrative Costs		346,800			346,800
Legal Costs		60,000			60,000
Engineering		100,000			100,000
Coastal Hazards & Monitoring		78,000			78,000
LAFCO Budget Share		18,000			18,000
Zone 1/1A Agreement		40,000			40,000
Agency Billing		66,000			66,000
Disposal Services		91,000			91,000
Utilities		566,000			566,000
Maintenance, Tools & Replacements		359,400			359,400
Materials, Services and Supplies		825,000			825,000
Training, Education & Memberships		51,500			51,500
Supervisory Control & Data Acquisition		100,000			100,000
<b>Total Operating Expenditures</b>		<b>4,694,900</b>			<b>4,694,900</b>
<b>Total Other Charges</b>					
Debt Service		954,000			954,000
<b>Total Other Charges</b>		<b>954,000</b>			<b>954,000</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				1,392,000	1,392,000
Capital Equipment		-	1,160,000		1,160,000
<b>Total Capital Outlay</b>		<b>-</b>	<b>1,160,000</b>	<b>1,392,000</b>	<b>2,552,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Transfers Out/In Fund 26		1,392,000		(1,392,000)	-
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,392,000</b>		<b>(1,392,000)</b>	<b>-</b>
Total Funding Source		7,040,900	1,160,000		8,200,900
Total Expense		7,040,900	1,160,000		8,200,900
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Balanced Budget

## **Fund 19 – Operating & Maintenance Fund**

Fund 19 is the District's primary operating account. Its revenues are derived largely from wastewater service charges, with additional income from brine-disposal fees, and smaller contributions from lease payments and miscellaneous reimbursements. The draft budget anticipates \$7,040,900 in revenues and \$4,694,900 in operating expenses, \$954,000 in debt service and \$1,392,000 in transfers to other funds for capital projects.

Fund 19 financing supports the full spectrum of day-to-day activities required to operate and maintain the District's treatment facilities and administrative functions, including:

- Salaries & Wages of \$1,167,000
- Employee Benefits & Other Personnel Costs \$747,100
- Permits, Fees & Licenses \$58,000
- Communications \$21,000
- Administrative & Professional Services \$346,800
- Legal Costs \$60,000
- Engineering \$100,000
- Coastal Hazards Monitoring & Reporting \$78,000
- LAFCO Budget Share \$18,000
- Zone 1/1A Property Tax \$40,000
- Agency Billing \$66,000
- Disposal Services (solids handling, brine-disposal sampling) \$91,000
- Utilities (electricity, gas, rubbish, water) \$556,000
- Maintenance, Tools & Replacements (equipment and structures) \$359,400
- Materials, Services & Supplies (plant chemicals, fuel, safety supplies) \$825,000
- Training, Education & Memberships (professional certificates/licenses) \$51,500
- SCADA System Upgrades (Supervisory Control & Data Acquisition) \$51,500
- Debt Service \$954,000
- Inter-Fund Transfers (e.g., supporting Fund 26 capital projects) \$1,392,000

This structure ensures that essential operational obligations are met while providing flexibility to address emergent needs, comply with regulatory requirements, and support capital initiatives through scheduled transfers to other District funds.

### **Staffing**

The Fiscal Year 2025/26 Budget funds a total of eleven (11) full-time positions. The current staff roster includes:

- **District Administrator** (1)
- **Secretary/Bookkeeper** (1)
- **Plant Superintendent** (1)
- **Plant Operations Supervisor** (1)
- **Plant Senior Operator** (1)
- **Laboratory Manager** (1) – *Currently Vacant*
- **Laboratory Technician** (1)
- **Plant Operator II** (4)

This staffing structure ensures the District has the personnel necessary to maintain safe and effective operations, meet regulatory requirements, and support ongoing capital and maintenance projects. The Laboratory Manager position remains vacant currently, but funding is included in the budget to support filling the role.

### **Fund 20 - Capital Expansion Fund.**

This Fund receives revenue annually from connection fees. This fund supports capacity, expansion, and studies. FY 2025/26 budgets for 1 Project.

- Wastewater Redundancy Project \$1,160,000

Redundancy Project Funding Update:

The above amount represents the cost of fulfilling all Board-approved, remaining contracts associated with the Redundancy Project. There are no new funding allocations for the Redundancy Project in FY 2025/26.

### **Fund 26 – Capital Replacement Fund**

Fund 26 receives no direct revenue and is fully supported by interfund transfers. The draft budget includes a \$1,392,000 transfer from Fund 19, which covers two key items:

- \$1,361,000 for Capital Replacement
- \$31,000 for the Trunk Sewer Maintenance

The Trunk Sewer Maintenance budget (account 26-8015) includes two key projects:

- Trunk Sewer Collection System Capacity Evaluation
- Sanitary Sewer Management Plan (SSMP) Update

These projects are continuations from FY 2023/24 and were approved by the Board on September 6, 2023, with completion expected in FY 2025/26.

This Fiscal Year budget includes funding for eleven projects under account 26-8065, Structure Maintenance.

<b>Project Description</b>	<b>Budgeted Amount</b>
Amiad Filter Replacement	\$30,000
Chemical Tank Replacement	\$120,000
Cogeneration Unit	\$200,000
Diesel Fuel Tank	\$60,000
FFR Rehab Planning	\$310,000
Laboratory Equipment	\$50,000
Mobile Equipment	\$70,000
Structural Inspections	\$250,000
Trunk Main Repairs/Replacements	\$200,000
Upgrade City Water Project	\$6,000
Water Champ Replacement	\$65,000

## **CONCLUSION**

The FY 2025/26 budget successfully addresses all known District operation and maintenance requirements, preserves the District's reserve levels, and provides full funding for capital expenditures, including the final close-out construction costs for the Redundancy Project in FY 2025/26.

Attachments:

Budget for 2025/26 Fiscal Year

*South San Luis Obispo County Sanitation  
District*

**BUDGET**

2025-26 Fiscal Year

**MEMBERS OF THE  
BOARD OF DIRECTORS:**

Kasandra Dee – Chair  
Linda Austin – Vice Chair  
Caren Ray Russom – Director

**South San Luis Obispo County Sanitation District**

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

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

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**RESOLUTION NO. 2025-460**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO  
COUNTY SANITATION DISTRICT  
ADOPTING THE 2025-26 FISCAL YEAR BUDGET**

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

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

**WHEREAS**, the District desires to make known its planned activities and associated costs for the 2025-26 Fiscal Year.

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

That the proposed budget titled, "South San Luis Obispo County Sanitation District, Fiscal Year Budget 2025-26 be adopted.

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

**PASSED AND ADOPTED** at a Public Hearing held during the regular meeting of the South San Luis Obispo County Sanitation District on June 18, 2025.

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

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

**CERTIFICATION:**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held June 18, 2025.

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

**ATTEST:**

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

**APPROVED AS TO FORM:**

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

**APPROVED AS TO CONTENT:**

BY: \_\_\_\_\_  
**JEREMY GHENT,  
DISTRICT ADMINISTRATOR**



**NOTICE OF PUBLIC HEARING  
SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT  
ADOPTION OF FISCAL YEAR 2025-2026 BUDGET**

**DATE:** June 18, 2025  
**TIME:** 6:00 p.m.  
**PLACE:** Arroyo Grande Council Chambers  
215 E. Branch Street,  
Arroyo Grande CA

**PLEASE TAKE NOTICE:**

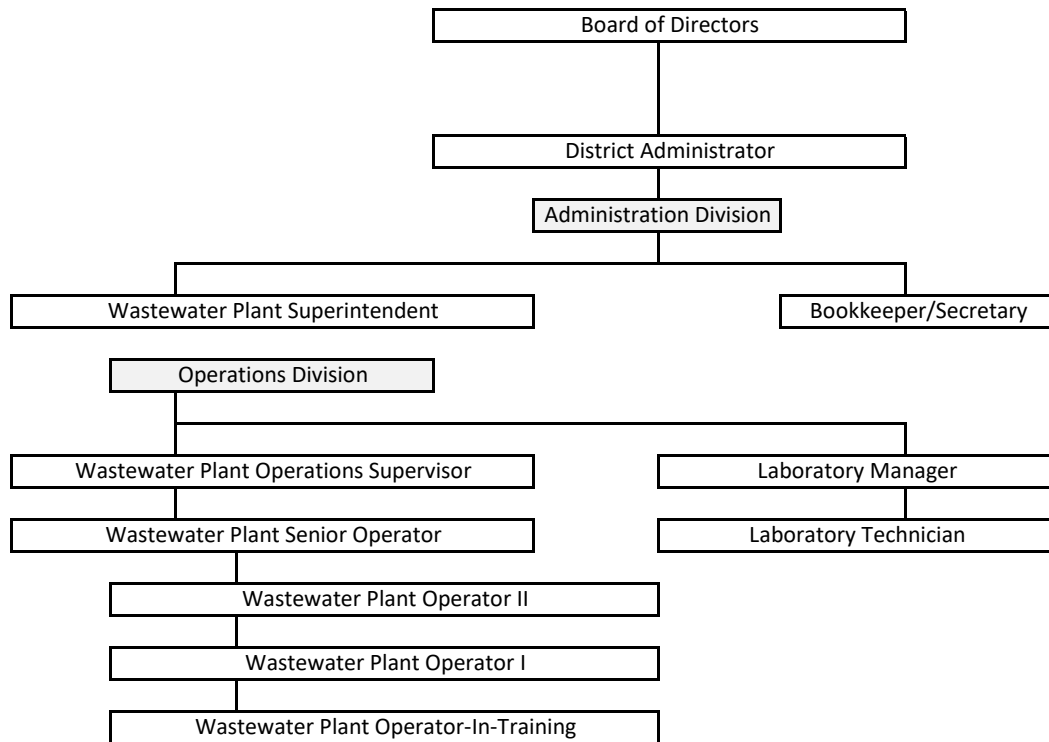
1. The District Administrator has prepared a proposed Final Budget, which is available for inspection, during regular business hours, 7:30 a.m. to 4:00 p.m., Monday through Friday, at the District Office located at 1600 Aloha Place, Oceano, California.

