



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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

**AGENDA
BOARD OF DIRECTORS' MEETING**

Wednesday, March 4, 2026, at 6:00 p.m.
Arroyo Grande Council Chambers,
215 E. Branch Street, Arroyo Grande, California 93420

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 January 7, 2026

5C. Purchase of Chemical Induction Mixer and Control Panel

6. ACTION ITEMS:

6A. ANNOUNCEMENT OF ROTATION OF CHAIR AND VICE CHAIR FOR THE 2026 CALENDAR YEAR

Recommendation: The Board consider, confirm, and announce the rotation of Chair and Vice Chair for the 2026 Calendar Year in accordance with District Bylaws.

6B. PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING JUNE 2025 FINANCIAL AUDIT

Recommendation: That the Board receive a presentation of the audit report of the District's financial records by Moss Levy & Hartzheim, LLP, the District's independent auditor, resolve questions, call for any necessary revisions and file the 2024-25 Financial Audit.

6C. DIGESTER GAS COGENERATION PROJECT BOARD UPDATE

Options:

1. Direct the District Administrator to Advance the Project for Final Plans, or
2. Direct the District Administrator to Abandon the Project, or
3. Provide Other Direction

6D. AUTHORIZATION TO RECLASSIFY THE BOOKKEEPER/SECRETARY POSITION TO BUSINESS & ACCOUNTING ANALYST AND ADOPT SALARY RANGE

Recommendation: That the Board approve the reclassification of the Bookkeeper/Secretary position to Business & Accounting Analyst, without adding a new position, reflecting the current scope, complexity, and professional-level

responsibilities required to support the District's financial and administrative operations, and adopt the associated salary range.

6E. ADOPTION OF RESOLUTION NO. 2026-468 TO MAKE A TECHNICAL UPDATE TO DISTRICT BYLAW SECTION 2.1.

Recommendation: That the Board adopt Resolution 2026-468 making a technical amendment to Section 2.1 of the Board Bylaws.

6F. CONSIDERATION OF ADOPTION OF RESOLUTION NO. 2026-469 APPROVING THE 2025 SAN LUIS OBISPO COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN

Recommendation: That the Board Adopt Resolution No. 2026-469 approving the 2025 San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan.

6G. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Recommendation: Receive and File

7. BOARD MEMBER COMMUNICATIONS:

8. ADJOURNMENT

The next regularly scheduled Board Meeting is
April 1, 2026, 6:00 pm at the
Arroyo Grande Council Chambers,
215 E. Branch Street, Arroyo Grande, California 93420

WARRANT REGISTER
3/4/2026
FISCAL YEAR 2025/26

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO	ACCT	ACCT BRKDN	TOTAL
AGP VIDEO	PROFESSIONAL SERVICE	NOVEMBER 2025	010726-9039	7080	650.00	650.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	FEBRUARY 2026	9040	6025	1,017.40	1,017.40
AUTOSYS, LLC	SCADA IMPROVEMENTS	0400; 0401	9041	7051	3,825.92	3,825.92
BRENNTAG	PLANT CHEMICALS	MULTIPLE	9042	8050	22,339.64	22,339.64
CHARTER COMMUNICATIONS	COMPUTER SUPPORT	12/29/25-01/28/26	9043	7013	319.99	319.99
COASTAL JANITORIAL	STRUCTURE MAINTENANCE	JANUARY 2026	9044	8060	775.00	775.00
COASTAL ROLLOFF SERVICE	RUBBISH	DECEMBER 2025	9045	6/2/1919	907.15	907.15
COLD CANYON LANDFILL	RUBBISH	45926D100	9046	7093	983.75	983.75
COLUMBIA BANK	CREDIT CARD	DECEMBER 2025	9047	7032	4,801.55	4,801.55
CULLIGAN WATER	RENTAL EQUIPMENT	JANUARY 2026	9048	7032	60.00	60.00
ENERGY RESOURCE CORP	EQUIPMENT MAINTENANCE	3139	9049	8030	6,561.18	6,561.18
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	JANUARY 2026	9050	7082	100.00	100.00
FEDEX	CHEMICAL ANALYSIS	MULTIPLE	9051	7078	144.20	144.20
GSOLUTIONZ	COMMUNICATIONS	6057	9052	7013	101.15	101.15
JB DEWAR	FUEL	MULTIPLE	9053	8020	426.99	426.99
KENNEDY/JENKS	REDUNDANCY	184822	9054	20-7080	41,305.00	41,305.00
LINDE GAS & EQUIPMENT	RENTAL EQUIPMENT	53927584	9055	7032	54.15	54.15
MCMASTER CARR	EQUIPMENT MAINTENANCE	MULTIPLE	9056	8030	256.33	256.33
MINERS	EQUIPMENT MAINTENANCE	DECEMBER 2025	9057	8030	1,876.87	1,876.87
MISSION COMMUNICATIONS	MEMBERSHIPS	MULTIPLE	9058		682.20	682.20
NBS	AGENCY BILLING	JANUARY TO MARCH 2026	9059	7074	2,413.00	2,413.00
OILFIELD ENVIRONMENTAL COMP.	CHEMICAL ANALYSIS	STATEMENT 01.05.2026	9060	7078	5,964.00	5,964.00
POLYDYNE	PLANT CHEMICALS	1990609	9061	8050	8,859.08	8,859.08
PRIMO BRANDS	ADMIN BUILDING	11/25/25-12/24/25	9062	8045	101.31	101.31
RAIN FOR RENT	RENTAL EQUIPMENT	224665	9063	7032	754.00	754.00
SITE ONE LANDSCAPE	EQUIPMENT MAINTENANCE	161423343-001	9064	8030	206.14	206.14
SO CAL GAS	GAS	12/02/25-01/02/26	9065	7092	7,086.43	7,086.43
SO CO SANITARY SERVICE	RUBBISH	JANUARY 2026	9066	7093	411.89	411.89
SSLOCS	EMPLOYEE BENEFITS	DECEMBER 2025	9067		197,330.53	197,330.53
STATEWIDE SAFETY	SAFETY	3026146	9068	8056	336.00	336.00
T-MOBILE	COMMUNICATIONS	11/16/25-12/15/25	9069	7014	60.84	60.84
VESTIS	UNIFORMS	12/22/25; 12/29/25; 01/05/26	9070	7025	1,730.74	1,730.74
VWR INTERNATIONAL	LAB SUPPLIES	8820667664	9071	8040	42.19	42.19
AIRFLOW FILTER	EQUIPMENT MAINTENANCE	140714	012726-9072	8030	180.40	180.40
AMERICAN BUSINESS MACHINES	OFFICE SUPPLIES	845573	9073	8045	96.04	96.04
AT&T MOBILITY	COMMUNICATIONS	12/03/25-01/02/26	9074	7013	81.48	81.48
AUTOSYS, LLC	SCADA	0413	9075	7051	1,845.00	1,845.00
B&B STEEL SUPPLY	EQUIPMENT MAINTENANCE	769420	9076	8030	455.81	455.81
BARTLE WELLS ASSOC.		241F-1002; 241E-1002	9077	7077	26,765.40	26,765.40
BRENNTAG	PLANT CHEMICALS	MULTIPLE	9078	8050	25,402.26	25,402.26
CAREN RAY RUSSOM	BOARD SERVICE	JANUARY 7, 2026	9079	7075	100.00	100.00
CLINT WEIRICK	BOARD SERVICE	JANUARY 7, 2026	9080	7075	100.00	100.00
ENGEL & GRAY	BIO-SOLIDS COLLECTION	DECEMBER 2025	9081	7085	13,645.18	13,645.18
FEDEX	OFFICE SUPPLIES	MULTIPLE	9082	7078	71.52	71.52
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	9083	8030	933.14	933.14
GSOLUTIONZ	COMMUNICATIONS	FEBRUARY 2026	9084	7013	369.22	369.22
II SUPPLY	SAFETY	109788	9085	8056	639.47	639.47
JB DEWAR	FUEL	445621	9086	8020	41.06	41.06
LINDA AUSTIN	BOARD SERVICE	JANUARY 7, 2026	9087	7075	100.00	100.00
MCMASTER CARR	EQUIPMENT MAINTENANCE	MULTIPLE	9088	8030	1,039.61	1,039.61
MOSS LEVY HARTZHEIM	AUDIT 2025	I-10537	9089	7072	8,000.00	8,000.00
PG&E	ELECTRICITY	12/09/25-01/07/26	9090	7091	27,770.66	27,770.66
POLYDYNE	PLANT CHEMICALS	1995257	9091	8050	13,288.63	13,288.63
RINCON	COASTAL MONITORING	5349.62	9092	7020	5,349.62	5,349.62
ROYAL INDUSTRIAL		784210233930	9093		6,666.11	6,666.11
SECURITAS	ALARMS	DECEMBER AND JANUARY	9094		172.40	172.40
STATEWIDE TRAFFIC	SAFETY	3026166	9095	8056	362.99	362.99
THE BANK OF NY MELLON	2020A COP	CTU2003395	9096		246,271.88	246,271.88
T-MOBILE	CELL PHONE	12/16/25-01/15/26	9097	7014	60.84	60.84
USA BLUEBOOK	EQUIPMENT MAINTENANCE	INV00927398	9098	8030	562.14	562.14
VESTIS	UNIFORMS	01/12; 01/19; 01/26	9099	7025	1,729.80	1,729.80
VWR INTERNATIONAL	LAB SUPPLIES	8820745670	9100	8040	375.01	375.01
SUB TOTAL		CONTINUED ON NEXT PAGE			694,960.29	694,960.29

WARRANT REGISTER
3/4/2026 CONTINUED
FISCAL YEAR 2025/26

VENDOR	BUDGET LINE ITEM	DETAIL	WARRANT NO	ACCT	ACCT BRKDN	TOTAL
AKESO OCCUPATIONAL HEALTH	SAFETY	EM066272	020626-9101	8056	112.00	112.00
ALLIED ADMINSTRATORS	DENTAL	MARCH 2026	9102	6025	1,017.40	1,017.40
CHARTER COMMUNICATIONS	COMPUTER SUPPORT	01/29/26-02/28/26	9103	7013	319.99	319.99
COASTAL JANITORIAL	STRUCTURE MAINTENANCE	FEBRUARY 2026	9104	8060	775.00	775.00
COLD CANYON LANDFILL	RUBBISH	46101D100	9105	7093	656.50	656.50
COLUMBIA BANK	CREDIT CARD	JANUARY 2026	9106		2,894.60	2,894.60
CULLIGAN WATER	RENTAL EQUIPMENT	130565	9107	7032	301.36	301.36
EVERYWHERE RIGHT NOW	COMPUTER SUPPORT	FEBRUARY 2026	9108	7082	100.00	100.00
FEDEX	CHEMICAL ANALYSIS	9-150-06864	9109	7078	35.76	35.76
FERGUSON ELECTRICAL	ELECTRICIAN	1362	9110		2,866.00	2,866.00
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	9111	8030	219.37	219.37
II SUPPLY	EQUIPMENT MAINTENANCE	MULTIPLE	9112	8030	648.91	648.91
JB DEWAR	FUEL	449623	9113	8020	186.62	186.62
MCMASTER CARR	EQUIPMENT MAINTENANCE	MULTIPLE	9114	8030	329.96	329.96
MINERS	EQUIPMENT MAINTENANCE	JANUARY 2026	9115	8030	1,350.84	1,350.84
OCEANO COMMUNITY SERVICES	WATER	11/18/25-01/18/26	9116	7094	880.72	880.72
PRIMO BRANDS	ADMIN BUILDING	12/2/25-01/24/26	9117	8045	74.93	74.93
RAIN FOR RENT	RENTAL EQUIPMENT	2234234	9118	7032	754.00	754.00
ROYAL INDUSTRIAL	MEMBERSHIPS	7842-1024103	9119		3,226.58	3,226.58
SITE ONE LANDSCAPE	EQUIPMENT MAINTENANCE	162132359-001	9120	8030	286.05	286.05
SO CAL GAS	GAS	01/02/26-01/30/26	9121	7092	6,409.84	6,409.84
SSLOCS	EMPLOYEE BENEFITS	JANUARY 2026	9122		126,795.98	126,795.98
STATEWIDE SAFETY	SAFETY	3026204	9123	8056	336.00	336.00
VESTIS	EMPLOYEE UNIFORMS	02/02/2026	9124	7025	576.60	576.60
AMERICAN BUSINESS MACHINES	OFFICE SUPPLIES	852118	021826-9125	8045	96.04	96.04
AUTOSYS, LLC	SCADA	0422	9126	7051	3,016.92	3,016.92
BRENNTAG	PLANT CHEMICALS	BPI580020	9127	8050	12,978.32	12,978.32
COASTAL ROLLOFF	GARBAGE	JANUARY 2026	9128	7093	775.72	775.72
EMPLOYEE DEVPT DEPT		DECEMBER 2025	9129	6095	6,299.95	6,299.95
ENGEL & GRAY	BIOSOLIDS COLLECTION	JANUARY 2026	9130	7085	7,903.05	7,903.05
FEDEX	OFFICE SUPPLIES	MULTIPLE	9131	7078	53.68	53.68
GRAINGER	EQUIPMENT MAINTENANCE	MULTIPLE	9132	8030	2,718.46	2,718.46
GSOLUTIONZ	COMMUNICATIONS	6844; 6693	9133	7013	475.55	475.55
HACH	LAB SUPPLIES	14843635	9134	8040	98.76	98.76
IDEXX DISTRIBUTION	LAB SUPPLIES	3193009484	9135	8040	1,794.46	1,794.46
II SUPPLY	EQUIPMENT MAINTENANCE	110133	9136	8030	105.47	105.47
JB DEWAR	FUEL	451575	9137	8020	312.92	312.92
LINDE GAS	RENTAL EQUIPMENT	54462422	9138	7032	55.01	55.01
MCMASTER CARR	EQUIPMENT MAINTENANCE	MULTIPLE	9139	8030	305.89	305.89
MICHAEL K NUNLEY	ENGINEERING	DECEMBER AND JANUARY	9140	7072	1,108.75	3,396.75
	CONDITION ASSESMENT	DECEMBER AND JANUARY		26-	2,288.00	
MNS ENGINEERS	REDUNDANCY CM	JANUARY 2026	9141	20-7080	598.00	598.00
PG&E	ELECTRICITY	01/08/26-02/08/26	9142	7091	38,097.55	38,097.55
PRECISE WEIGHING SYSTEMS	EQUIPMENT MAINTENANCE	4576	9143	8030	465.00	465.00
SAFETY KLEEN	CHEMICAL ANALYSIS	99087234	9144	7078	302.00	302.00
SLO COUNTY APCD	PERMITS	25004	9145	7068	8,081.53	8,081.53
SO COUNTY SANITARY	GARBAGE	FEBRUARY 2026	9146	7093	406.18	406.18
TENERA ENVIROMENTAL	NPDES MONITORING	E21340	9147	7060	16,516.22	16,516.22
VESTIS	UNIFORMS	02/09/2026; 02/16/2026	9148	7025	1,153.20	1,153.20
VWR INTERNATIONAL	LAB SUPPLIES	2026-414	9149	8040	300.86	300.86
SUB TOTAL					257,462.50	257,462.50
GRAND TOTAL					952,422.79	952,422.79

PAGE 2 OF 2

We hereby certify that the demands numbered serially from 010726-9039 to 021826-9149 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE:

Chairman

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha, Oceano, California 93445-9735
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SUMMARY ACTION MINUTES Meeting of Wednesday, January 7, 2026

1. CALL TO ORDER AND ROLL CALL

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

Present: Clint Weirick, Alternate, City of Grover Beach
Linda Austin, 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

Charles Varni commented on Reverse 911 and the Coastal Development Permit. Administrator Ghent confirmed that all CDP requirements were satisfied prior to construction of the Redundancy Project.

5. CONSENT AGENDA:

5A. Approval of Warrants

5B. Approval of Meeting Minutes of November 5, 2025

There was no public comment.

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

Second: Director Clint Weirick

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. CONTRACT FOR COASTAL HAZARD MONITORING WITH RINCON CONSULTANTS

District Administrator Jeremy Ghent presented this item.

There was no public comment.

Motion: Director Ray Russom motioned to approve Authorize the District Administrator to execute a contract for Environmental Monitoring Services with Rincon Consultants in the amount of \$85,409; and authorize the District Administrator to execute future contract amendments if required with Rincon Consultants for the Coastal Hazards Monitoring Program in an amount up to \$ (5%) to address unanticipated changes to the Monitoring Program, for a total potential cost of \$89,679.

Second: Director Clint Weirick

Action: Approved unanimously by roll call vote.

6B. DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

Superintendent Mychal Jones presented the Plant Operations report. There were no violations of the District's National Pollutant Discharge Elimination System (NPDES) Permit during November 1st- December 31st, 2025, reporting period. All regulatory required analyses were within Permit limitations.

District Administrator Jeremy Ghent presented the Administrator Report.

Charles Varni provided comment, and Administrator Ghent stated that he attended a December 4, 2025, meeting with other managers to discuss various topics, including recycled water.

Action: The Board received and filed this report.

7. BOARD MEMBER COMMUNICATIONS

8. ADJOURNMENT:

6: 25 p.m.

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



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator
Via: Mychal Jones, Plant Superintendent
Date: March 4, 2026

**Subject: REQUEST APPROVAL TO PURCHASE AND REPLACE CHEMICAL
INDUCTION MIXER AND CONTROL PANEL**

RECOMMENDATION:

That the Board of Directors approve and authorize the District Administrator to purchase a new chemical induction mixer and control panel in the amount of \$35,794.

BACKGROUND AND DISCUSSION:

The District budgeted for the purchase and replacement of the existing chemical induction mixer and control panel. The existing chemical induction mixer and control panel have reached the end of their service life and are due for replacement. Staff is requesting approval and authorization to purchase and replace the existing chemical induction mixer and control panel.

Due to this system being proprietary, there is only one quote for this project. The quote from D&H Water Systems for \$35,794 meets the requirements and specifications of the District.

FISCAL CONSIDERATION:

Adequate budget was included in the Adopted Budget for Fiscal Year 2024/25, under Fund 26, Account No. 26-8065.

Attachment:

Quote from D&H Water Systems



Quote

603 Seagaze Dr. # 241
 Oceanside, CA 92054
 ph: 760-722-6893

Date	Quote #
10/3/2025	Q2025-0767

Bill To
South San Luis Obispo County Sanitation District PO BOX 339 Oceano, CA 93445

Ship To
South San Luis Obispo County Sanitation District 1600 Aloha Place Oceano, CA 93445

Rep	P.O. Number	Terms	Entered By	Estimate Status
CMR		Net 30 Days	MJH	Open

Quantity	Description	Bin Loc	MPN	Cost Each	Total Amount
1	W3T107571 W3T107571 WATER CHAMP SWC3F 460V 60HZ 2.2KW 25'		SWC3F-460 V	24,959.89	24,959.89T
1	System Control Panel, W3T132484, 3 HP model, 460V, 3PH, 60Hz input, wall-mount, NEMA 4X fiberglass enclosure with viewing window, fused disconnect switch, H-O-A switch for local or remote start-stop control, motor protection device for detecting and displaying alarm conditions, automatic restart for temporary fault conditions, hour meter, run and stop lights, dry contacts for alarm and run/stop status			7,664.00	7,664.00T
1	Shipping and Handling - FOB Shipping Point POC: Michael Arias 805-489-6666 arias@ssllocsd.us			750.00	750.00T

	Subtotal
	Sales Tax (7.25%)
	Total



Quote

603 Seagaze Dr. # 241
 Oceanside, CA 92054
 ph: 760-722-6893

Date	Quote #
10/3/2025	Q2025-0767

Bill To
South San Luis Obispo County Sanitation District PO BOX 339 Oceano, CA 93445

Ship To
South San Luis Obispo County Sanitation District 1600 Aloha Place Oceano, CA 93445

Rep	P.O. Number	Terms	Entered By	Estimate Status
CMR		Net 30 Days	MJH	Open

Quantity	Description	Bin Loc	MPN	Cost Each	Total Amount
	Conditions of Sale: - Payment terms: (upon approved credit) Net 30 days. - This quote is firm for 30 days. - Freight is estimated and is subject to change. - All credit card transactions will incur a 4% pass through service charge. - This quotation is limited to the products and services as listed, and excludes any item or service not listed. - This quotation EXCLUDES any permits, licenses, bonds, inspections, seismic calculations, or fees. Sales Tax is estimated at the time of Quote. If a tax rate changes, the sales tax due will be based on the rate in effect at the time the sale occurs.			0.00	0.00T

Subtotal				\$33,373.89
Sales Tax (7.25%)				\$2,419.61
Total				\$35,793.50



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Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator
Date: March 4, 2026

**Subject: ANNOUNCEMENT OF ROTATION OF CHAIR AND VICE CHAIR FOR
THE 2026 CALENDAR YEAR**

RECOMMENDATION:

The Board consider, confirm, and announce the rotation of Chair and Vice Chair for the 2026 Calendar Year in accordance with District Bylaws

BACKGROUND AND DISCUSSION:

Per the District's Bylaws, Election of Chair and Vice Chair is established in the District Bylaws as an annual rotation.

Section 1 of the District Bylaws state:

1.4 The Chair and Vice Chair of the Board shall be elected annually at the first meeting in January of each calendar year, or at the next regular or special meeting if Directors have not been timely designated by their respective agencies.

The election of Chair shall be made in accordance with the following rotation:

- 1. The Oceano Community Services District*
- 2. The City of Grover Beach*
- 3. The City of Arroyo Grande*

The election of the Vice Chair shall be the person elected to serve as the Chair the preceding year.

OUTCOME:

The table below illustrates the prior officers and the rotated officers.

TITLE	PRESENT OFFICERS (2025)	ROTATED OFFICERS (2026)
Chair	Kassi Dee (Grover Beach)	Caren Ray Russom (Arroyo Grande)
Vice Chair	Linda Austin (Oceano)	Kassi Dee (Grover Beach)
Director	Caren Ray Russom (Arroyo Grande)	Linda Austin (Oceano)

The table below names the 2026-year District Officers and Alternates.

Community	2026 Primary Director	2025 Alternate Director
Arroyo Grande	Caren Ray Russom (Chair)	Jim Guthrie
Grover Beach	Kassi Dee (Vice Chair)	Clint Weirick
Oceano	Linda Austin (Director)	Shirly Gibson

Section 1.5 of the District bylaws state that:

1.5 The term of office for the Chair and Vice Chair of the Board shall commence on February 1 of the year immediately following their election.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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1600 Aloha, Oceano, California 93445-9735
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Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator
Via: Amy Simpson, Bookkeeper/Secretary
Date: March 4, 2026

**Subject: PRESENTATION AND APPROVAL OF FISCAL YEAR ENDING JUNE
2025 FINANCIAL AUDIT**

RECOMMENDATION:

That the Board receive a presentation of the audit report of the District's financial records by Moss Levy & Hartzheim, LLP, the District's independent auditor, resolve questions, call for any necessary revisions and file the 2024-25 Financial Audit.

BACKGROUND:

Moss, Levy & Hartzheim, LLP was hired as the District's independent auditor to review District financial statements and records and met with District Staff to develop the Fiscal Year 2024-25 Audit Report.

State law requires that every general-purpose local government publish an annual report on its financial position and activity, and that the report be audited by an independent firm of certified public accountants. The goal of the independent audit is to provide a reasonable assurance that the District's financial statements are free of material misstatements. In addition, the audit is responsible for providing an independent review of the District's internal financial controls. The District's financial statements, internal documents, and financial controls have been audited by the certified public accountant firm of Moss, Levy & Hartzheim, LLP for the fiscal year ending June 30, 2025.

DISCUSSION:

The District has received a clean unmodified opinion for the 2024-25 Fiscal Year audit. Chris Padilla, CPA from MLH, will present the firm's final audit report of the District's financial records. Mr. Padilla and staff are available to respond to questions from the Board members regarding the Fiscal Year 2024-25 audit. If the Board finds it is satisfied, Staff asks approval of the audit with any appropriate revisions by motion.

Attachment: 2024/25 Audit

Reports of Independent Auditors and Financial Statements with
Required Supplementary Information

**South San Luis Obispo County
Sanitation District**

June 30, 2025

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Report of Independent Auditors

To The Board of Directors
South San Luis Obispo County Sanitation District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the South San Luis Obispo County Sanitation District (the “District”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the major fund of the District, as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

Required Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2026, on our consideration of the South San Luis Obispo County Sanitation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing,

and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim LLP

Santa Maria, California
March 4, 2026

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

POST OFFICE BOX 339
1600 ALOHA PLACE
OCEANO, CA 93475

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2025

The following discussion provides an overview of the consolidated financial condition and results of operations of the South San Luis Obispo County Sanitation District (the District) for the fiscal year ended June 30, 2025. This discussion should be read in conjunction with the accompanying financial statements and the notes thereto, which are included in this audit report.

The District's financial statements were audited by Moss, Levy & Hartzheim, CPAs, in accordance with U.S. generally accepted auditing standards.

Financial Highlights

At June 30, 2025, the District's total net position was \$24.57 million, compared to \$23.64 million at June 30, 2024. This represents an increase of 3.9 percent, reflecting positive operating results and capital activity during the fiscal year.

Total operating revenues increased 0.5 percent, from \$5.78 million in fiscal year 2024 to \$5.81 million for the fiscal year ended June 30, 2025.

At June 30, 2025, the District reported \$5.49 million in cash and cash equivalents and \$30.81 million in total current and long-term liabilities.

Total operating expenses for the fiscal year were \$5,041,775. Operating revenues exceeded operating expenses by \$763,575, resulting in positive operating income for the year.

Cash and cash equivalents decreased from \$11.69 million at June 30, 2024 to \$5.49 million at June 30, 2025. This decrease was primarily attributable to the planned expenditure of funds related to the District's Wastewater Treatment Plant Redundancy Project, including construction and capitalization of capital assets during the fiscal year.

Overview of the Financial Statements

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

These statements are prepared using the accrual basis of accounting, which recognizes revenues when earned and expenses when incurred, regardless of when cash is received or paid. The statements report the District's net position and changes therein, which over time serve as a useful indicator of whether the District's financial condition is improving or declining.

Fund Financial Statements. A fund is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to demonstrate compliance with finance-related legal requirements. The District's activities are reported as a proprietary fund, specifically an enterprise fund type.

Notes to the Financial Statements. The notes provide additional information essential to a full understanding of the financial statements and can be found on pages 10 through 25 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report includes required supplementary information regarding the District's pension and other post-employment benefit obligations.

Government-wide Financial Analysis

Net position is a useful indicator of a government's financial condition over time. As of June 30, 2025, the District's net position increased from \$23.64 million at June 30, 2024 to \$24.57 million, reflecting favorable operating results and capital contributions during the fiscal year.

Net position includes the District's investment in capital assets, such as land, buildings, improvements, systems, machinery, and equipment, net of accumulated depreciation. These capital assets are used to provide services and are not available for future spending. Although capital assets are reported net of accumulated depreciation, the repayment of related debt must be funded from other sources, as the capital assets themselves cannot be liquidated to satisfy liabilities.

These results reflect the District's continued focus on maintaining financial stability while completing significant capital investments.

Business-type Activities

Business-type activities increased the District's net position by \$937,564 during the fiscal year ended June 30, 2025. Operating revenues exceeded operating expenses by \$763,575, reflecting continued stable operations and effective cost management. Capital contributions totaled \$425,015, consisting primarily of connection fees.

Non-operating activity during the fiscal year included the recognition of a \$9.04 million settlement receivable related to remediation of structural deficiencies identified in the Wastewater Treatment Plant Redundancy Project. The settlement represents amounts due to the District from the project's design engineer and was recognized during fiscal year 2025, with cash received subsequent to year-end. The settlement proceeds were offset by corresponding redundancy project remediation costs, resulting in no material impact on the District's change in net position for the year.

During the fiscal year, construction in progress associated with the Wastewater Treatment Plant Redundancy Project was completed and capitalized. The project enhancements improve system reliability and operational redundancy by allowing critical treatment processes to be taken offline for maintenance without risking regulatory compliance.