At 6:00 p.m., on June 18, 2025, South San Luis Obispo County Sanitation District Board of Directors will meet to consider and to adopt the final Fiscal Year 2025-2026 Budget.

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

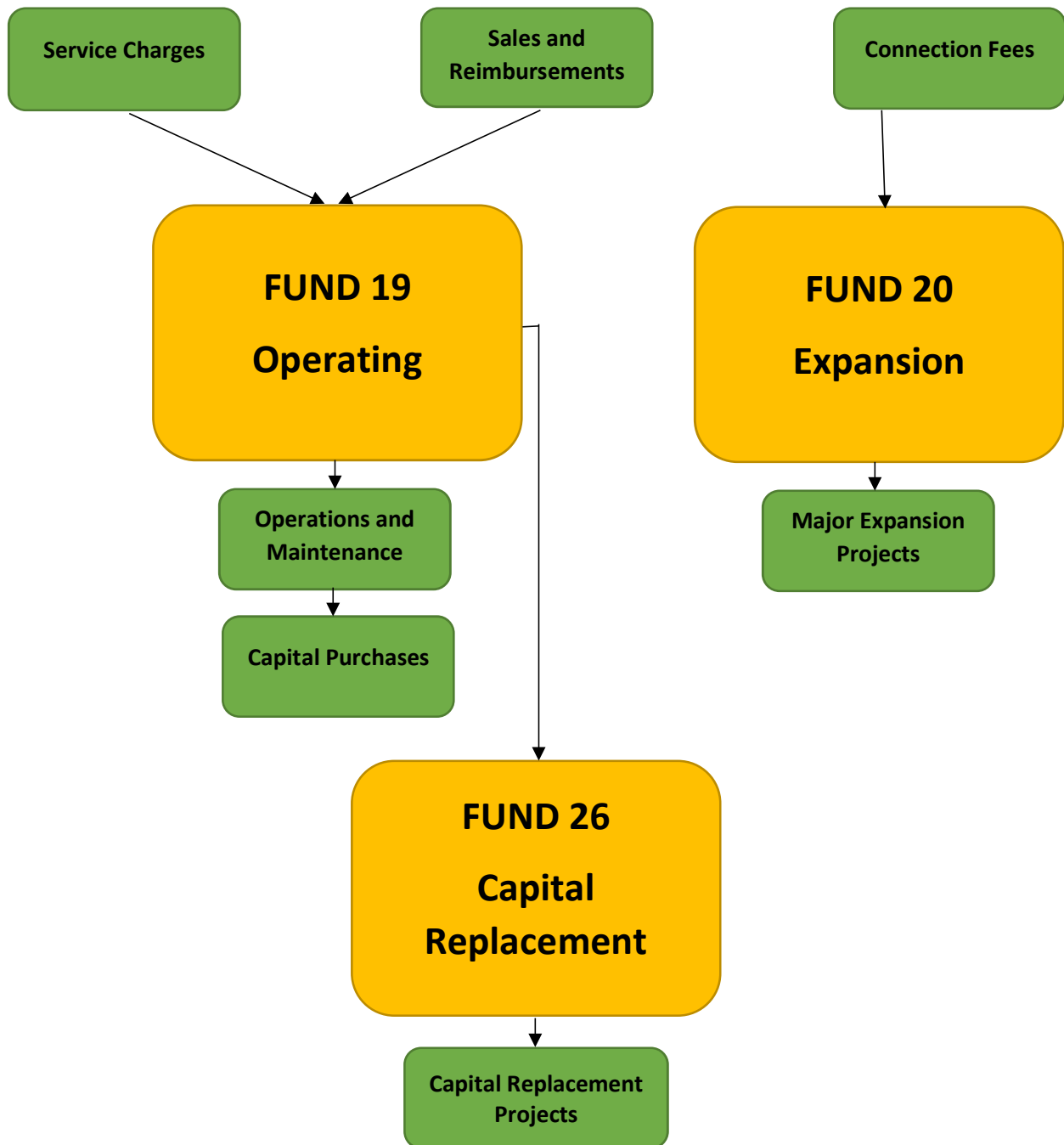
If you should have questions related to the Budget, please contact Amy Simpson, District Bookkeeper/Secretary, at (805) 481-6903.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**



# South San Luis Obispo County Sanitation District

## Accounting Funds



# CONSOLIDATED BUDGET FY 2025-26

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2025/26
<b>Revenues</b>					
Service Charges and Fees		6,183,000			6,183,000
Connection Fees			100,000		100,000
Interest		436,000			436,000
Use of Reserves		331,900	1,060,000		1,391,900
Brine Revenue		90,000			90,000
<b>Total Revenues</b>		<b>7,040,900</b>	<b>1,160,000</b>		<b>8,200,900</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		1,167,000			1,167,000
Employee Benefits and Other Personnel Costs		747,100			747,100
Permits, Fees and Licenses		58,000			58,000
Communications		21,100			21,100
Administrative Costs		346,800			346,800
Legal Costs		60,000			60,000
Engineering		100,000			100,000
Coastal Hazards & Monitoring		78,000			78,000
LAFCO Budget Share		18,000			18,000
Zone 1/1A Agreement		40,000			40,000
Agency Billing		66,000			66,000
Disposal Services		91,000			91,000
Utilities		566,000			566,000
Maintenance, Tools & Replacements		359,400			359,400
Materials, Services and Supplies		825,000			825,000
Training, Education & Memberships		51,500			51,500
Supervisory Control & Data Acquisition		100,000			100,000
<b>Total Operating Expenditures</b>		<b>4,694,900</b>			<b>4,694,900</b>
<b>Total Other Charges</b>					
Debt Service		954,000			954,000
<b>Total Other Charges</b>		<b>954,000</b>			<b>954,000</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				1,392,000	1,392,000
Capital Equipment		-	1,160,000		1,160,000
<b>Total Capital Outlay</b>		<b>-</b>	<b>1,160,000</b>	<b>1,392,000</b>	<b>2,552,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Transfers Out/In Fund 26		1,392,000		(1,392,000)	-
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,392,000</b>		<b>(1,392,000)</b>	<b>-</b>
Total Funding Source		7,040,900	1,160,000		8,200,900
Total Expense		7,040,900	1,160,000		8,200,900
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Balanced Budget

# CASH AND RESERVE SUMMARY

## District Cash & Reserve Summary (as of May 31, 2025)

### Cash Balances by Fund:

- **Fund 19 – Operating:** \$2,958,989
- **Fund 20 – Capital Expansion:** \$1,262,699
- **Fund 26 – Capital Replacement:** \$361,294

**Total Cash Balance:** \$4,582,983

---

### Reserve Policy Requirement (Fund 19 only):

- **Required Reserve (as of June 30, 2025):** \$541,200
- 

### Available Cash (after reserves):

- **Fund 19 – Operating:** \$2,417,789
- **Fund 20 – Capital Expansion:** \$1,262,699
- **Fund 26 – Capital Replacement:** \$361,294
- **Total Available Cash:** \$4,041,783

## *Operating Fund 19*

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

# CONSOLIDATED BUDGET FY 2025-26

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2025/26
<b>Revenues</b>					
Service Charges and Fees		6,183,000			6,183,000
Connection Fees			100,000		100,000
Interest		436,000			436,000
Use of Reserves		331,900	1,060,000		1,391,900
Brine Revenue		90,000			90,000
<b>Total Revenues</b>		<b>7,040,900</b>	<b>1,160,000</b>		<b>8,200,900</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		1,167,000			1,167,000
Employee Benefits and Other Personnel Costs		747,100			747,100
Permits, Fees and Licenses		58,000			58,000
Communications		21,100			21,100
Administrative Costs		346,800			346,800
Legal Costs		60,000			60,000
Engineering		100,000			100,000
Coastal Hazards & Monitoring		78,000			78,000
LAFCO Budget Share		18,000			18,000
Zone 1/1A Agreement		40,000			40,000
Agency Billing		66,000			66,000
Disposal Services		91,000			91,000
Utilities		566,000			566,000
Maintenance, Tools & Replacements		359,400			359,400
Materials, Services and Supplies		825,000			825,000
Training, Education & Memberships		51,500			51,500
Supervisory Control & Data Acquisition		100,000			100,000
<b>Total Operating Expenditures</b>		<b>4,694,900</b>			<b>4,694,900</b>
<b>Total Other Charges</b>					
Debt Service		954,000			954,000
<b>Total Other Charges</b>		<b>954,000</b>			<b>954,000</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				1,392,000	1,392,000
Capital Equipment		-	1,160,000		1,160,000
<b>Total Capital Outlay</b>		<b>-</b>	<b>1,160,000</b>	<b>1,392,000</b>	<b>2,552,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Transfers Out/In Fund 26		1,392,000		(1,392,000)	-
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,392,000</b>		<b>(1,392,000)</b>	<b>-</b>
Total Funding Source		7,040,900	1,160,000		8,200,900
Total Expense		7,040,900	1,160,000		8,200,900
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Balanced Budget

		Adopted Budget FY 2024-25	Proposed Budget FY 2025-26
REVENUE			
19-4015 Arroyo Grande Services	\$	2,950,000	\$ 2,932,000
19-4022 Grover Beach Services	\$	1,961,000	\$ 2,154,000
19-4035 Oceano Services	\$	1,000,000	\$ 1,036,000
19-4040 Other Service Income	\$	10,000	\$ 11,000
19-4045 School Services	\$	45,000	\$ 50,000
19-4050 Brine Disposal Service	\$	115,000	\$ 90,000
19-5015 Interest	\$	150,000	\$ 436,000
Use of Reserves	\$	696,500	\$ 331,900
REVENUE TOTALS	\$	6,927,500	\$ 7,040,900