Overall, the results of business-type activities reflect the District's continued focus on maintaining financial stability while completing major capital investments and addressing project-related risks in a financially responsible manner.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2025, the District's investment in capital assets totaled approximately \$40.0 million, net of accumulated depreciation. Capital assets include land, buildings, improvements, systems, machinery, and equipment.

Additional information regarding the District's capital assets is presented in Note 5 of the financial statements.

Long-term Debt

As of June 30, 2025, the District's long-term obligations consisted of Certificates of Participation and compensated absences. Additional information regarding the District's long-term debt can be found in Note 7 of the financial statements.

Economic Factors and Next Year's Budgets and Rates

Certificates of Participation

On December 1, 2020, the District issued two series of Certificates of Participation to finance the Wastewater Treatment Plant Redundancy Project. Debt service payments for fiscal year 2025–26 total \$953,794 for Series A and \$4,509,650 for Series B.

Rate Increases

The District adopted and implemented a multi-year rate adjustment program effective September 1, 2025. Under this program, customer rates will increase by 9 percent annually each July 1, beginning July 1, 2026, and continuing through July 1, 2029. The September 1, 2025 increase represents a partial-year adjustment, with full annual increases applied in subsequent fiscal years.

Other Post-Employment Benefits

The District provides other post-employment benefits (OPEB) through the California Employers' Retiree Benefit Fund administered by CalPERS. An actuarial valuation with a measurement date of June 30, 2024 was used to determine the District's total OPEB liability as of June 30, 2025. Additional information is presented in Note 9 of the financial statements.

Requests for Information

This financial report is intended to provide a general overview of the District's finances for interested parties. Questions concerning this report may be directed to the District Administrator, South San Luis Obispo County Sanitation District, 1600 Aloha Place, Oceano, CA 93475.

Basic Financial Statements

South San Luis Obispo County Sanitation District
Statement of Net Position – Proprietary Fund
June 30, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS	
Cash and investments	\$ 5,491,459
Accounts receivable	474,706
Settlement receivable	9,043,929
Prepaid expenses	<u>15,937</u>
Total current assets	15,026,031
CAPITAL ASSETS, net	<u>40,042,151</u>
Total assets	<u>55,068,182</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred pensions	659,327
Deferred OPEB	<u>237,471</u>
Total deferred outflows of resources	<u>896,798</u>
Total assets and deferred outflows of resources	<u>\$ 55,964,980</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

CURRENT LIABILITIES	
Accounts payable and accrued liabilities	\$ 763,984
Brine deposits	40,000
Interest payable	198,711
Compensated absences, current portion	25,046
Certificate of participation, current portion	4,915,000
Unamortized premium, current portion	<u>38,832</u>
Total current liabilities	5,981,573
NONCURRENT LIABILITIES	
Net pension liability	1,699,384
Other post employment benefits	1,125,533
Compensated absences, net of current portion	75,137
Certificate of participation, net of current portion	21,010,000
Unamortized premium, net of current portion	<u>922,260</u>
Total liabilities	<u>30,813,887</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pensions	43,591
Deferred OPEB	<u>533,798</u>
Total deferred inflows of resources	<u>577,389</u>
NET POSITION	
Net investment in capital assets	13,156,059
Restricted for capital expansion	3,755,648
Unrestricted	<u>7,661,997</u>
Total net position	<u>24,573,704</u>
Total liabilities, deferred inflow of resources, and net position	<u>\$ 55,964,980</u>

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

South San Luis Obispo County Sanitation District

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Fund June 30, 2025

OPERATING REVENUE	
Sewer services fees	\$ 5,805,350
Total operating revenues	<u>5,805,350</u>
OPERATING EXPENSE	
Gross wages	1,257,169
Payroll taxes and benefits	97,945
Employee benefits	279,423
Retirement contribution	357,153
OPEB expense	20,719
Uniforms	34,404
Repairs and maintenance	652,464
Equipment rental	8,095
Insurance	109,252
Depreciation	596,115
Communications	17,489
Utilities	492,761
Property tax	36,934
Special services	195,866
Office and supplies	17,209
Fuel and oil	9,055
Membership, permits, and license fees	88,336
Legal	19,430
Accounting	27,807
Plant chemicals, lab, and analysis	633,529
Employee training	6,476
Solids handling	75,761
Small tools	8,383
Total operating expenses	<u>5,041,775</u>
OPERATING INCOME	<u>763,575</u>
NONOPERATING REVENUE (EXPENSES)	
Investment income	318,167
Interest expense	(569,193)
Redundancy settlement income	9,043,929
Redundancy project expense	<u>(9,043,929)</u>
Total non-operating revenues (expenses)	<u>(251,026)</u>
CAPITAL CONTRIBUTIONS	
Connection fees	<u>425,015</u>
Change in net position	937,564
NET POSITION, beginning of year	<u>23,636,140</u>
NET POSITION, end of year	<u>\$ 24,573,704</u>

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

South San Luis Obispo County Sanitation District

Statement of Cash Flows – Proprietary Fund

For the Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 6,290,310
Payments to vendors	(3,996,888)
Payments to employees	<u>(1,156,711)</u>

Net cash provided by operating activities 1,136,711

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital contributions	425,015
Acquisition and construction of capital assets	(7,036,494)
Principal paid on capital debt	(430,000)
Interest paid on capital debt	<u>(615,094)</u>

Net cash used in capital and related financing activities (7,656,573)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>318,167</u>
-----------------	----------------

Net cash provided by investing activities 318,167

NET DECREASE IN CASH AND CASH EQUIVALENTS (6,201,695)

CASH AND CASH EQUIVALENTS, beginning of year 11,693,154

CASH AND CASH EQUIVALENTS, end of year \$ 5,491,459

Reconciliation of operating income to net cash provided by operating activities

Operating income	\$ 763,575
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	596,115
Change in assets, deferred outflows, liabilities, and deferred inflows,	
Accounts receivable	349,037
Prepaid expenses	145,923
Deposits	(10,000)
Deferred outflows of resources relating to pensions	128,448
Deferred outflows of resources relating to OPEB	42,382
Accounts payable	(808,397)
Compensated absences	34,668
OPEB liability	(22,601)
Net pension liability	(11,698)
Deferred inflows of resources relating to pensions	(27,380)
Deferred inflows of resources relating to OPEB	<u>(43,361)</u>

Net cash provided by operating activities \$ 1,136,711

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

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

Note 1 – Reporting Entity

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

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

Note 2 – Summary of Significant Accounting Policies

A. Basis of Accounting and Measurement Focus

The District's operations are reported as an enterprise fund. Enterprise fund accounting is used when an entity's operations are financed and conducted similarly to private business enterprises, with the intent that costs of providing services—including depreciation—be recovered primarily through user charges. The District recovers its costs principally through sewer service charges and connection fees.

The District uses the accrual basis of accounting. Under this method, revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

The District distinguishes between operating and non-operating activities. Operating revenues and expenses arise from the District's principal ongoing operations, primarily providing sewer services. Operating revenues consist mainly of sewer service charges and connection fees. Operating expenses include the cost of services, administrative expenses, and depreciation on capital assets. Revenues and expenses that do not result directly from the District's primary service activities are classified as non-operating. The District is responsible for funding all expenses regardless of their classification as operating or non-operating.

The District prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

B. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents include amounts held in demand deposits and money market accounts.

C. Investments

The District's investment policy authorizes investments in accordance with Section 53601 of the California Government Code. Investments are stated at fair value, except for investment contracts and money market investments with remaining maturities of one year or less at the time of purchase, which are reported at amortized cost. Fair value is determined using quoted market prices. Investment income includes interest earnings and realized and unrealized changes in fair value.

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

D. **Receivables**

Accounts receivable are reported net of an allowance for doubtful accounts. The allowance is based on management's assessment of the collectability of specific accounts and the aging of receivables.

E. **Capital Assets**

Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets are defined as assets with an initial individual cost exceeding \$2,500 and an estimated useful life of more than one year.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Sewer lines and mains	50–75 years
Treatment plant and facilities	20–50 years
Pump stations	15–30 years
Vehicles and equipment	5–15 years
Building and structures	25–50 years

F. **Restricted Assets**

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

G. **Compensated Absences**

The District's employees accumulate vacation and sick leave based on length of service. Vacation leave vests with employees and is payable upon separation from employment. Sick leave is accumulated but is not paid upon termination. The District accrues a liability for compensated absences when earned by employees. The liability is measured using the employee's pay rate at the balance sheet date and includes salary-related payments such as the District's share of payroll taxes. The current portion of the liability represents amounts estimated to be used within one year, with the remaining balance reported as noncurrent.

H. **Encumbrances**

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

I. **Pensions**

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

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

J. **Other Postemployment Benefits (OPEB)**

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

K. **Deferred Outflows and Inflows of Resources**

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

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 8 and Note 9 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has two items which qualify for reporting in this category; refer to Note 8 and Note 9 for a detailed listing of the deferred inflows of resources the District has reported.

L. **Net Position**

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

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

M. **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and

liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

N. **Budgetary Information**

The District adopts an annual operating budget, which is approved by the Board of Directors prior to the beginning of each year. The budget serves as a management tool and is not a legally adopted budget. Budgetary comparisons are presented as required supplementary information.

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

O. Recently Issued Accounting Pronouncements

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement enhances the financial reporting model by refining the focus of management's discussion and analysis, replacing extraordinary and special item classifications, and modifying budgetary comparison presentation requirements. The requirements of this statement are effective for the District's year ending June 30, 2026. The District is currently evaluating the impact of this statement on its financial statements.

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This statement establishes requirements for certain capital assets to be disclosed separately in the notes to financial statements and establishes disclosure requirements for capital assets held for sale. The requirements of this statement are effective for the District's year ending June 30, 2026. The District does not expect this statement to have a significant impact on its financial statements.

Note 3 – Cash and Investments

Investments are carried at fair value in accordance with GASB Statement No. 31. On June 30, 2025, the District had the following cash and investments on hand:

Cash in bank and on hand	\$ 356,564
Cash and investments with County Treasurer	2,979,012
Local Agency Investment Fund (LAIF)	<u>2,155,883</u>
 Total cash and investments, Statement of Net Position	 <u>\$ 5,491,459</u>

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

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

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
Federal Agency Securities	N/A	None	None
Bankers' Acceptances	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Repurchase and Reserve Repurchase Agreements	92 Days	20% of Base Value	None
Medium-Term Notes	5 Years	30%	None
Mutual Funds	5 Years	15%	10%
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	N/A	20%	None
County Pooled Investment Fund	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 75,000,000
State Registered Warrants, Notes or Bonds	N/A	None	None
Notes and Bonds for other Local California Agencies	5 Years	None	None

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

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

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
San Luis Obispo Investment Pool	\$ 2,979,012	\$ 2,979,012	\$ –	\$ –	\$ –
State Investment Pool (LAIF)	<u>2,155,883</u>	<u>2,155,883</u>	<u>–</u>	<u>–</u>	<u>–</u>
	<u>\$ 5,134,895</u>	<u>\$ 5,134,895</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>

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

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

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Investment Type	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End	
				AAA	Not Rated
San Luis Obispo Investment Pool	\$ 2,979,012	N/A	\$ -	\$ -	\$ 2,979,012
State Investment Pool (LAIF)	2,155,883	N/A	-	-	2,155,883
	<u>\$ 5,134,895</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,134,895</u>

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

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

As of June 30, 2025, none of the District’s deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

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

Note 4 – Settlement Receivable

During the year ended June 30, 2025, the District identified structural failures in the Secondary Clarifier 2 (SC2) floor slab constructed as part of the Wastewater Treatment Plant Redundancy Project. An engineering evaluation determined the failures were primarily attributable to deficiencies in the original design. The District incurred costs to rehabilitate the SC2 structure, which was completed in June 2025.

The District reached a settlement agreement with the project’s design engineer to recover all costs incurred for the SC2 rehabilitation. The settlement totaled \$9,043,929 and was received in July 2025. As all eligibility requirements were met and the related remediation expenditures were incurred during the year ended June 30, 2025, the District recognized the settlement as revenue and recorded a corresponding receivable.

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

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Note 5 – Capital Assets

A schedule of changes in capital assets and depreciation for the year ended June 30, 2025, is shown below:

	Beginning July 1, 2024	Additions	Deletions	Transfers	Ending June 30, 2025
Capital assets not being depreciated					
Land	\$ 431,425	\$ –	\$ –	\$ –	\$ 431,425
Construction in progress	36,428,181	7,036,494	(9,043,929)	(34,420,746)	–
Total capital assets not being depreciated	36,859,606	7,036,494	(9,043,929)	(34,420,746)	431,425
Capital assets being depreciated					
Treatment facilities	22,100,168	–	–	34,420,746	56,520,914
Disposal facilities	1,859,465	–	–	–	1,859,465
Collection facilities	2,849,600	–	–	–	2,849,600
General equipment	1,447,759	–	–	–	1,447,759
Total capital assets being depreciated	28,256,992	–	–	34,420,746	62,677,738
Less accumulated depreciation	(22,470,897)	(596,115)	–	–	(23,067,012)
Total capital assets being depreciated, net	5,786,095	(596,115)	–	34,420,746	39,610,726
Capital assets, net	\$ 42,645,701	\$ 6,440,379	\$ (9,043,929)	\$ –	\$ 40,042,151

During the year ended June 30, 2025, the District completed construction of the Wastewater Treatment Plant (WWTP) Redundancy Project. The project added two activated sludge aeration basins, a secondary clarifier, pumping and piping systems, sludge handling processes, electrical and instrumentation improvements, a backup generator, and flood proofing of critical plant systems. These improvements enable major process units to be taken offline for maintenance without risking effluent permit violations. The project was placed in service in June 2025.

Note 6 – Long-Term Liabilities

The changes in long-term liabilities for the year ended June 30, 2025, are as follows:

	Beginning July 1, 2024	Additions	Retirements	Ending June 30, 2025	Due within One year
Certificate of participation	\$ 26,355,000	\$ –	\$ (430,000)	\$ 25,925,000	\$ 4,915,000
Unamortized premium	999,924	–	(38,832)	961,092	38,832
Compensated absences	65,515	34,668	–	100,183	25,046
OPEB	1,148,134	–	(22,601)	1,125,533	–
Net pension liability	1,711,082	–	(11,698)	1,699,384	–
Total	\$ 30,279,655	\$ 34,668	\$ (503,131)	\$ 29,811,192	\$ 4,978,878

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

Note 7 – Certificates of Participation

On December 1, 2020, the 2020 Certificates of Participation Series A for \$23,045,000 and Series B for \$4,465,000 at a premium of \$1,155,252 were issued to provide funding for the Redundancy Project. The District has pledged all net revenues to repay the 2020 Certificates of Participation. In the event of default, all principal and accrued interest becomes due. The certificates are payable semiannually on March 1 and September 1 of each year with interest rates varying from 2% to 5%. As of June 30, 2025, \$25,925,000 was still outstanding.

Future minimum payment obligations for the certificates on June 30, 2025, are as follows:

Year Ended June 30	Series A		
	Principal	Interest	Total
2026	\$ 450,000	\$ 503,794	\$ 953,794
2027	605,000	477,419	1,082,419
2028	635,000	446,419	1,081,419
2029	670,000	413,794	1,083,794
2030	695,000	386,619	1,081,619
2031-2035	3,740,000	1,675,438	5,415,438
2036-2040	4,075,000	1,346,534	5,421,534
2041-2045	4,505,000	919,737	5,424,737
2046-2050	5,015,000	406,930	5,421,930
2051-2055	1,070,000	12,038	1,082,038
	<u>\$ 21,460,000</u>	<u>\$ 6,588,722</u>	<u>\$ 28,048,722</u>

Year Ended June 30	Series B		
	Principal	Interest	Total
2026	\$ 4,465,000	\$ 44,650	\$ 4,509,650
	<u>\$ 4,465,000</u>	<u>\$ 44,650</u>	<u>\$ 4,509,650</u>

Note 8 – Defined Benefit Pension Plan

A. General Information about the Pension Plans

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

Benefits provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonduty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit,

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the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect on June 30, 2025, are summarized as follows:

Hire Date	Miscellaneous	
	Hired Prior to January 1, 2013*	Hired On or after January 1, 2013
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.75%
Required employer contribution rates	13.41% + \$141,006	7.87%

* A new employee may transfer into the Classic Member formula if he/she comes from another agency participating in the CalPERS' or reciprocal retirement system and did not have more than a six month break in service.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the pension plan from the District were \$267,783 for the year ended June 30, 2025.

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

As of June 30, 2025, the District reported a liability of \$1,699,384 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined.

The District's proportionate share of net pension liability for the plan as of June 30, 2025, was as follows:

Proportion - June 30, 2023	0.03422%
Proportion - June 30, 2024	<u>0.03514%</u>
Change - increase	<u>0.00092%</u>

For the year ended June 30, 2025, the District recognized pension expense of \$357,153. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

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June 30, 2025

As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 267,783	\$ -
Differences between expected and actual experience	146,927	5,733
Changes in assumptions	43,678	-
Net difference between projected and actual earnings on retirement plan investments	97,832	-
Adjustment due to differences in proportions	5,838	37,858
Difference in actual contributions and proportionate share of contributions	<u>97,269</u>	<u>-</u>
	<u>\$ 659,327</u>	<u>\$ 43,591</u>

\$267,783 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

<u>Year ending June 30</u>	<u>Amount</u>
2026	\$ 117,858
2027	250,942
2028	12,679
2029	<u>(33,526)</u>
	<u>\$ 347,953</u>

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June 30, 2025

Actuarial assumptions – The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.30% thereafter

- (1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS' website.

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

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

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

South San Luis Obispo County Sanitation District

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June 30, 2025

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

Asset Class	New Strategic Allocation	Real Return (a,b)
Global Equity - cap-weighted	30.0%	4.54%
Global Equity - non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporations	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
 Total	100.0%	

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

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

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

	Discount Rate-1% 5.90%	Current Discount Rate 6.90%	Discount Rate +1% 7.90%
District's proportionate share of the net pension plan liability	\$ 2,519,126	\$ 1,699,384	\$ 1,024,615

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

C. Payable to the Pension Plan

As of June 30, 2025, the District had no amount outstanding for contributions to the pension plan required for the year ended June 30, 2025.

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

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Note 9 – Other Postemployment Benefits

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

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

Employees covered – As of the June 30, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the District's Plan:

Active plan members	10
Inactive employees or beneficiaries currently receiving benefits	<u>7</u>
Total	<u><u>17</u></u>

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

OPEB liability – The District's OPEB liability was measured as of June 30, 2024 and the total OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was rolled forward to determine the June 30, 2024 total OPEB liability, based on the following assumptions:

Discount Rate	3.93%
Inflation	2.50%
Salary Increases	2.75%
Healthcare Trend Rate	4.00%
Mortality Rate	Derived from 2021 CalPERS' Activity Mortality For Miscellaneous Employees
Pre-Retirement Turnover	2021 CalPERS' Turnover for Miscellaneous employees

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate of return of 3.93 percent.

Change in assumptions – The discount rate was increased from 3.65 percent to 3.93 percent.

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

- a) The long-term expected rate of return on OPEB plan investments — to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;

South San Luis Obispo County Sanitation District

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June 30, 2025

- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher — to the extent that the conditions in (a) are not met.

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

Reporting Date	Measurement Date	Long Term Expected Return of Plan Investments	Municipal 20 Year High Grade Rate Index	Discount Rate
June 30, 2025	June 30, 2024	3.93%	3.93%	3.93%
June 30, 2024	June 30, 2023	3.65%	3.65%	3.65%
June 30, 2023	June 30, 2022	3.54%	3.54%	3.54%

Changes in OPEB Liability are as follows:

	Total OPEB Liability
Balance at June 30, 2024 (Valuation Date, June 30, 2022)	<u>\$ 1,148,134</u>
Changes recognized for the measurement period:	
Service cost	33,480
Interest	41,467
Changes in assumptions	(39,941)
Experience (Gains)/Losses	(13,331)
Benefit payments	<u>(44,276)</u>
Net changes	<u>(22,601)</u>
Balance at June 30, 2025 (Measurement Date, June 30, 2024)	<u><u>\$ 1,125,533</u></u>

Sensitivity of the OPEB liability to changes in the discount rate – The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
OPEB Liability	\$ 1,274,423	\$ 1,125,533	\$ 1,006,323

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

	1% Decrease (3.00%)	Healthcare Cost Trend Rate (4.00%)	1% Increase (5.00%)
OPEB Liability	\$ 1,057,074	\$ 1,125,533	\$ 1,216,815

OPEB expense and deferred outflows/inflows of resources related to OPEB – For the year ended June 30, 2025, the District recognized OPEB expense of \$20,719. As of the year ended June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 44,296	\$ –
Changes in assumptions	193,175	353,696
Differences between expected and actual experience	–	180,102
	<u>\$ 237,471</u>	<u>\$ 533,798</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to OPEB liability to be recognized in future periods in a systematic and rational manner. \$44,296 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the pension expense as follows:

Year ending June 30	Amount
2026	\$ (54,231)
2027	(54,231)
2028	(54,231)
2029	(48,301)
2030	(60,122)
Thereafter	<u>(69,507)</u>
	<u>\$ (340,623)</u>

Note 10 – Commitment and Contingencies

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

South San Luis Obispo County Sanitation District

Notes to Basic Financial Statements

June 30, 2025

Note 11 – Subsequent Events

The financial statements include an evaluation of subsequent events through March 4, 2026, the date the financial statements were available to be issued. Events occurring after the reporting period but prior to that date have been evaluated to determine whether they require recognition or disclosure in the financial statements. No subsequent events meeting the criteria for recognition or disclosure were identified.

Required Supplementary Information

South San Luis Obispo County Sanitation District
Schedule of Proportionate Share of Net Pension Liability – Last 10 Years
As of June 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Proportion of the net pension liability	0.01401%	0.01372%	0.01378%	0.01606%	0.01255%
Proportionate share of the net pension liability (asset)	\$ 1,699,384	\$ 1,711,082	\$ 1,591,117	\$ 868,708	\$ 1,365,924
Covered payroll	\$ 1,077,320	\$ 927,281	\$ 862,697	\$ 846,584	\$ 784,070
Proportionate share of the net pension liability as a percentage of covered payroll	157.74%	184.53%	184.40%	102.60%	174.20%
Plan's total pension liability	\$ 55,320,956,562	\$ 52,441,984,274	\$ 49,525,975,138	\$ 46,174,942,264	\$ 43,702,930,887
Plan's fiduciary net position	\$ 43,193,516,203	\$ 39,966,633,692	\$ 37,975,170,163	\$ 40,766,653,876	\$ 32,822,501,335
Plan fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the net pension liability	0.01232%	0.01200%	0.01186%	0.01163%	0.01117%
Proportionate share of the net pension liability (asset)	\$ 1,262,383	\$ 1,156,301	\$ 1,176,202	\$ 1,006,552	\$ 766,801
Covered payroll	\$ 702,820	\$ 762,177	\$ 776,359	\$ 648,335	\$ 512,061
Proportionate share of the net pension liability as a percentage of covered payroll	179.60%	151.70%	151.50%	155.30%	149.70%
Plan's total pension liability	\$ 41,426,453,489	\$ 38,944,855,364	\$ 37,161,348,332	\$ 33,358,627,624	\$ 31,771,217,402
Plan's fiduciary net position	\$ 31,179,414,067	\$ 29,308,589,559	\$ 27,244,095,376	\$ 24,705,532,291	\$ 24,907,305,871
Plan fiduciary net position as a percentage of the total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

Note to Schedule

There were no changes in assumptions or benefit terms for the year ended June 30, 2025.

South San Luis Obispo County Sanitation District
Schedule of Pension Contributions – Last 10 Years
As of June 30, 2025

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution (actuarially determined)	\$ 267,783	\$ 237,910	\$ 262,671	\$ 204,264	\$ 177,437
Contribution in relation to the actuarially determined 'contributions	<u>267,783</u>	<u>237,910</u>	<u>262,671</u>	<u>204,264</u>	<u>177,437</u>
Contribution deficiency (excess)	<u>\$ –</u>				
Covered payroll	\$ 991,120	1,077,320	927,281	862,697	846,584
Contributions as a percentage of covered payroll	27.02%	22.08%	28.33%	23.68%	20.96%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 161,923	\$ 136,795	\$ 98,219	\$ 104,648	\$ 77,019
Contribution in relation to the actuarially determined 'contributions	<u>161,923</u>	<u>136,795</u>	<u>98,219</u>	<u>104,648</u>	<u>77,019</u>
Contribution deficiency (excess)	<u>\$ –</u>				
Covered payroll	\$ 784,070	\$ 702,820	\$ 762,177	\$ 776,539	\$ 648,335
Contributions as a percentage of covered payroll	20.65%	19.46%	12.89%	13.48%	11.88%

Note to Schedule

There were no changes in assumptions or benefit terms for the year ended June 30, 2025.

South San Luis Obispo County Sanitation District
Schedule of Changes in OPEB Liability and Related Ratios – Last 10 Years*
As of June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Total OPEB Liability				
Service cost	\$ 33,480	\$ 28,057	\$ 38,862	\$ 12,593
Interest on the total OPEB liability	41,467	45,276	33,032	39,495
Actual and expected experience difference	(13,331)	(169,590)	(10,285)	(29,564)
Changes in assumptions	(39,941)	2,318	(246,749)	(234,894)
Benefit payments	<u>(44,276)</u>	<u>(58,026)</u>	<u>(59,461)</u>	<u>(64,892)</u>
Net change in total OPEB Liability	(22,601)	(151,965)	(244,601)	(277,262)
Total OPEB liability - beginning	<u>1,148,134</u>	<u>1,300,099</u>	<u>1,544,700</u>	<u>1,821,962</u>
Total OPEB liability - ending	<u>\$ 1,125,533</u>	<u>\$ 1,148,134</u>	<u>\$ 1,300,099</u>	<u>\$ 1,544,700</u>
Covered payroll	\$ 1,077,320	\$ 927,281	\$ 862,687	\$ 846,584
Total OPEB liability as a % of covered payroll	104.48%	123.82%	150.70%	182.46%
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 8,416	\$ 71,936	\$ 75,519	\$ 73,498
Interest on the total OPEB liability	50,948	68,087	68,178	60,374
Actual and expected experience difference	(7,164)	(33,833)	-	-
Changes in assumptions	345,086	63,487	(76,832)	-
Change in benefit terms	-	(403,851)	-	-
Benefit payments	<u>(60,728)</u>	<u>(69,690)</u>	<u>(68,012)</u>	<u>(65,396)</u>
Net change in total OPEB Liability	336,558	(303,864)	(1,147)	68,476
Total OPEB liability - beginning	<u>1,485,404</u>	<u>1,789,268</u>	<u>1,790,415</u>	<u>1,721,939</u>
Total OPEB liability - ending	<u>\$ 1,821,962</u>	<u>\$ 1,485,404</u>	<u>\$ 1,789,268</u>	<u>\$ 1,790,415</u>
Covered payroll	\$ 784,070	\$ 702,820	\$ 762,177	\$ 776,359
Total OPEB liability as a % of covered payroll	232.37%	211.35%	234.76%	230.62%

Notes to Schedule

Change in assumptions – The discount rate was increased from 3.65 percent to 3.93 percent.

*Year 2018 was the first year of implementation, therefore only eight years are shown.

South San Luis Obispo County Sanitation District

Schedule of OPEB Contributions – Last 10 Years*

As of June 30, 2025

The District's contribution for the year ended June 30, 2025 was \$44,296. The District did not have an actuary calculate the Actuarially Determined Contribution for the year ended June 30, 2025, therefore the District does not need to comply with GASB 75's Required Supplementary Information

The District's contribution for the year ended June 30, 2024 was \$44,276. The District did not have an actuary calculate the Actuarially Determined Contribution for the year ended June 30, 2024, therefore the District does not need to comply with GASB 75's Required Supplementary Information requirements.

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

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

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

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

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

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

Notes to Schedule

Change in assumptions – The discount rate was increased from 3.65 percent to 3.93 percent.