PERSONNEL EXPENSES			
19-6030 Plant Operators	\$	840,000	\$ 870,000
19-6040 Secretary/Bookkeeper	\$	81,000	\$ 84,000
19-6045 District Administrator	\$	205,000	\$ 213,000
19-6010 Medical Insurance	\$	309,000	\$ 310,000
19-6025 Dental Insurance	\$	14,000	\$ 14,000
19-6030 Life Insurance	\$	1,600	\$ 1,600
19-6050 S.S. & Medicare	\$	80,000	\$ 82,000
19-6055 State Disability Insure	\$	5,400	\$ 6,000
19-6060 State Retirement	\$	118,000	\$ 123,000
19-6065 Unfunded Liability	\$	140,000	\$ 161,000
19-6075 Medical Reimbursement	\$	7,500	\$ 7,500
19-6080 Workers Compensation	\$	30,000	\$ 32,000
19-6095 Unemployment Reimburse	\$	3,000	\$ 10,000
PERSONNEL TOTALS	\$	1,834,500	\$ 1,914,100

OPERATING EXPENSES			
19-6090 Payroll Process Fee	\$	5,500	\$ 6,000
19-7068 Permits/Fees/License	\$	50,000	\$ 52,000
19-7011 Communications	\$	5,600	\$ 5,600
19-7013 Communications-Telephone	\$	12,000	\$ 12,000
19-7014 Communications-Cell	\$	3,500	\$ 3,500
19-7082 Prof. Serv.-Comp. Support	\$	26,000	\$ 36,000
19-7005 Advert/Legal&Recruit	\$	8,000	\$ 8,000
19-7043 Ins, Liability/Auto	\$	110,000	\$ 130,000
19-7062 Prof Serv.-Electrician	\$	5,000	\$ 20,000
19-7065 Public Outreach	\$	2,000	\$ 2,000
19-7072 Prof Serv - Auditing	\$	17,000	\$ 17,000
19-7075 Prof Serv - Brd Member	\$	4,500	\$ 4,500
19-7076 Prof Serv- H R Service	\$	10,000	\$ 10,000
19-7078 Prof Serv-Chem Analysis	\$	90,000	\$ 90,000
19-7079 Prof Serv-Records Mgmt.	\$	4,000	\$ 4,000
19-7080 Prof Serv - AGP Video	\$	7,800	\$ 7,800
19-7083 Prof Serv-Fiscal Serv.	\$	10,000	\$ 10,000
19-7088 Prof Serv-Strat Planning	\$	7,500	\$ 7,500
19-7070 Prof Serv -Out. Counsel	\$	20,000	\$ 20,000
19-7071 Prof Serv-Attorney Fee	\$	40,000	\$ 40,000
19-7077 Prof Serv-Engineering	\$	100,000	\$ 100,000
19-7020 Coastal Hazard Monitoring	\$	78,000	\$ 78,000
19-7069 LAFCO Budget Share	\$	18,000	\$ 18,000
19-7095 Zone 1/1A Agreement	\$	36,000	\$ 40,000
19-7073 Prof Serv - AG Billing	\$	28,000	\$ 28,000
19-7081 Prof Serv-GB Bill	\$	25,000	\$ 25,000
19-7074 Prof Serv - Oceano Com	\$	12,000	\$ 13,000
19-7085 Solids Handling	\$	88,000	\$ 88,000
19-7086 Brine Disposal Sampling	\$	3,000	\$ 3,000
19-7091 Util-Elec	\$	480,000	\$ 480,000
19-7092 Util-Gas	\$	50,000	\$ 50,000
19-7093 Util-Rubbish	\$	22,000	\$ 28,000
19-7094 Util-Water	\$	4,000	\$ 8,000
19-8079 Transfer to Replacement	\$	1,291,000	\$ 1,392,000
Interest Expense Debt Service	\$	1,046,600	\$ 954,000
OPERATING SUBTOTALS	\$	3,720,000	\$ 3,790,900



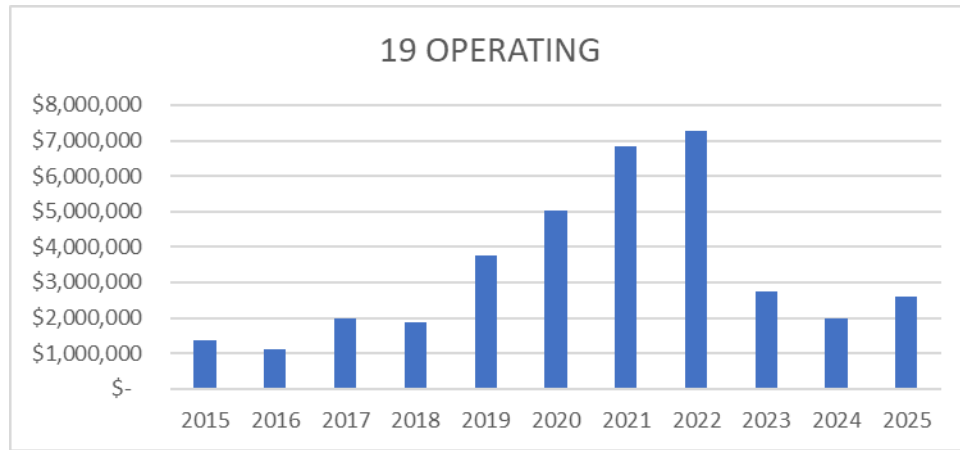
		Proposed Budget FY 2024-25	Proposed Budget FY 2025-26
MATERIALS AND SUPPLIES EXPENSES			
19-8030 Equipment Maint-Reg	\$	175,000	250,400
19-8032 Automotive Maint	\$	6,000	8,000
19-8060 Structure Maint-Reg	\$	30,000	40,000
19-8015 Trunk Sewer Maintenance	\$	85,000	25,000
19-7060 Ocean Outfall Maintenance			36,000
19-7051 SCADA System Improvement			100,000
19-8056 Safety Supplies	\$	20,000	20,000
19-6085 Temp Labor Service	\$	200,000	20,000
19-7025 Employee Uniforms	\$	33,000	35,000
19-7032 Equip Rental Other	\$	8,000	10,000
19-8020 Gas & Oil	\$	15,000	15,000
19-8035 Admin Building Expense	\$	4,000	5,000
19-8040 Lab Supplies	\$	45,000	45,000
19-8045 Office Supplies	\$	6,500	7,000
19-8050 Plant Chemicals	\$	660,000	660,000
19-7015 Off. Equip/Computer/GIS	\$	7,000	8,000
19-7050 Memberships	\$	16,000	24,000
19-7055 Prof. Certs/Licenses	\$	2,500	2,500
19-7067 Training/Conferences	\$	25,000	25,000
MATERIALS AND SUPPLIES TOTALS	\$	1,338,000	1,335,900

CAPITAL EQUIPMENT

19-8010 Capital Equipment	\$	35,000	\$	-
CAPITAL EQUIPMENT TOTALS	\$	35,000	\$	-

TOTAL OPERATING REVENUES	\$	6,927,500	\$	7,040,900
TOTAL OPERATING EXPENSES	\$	6,927,500	\$	7,040,900

# FUND 19 CASH BALANCE HISTORY



## *Service Charges*

**ORDINANCE NO. 2016 – 01**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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## Wastewater Treatment Rates

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

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

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

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

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


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

AYES: John Shoals, Matthew Guerrero, Jim Hill

NOES: ☒

ABSENT: ☒

ABSTENTIONS: ☒

  
John Shoals, Chairman

ATTEST:

  
Secretary

APPROVED AS TO FORM:

  
District Counsel

## *Expansion Fund 20*

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



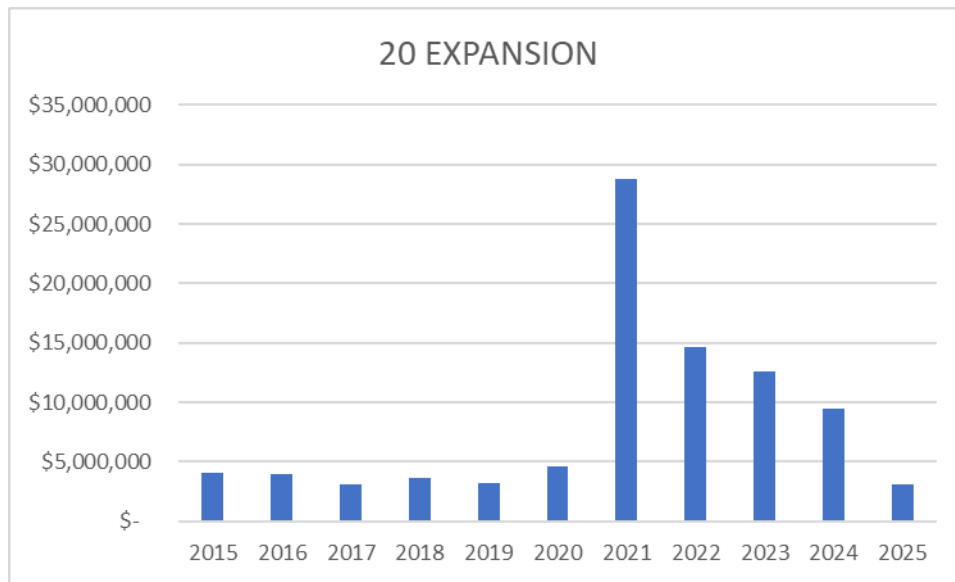
# CONSOLIDATED BUDGET FY 2025-26

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2025/26
<b>Revenues</b>					
Service Charges and Fees		6,183,000			6,183,000
Connection Fees			100,000		100,000
Interest		436,000			436,000
Use of Reserves		331,900	1,060,000		1,391,900
Brine Revenue		90,000			90,000
<b>Total Revenues</b>		<b>7,040,900</b>	<b>1,160,000</b>		<b>8,200,900</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		1,167,000			1,167,000
Employee Benefits and Other Personnel Costs		747,100			747,100
Permits, Fees and Licenses		58,000			58,000
Communications		21,100			21,100
Administrative Costs		346,800			346,800
Legal Costs		60,000			60,000
Engineering		100,000			100,000
Coastal Hazards & Monitoring		78,000			78,000
LAFCO Budget Share		18,000			18,000
Zone 1/1A Agreement		40,000			40,000
Agency Billing		66,000			66,000
Disposal Services		91,000			91,000
Utilities		566,000			566,000
Maintenance, Tools & Replacements		359,400			359,400
Materials, Services and Supplies		825,000			825,000
Training, Education & Memberships		51,500			51,500
Supervisory Control & Data Acquisition		100,000			100,000
<b>Total Operating Expenditures</b>		<b>4,694,900</b>			<b>4,694,900</b>
<b>Total Other Charges</b>					
Debt Service		954,000			954,000
<b>Total Other Charges</b>		<b>954,000</b>			<b>954,000</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				1,392,000	1,392,000
Capital Equipment		-	1,160,000		1,160,000
<b>Total Capital Outlay</b>		<b>-</b>	<b>1,160,000</b>	<b>1,392,000</b>	<b>2,552,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Transfers Out/In Fund 26		1,392,000		(1,392,000)	-
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,392,000</b>		<b>(1,392,000)</b>	<b>-</b>
<b>Total Funding Source</b>					
Total Funding Source		7,040,900	1,160,000		8,200,900
<b>Total Expense</b>					
Total Expense		7,040,900	1,160,000		8,200,900
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Balanced Budget

	Adopted Budget 2024-25	FY	Proposed Budget FY 2025-26
REVENUE			
20-4010 AG Connections	\$ 50,000	\$	15,000
20-4020 GB Connections	\$ 100,000	\$	75,000
20-4030 OCSD Connections	\$ 15,000	\$	10,000
20-5015 Interest Income	\$ 80,000	\$	-
Use of Bond Funding	\$ 200,555		
Use of Reserves	\$ 9,759,445	\$	1,060,000
REVENUE TOTALS	\$ 10,205,000	\$	1,160,000
EXPENSES			
20-7080 Redundancy Project	\$ 10,180,000	\$	1,160,000
EXPENSES TOTAL	\$ 10,205,000	\$	1,160,000
TOTAL EXPANSION FUND REVENUES	\$ 10,205,000	\$	1,160,000
TOTAL EXPANSION FUND EXPENSES	\$ 10,205,000	\$	1,160,000

# FUND 20 CASH BALANCE HISTORY



## M E M O R A N D U M

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

**FROM: DISTRICT CO-COUNSEL STOCKTON**

**RE: USE OF FUND 20**

**DATE: May 17, 2016**

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**QUESTION:**

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

**SHORT ANSWER:**

Money held in Fund 20 is to be used:

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

**BACKGROUND AND DISCUSSION:**

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

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

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

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

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

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

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

Please advise if you have questions concerning this memo.

## *Replacement Fund 26*

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

# CONSOLIDATED BUDGET FY 2025-26

		Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	Proposed Budget FY 2025/26
<b>Revenues</b>					
Service Charges and Fees		6,183,000			6,183,000
Connection Fees			100,000		100,000
Interest		436,000			436,000
Use of Reserves		331,900	1,060,000		1,391,900
Brine Revenue		90,000			90,000
<b>Total Revenues</b>		<b>7,040,900</b>	<b>1,160,000</b>		<b>8,200,900</b>
<b>Expenditures &amp; Other Uses</b>					
Operating Expenditures					
Salaries and Wages		1,167,000			1,167,000
Employee Benefits and Other Personnel Costs		747,100			747,100
Permits, Fees and Licenses		58,000			58,000
Communications		21,100			21,100
Administrative Costs		346,800			346,800
Legal Costs		60,000			60,000
Engineering		100,000			100,000
Coastal Hazards & Monitoring		78,000			78,000
LAFCO Budget Share		18,000			18,000
Zone 1/1A Agreement		40,000			40,000
Agency Billing		66,000			66,000
Disposal Services		91,000			91,000
Utilities		566,000			566,000
Maintenance, Tools & Replacements		359,400			359,400
Materials, Services and Supplies		825,000			825,000
Training, Education & Memberships		51,500			51,500
Supervisory Control & Data Acquisition		100,000			100,000
<b>Total Operating Expenditures</b>		<b>4,694,900</b>			<b>4,694,900</b>
<b>Total Other Charges</b>					
Debt Service		954,000			954,000
<b>Total Other Charges</b>		<b>954,000</b>			<b>954,000</b>
<b>Capital Outlay</b>					
Capital Replacement/Maintenance (Fund 26)				1,392,000	1,392,000
Capital Equipment		-	1,160,000		1,160,000
<b>Total Capital Outlay</b>		<b>-</b>	<b>1,160,000</b>	<b>1,392,000</b>	<b>2,552,000</b>
<b>Other Financing Sources &amp; Uses</b>					
Transfers Out/In Fund 26		1,392,000		(1,392,000)	-
<b>Total Other Financing Sources &amp; Uses</b>		<b>1,392,000</b>		<b>(1,392,000)</b>	<b>-</b>
Total Funding Source		7,040,900	1,160,000		8,200,900
Total Expense		7,040,900	1,160,000		8,200,900
<b>Net Change (Deficit)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Balanced Budget

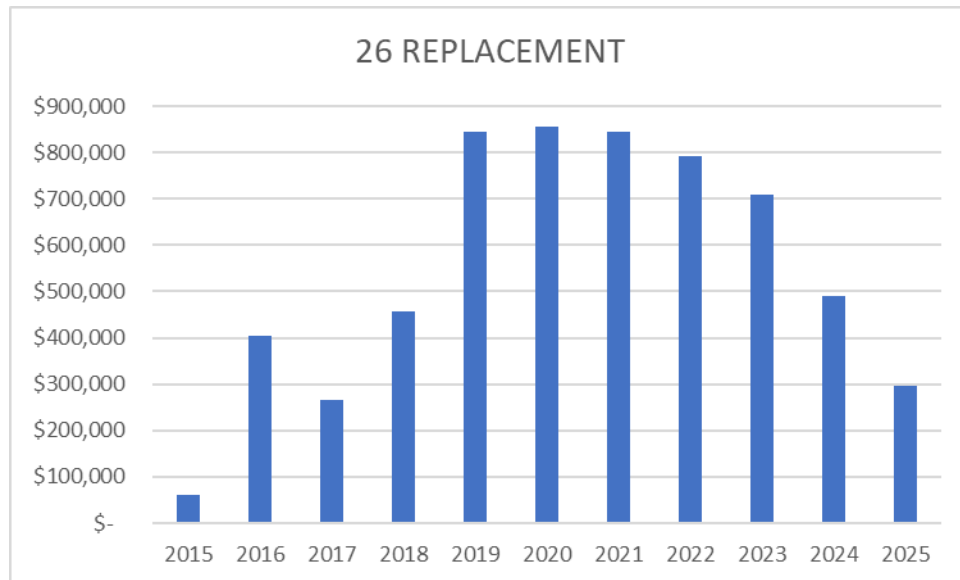
	Adopted Budget 2024-25	FY	Proposed Budget FY 2025-26
REVENUE			
20-4010 AG Connections	\$ 50,000	\$	15,000
20-4020 GB Connections	\$ 100,000	\$	75,000
20-4030 OCSD Connections	\$ 15,000	\$	10,000
20-5015 Interest Income	\$ 80,000	\$	-
Use of Bond Funding	\$ 200,555		
Use of Reserves	\$ 9,759,445	\$	1,060,000
REVENUE TOTALS	\$ 10,205,000	\$	1,160,000
EXPENSES			
20-7080 Redundancy Project	\$ 10,180,000	\$	1,160,000
EXPENSES TOTAL	\$ 10,205,000	\$	1,160,000
TOTAL EXPANSION FUND REVENUES	\$ 10,205,000	\$	1,160,000
TOTAL EXPANSION FUND EXPENSES	\$ 10,205,000	\$	1,160,000



# CAPITAL REPLACEMENT/MAINTENANCE FY 2025-26

<b>26-8015 Trunk Sewer Maintenance</b>	31,000.00
<b>26-8065 Struct/Grounds Replace</b>	
Amiad Filter Replacement	30,000.00
Chemical Tank Replacement	120,000.00
Cogeneration Unit	200,000.00
Diesel Fuel Tank	60,000.00
FFR Rehab Planning	310,000.00
Laboratory Equipment	50,000.00
Mobile Equipment	70,000.00
Structural Inspections	250,000.00
Trunk Main Repairs/Replacements	200,000.00
Upgrade City Water Project	6,000.00
Water Champ Replacement	65,000.00
	<hr/>
<b>Total 26-8065 Struct/Grounds Replace</b>	1,361,000.00
	<hr/>
	1,392,000.00
	<hr/>

# FUND 26 CASH BALANCE HISTORY



# *Reserve Policy*

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

**RESOLUTION 2016-352**

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

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

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

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

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

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

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


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

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

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

Resolution 2016-352

AYES:  
NOES:  
ABSENT:  
CONFLICTS:

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

ATTEST:

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

APPROVED AS TO FORM:

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

CONTENTS:

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

Resolution 2016-352

# *Investment Policy*

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

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

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

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


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

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


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

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

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

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

ATTEST:

  
\_\_\_\_\_  
John Wallace  
Secretary to the Board

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Michael W. Seitz,  
District Legal Counsel