*Year 2018 was the first year of implementation, therefore only eight years are shown.

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To The Board of Directors
South San Luis Obispo County Sanitation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the South San Luis Obispo County Sanitation District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 4, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Moss, Levy & Hartzheim LLP". The signature is written in a cursive, flowing style.

Santa Maria, California
March 4, 2026



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: March 4, 2026

Subject: **Digester Gas Cogeneration Project Board Update.**

RECOMMENDATION:

1. Direct the District Administrator to Advance the Project for Final Plans, or
2. Direct the District Administrator to Abandon the Project, or
3. Provide Other Direction

BACKGROUND AND DISCUSSION:

Previous Cogen Failure

In 2009, the District had procured and installed a cogeneration system. That system was intended to use the excess biogas at the plant to generate electricity and provide the heat needed for the anaerobic digesters. While that system initially provided at least a portion of the intended results, it was never fully functional and suffered several system failures. Following investigations by District staff and qualified independent engineers, the following is a summary of the factors contributing to poor performance and ultimate system failure:

- **Inadequate gas treatment.** The combustion of siloxanes, water and other biogas constituents led to compromised performance, reduced energy output and eventually, engine failure. Additionally, it was determined that the installed blower was undersized and incapable of providing the gas volume/supply required for proper operation.
- **Ineffective heat management.** Excessive temperatures for intake fuel/air, engine, and potentially exhaust (due to system fouling) contributed to poor performance and/or premature failure.
- **Mis-configured equipment.** The “system” was made up of various components, independently designed and manufactured and then “pieced together” on-site to create a solution. Specifically, the system included the installation of a 10-year-old motor – represented as new – which was undersized for the intended output. This method of construction resulted in an installed system that was very difficult to commission, optimize, and troubleshoot, and almost certainly ensured the system would not perform as expected. This method also meant that no single manufacturer was responsible for system performance

- **Excessive maintenance and premature failure.** Among other system deficiencies, high intake air temperature and siloxane breakthrough were identified as primary contributors to high maintenance requirements, poor performance and premature failure.

It should be noted that neither the performance nor training level of Plant staff were identified as contributing factors to system failure. Unfortunately, these issues were not unique and plagued many wastewater agencies who were early adopters of cogeneration systems. Following review of the situation by cogeneration specialists, Southland and PG&E concur with the findings outlined above.

2023 Investigation Prompted by Rising Energy Costs

The results of a complimentary preliminary energy assessment had indicated that a new cogeneration system was viable and would provide **economic and environmental value** to the District. Upon direction of the Board at the May 3rd 2023 meeting, \$163,000 was appropriated for the District and Southland Industries Inc. to fully investigate the feasibility, and complete an “Investment Grade Audit” (defined below), of utilizing a cogeneration system at the wastewater treatment plant (WWTP).

The District currently purchases all energy for operations at the wastewater treatment plant from the local serving utilities – electricity from PG&E and natural gas from SoCalGas. The energy is consumed by the plant to power the various treatment systems and maintain the appropriate operating temperature for the digesters. Currently, all digester biogas produced from the treatment process is burned through a biogas flare and provides no heat or power for operations.

Based on the initial preliminary evaluation of conditions in 2023 (plant equipment and operations, gas production, plant electric load and existing utility tariff options), it was estimated that an appropriately designed system could offset in excess of 80% of the plant’s electricity needs and over 90% of our natural gas consumption. This preliminary evaluation has been confirmed and updated using current power consumption which includes the new equipment installed as part of the Redundancy Project.

Through this IGA feasibility study the District and Southland have developed a 180kW cogeneration project that would beneficially use the digester biogas for the on-site production of electricity and heat for use in plant operations. The cogeneration system is based on a modern clean-burning engine, packaged with enhanced gas treatment, controls and telemetry designed to ensure optimal performance. The ‘cogen’ system would put the currently wasted biogas to beneficial use, resulting in a substantial reduction of energy purchases from P&G&E and SoCalGas. The proposed engine includes a catalytic reactor in the exhaust stream which will significantly reduce NOx emissions relative to the current use of the flare.



Investment Grade Audit (IGA)

The Investment Grade Audit is a rigorous, Level 3 feasibility study providing the high-confidence financial and technical data needed to secure financing for CHP projects. It analyzes 12–36 months of energy data, providing >30% design drawings, actual equipment quotes, and guaranteed savings projections.

Considerations for the Board

The cost of energy and those potential savings would fund the cost of any debt associated with construction. The IGA conservatively estimates a Return on Investment after 17 years with no increased cost to the ratepayers.

The primary consideration for the Board would be the potential for early relocation of the wastewater treatment plant entirely. As has been discussed at numerous previous meetings, the current site is in a flood prone area. Climate change and sea level rise are factors that are being monitored by the District as required by the California Coastal Commission. The 2017 Coastal Development Permit that the District is currently working under dissuades continued development at the site beyond the Redundancy Project unless the investment is essential to treatment processes.

District Staff has met with Coastal Staff to get guidance on the compatibility of the proposed project with our existing Coastal Development Permit. There is some potential that they find that the project conforms with the language in the CDP. If it is found to not conform, there are additional options that would allow them to consider granting permission. Permit conformity could in the future become a roadblock that would stop the project entirely. We will have this answer before additional funds are allocated.

There are several portions of the project that would suggest implementation is the obvious choice. The energy is carbon neutral, the emissions are reduced, there is no cost to the ratepayers, minimizes exposure to energy rate increases, the energy savings fund the construction, etc.

Staff is seeking discussion, consideration, and the leadership of the Board to assist in deciding whether to move forward with the implementation phase of the project. The proposed project includes appropriate flood protection of the new equipment. Much of the equipment is inside of containers and has the potential to be relocated with a future plant relocation.

The only identified unmitigated risk is early relocation of the plant. If the wastewater treatment plant was relocated prior to the approximate 17 year period for a return on our investment the District would incur a financial loss. There would be substantial expenses for relocation of the equipment to the new site.

FISCAL CONSIDERATION:

The cost for finalizing plans in the recommended action tonight is already included in the previously appropriated \$163,000. The Board will have an additional opportunity to consider further investment when plans and specifications are in final form.

Procurement Authority

The State of California has established ambitious statewide carbon reduction goals. In support of those goals, the State has enacted a variety of initiatives and legislation that both promote and

authorize processes that streamline the implementation of qualifying energy-saving projects. One such legislation is California Government Code 4217.10 – 4217.18. This code defines the conditions under which a public entity can procure and implement energy projects with greater flexibility than typically provided for public works construction. Simplified, the code allows this procurement method when the estimated energy cost savings exceed the costs of the upgrade. Subject to validation by District Counsel, and approval by the Board, the development and delivery of the project is and will be compliant with both the letter and spirit of 4217.

Funding

It is anticipated that the project would be funded by District funds, utility incentives, project financing or a combination thereof. Project financing is readily available in the marketplace from a variety of lenders. Southland will work with the District to identify, solicit and acquire financing directly from the “best available” source. This proposal anticipates that project financing could be structured to require no cash outlay from the District and debt service payments would be entirely covered by the cost savings generated from the project.

Attachment: Southland Power Point Presentation



SSLOCS

Board Update: Digester Gas Cogeneration Project

March 4, 2026



Outline



Project Goals



Technical Overview



Federal Investment Tax Credit (ITC)



Financial Review



Schedule

Project Goals

Objectives

- Put wasted digester gas to productive use
- Improve plant emissions via SCR scrubbing
- Reduce electricity and gas consumption and cost

Keys

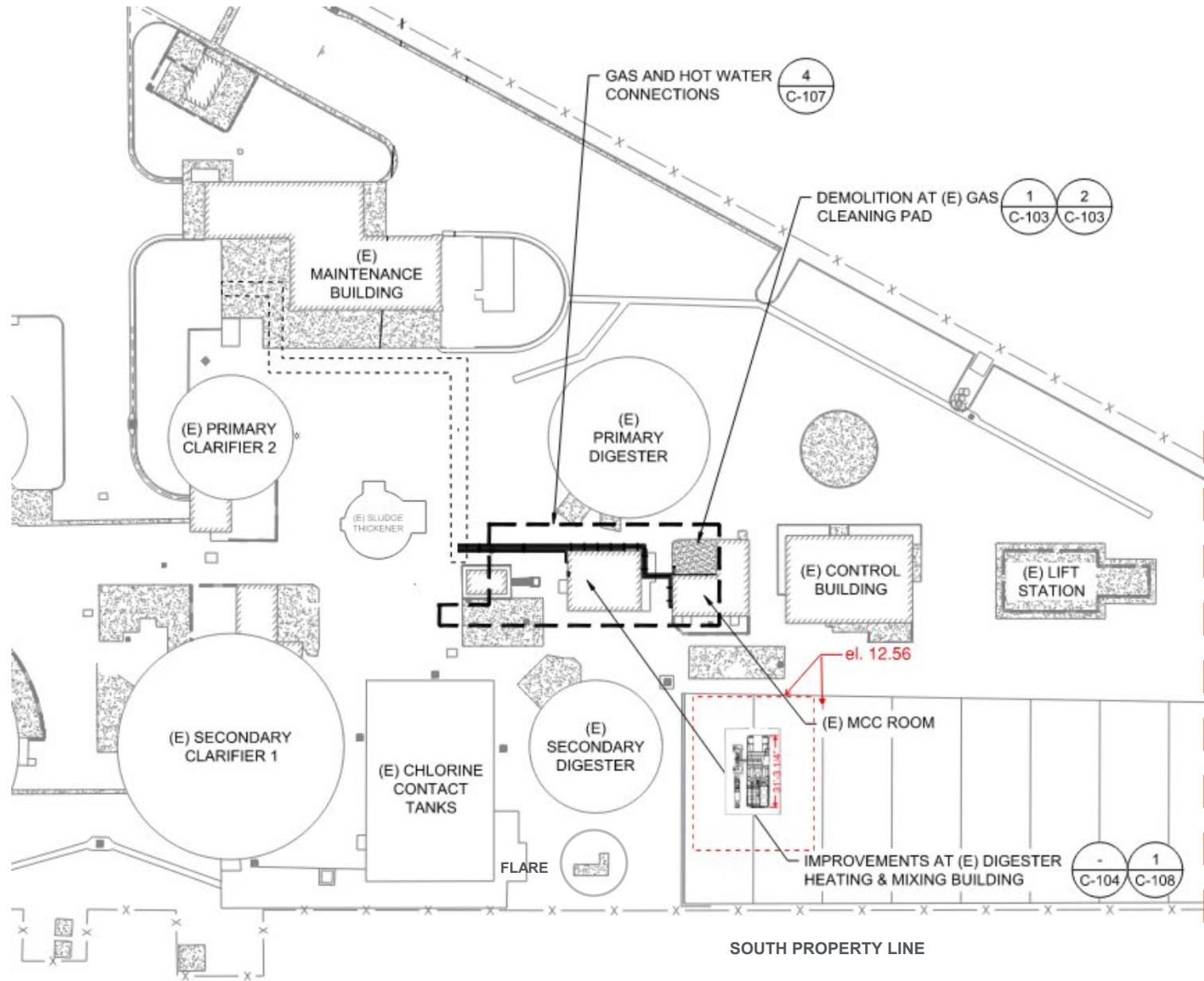
- Locate to avoid interference with plant operations
- Acceptable operational impact on plant staff
- Accommodate APCD and Coastal Commission
- Financially viable within the life of plant



Digester Gas Cogeneration Project – 90% Update

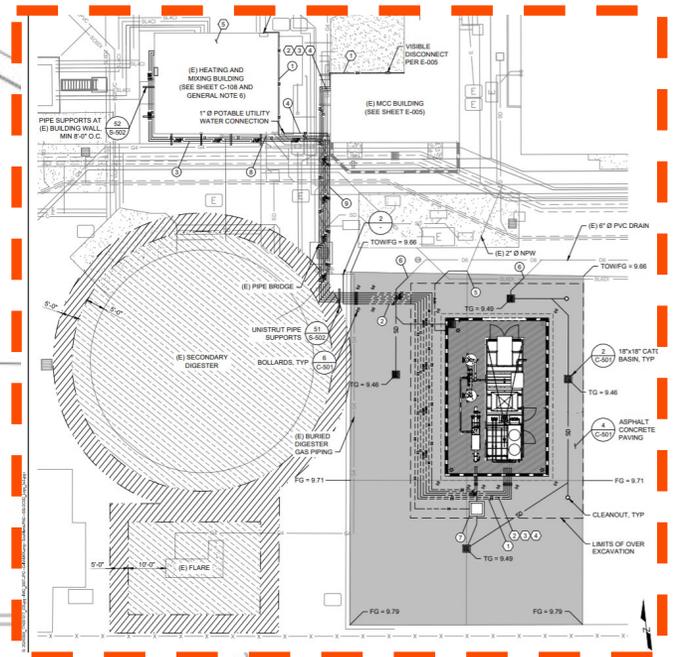
2025 Investment Grade Audit Work

- Relocated cogen and gas treatment systems to sludge drying beds 1 & 2
- Completed 50% design documents
- Solicited proposals from suppliers and subcontractors
- Developed Investment Tax Credit strategy
- Updated utility cost savings projections

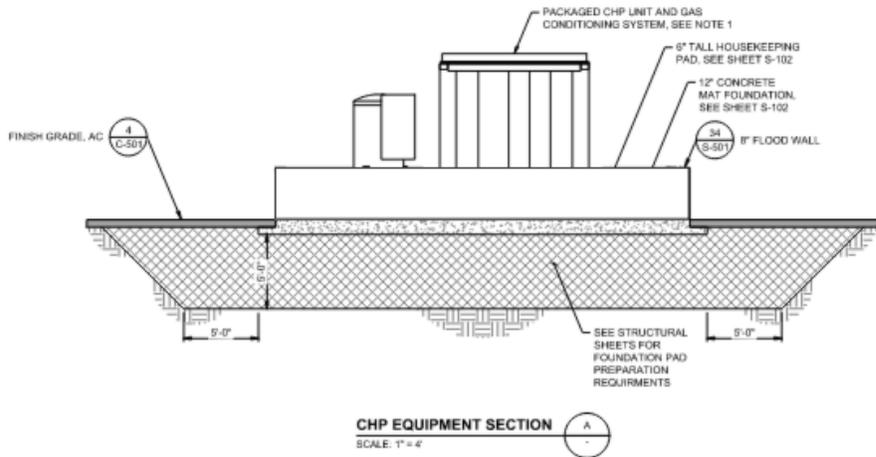
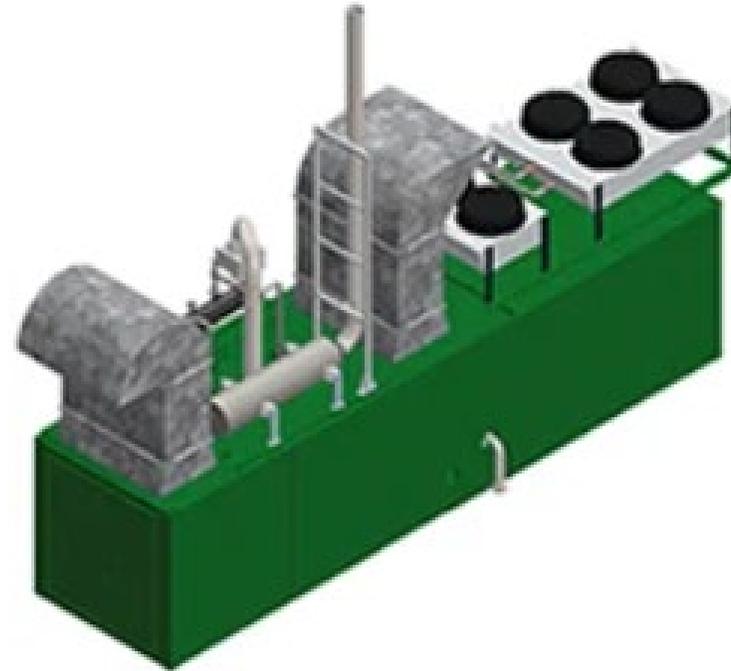
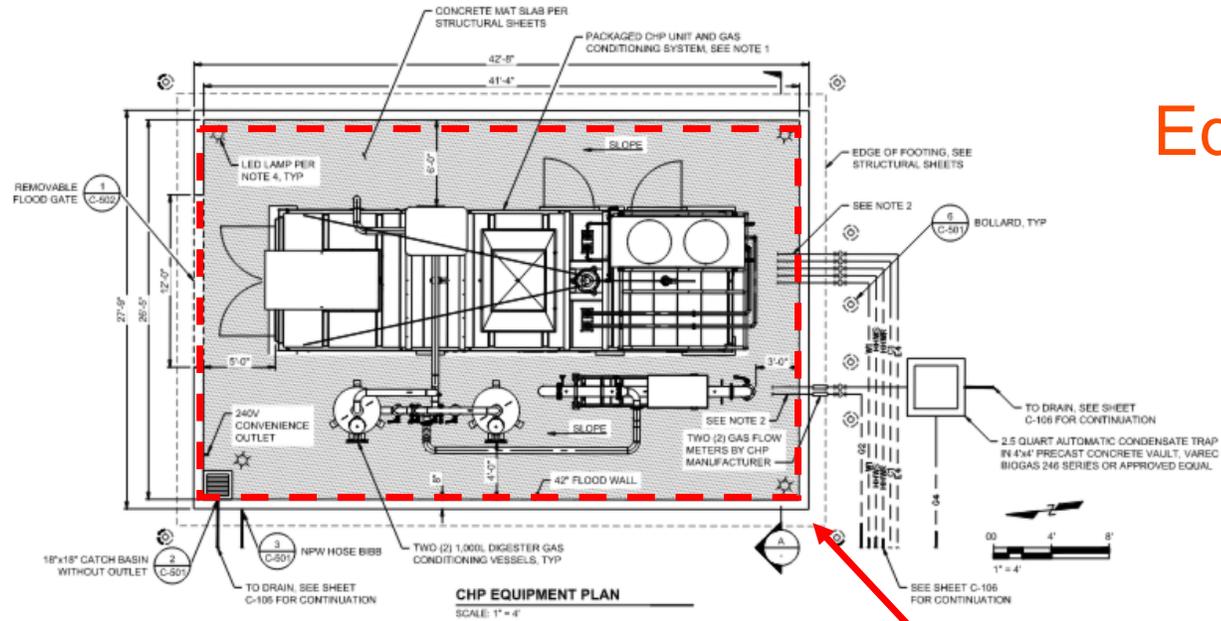


based on the CDP requirements for new facilities, the new cogen facility will be required to be protected to a Base Flood Elevation of 15.25 feet (NAVD88), plus 1 foot of freeboard. Therefore, the cogen facilities must be protected to at a minimum elevation of 16.25 feet (NAVD88).

The existing grade at the front of the beds is approximately 12.56 feet NAVD88 . The top of cogen flod wall would need to be elevated approximately 3'-6" above existing grade.



Equipment & Flood Elevation



- Containerized solution
- Factory commissioned
- "Re-usable" equipment

Updated Input from Manufacturers, Subs and Regulators

- **2G:** Cogeneration Engine, Gas Conditioning, Commissioning
- **Federal Government:** Engine Tariffs
- **Trades:** Demolition, Civil, Electrical, Mechanical
- **AutoSys:** SCADA Upgrades and Integration
- **MKN:** Final Design Engineering and Construction Support
- **Trinity:** Air Permits
- **AHJ:** Engaged with Coastal Commission and APCD
- **Eco Engineering:** Investment Tax Credit Emissions Report
- **Baker Tilly:** Investment Tax Credit Consulting
- **PG&E:** Interconnection Study
- **Southland:** General Contracting and Project Management

Federal Investment Tax Credit (ITC)

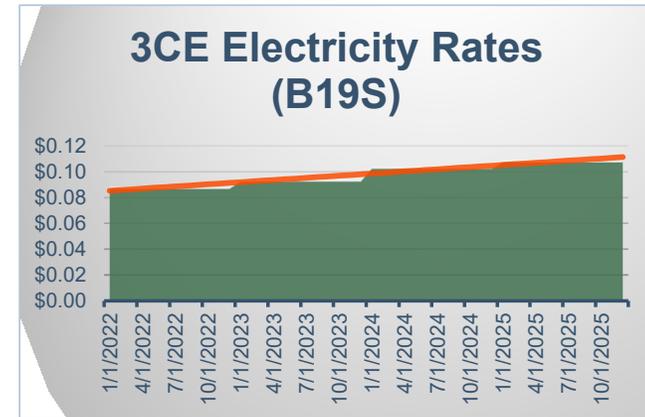
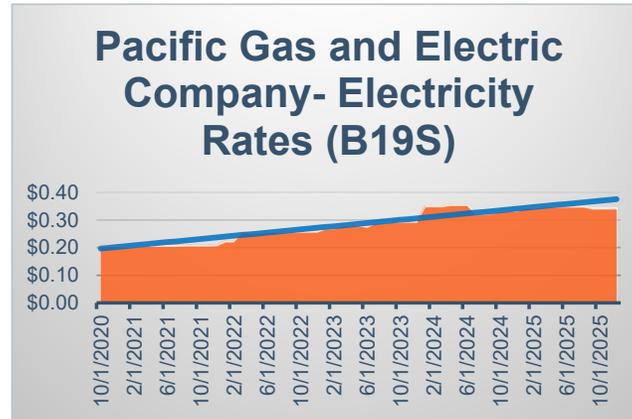
Direct-Pay ITC

- Classifies non-tax-paying public agencies as qualified recipients of energy-related ITCs
- Up to 30% of qualifying project costs
- Tax credit is paid directly to the public entity just like any other taxpayer
- Paid in-full in the next tax cycle following Permission to Operate (PTO)
- ~ \$2 Million for SSLOCSD

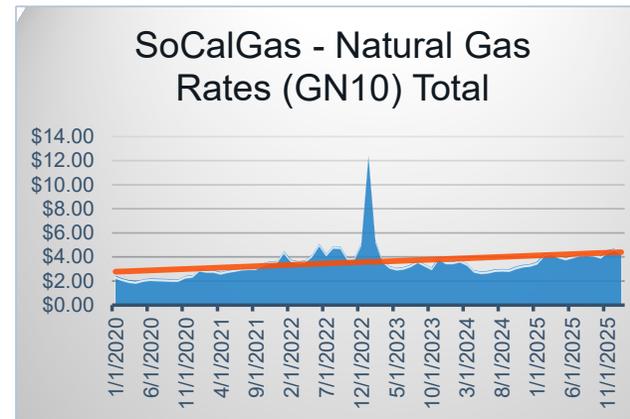


Utility Cost Escalation (2022-2025)

Electric (2022-2025)	
3CE	60.5%
PG&E	39.5%
% Δ per month	0.83%
Annualized	9.92%
Rate Increase	34.64%
YoY Increase	7.52%
Escalation	38.59%



Natural Gas (2020-2025)	
% Δ per month	0.79%
Annualized	9.43%
Rate Increase	78.07%
YoY Increase	7.64%
Escalation	56.46%



Plant Utility Off-sets from Cogeneration

92

% of digester heating (natural gas)

88

% plant baseline electricity

Updated Project Cost Estimates

Current Turn-Key Cost Estimate:	\$9-9.5M ¹
Current Direct-Pay ITC Estimate:	\$2.2M ²
Net Project Cost to District:	\$6.8-7.30M³

Notes:

1. Detailed final turn-key proposal ~ 30 days from go-ahead
2. 80% of SOW expected to be eligible for 30% ITC
3. Estimated net cost based on final proposal

Updated Utility Cost Reduction Estimates

Year 1 Utility Cost Reduction: \$290K¹

Annual Cogen O&M Costs: \$80K²

Year 1 Net Annual Savings: \$210K³

Notes:

1. Energy savings escalated @ 7% per year
2. Cogen O&M costs escalated @ 3% per year
3. Lifecycle cost includes major service intervals at years 7 & 14

Projected 20-Year Financial Model

Data Input	
Base Annual Utility Savings	\$236,047
Utility Escalation Rate	7%
Base Annual O&M Cost	\$78,533
Construction Cost	\$9,018,280
Expected Tax Credit	\$2,164,387
Net Construction Cost	\$6,853,893
Years, now until interconnection	3

Cost fully recovered from savings in Year 17

Operations Year	Utility Savings	O&M Cost	Net Savings	Cumulative Savings
1	\$289,168	\$78,533	\$210,634	\$210,634
2	\$309,409	\$80,889	\$228,520	\$439,154
3	\$331,068	\$83,316	\$247,752	\$686,906
4	\$354,243	\$85,816	\$268,427	\$955,334
5	\$379,040	\$88,390	\$290,650	\$1,245,984
6	\$405,573	\$91,042	\$314,531	\$1,560,515
7	\$433,963	\$181,203	\$252,760	\$1,813,274
8	\$464,340	\$93,773	\$370,567	\$2,183,842
9	\$496,844	\$96,586	\$400,258	\$2,584,099
10	\$531,623	\$99,484	\$432,139	\$3,016,239
11	\$568,837	\$102,468	\$466,368	\$3,482,607
12	\$608,655	\$105,542	\$503,113	\$3,985,720
13	\$651,261	\$108,709	\$542,553	\$4,528,273
14	\$696,849	\$199,400	\$497,450	\$5,025,722
15	\$745,629	\$111,970	\$633,659	\$5,659,381
16	\$797,823	\$115,329	\$682,494	\$6,341,875
17	\$853,670	\$118,789	\$734,882	\$7,076,757
18	\$913,427	\$122,352	\$791,075	\$7,867,832
19	\$977,367	\$126,023	\$851,344	\$8,719,176
20	\$1,045,783	\$129,804	\$915,979	\$9,635,155

Digester Gas Cogeneration Project – 90% Update

Next Steps – At District election . . .

Proceed with Project

Collaboration with Southland on:

- Final design-build implementation proposal ~ 30 days from go-ahead
- Design, Cost & Schedule
- Contract reviewed and approved “as to form” by District counsel

Do Not Proceed with Project

- Complete balance of IGA contract obligations
- Invoice District through 90% deliverable and close work order

Questions ?



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Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator
Date: March 4, 2026

Subject: AUTHORIZATION TO RECLASSIFY THE BOOKKEEPER/SECRETARY POSITION TO BUSINESS & ACCOUNTING ANALYST AND ADOPT SALARY RANGE

RECOMMENDATION:

The District Administrator recommends that the Board of Directors approve the reclassification of the Bookkeeper/Secretary position to Business & Accounting Analyst, without adding a new position, reflecting the current scope, complexity, and professional-level responsibilities required to support the District's financial and administrative operations, and adopt the associated salary range.

BACKGROUND AND DISCUSSION

The Bookkeeper/Secretary position was originally established to provide basic bookkeeping, clerical, and administrative support to the District. Over time, the duties of the position have expanded significantly in response to increased regulatory requirements, financial complexity, reporting obligations, expanded human resource needs, and operational demands placed on the District.

The position now performs professional-level accounting, financial analysis, audit coordination, compliance reporting, human resources, and administrative functions that exceed the scope of a clerical or bookkeeping classification. The proposed reclassification is intended to align the position title and classification with the work currently being performed.

CURRENT DUTIES AND RESPONSIBILITIES

The position currently performs, but is not limited to, the following functions:

- Full-cycle governmental accounting in compliance with GAAP and GASB standards
- Preparation and monitoring of annual budgets and budget-to-actual financial reports
- Preparation of financial statements, audit schedules, and supporting documentation
- Coordination with external auditors, engineers, legal counsel, and regulatory agencies

- Administration of payroll, CalPERS reporting, and employee benefit-related reporting
- Management of accounts payable, accounts receivable, fixed assets, and capital project accounting
- Preparation of Board agenda items, staff reports, resolutions, and financial exhibits
- Monitoring and ensuring compliance with state, federal, and local reporting requirements
- Administration of contracts, grants, debt, and special district financial policies

These responsibilities align with a professional analyst-level classification rather than a clerical support role.