**RESOLUTION 2009-  
EXHIBIT A**

**YEAR 2009 INVESTMENT POLICY**  
**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**1. INTRODUCTION**

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

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

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

**2. FINANCE OFFICER**

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

**3. SCOPE**

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

**4. OBJECTIVES**

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

**A. SAFETY**

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

**B. LIQUIDITY**

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

**C. YIELD**

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

**D. COMPLIANCE**

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



**RESOLUTION 2009-  
EXHIBIT A**

**YEAR 2009 INVESTMENT POLICY**  
**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**5. STANDARDS OF CARE**

**A. PRUDENCE**

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

**B. DISCLOSURES**

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

**6. INVESTMENTS AUTHORITY**

**A. PERMITTED INVESTMENTS**

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

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

**B. PROHIBITED INVESTMENTS**

The District's Finance Officer shall not invest in:

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

**C. DIVERSIFIED INVESTMENTS**

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

**RESOLUTION 2009-  
EXHIBIT A**

**YEAR 2009 INVESTMENT POLICY**  
**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

**7. REPORTS**

**A. MONTHLY REPORT**

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

**B. QUARTERLY REPORT**

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

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

**C. ANNUAL REPORT**

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

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

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

**D. LIMITED QUARTERLY REPORT**

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

# *Purchasing Policy*

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

**RESOLUTION NO. 2019-410**

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
AMENDING THE ADOPTED POLICIES AND PROCEDURES FOR THE  
EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION,  
AND SERVICES AS SET FORTH IN RESOLUTION NO. 2010-274 AND AMENDED IN RESOLUTION  
NO. 2014-314 AND NO. 2016-353**

**ARTICLE I**

**Adoption of Purchasing and Construction Policies**

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

**ARTICLE II**  
**Purchase of Supplies and Equipment**  
**District Manager Duties**

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

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

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

**2.2 Exemptions From Policies**

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

negotiation or contracting for services or delivery of supplies.

### **2.3 Supplies and Equipment - District purchases under \$2,500.00**

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

### **2.4 Supplies and Equipment - District purchases under \$15,000.00**

The District Administrator shall act as purchasing agent for the District in connection with the obtaining of supplies, equipment, or services with costs in excess of **\$2,500.00** but not

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

- A. The purchase of supplies and equipment with a value of **\$2,500.00 to \$15,000.00** may be made by the District Administrator in the open market pursuant to the procedure hereinafter proscribed:
  - 1. The District Administrator or his/her designee shall solicit quotations for the purchase of all such goods and supplies. Said quotations may be solicited by telephone or in writing.
  - 2. Open market purchases shall, whenever possible, be based on at least three written quotations approved by the District Administrator and shall be awarded to the supplier submitting the lowest responsive quote.
    - a. Single Source Items: If the District Administrator determines that there is a single source of procurement and that the purchase of the supplies or equipment is for the sole purpose of duplicating or replacing supplies, equipment, or material which is in use, the requirement of obtaining competitive quotations shall not be required.

**2.5 Supplies and Equipment - District Purchases over \$15,000.00 and less than \$60,000.00**

- A. For the purposes of this section, the District Administrator shall be the purchasing agent for the District in connection with supplies, equipment, and services with a cost in excess of **\$15,000.00**, but not more than **\$60,000.00**.
- B. The District Administrator and/or his/her designee shall solicit quotations for all goods and supplies with a cost of more than **\$15,000.00** and less than **\$60,000.00**. Said quotations may be solicited by telephone or in writing.
  - 1. Open market purchases shall, whenever possible, be based upon at least three written quotations approved by the District and shall be awarded to the entity submitting the lowest responsive quote. The Board of Directors of the District shall approve all purchases in excess of **\$15,000.00** and less than **\$60,000.00**.
    - a. Exception: When the District Administrator determines that it is reasonably necessary to purchase equipment and supplies on an expedited basis, the District Administrator may do so, but only on approval by the Chairman of the Board of Directors obtained prior to the actual purchase.

**2.6 Supplies and Equipment -District Purchases over \$60,000.00 and less than \$200,000.00 – Informal Bidding Process**

- A. For the purposes of this section, the District Administrator shall be the purchasing agent for the District in connection with supplies, equipment, and services with costs in excess of **\$60,000.00**, but not more than **\$200,000.00**.
- B. Public projects, as defined by the Uniform Public Construction Cost Accounting Act (Act) and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et

seq., of the Code.

- C. A list of contractors shall be developed and maintained in accordance with the provisions of Section 22034 of the Public Contract Code and criteria promulgated from time to time by the California Uniform Construction Cost Accounting Commission.

**D. Notice Inviting Informal Bids:**

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

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

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

**2.7 Supplies and Equipment - District Purchases over \$200,000.00 - Formal Competitive Bidding/Notice**

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

**A. Notice of Inviting Bids:**

1. Notices inviting bids shall include, but not be limited to, the following:
  - a. The notice shall distinctly state the supplies and equipment to be purchases;
  - b. The location and deadline for submission of bids;
  - c. The location where bid blanks and specifications may be secured;
  - d. The date, time, and place assigned for the opening of sealed bids;
  - e. The type and character of bidder's security required, if any;
  - f. Notice that the District reserves the right to waive minor irregularities in the bid.



- g. Notice that no bidder can withdraw his/her bid for a period of 60 days after the date set for the award of the contract.
  - h. Notice that a successful bidder can substitute securities for performance retention pursuant to Public Contract Code Section 22300.
2. Notices inviting bids shall be published at least twice, not less than 5 days apart, in a newspaper of general circulation, printed and published in the District, or if there is none, the notice shall be posted in at least three public places in the District that have been designated by the District Board of Directors as places for posting such notice.
  3. The first publication or posting of the notice shall be at least ten days before the date of opening bids.

**B. Supplies and Equipment Bids - Security Requirements:**

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

**C. Bids Opening:**

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

**D. Bid Rejection:**

The District may reject:

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

**E. Contract Award:**

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

1. If two or more bids are the same and the lowest, the District Board may accept the one it chooses.

2. If no bids are received, the District Board may order the supplies and equipment purchased without further bid.

**F. Determination of Lowest Responsible Bidder:**

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

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

Upon motion of Director Austin, seconded by Director Ray Russom,  
and on the following roll call vote, to wit:


AYES: Austin, Ray Russom, Lee

NOES:

ABSENT:

ABSTAINING:

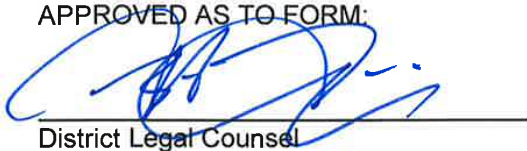
The forgoing Resolution is hereby adopted this 6<sup>th</sup> day of Nov 2016.

  
Chairman

ATTEST:

  
District Administrator

APPROVED AS TO FORM:

  
District Legal Counsel



SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT  
Post Office Box 339 Oceano, California 93475-0339  
1600 Aloha Oceano, California 93445-9735  
Telephone (805) 489-6666 FAX (805) 489-2765  
[www.sslocsd.org](http://www.sslocsd.org)

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## STAFF REPORT

To: Board of Directors

From: Jeremy Ghent, District Administrator

Date: June 18, 2025

Subject: **ADOPTION OF A RESOLUTION GRANTING COST OF LIVING  
ADJUSTMENTS AND MODIFICATIONS TO BENEFITS FOR NON-  
REPRESENTED EMPLOYEES**

### **RECOMMENDATION:**

Recommendation: Adopt Resolution No. 2025-461, granting Cost of Living Adjustments (COLA) and Modifications to Benefits for Non-Represented Full-time Employees, Exhibit "A".

### **BACKGROUND**

There are three full-time District classifications included in this resolution:

- **District Administrator**
- **Wastewater Plant Superintendent**
- **Bookkeeper/Secretary**

### **DISCUSSION:**

As necessary, from time to time, the item before the Board is a recommendation to adjust the salaries and certain benefits for the District's non-represented full-time employees in order to:

- Maintain market competitiveness,
- Recognize the contributions of current employees, and
- Ensure the District continues to recruit and retain qualified staff.

### **Summary of Changes**

**Salary:** A 4% increase to base salary for non-represented full-time employees, effective the first full pay period in July 2025.

**Year End Payment:** A one-time, non-pensionable payment of \$1,000 to each non-represented full-time employee, to be paid in December 2025.

Staff is recommending the Board adopt Resolution 2025-461 and attachment Exhibit “A”, which defines the compensation package for current employees in Non-Represented classifications.

**Options:**

1. Adopt the attached resolution and exhibit defining the compensation package for employees in Non-Represented classifications.
2. Do not adopt the resolution.
3. Provide alternate direction to staff.

**Fiscal Considerations:**

CATEGORY	COST Increase
Salary	\$ 17,133
Year End Payment	\$ 3,000.00
<b>TOTAL ANNUAL</b>	<b>\$ 20,133</b>

These costs have been anticipated in the FY 2025/26 Budget. Sufficient funds are available in the proposed budget to absorb this increase.

Note: These increases are consistent with the represented employees multi-year MOU.

Attachment: Exhibit “A” to Resolution No. 2025-461

**RESOLUTION NO. 2025-461  
A RESOLUTION OF THE BOARD OF THE SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT GRANTING COST OF LIVING ADJUSTMENTS AND  
MODIFICATIONS TO BENEFITS FOR NON-REPRESENTED FULL-TIME EMPLOYEES**

WHEREAS, the South San Luis Obispo County Sanitation District ("District") seeks to maintain competitive salary and benefit levels to effectively attract and retain qualified personnel; and

WHEREAS, the District periodically provides cost of living adjustments (COLAs) and benefit modifications to ensure that employee compensation remains competitive and equitable; and

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

1. **Cost of Living Adjustment:**  
Effective the first day of the first full pay period in July 2025, a four percent (4%) Cost of Living Adjustment shall be applied to the base salary of all non-represented full-time employees.
2. **Year-End Payment:**  
In December 2025, the District shall provide a one-time, non-pensionable year-end payment of **One Thousand Dollars (\$1,000)** to each non-represented full-time employee.

3. **Implementation:**

The District Administrator, or their designee, is hereby authorized and directed to take all necessary actions to implement the provisions of this Resolution, including any updates to personnel documentation and payroll systems.

4. **Exhibit A:**

The changes described in the attached **Exhibit "A"** are hereby approved and incorporated as part of this Resolution.

**PASSED AND ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2025, by the Board of the South San Luis Obispo County Sanitation District by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Kassi Dee, Chair  
Board of Directors  
South San Luis Obispo County Sanitation District

ATTEST:

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DISTRICT SECRETARY

APPROVED AS TO FORM:

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

CONTENTS:

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

## CONTRIBUTIONS ON BEHALF OF NON-REPRESENTED EMPLOYEES

The below contributions are for employees in the following non-represented classifications:

District Administrator  
Wastewater Plant Superintendent  
Bookkeeper/Secretary

### SALARY INCREASE

#### Salary Ranges

Salary ranges of non-represented members will be increased as follows:

#### July 2025

Effective with the first day of the first full pay period in July 2025, Non-Represented employees shall receive an increase in salary equal to 4.0% of base salary.

### YEAR END PAYMENT

#### December 2025

Effective with the first day of the first full pay period in December 2025, or as soon as possible thereafter, current employees covered by this MOU shall receive \$1,000.

### MEDICAL

For those employees electing medical coverage in the District's plans through CalPERS, the District shall make monthly premium contributions as defined below, for the District's medical plan for the employee and the employee's dependent coverage.

There shall be an open enrollment period once each year prior to the insurance policy anniversary date to allow for changes in coverage.

#### A. Employer Contributions for Active Employee Healthcare Coverage

Active employees who elect health coverage through the District shall participate in the District's full flex cafeteria plan in accordance with IRS Code Section 125. For active employees participating in the District's full flex plan, the District will contribute the Minimum Employer Contribution (MEC) as required by the Public Employees' Medical and Hospital Care Act (PEMHCA), per month per employee to be used solely toward medical premiums.

Active employees participating in the District's full flex cafeteria plan receive a monthly flex dollar allowance to purchase benefits under the full flex cafeteria plan. The monthly flex dollar allowance shall be a dollar amount equal to the amounts defined below, each of which include the PEMHCA minimum employer contribution, for Employee Only, and Employee plus One Dependent or an

## EXHIBIT "A" TO RESOLUTION 2025-461

Employee plus Two or More Dependents. If the premium cost for medical coverage is less than the District's flex dollar contribution, the employee shall not receive any unused portion in the form of cash. The MEC is determined by CalPERS and subject to change on an annual calendar year basis.

### 1. District Flex Dollar Contributions

In each of the contract years, the District's base flex dollar allowance will be established on the following amounts for health. The amounts include the PEMHCA MEC, which for calendar year 2025 is \$158.00 per month. Part-time employees shall receive a prorated share of the District's flex dollar contribution.

The calendar year 2025 District contributions including the MEC are up to:

Employee only:	\$924.71
Employee plus 1 dependent:	\$1,849.43
Employee plus 2+ dependents:	\$2,404.25

### 2. Cost Sharing for Rate Increases for Calendar Year 2025, 2026 and 2027

In calendar year's 2025, 2026 and 2027 the cost of increases beyond the base premiums stated above shall be shared between the District and employees. The plan used to calculate the cost sharing shall be the CalPERS Blue Shield California Access + plan for active employee health care. The District shall contribute seventy percent (70%) and employees shall contribute thirty percent (30%) of any increase in health care premiums.

Employees may enroll in any available medical plan of their choosing and are responsible for paying the difference (through payroll deduction) after the District's flex dollar contribution. Information on the new District flex dollar contribution maximum monthly amounts will be updated annually and made available to unit employees prior to each open enrollment period.

### B. Retiree Health Coverage

Employees who retire from the California Public Employees' Retirement System (CalPERS) within 120 days of leaving their position with the District are eligible, as determined by CalPERS, to continue in the District's retiree group health insurance program, offered through the Public Employees' Medical and Hospital Care Act (PEMHCA).

The District will contribute the Minimum Employer Contribution (MEC) as required by the PEMHCA per month per retired annuitant to be used solely toward medical premiums for CalPERS medical plans under PEMHCA. For 2025 the MEC is \$158.00 per month, with future adjustments as determined by CalPERS from time to time.



## EXHIBIT "A" TO RESOLUTION 2025-461

The District shall provide an additional monthly dollar allowance toward the cost of medical premiums, to an eligible employee who retires with CalPERS within 120 days of leaving their position with the District, and as otherwise described herein; and who qualifies for and exercises their right through CalPERS to receive the District's retiree group health insurance. The additional dollar allowance, after deduction of the MEC, shall be reimbursed to the retiree (as noted below), which may be through a Trust established by the District.

### 1. Employees Hired Prior to December 6, 2017

Current employees hired by the District after January 1, 2013, and prior to December 6, 2017 are eligible as follows:

To receive a dollar allowance reimbursement for single coverage in addition to the PEMHCA minimum employer contribution, employees shall have been employed by the District for ten (10) continuous years of service at the time of retirement to be vested in this benefit, and must have retired within 120 days of separation from the District, and be otherwise eligible for retirement from the District. The District contribution toward the dollar allowance, when combined with the PEMHCA minimum employer contribution, shall be up to no more than fifty percent (50%) of the individual employee only premium at the time of retirement (50% of the individual employee only premium in the year in which the employee retires) and shall be capped with no increase prospectively.

Retired annuitants may only be reimbursed for out of pocket premium costs, up to the dollar allowance set at the time of retirement, after the deduction of the minimum employer contribution, which is paid directly to CalPERS. If the cost of the premium for the health plan selected, is less than the initial amount of dollar allowance at the time of retirement, due to benefit changes such as a different plan selection, then the dollar allowance shall be capped at the new lower amount, and shall not increase prospectively. Dependents and/or beneficiaries are not eligible for this benefit.

### C. Employees Hired After December 6, 2017

Any employees hired after December 6, 2017, shall not be eligible for an additional dollar allowance. The District shall contribute the PEMHCA minimum employer contribution toward the retired annuitant's coverage, the amount of which is determined by CalPERS and changes from time to time. For calendar year 2025 the minimum employer contribution amount is \$158.00. per month.

### DENTAL

The District shall pay an amount equal to the current monthly premium for the District's dental plan for the employee and the employee's dependent coverage. 2025 rates are:

Employee only:	\$45.27
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## EXHIBIT "A" TO RESOLUTION 2025-461

Employee plus 1 dependent:	\$90.56
Employee plus 2+ dependents:	\$140.09

### LIFE INSURANCE

The District shall provide term life insurance for each non-represented employee in the amount of \$25,000.

### VISION/DENTAL/MEDICAL TRUST

Throughout the term of this agreement, the District shall pay an amount of \$750 for each full-time employee per fiscal year into a vision/dental/medical trust fund account. This account will reimburse out of pocket expenses not covered by an individual's vision/dental/medical plan. Funds remaining at the end of the fiscal year will carryover, not to exceed an amount equal to \$1,000. The District shall not make the full \$750 annual contribution to an individual's account if the full \$750 annual contribution would cause the balance to exceed \$1,000. The District shall only contribute an amount that brings the individual account balance to \$1,000. No remaining unused benefit shall be paid to an employee upon termination or retirement. This benefit may be provided through a Third-Party Administrator of the District's choosing.

### SOCIAL SECURITY AND MEDICARE

The District will make contributions for Social Security Tax at 6.2% and Medicare at 1.45% of gross payroll. The employee pays matching contributions.

### STATE RETIREMENT (CalPERS)

The District provides a retirement program for all eligible employees. The Retirement Program may be provided through contract with the California Public Employees Retirement System (CalPERS) as is currently provided and may be integrated with Federal Social Security Program, as is currently provided. Eligibility for CalPERS membership is determined by CalPERS. Contributions made by the District on behalf of employees, who are considered "new members" by CalPERS, shall be as mandated by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

### STATE DISABILITY INSURANCE PROGRAM

The District shall contribute 50% of the total cost for each employee to become part of the State Disability Insurance Program. Current contribution rate is 1.20% of gross payroll.

### INCREASE FOR HIGHER OPERATOR GRADE

A one-time increase of 2.5% for operator grade obtained above that required for position will be paid upon certification by the State of California for those non-represented individuals required to maintain an operator's certificate. The salary increase of 2.5% shall only be paid for one operator grade obtained above that required for the position.

### LONGEVITY PAY

Longevity pay of 2.5% of base pay shall be paid to employees who have completed ten (10) continuous years of service.

**STIPEND FOR COMMERCIAL DRIVERS LICENSE**

The District shall pay a stipend of \$100 per month, in addition to other salary, to employees holding a valid Commercial Driver's License (Class A) while occupying a District position requiring use of that license and designated by the District to utilize the related equipment.

**STANDBY PAY**

See Personnel Policy Manual Section 3010 – Standby Policy and Pay

**VACATION**

See Personnel Policy Manual Section 4000 – Vacation

**SICK LEAVE**

See Personnel Policy Manual Section – 4020 Sick Leave

**SICK LEAVE CONVERSION**

See Personnel Policy Manual Section – 4020 Sick Leave

**SICK LEAVE PAYOUT UPON SEPARATION FROM EMPLOYMENT**

See Personnel Policy Manual Section – 4020 Sick Leave

**EMPLOYEE COMPUTER PURCHASE PROGRAM**

Provides for \$1,500.00 interest-free computer purchase loan, payable within two years from employee's salary as a payroll deduction. In order to receive this loan, the employee is required to have passed probation and must enter into a repayment contract for District reimbursement.