JUSTIFICATION FOR RECLASSIFICATION

1. Reclassification to Business & Accounting Analyst is warranted for the following reasons:
2. Expanded Scope and Complexity
The position now independently performs and coordinates the District's accounting, payroll, budgeting, audit support, and regulatory reporting functions, requiring advanced technical knowledge and independent judgment.
3. Professional-Level Judgment and Accountability
The role involves financial analysis, interpretation of accounting standards and regulations, and preparation of financial information relied upon by management and the Board for decision-making.
4. Risk Management and Compliance
Accurate financial reporting and regulatory compliance are critical to the District's fiscal health and legal standing. The position plays a direct role in mitigating financial, audit, and compliance risks.
5. Alignment with District Size and Structure
The Analyst classification accurately reflects the professional nature of the work while remaining appropriately scaled to the District's organizational structure and staffing model.
6. Operational Continuity
The updated classification supports continuity, accountability, and transparency in the District's financial and administrative operations without creating a new position or supervisory role.

SALARY RANGE JUSTIFICATION

The proposed Business & Accounting Analyst classification reflects a professional, non-supervisory position responsible for the District's financial reporting, compliance, and analytical functions. The proposed range is also internally aligned with the District's existing professional classifications and does not create compression or inequity within the current salary structure.

Based on a review of comparable California special districts and the scope and complexity of the duties currently performed, a reasonable and fiscally responsible salary range for the position is:

Proposed Salary Range:
\$77,000 – \$98,000 annually

A review of comparable accounting and analyst-level positions in San Luis Obispo County and immediately adjacent public agencies, including Oceano Community Services District, nearby cities, the County of San Luis Obispo, and a neighboring sanitation district, indicates salary ranges

that support the proposed Business & Accounting Analyst range of \$77,000 to \$98,000 as reasonable and appropriately scaled to the District's size and responsibilities.

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT									
Classification	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/\$100 Hourly						
Wastewater Plant Superintendent*	1	Non-Rep	\$ 10,187	\$ 10,696	\$ 11,231	\$ 11,792	\$ 12,382	\$ 13,001	
Bookkeeper/Secretary (Reclassification Request)	0	Non-Rep	\$ 5,315	\$ 5,581	\$ 5,860	\$ 6,153	\$ 6,460	\$ 6,783	
Business & Accounting Analyst	1	Non-Rep	\$ 6,441	\$ 6,763	\$ 7,101	\$ 7,456	\$ 7,829	\$ 8,221	

This calibrated range is intended to balance local market alignment with the District's budget constraints while recognizing the advanced technical knowledge, independent judgment, and fiduciary responsibility required of the position.

FISCAL IMPACT

Approval of this reclassification may result in an adjustment to the salary range consistent with the Business & Accounting Analyst classification. Any adjustment would be effective upon Board approval and incorporated into the current or upcoming fiscal year budget as appropriate.

ALTERNATIVES CONSIDERED

- Maintain the current Bookkeeper/Secretary classification (not recommended due to misalignment with duties and responsibilities)
- Conduct a full classification and compensation study at a later date (not recommended due to cost, timing, and the clarity of the current scope of work)

CONCLUSION

Reclassifying the Bookkeeper/Secretary position to Business & Accounting Analyst accurately reflects the professional-level accounting, financial analysis, and compliance responsibilities currently required by the District. Approval of this action will support pay equitable to responsibility, maintain consistency with other local agency business structures, while remaining appropriately scaled to the District's size and organizational structure.

ATTACHMENTS

- Business & Accounting Analyst Job Description

7050 - BUSINESS & ACCOUNTING ANALYST

EMPLOYMENT STANDARDS

Position Characteristics: Performs a wide variety of responsible professional-level administrative, accounting, and business analysis activities in support of District operations. Duties include maintaining and overseeing accounting records and systems; preparing and analyzing financial statements, budgets, and reports; coordinating audits; administering payroll and related reporting; preparing Board materials; maintaining official records; and providing confidential administrative support to the District Administrator.

The position is capable of performing work independently in day-to-day situations, with supervision available for difficult or unusual matters. Responsibilities require the interpretation and application of District policies, procedures, regulations, and governmental accounting standards. The work requires accuracy, accountability, and the consistent exercise of independent judgment to ensure that financial operations run smoothly and that the District meets its legal and reporting obligations.

Distinguishing Characteristics: The Business & Accounting Analyst is a single-class administrative and financial position responsible for performing and coordinating the District's accounting, payroll, budgeting, audit support, and related business functions. This position differs from the former Bookkeeper/Secretary classification in that it assumes responsibility for professional-level financial analysis, audit coordination, regulatory reporting, and preparation of financial information used by management and the Board for decision-making, rather than primarily clerical or transactional support.

Supervision Exercised and Received: Under limited and specific supervision of the District Administrator. This classification has no formal supervisory duties.

Minimum Qualifications:

Education: Equivalent to graduation from a bachelor's degree program in Accounting, Finance, Business Administration, or a closely related field.

Experience: Three years of increasingly responsible experience performing accounting, payroll, budgeting, and financial reporting functions, preferably in a public agency or special district environment.

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

Possession of: A valid California Class "C" driver's license, with a satisfactory driving record. Must maintain insurability to operate District vehicles.

Knowledge of:

- Principles and practices of accounting and financial record keeping
- Governmental accounting standards applicable to public agencies
- Payroll processing and retirement reporting requirements
- Budget development, monitoring, and reporting
- Audit preparation and coordination
- Standard office practices, procedures, and records management
- Business correspondence and preparation of reports and staff documents
- Correct business English, including grammar, spelling, and punctuation
- Computer applications related to accounting, payroll, and financial reporting

Ability To:

- Perform complex accounting and financial analysis duties requiring independent judgment
- Interpret and apply District policies, procedures, and regulatory requirements
- Prepare accurate financial statements, analytical reports, and Board materials
- Analyze financial data and identify trends, variances, and discrepancies
- Communicate effectively in person, over the telephone, and in writing
- Organize work, manage deadlines, and maintain accurate records
- Maintain confidentiality and exercise discretion
- Establish and maintain effective working relationships with District staff, Board members, auditors, and the public

Typical Duties:

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

- Performs and coordinates accounting functions including general ledger maintenance, journal entries, reconciliations, and month-end and year-end closing
- Prepares financial statements, trial balances, and budget-to-actual analytical reports
- Develops, monitors, and tracks the District's operating and capital budgets
- Coordinates annual audits and prepares supporting documentation
- Processes and oversees payroll, payroll deductions, and required reporting
- Prepares staff reports, resolutions, financial exhibits, and supporting documentation for Board meetings
- Maintains official financial and administrative records in accordance with records retention requirements
- Explains financial policies, procedures, and reports to staff, Board members, and the public
- Coordinates with external auditors, consultants, and regulatory agencies as needed
- Performs related duties similar to the above in scope and function as required

Working Conditions:

Work is performed primarily in an office environment within a wastewater treatment plant and collection system setting, with occasional exposure to water, chemicals, hazardous materials, and noise.

Physical Demands:

Must possess mobility to work in a standard office setting; use standard office equipment including a computer; lift and carry office materials weighing up to twenty-five pounds; and have sufficient vision, hearing, and speech to communicate effectively.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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www.sslocsd.org

Staff Report

To: Board of Directors
From: Wendy Stockton, Legal Counsel
Date: March 4, 2026
Subject: **ADOPTION OF RESOLUTION NO. 2026-468 TO MAKE A TECHNICAL UPDATE TO DISTRICT BYLAW SECTION 2.1.**

RECOMMENDATION:

That the Board adopt Resolution 2026-468 making a technical amendment to Section 2.1 of the Board Bylaws.

BACKGROUND:

The Board last updated the Bylaws at the February 5, 2025 meeting. Staff and legal counsel have reviewed the currently adopted Bylaws for legal consistency and found a clerical error occurred in the 2025 bylaws which omitted the word "Wednesday" in Section 2.1. Previous versions of the Bylaws correctly indicated Wednesday. Therefore, it is recommended that Section 2.1 be updated as follows:

2.1 Subject to holidays and scheduling conflicts, regular meetings of the Board of Directors shall commence at 6:00 p.m. on the first **Wednesday** of each calendar month at such meeting location within the District boundaries **as may be** designated by the Board. The Board of Directors reserves the right to cancel and/or designate other dates, places and times for Director Meetings due to scheduling conflicts and holidays.

Attachment:

Clean Version of February 2026 Bylaws Update

Item 6E.

RESOLUTION NO. 2026-468

**A RESOLUTION OF THE SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT BOARD OF DIRECTORS MAKING A
TECHNICAL AMENDMENT TO SECTION 2.1 OF THE DISTRICT
BYLAWS**

WHEREAS, the South San Luis Obispo County Sanitation District (“District”) has adopted bylaws governing the operation of the District (“Bylaws”); and

WHEREAS, the Board of Directors finds that the Bylaws should be amended to make a technical amendment to Section 2.1.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the South San Luis Obispo County Sanitation District, that Section 2.1 of the Board of Directors Bylaws should be amended to provide as follows:

2.1 Subject to holidays and scheduling conflicts, regular meetings of the Board of Directors shall commence at 6:00 p.m. on the first **Wednesday** of each calendar month at such meeting location within the District boundaries **as may be** designated by the Board. The Board of Directors reserves the right to cancel and/or designate other dates, places and times for Director Meetings due to scheduling conflicts and holidays.

PASSED AND ADOPTED at a regular meeting of the South San Luis Obispo County Sanitation District Board of Directors held this 6th day of February 2026. On the motion of Director _____, seconded by Director _____, and by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAINED:

BOARD CHAIR

ATTEST:

DISTRICT SECRETARY

APPROVED AS TO CONTENT:

DISTRICT ADMINISTRATOR

APPROVED AS TO FORM:

DISTRICT COUNSEL

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are the Chair and Vice Chair.
- 1.2 The Chair of the Board of Directors shall serve as Chair at all Board meetings. He/she shall have the same rights as the other Directors of the Board in voting, introducing motions, resolutions and ordinances, and any discussion of questions that follow said actions.
- 1.3 In the absence of the Chair, the Vice Chair of the Board of Directors shall serve as Chair over all meetings of the Board. If the Chair and Vice Chair of the Board will both be absent, the Chair may name any member of the Board to perform the duties of the presiding officer prior to the meeting. If the Chair's absence is unexpected, the Chair shall be as specified by standing order of the Chair.
- 1.4 The Chair and Vice Chair of the Board shall be elected annually at the first meeting in January of each calendar year, or at the next regular or special meeting if Directors have not been timely designated by their respective agencies.

The election of Chair shall be made in accordance with the following rotation:

- 1. The Oceano Community Services District
- 2. The City of Grover Beach
- 3. The City of Arroyo Grande

The election of the Vice Chair shall be the person elected to serve as the Chair the preceding year.

- 1.5 The term of office for the Chair and Vice Chair of the Board shall commence on February 1 of the year immediately following their election.
- 1.6 The Chair, or in his/her absence, the Vice Chair, are authorized to attend meetings of the San Luis Obispo County Planning Commission, meetings of the California Coastal Commission, meetings of the San Luis Obispo County Board of Supervisors, meetings between District Staff and Water Board Personnel, including either Regional Water Quality Control Staff or State Water Board Staff on behalf of the District, without compensation except reimbursement for use of his/her private vehicle to attend such meetings pursuant to District Policy 11.1(b). If the Chair is absent, the Vice Chair or Board member may attend these meetings.
- 1.7 The Chair, or in his/her absence, the Vice Chair shall meet with the District Administrator in advance of a regularly scheduled meeting to review all Warrants to be presented at the next regular Board meeting.

2. MEETINGS

2.1 Subject to holidays and scheduling conflicts, regular meetings of the Board of Directors shall commence at 6:00 p.m. on the first Wednesday of each calendar month at such meeting location within the District boundaries as may be designated by the Board. The Board of Directors reserves the right to cancel and/or designate other dates, places and times for Director Meetings due to scheduling conflicts and holidays.

2.2 SPECIAL MEETINGS

Special meetings may be called by the Chair or two (2) Directors with a minimum of twenty-four (24) hours public notice. A special meeting agenda shall be prepared and distributed pursuant to the procedures of the Brown Act by the District Administrator in consultation with the Chair, or in his or her absence, the Vice Chair or those Directors calling the meeting.

2.3 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence.

2.4 No action or discussion may be taken on an item not on the posted agenda; provided, however, matters deemed to be emergencies or of an urgent nature may be added to the agenda under the procedures of the Brown Act. Pursuant to the Brown Act:

- (a) Directors may briefly respond to statements or questions from the public;
- (b) Directors may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting;
- (c) A Director individually, or the Board by motion, may take action to direct the District Administrator to place a matter on a future agenda. If requested by a Director individually, the District Administrator shall inquire whether a majority of the Board wishes to entertain the item; and
- (d) Directors may make brief announcements or make a brief report on his/her own activities under the Director Comment portion of the Agenda.

2.5 MEETING PROTOCOL

- (a) Policy. The purpose of oral presentation at District meetings, as well as written presentations, is to formally communicate to the Board of Directors on matters (1) listed on the Agenda, or (2) matters that are within the jurisdiction of the Board of Directors during general public comment. Such presentations are helpful to the Board in its decision-making process. The Board of Directors welcomes information and expressions of opinion from members of the public on any item which it may be considering. However, the Board of Directors is not required to provide a public forum for remarks

or conduct in violation of the Rules of Decorum.

- (b) Public Comment. Subject to the following rules, the Board of Directors shall set aside 30 minutes on each agenda item for public comment.
- (c) The Chair, after consideration of the length of the Agenda, the nature of the agenda item, and the meeting limitations of Section 2.1, may expand or further limit the 30-minute time allocation for public comment.
- (d) Each public commenter shall be limited to three (3) minutes unless shortened or extended by the Chair with consideration of the length of the Agenda, the nature of the agenda item, and the meeting limitations of Sections 2.1, above.