**HOLIDAYS**

See Personnel Policy Manual Section 4010 – Holidays



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**STAFF REPORT**

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator

**Date:** June 18, 2025

**Subject:** **ADOPTION OF A RESOLUTION APPROVING A PUBLICLY AVAILABLE PAY SCHEDULE, AS REQUIRED BY CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) REGULATIONS, EXHIBIT "A".**

**RECOMMENDATION:**

Recommendation: Adopt Resolution No. 2025-462 Adopting a Publicly Available Pay Schedule for Fiscal Year 2025/2026 in accordance with California Public Employees Retirement System (CalPERS) regulations, Exhibit "A".

**BACKGROUND AND DISCUSSION:**

In 2011 CalPERS adopted regulations setting forth the required elements necessary to meet the definition of publicly available pay schedules. The required elements are as follows:

- 1) Has been duly approved and adopted by the employer's governing body in accordance with requirements of applicable public meetings laws;
- 2) Identifies the position title for every employee position;
- 3) Shows the payrate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
- 4) Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
- 5) Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer's internet website;
- 6) Indicates an effective date and date of any revisions;
- 7) Is retained by the employer and available for public inspection for not less than five years; and
- 8) Does not reference another document in lieu of disclosing the payrate.

At its meeting on November 6, 2024, the Board adopted Resolution No. 2024-453, approving a Cost of Living Adjustment (COLA) and modifications to the Memorandum of Understanding (MOU) between the South San Luis Obispo County Sanitation District (SSLOCSD) and the Service Employees' International Union (SEIU) Local 620.

To ensure internal equity and consistency, staff is now requesting that the Board adopt a corresponding modification to apply the same 4% COLA to non-represented employees, effective the first full pay period in July 2025.

**Options:**

1. Adopt the attached resolution and exhibit
2. Do not adopt the resolution.
3. Provide further direction to staff.

**Fiscal Considerations:**

There is no fiscal impact associated with publishing the attached document on the District's website.

Attachment: Exhibit "A" to Resolution No. 2025-462, A Resolution approving salary for all District employees for the 2025/2026 fiscal year.

**RESOLUTION 2025-462**

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

**WHEREAS**, the Board of Directors for the South San Luis Obispo County Sanitation District has the authority to implement Government Code Section 20636(b)(1); and

**WHEREAS**, the Board of Directors has adopted salary schedules for all District positions; and

**WHEREAS**, one of the requirements for Government Code Section 20636(b)(1) is the adoption by the governing body of the South San Luis Obispo County Sanitation District of a Publicly Available Pay Schedule;

**NOW, THEREFORE, IT IS HEREBY RESOLVED**, that the Board of South San Luis Obispo County Sanitation District adopts the attached Publicly Available Pay Schedule for the 2025/2026 fiscal years,

**PASSED AND ADOPTED** at a regular meeting of the South San Luis County Sanitation District Board of Directors held this 18th day of June 2025.

On the motion of \_\_\_\_\_ seconded by \_\_\_\_\_, and after the following roll call vote:

AYES:  
NOES:  
ABSENT:

CONFLICTS:

\_\_\_\_\_  
Kassi Dee, Chair  
Board of Directors  
South San Luis Obispo County Sanitation District

ATTEST:

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

APPROVED AS TO FORM:

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

CONTENTS:

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

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**EFFECTIVE 07/12/2025 THROUGH 06/30/2026**  
**SALARY SCHEDULE ADOPTED BY RESOLUTION 2025-462**

Classification	Authorized Number	Unit	Step A Monthly	Step B Monthly	Step C Monthly	Step D Monthly	Step E Monthly	Step F Monthly
District Administrator	1	Exec Mgmt.	\$17,337 Monthly					
Wastewater Plant Superintendent*	1	Non-Rep	\$ 10,187	\$ 10,696	\$ 11,231	\$ 11,793	\$ 12,382	\$ 13,001
Wastewater Plant Operations Supervisor*	1	SEIU	\$ 7,096	\$ 7,451	\$ 7,823	\$ 8,214	\$ 8,625	\$ 9,056
Laboratory Manager*	1	SEIU	\$ 7,096	\$ 7,451	\$ 7,823	\$ 8,214	\$ 8,625	\$ 9,056
Wastewater Plant Senior Operator*	1	SEIU	\$ 6,522	\$ 6,848	\$ 7,190	\$ 7,550	\$ 7,927	\$ 8,324
Laboratory Technician*	1	SEIU	\$ 5,846	\$ 6,138	\$ 6,445	\$ 6,767	\$ 7,106	\$ 7,461
Wastewater Plant Operator II*	4	SEIU	\$ 5,680	\$ 5,965	\$ 6,263	\$ 6,576	\$ 6,905	\$ 7,250
Wastewater Plant Operator I*	0	SEIU	\$ 5,274	\$ 5,538	\$ 5,814	\$ 6,105	\$ 6,410	\$ 6,731
Wastewater Plant Operator In Training Intern	0	SEIU	\$ 4,768	\$ 5,007	\$ 5,257	\$ 5,520	\$ 5,796	\$ 6,086
Maintenance Assistant	0	Non-Rep	\$ 4,734	\$ 4,971	\$ 5,219	\$ 5,480	\$ 5,754	\$ 6,042
Bookkeeper/Secretary	1	Non-Rep	\$ 5,315	\$ 5,581	\$ 5,860	\$ 6,153	\$ 6,460	\$ 6,783

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Revision Date: 06/18/2025

Adoption Date 06/18/2025

**SEIU Salaries Per Resolution 2024-453 - Effective July 12, 2025**

**Non Represented Per Resolution 2025-460 - Effective July 12, 2025**

**Exec Mgmt. Salary Per Resolution 2018-396 - (Second Amendment 12.04.2025) Effective January 2025.**

\*Eligible for Higher Operator Grade Program; 2.5%



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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## STAFF REPORT

**To:** Board of Directors

**From:** Jeremy Ghent, District Administrator

**Date:** June 18, 2024

**Subject:** **CONTRACT AMENDMENT 3 FOR WWTP REDUNDANCY PROJECT  
ADMINISTRATION SERVICES WITH MKN AND ASSOCIATES**

### **RECOMMENDATION:**

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 \$35,317, for a total contract budget of \$377,946.

### **BACKGROUND AND DISCUSSION:**

In February 2019, the District contracted with MKN to provide administrative and project management services for the WWTP Redundancy Project. Contracts or contract amendments for continuation of these services were executed every ten to eighteen months over the following six years (January 2020, March 2021, October 2022, October 2023, and August 2024). Contracted services have included:

- Review of project documents;
- Integration of funding and permitting conditions in the general specifications for project bidding;
- Assisting with final approval of the Coastal Development Permit;
- Leading efforts required for the USDA loan application;
- Leading procurement for Construction Management team, Startup and Commissioning team, Biological Monitoring Services, and Community Workforce Agreement Administrative services;
- Development of a contractor prequalification package and evaluating the prequalification applications received;
- Consultant coordination;
- Assisting with construction bid phase;
- Reporting to the District Administrator;
- Quarterly reports to the Board of Directors;
- Coordination with USDA for the loan;
- Providing construction support as the District's representative; and most recently



- Support of investigations into the damage at Secondary Clarifier 2 (SC2), including detailed structural reviews from MKN's subconsultant (Buehler, formerly SSG Structural Engineers) and participation as the District's representative in discussions and planning for the repairs; project management services through rehabilitation of SC2, and cost and schedule tracking and coordination for the District's claim.

The District advertised the Project bid documents in September 2020. The contract was awarded to the low bidder, J.R. Filanc Construction Company. Notice to Proceed was issued on January 25, 2021 and the construction duration was 30 months. MKN's 2022 project administration contract anticipated construction completion by July 2023. However, equipment and materials delays, as well as unanticipated damage to SC2, caused construction delays and additional project management effort. Contract Amendment 1 was proposed to the Board and approved in October 2023. Amendment 1 allowed for continued project management support through the end of construction, which was anticipated to be April 2024. At the time, the requirements for repair of SC2 and completion of construction were not known.

Contract Amendment 2 was proposed to the board and approved in August 2024. Amendment 2 allowed for the continued project management through the anticipated completion of the Project. At that time, it was expected that the repair of SC2 would be complete in December 2024 and project completion would occur by February 2025. The construction to repair SC was completed on March 7, 2025 and the Project substantial completion was reached on May 15, 2025. The Project team is currently working to reach final completion by June 27, 2025.

This Contract Amendment 3 is presented to ensure that the project continues with appropriate support and oversight through completion of the Project closeout, including continued support associated with SC2 and Project startup and commissioning. MKN has served as the District Project Manager for the Redundancy Project since February 2019, in addition to many years as the District's General Engineering firm. By continuing in this role as the District's advocate, MKN provides the necessary consistency in leadership and expertise to see this Project through completion.

#### **Alternative Option:**

1. Reject staff recommendation and direct staff to solicit request for proposals (RFP) to address the needs for the noted administration services.

#### **Fiscal Consideration:**

MKN proposes to complete this work on a time and materials basis for \$35,317 and an amended budget of \$377,946 that will not be exceeded without written authorization from the District. Work will be performed in accordance with the existing contract, dated October 28, 2022, and Amendments 1 & 2, dated October 6, 2023 and August 12, 2024. A detailed breakdown of the estimated fee for Amendment 3 is provided in the attached proposal.

The original budget for MKN's project administrative services was \$500,093, which consisted of services from April 2019 through July 2023 (including 2.5 years of construction). At the four-year mark, the anticipated budget was \$463,885.65 (2022 contract) as construction was still anticipated to be completed on time, by July 2023. With the two-year extension of construction and the additional work required to assist with the SC2 damage investigations and rehabilitation, the total estimated budget is \$722,382.54, including this proposed amendment. MKN has worked efficiently and kept the District up to date through additional unanticipated efforts due to multiple project schedule extensions beyond the District's and MKN's control.

The current project budget approved at the June 5, 2024 Board Meeting includes \$674,504 for Administrative Services. Staff recommends updating the budget based on the updated estimate of efforts remaining reallocating \$47,878.65 from the professional services contingency, which is currently at \$109,962. This would result in a remaining professional services contingency of \$62,083.35.

Of the \$722,383 total, \$225,174 will be included in the claim to Kennedy Jenks as costs attributable to the SC2 damage, rehabilitation, cost/schedule tracking and claims process. This results in expenses of \$497,208 to the District for Redundancy Project Administration over the past 6 years. This brings costs back within the original 2019 estimate of \$500,093.

**Outcome:**

Approval of this contract will provide the necessary professional resources to supplement and support District staff for the WWTP Redundancy Project including construction completion (assumed to be completed by June 27, 2025) and related project close-out activities.

**Attachments:**

MKN Proposal – Amendment 3 to Project Management Support Services for WWTP Redundancy Project



MKN & Associates, Inc.  
354 Pacific Street  
San Luis Obispo, CA 93401

June 13, 2025

Jeremy Ghent, PE  
District Administrator  
South San Luis Obispo County Sanitation District  
Sent via email: [jeremy@sslocsd.us](mailto:jeremy@sslocsd.us)

**RE: Contract Amendment #3: Project Management Support Services for WWTP Redundancy Project**

Dear Jeremy,

Michael K. Nunley & Associates, Inc., (MKN) is proposing an amendment to extend construction phase project management support services for the District's Wastewater Treatment Plant (WWTP) Redundancy Project. MKN has been providing these support services since February 2019. In October 2023, the District approved Amendment 1 to extend MKN's Year 4 services to provide administrative and project management services through anticipated completion of construction and project close-out services. Amendment 1 included additional funding for investigations and continued support associated with the secondary clarifier damage and repair. At the time, the repair solution had not been determined and the schedule for project completion was unknown. The scope and budget for Amendment 1 assumed project completion would occur in April 2024.

Amendment 2 was approved in August 2024 to extend administrative and project management services through the anticipated completion of the project. At that time, it was expected that the repair of secondary clarifier 2 (SC2) would be complete in December 2024 and project completion would occur by February 2025, after the 45-day commissioning period.

SC2 repair was completed on March 7, 2025. The Project substantial completion was reached on May 15, 2025, marking a significant milestone. The Project Team is currently working to reach final completion by June 27, 2025. This Amendment 3 is needed to maintain administrative and project management services and includes continued support associated with USDA loan requirements and the SC2 claim.

**Table 1** summarizes the current budget status for the tasks under contract as of May 30, 2025.



Table 1. Contract Budget Summary through May 30, 2025			
Task	Authorized Budget	Spent through 5/30/25	Budget Remaining
<b>Task Group 200: COMPLETION OF BID DOCUMENTS AND PROCUREMENT SUPPORT</b>			
Task 207. Support w/Commissioning & Ops Consultant	\$ 22,393	\$ 21,224	\$ 1,169
<b>Subtotal</b>	<b>\$ 22,393</b>	<b>\$ 21,224</b>	<b>\$ 1,169</b>
<b>Task Group 300: CONSTRUCTION PHASE SUPPORT</b>			
Task 303. Construction Phase Support	\$ 98,254	\$ 107,635	\$ (9,381)
Task 304. Report to District Board of Directors	\$ 12,018	\$ 11,119	\$ 899
Task 305. Assist with Ribbon-Cutting Ceremony	\$ 3,945	\$ 237	\$ 3,708
Task 306. Assist with Project Close Out	\$ 10,222	\$ -	\$ 10,222
Task 307. Assist with SC2 Damage & Rehab	\$ 158,411	\$ 162,487	\$ (4,076)
<b>Subtotal</b>	<b>\$ 282,850</b>	<b>\$ 281,478</b>	<b>\$ 1,372</b>
<b>Task Group 400: PROJECT ADMINISTRATION</b>			
Task 404. Coordination with USDA for Loan	\$ 10,339	\$ 6,521	\$ 3,878
Task 406. As-Needed Services	\$ 26,987	\$ 20,973	\$ 6,014
<b>Subtotal</b>	<b>\$ 37,386</b>	<b>\$ 27,494</b>	<b>\$ 9,892</b>
<b>Total</b>	<b>\$ 342,629</b>	<b>\$ 330,196</b>	<b>\$ 12,433</b>

## Proposed Amendment

MKN reviewed the contract budget remaining and estimated the level of effort required to complete the work assuming final project completion by June 27, 2025, and administrative support services for project close-out activities, support for the USDA loan, and a ribbon-cutting ceremony, and is proposing an amendment of \$35,317. The proposed revised budget is summarized in **Table 2**. Work will be completed on a time and materials basis in accordance with MKN's 2025 Rate Schedule and the original contract.



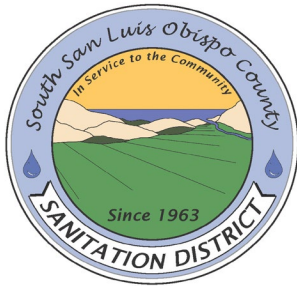
Table 2. Summary of Budget Status, Estimate to Complete Proposed Amendment 3						
Task	Existing Budget	Spent through 5/30/25	Budget Remaining	Estimate to Complete	Proposed Revised Budget	Proposed Amend. 3
<b>Task Group 200: COMPLETION OF BID DOCUMENTS AND PROCUREMENT SUPPORT</b>						
Task 207. Support with Commissioning & Ops Consultant	\$ 22,393	\$ 21,224	\$ 1,169	\$ -	\$ 21,224	\$ (1,169)
<b>Subtotal</b>	<b>\$ 22,393</b>	<b>\$ 21,224</b>	<b>\$ 1,169</b>	<b>\$ -</b>	<b>\$ 21,224</b>	<b>\$ (1,169)</b>
<b>Task Group 300: CONSTRUCTION PHASE SUPPORT</b>						
Task 303. Construction Phase Support	\$ 98,254	\$ 107,635	\$ (9,381)	\$ 5,000	\$ 112,635	\$ 14,381
Task 304. Report to District Board of Directors	\$ 12,018	\$ 11,119	\$ 899	\$ 1,500	\$ 12,619	\$ 601
Task 305. Assist with Ribbon-Cutting Ceremony	\$ 3,945	\$ 237	\$ 3,708	\$ 4,500	\$ 4,737	\$ 792
Task 306. Assist with Project Close Out	\$ 10,222	\$ -	\$ 10,222	\$ 3,000	\$ 3,000	\$ (7,222)
Task 307. Assist with SC2 Damage & Rehab	\$ 158,411	\$ 162,487	\$ (4,076)	\$ 15,000	\$ 177,487	\$ 19,076
<b>Subtotal</b>	<b>\$ 282,850</b>	<b>\$ 281,478</b>	<b>\$ 1,372</b>	<b>\$ 29,000</b>	<b>\$ 310,478</b>	<b>\$ 27,628</b>
<b>Task Group 400: PROJECT ADMINISTRATION</b>						
Task 404. Coordination with USDA for Loan	\$ 10,399	\$ 6,521	\$ 3,878	\$ 5,000	\$ 11,521	\$ 1,122
Task 406. As-Needed Services	\$ 26,987	\$ 20,973	\$ 6,014	\$ 13,750	\$ 34,723	\$ 7,736
<b>Subtotal</b>	<b>\$ 37,386</b>	<b>\$ 27,494</b>	<b>\$ 9,892</b>	<b>\$ 18,750</b>	<b>\$ 46,244</b>	<b>\$ 8,858</b>
<b>Total</b>	<b>\$ 342,629</b>	<b>\$ 330,196</b>	<b>\$ 12,433</b>	<b>\$ 47,750</b>	<b>\$ 377,946</b>	<b>\$ 35,317</b>

It is anticipated that this amendment will support MKN's administrative services through completion of the project and project close-out. It is difficult to estimate the effort required for closing the USDA loan and the SC2 claim process. MKN will monitor the budget and keep District staff apprised of the status.

We appreciate the opportunity to continue working on this important project and look forward to seeing the project through completion. Should you have any questions or wish to discuss any of the information presented herein, please do not hesitate to contact me at your convenience.

Sincerely,

Eileen Shields, PE, Principal Engineer



## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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### STAFF REPORT

**To:** Board of Directors  
**From:** Jeremy Ghent, District Administrator; Mychal Jones, Plant Superintendent  
**Date:** June 18, 2025  
**Subject:** **DISTRICT ADMINISTRATOR REPORT**

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

#### **Capital Projects:**

##### **Redundancy Project:**

- *Redundancy project construction is substantially complete and operational.*
- *All construction activity will be completed on June 27th.*
- *The project team is working toward a August 6<sup>th</sup> closing on \$4.54million in low interest USDA financing.*
- *August 29<sup>th</sup> Payoff \$4.54million of interim financing in Series B COPs*
- *Costs relating to the SC2 damage are being finalized along with the necessary backup and supporting documents to submit the claim. The District and Kennedy Jenks has tracked and compiled \$9.3 million dollars in damages to the District. All major costs have been identified. Changes or additions will likely be minimal as remaining costs are collected and documented.*
- *Ribbon cutting is being scheduled on the morning of July 30<sup>th</sup>. Invitation and details will be forthcoming.*

##### **Cogeneration Project:**

- *No update*

#### **Misc:**

- *No Update*

#### **Plant Tours:**

*None*

#### **Upcoming Meetings:**

7/2/2025 - Proposition 218 Rate Hearing  
7/16/2025 - Second Reading of Proposition 218 Rates