2.6 DISTURBANCE OF BOARD MEETINGS

2.6.1 Rules of Decorum. The rules of decorum, below, shall apply to public comment and attendance at District meetings.

- (a) No person shall address the Board of Directors without first being recognized by the Chair.
- (b) Persons addressing the Board have the option to state their name and their general place of residence.
- (c) Public comment and public testimony shall be directed to the Chair and shall be addressed to the Board of Directors as a whole. Persons addressing the Board of Directors shall not engage in a dialogue with individual Directors, District staff or members of the audience. The Chair shall determine whether, or in what manner, the District will respond to questions.
- (d) Persons addressing the Board are limited to one opportunity per Agenda item unless otherwise directed by the Chair in his/her discretion.
- (e) A person cannot defer his/her time allocation to another person.
- (f) When a group or organization wishes to address the Board on the same subject, the Chair may request that a spokesperson be chosen to speak for that group. The spokesperson's three (3) minute time allocation may be extended by the Chair in his/her discretion.
- (g) Persons addressing the Board shall confine the subject matter of their comments to the Agenda item being considered by the Board of Directors.

- (h) Each person addressing the Board of Directors shall do so in an orderly and civil manner and shall not engage in conduct which disrupts the orderly conduct of the District meeting.
- (i) The Chair may rule a speaker out of order who is unduly repetitious or extending discussion of irrelevance.
- (j) Except as provided below, persons who reference or read from documents such as reports, exhibits, or letters (“Documents”) as part of his/her comment to the Board shall lodge the Document (or a copy) with the District Secretary at the end of the comment, to allow the Document to be appropriately referenced in the meeting Minutes and to allow District staff the opportunity to review and respond to the Document. The Chair has the discretion to strike a speaker’s comments from the record for failure to lodge the referenced Documents. Upon request, the lodged Documents shall be returned to the speaker after 1:00 p.m. on the day following the meeting.

2.6.2 Exceptions:

- (a) Speaker’s presentation outline. However, documents referenced in the outline shall be lodged.
- (b) Documents that are in the Agenda packet.
- (c) Documents that have been previously published by the District, so long as the speaker identifies the Document by date, author and the pages referenced or read from.
- (d) For voluminous Documents the speaker need only lodge the cover sheet that identifies the author and date and the pages read from or referenced.

2.7 Disruptions. Any person whose conduct creates an actual disruption during a meeting may, at the discretion of the Chair, be removed from the meeting. Disruptions shall be addressed in the following manner:

- (a) Warning. The Chair shall warn the person who is creating the actual disruption.
- (b) Expulsion. If after receiving a warning from the Chair, the person persists in disrupting the meeting the Chair shall order the person to leave the Board meeting room for the remainder of the meeting.
- (c) Assisted Removal. If such a person does not voluntarily remove himself/herself, the Chair may request any law enforcement officer who is on duty at the meeting, or who may be summoned to the meeting, to remove the person from the Board room.

- (d) Restoration of Order. If order cannot be restored by the removal of individuals who are disrupting the meeting, the Board meeting will be continued under the provisions of Government Code §54957.9
- 2.8 Limitations (Government Code §59454.3(c)). The Rules of Decorum shall not be interpreted to prohibit public criticism of the policies, procedures, programs or services of the District.
- 2.9 The Chair, or in his/her absence the Vice Chair, or if both are absent, the Chair's designee as provided by Paragraph 1.3, shall be the presiding officer at District Board meetings. He/she shall conduct all meetings in a manner consistent with the policies of the District. He/she shall determine the order in which agenda items shall be considered for discussion and/or actions taken by the Board. He/she shall announce the Board's decision on all subjects. He/she shall vote on all questions and on roll call votes his/her name shall be called last.
- 2.10 Two (2) Directors of the Board shall constitute a quorum for the transaction of business. When a quorum is lacking for a regular, adjourned, or special meeting, the Chair, Vice Chair, or any Director shall adjourn such meeting; or, if no Director is present, the District Secretary shall adjourn the meeting.
- 2.11 Except as otherwise specifically provided by law, a majority vote of the total membership of the Board of Directors is required for the Board of Directors to take action.
- 2.12 A roll call vote shall be taken upon the passage of all ordinances and resolutions and shall be entered in the Minutes of the Board, showing those Directors voting aye, those voting no, those not voting because of a conflict of interest, abstention or absent. A roll call vote shall be taken and recorded on any motion not passed unanimously by the Board. Silence shall be recorded as an affirmative vote.
- 2.13 Any person attending a meeting of the Board of Directors may record the proceedings with an audio or video tape recorder or a still or motion picture camera in the absence of a reasonable finding that the recording cannot continue without disruptive noise, illumination, or obstruction of view that constitutes or would constitute a disruption of the proceedings.
- 2.14 All video tape recorders, still and/or motion picture cameras shall remain stationary and shall be located and operated from behind the public speaker's podium once the meeting begins. The Chair retains the discretion to alter these guidelines, including the authority to require that all video tape recorders, still and/or motion picture cameras be located in the back of the room.

3. **ETHICS TRAINING**

- 3.1 Pursuant to sections 53234 et seq. of the Government Code all Directors and designated District personnel shall receive at least two (2) hours of ethics training every two years.

- 3.2** Each newly appointed Board member will receive such training from their Agency. Each newly designated District personnel shall receive ethics training no later than one year from the first day of service with the District and thereafter shall receive ethics training at least once every two years.

4. AGENDAS

- 4.1** The District Administrator, in cooperation with the Board Chair, shall prepare the agenda for each regular and special meeting of the Board of Directors. Any Director may call the District Administrator and request an item to be placed on the regular meeting agenda no later than 5 p.m. eleven (11) calendar days prior to the meeting date. Such a request must also be submitted in writing either at the time of communication with the District Administrator or delivered to the office within the next working day.
- 4.2** A block of thirty (30) minutes time shall be set aside to receive general public comment. Comments on agendized items should be held until the appropriate item is called. Unless otherwise directed by the Chair, public comment shall be presented from the podium. The person giving public comment may choose to state his/her name and whether or not he/she lives within the District boundary prior to giving his/her comment. Public comment shall be directed to the Chair of the Board and limited to three (3) minutes unless extended or shortened by the Chair at his/her discretion.
- 4.3** Those items on the District Agenda which are considered to be of a routine and non-controversial nature are placed on the "Consent Agenda". These items shall be approved, adopted, and accepted by one motion of the Board of Directors; examples of routine items include approval of Minutes, approval of Warrants, various Resolutions accepting developer improvements, minor budgetary items, status reports, and routine District operations.
- (a)** Directors may request that any item listed under "Consent Agenda" be removed from the "Consent Agenda", and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the "Consent Agenda"; however, only a member of the Board of Directors can remove an item from the "Consent Agenda". Items which are removed ("pulled") by Directors of the Board for discussion will typically be heard after other "Consent Agenda" items are approved unless a majority of the Board chooses an earlier or later time.
- (b)** A Director may ask questions on any item on the "Consent Agenda." When a Director has a minor question for clarification concerning a consent item which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the "Consent Agenda". Directors are encouraged to seek clarifications prior to the meeting if possible.

- (c) When a Director wishes to consider/"pull" an item simply to register a dissenting vote, or conflict of interest, the Director shall inform the presiding officer that he/she wishes to register a dissenting vote, or conflict of interest, on a particular item without discussion. The item will be handled along with the rest of the Consent Agenda, and the District Secretary shall register a "no" vote, or abstention due to a conflict of interest.

5. PREPARATION OF MINUTES AND MAINTENANCE OF TAPES

- 5.1** The minutes of the Board shall be kept by the District Secretary and shall be neatly produced and kept in a file for that purpose, with a record of each particular type of business transacted set off in paragraphs with proper subheads.
- 5.2** The minutes of the Board of Directors shall record the aye and no votes taken by the members of the Board of Directors for the passage or denial of all ordinances, resolutions or motions.
- 5.3** The District Secretary shall be required to make a record only of such business as was actually considered by a vote of the Board and, except as provided in Sections 5.4 and 5.6 below, shall not be required to record any remarks of Directors or any other person.
- 5.4** Any Director may request for inclusion into the Minutes brief comments pertinent to an agenda item, only at the meeting in which the item is discussed. In addition, the minutes shall include brief summaries of public comment, the District Administrator's report, and matters of concern to District legal counsel, District committee reports, and Directors' reports. Materials submitted with such comments shall be appended to the minutes at the request of the District Administrator, District Counsel, the Board Chair, or any Director.
- 5.5** The District Secretary shall attempt to record the names and general place of residence of persons addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.
- 5.6** Whenever the Board acts in a quasi-judicial proceeding such as in assessment matters, the District Secretary shall compile a summary of the testimony of the witnesses.

6. DIRECTORS

- 6.1** Directors shall prepare themselves to discuss agenda items at meetings of the Board of Directors.
- 6.2** Members of the Board of Directors shall exercise their independent judgment on behalf of the interest of the entire District, including the residents, property owners and the public as a whole.

- 6.3** Information may be requested from staff before meetings, within such limitations as required by the Brown Act. Information that is requested or exchanged shall be distributed through the District Administrator, and all Directors will receive a copy of all information being distributed.
- 6.4** Directors should at all times conduct themselves with courtesy to each other, to staff and to members of the audience present at Board meetings.
- 6.5** Differing viewpoints are healthy in the decision-making process. Individuals have the right to disagree with ideas and opinions. Civil discourse is encouraged. Once the Board of Directors takes action, dissenting Directors should not create barriers to the implementation of said action.
- 6.6** Except during open and public meetings the use of direct communication, personal intermediaries, or technological devices that is employed by a majority of the Directors to develop a collective concurrence as to action to be taken on an item by the Board of Directors is prohibited.
- 6.7** Directors shall not be prohibited by action of the Board of Directors from citing his or her District affiliation or title in any endorsement or publication, so long as no misrepresentation is made, or implied, about the District's position on the issue.
- 6.8** Directors are cautioned when using e-mail communications. Any communication from the District Administrator, or the District's legal counsel, or from other members of the Board of Directors, in each case the Director in responding to that e-mail shall not respond to "all", as that could constitute a violation of the Brown Act for a serial meeting or other provisions.
- 6.9** Any Director may complain to the District about another Director's conduct. The complaint shall be made in writing and forwarded to the District Administrator and District Counsel along with supporting information. Within five days, the District will notify the accused Director in writing the substance of the complaint and supporting information. The notice shall also specify that the accused Director has five days to respond with supporting information.

The District Administrator and Counsel shall review the submitted information, investigate further as needed, and forward a preliminary report to the District Board.

The District Board may:

- Do nothing;
- Direct staff to place the matter on a regular meeting agenda;
- Take action in open session at a regular meeting concerning the complaint. Any action taken shall be by resolution and shall be consistent with elected officials' right to free speech.
- Potential actions include, but are not limited to: finding the complaint unfounded, expressing a legislative opinion concerning behavior, and issuing an official reprimand (censure) concerning inappropriate behavior.

7. AUTHORITY OF DIRECTORS

- 7.1 The Board of Directors is the unit of authority within the District. Apart from his/her normal function as a part of this unit, Directors have no individual authority. As individuals, Directors may not commit the District to any policy, act or expenditure.
- 7.2 Directors do not represent any fractional segment of the District but are, rather, a part of the body which represents and acts for the District as a whole.
- 7.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Routine matters concerning the operational aspects of the District are to be delegated to professional staff members of the District.
- 7.4 Directors, when attending other meetings, may refer to their affiliation as a member of the Board of Directors and may make statements on their own behalf or endorsements on their own behalf as long as there is no misrepresentation made or implied about the District's position in regards to the issue presented.

8. AUTHORITY OF THE DISTRICT ADMINISTRATOR

The District Administrator shall be responsible for all of the following:

- 8.1 The implementation of the policies established by the Board of Directors for the operation of the District.
- 8.2 The appointment, supervision, discipline, and dismissal of the District's employees, consistent with the District's Personnel Policies as established by the Board of Directors.
- 8.3 The supervision of the District's facilities and services.
- 8.4 The supervision of the District's finances.

9. DIRECTOR GUIDELINES

- 9.1 Directors, by making a request to the District Administrator, shall have access to information relative to the operation of the District, including but not limited to statistical information, information serving as the basis for certain actions of Staff, justification for Staff recommendations, etc. If the District Administrator cannot timely provide the requested information by reason of information deficiency, or major interruption in work schedules, workloads, and priorities, then the District Administrator shall inform the individual Director why the information is not or cannot be made available.
- 9.2 In handling complaints from residents or property owners within the District, or other members of the public, Directors are encouraged to listen carefully to the concerns, but the complaint should be referred to the District Administrator for processing and the District's response, if any.

- 9.3 Directors, when seeking clarification of policy-related concerns, especially those involving personnel, legal action, land acquisition and development, finances, and programming, should refer said concerns directly to the District Administrator.
- 9.4 When approached by District personnel concerning specific District policy, Directors should direct inquiries to the District Administrator. The chain of command should be followed.
- 9.5 Directors and District Administrator should develop a working relationship so that current issues, concerns and District projects can be discussed comfortably and openly.
- 9.6 When responding to constituent request and concerns, Directors should respond to individuals in a positive manner and route their questions to the District Administrator.
- 9.7 Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission.
- 9.8 No Board member may participate in a hearing or take action on an item which creates an economic conflict of interest for the member. Where there is an economic conflict of interest, the conflicted member shall announce the nature of the conflict of interest and recuse himself or herself from the hearing or deciding the matter and thereon step down from the dais and leave the room until the matter has been fully considered and voted upon, or otherwise continued.

10. DIRECTOR COMPENSATION

- 10.1 Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each regular, adjourned or special meeting of the Board of Directors attended by him/her.
- 10.2 Each Director is authorized to receive one hundred dollars (\$100) per day as compensation for representation of the District at a public meeting or public hearing conducted by another public agency and/or participation in a training program on a topic that is directly related to the District, provided that the Board of Directors has previously approved the member's participation at a Board of Director's meeting and the member delivers a written report to the Board of Directors at the District's next regular meeting regarding the member's participation.
- 10.3 In no event, shall Director Compensation exceed \$100 per day.
- 10.4 Director compensation shall not exceed six full days in any one calendar month.

11. DIRECTOR REIMBURSEMENT

- 11.1** Each Director is entitled to reimbursement for their actual and necessary expenses, including the cost of programs and seminars, incurred in the performance of the duties required or authorized by the Board.
- (a) It is the policy of the District to exercise prudence with respect to hotel/motel accommodations. It is also the policy of the District for Directors and staff to stay at the main hotel/motel location of a conference, seminar, or class to gain maximum participation and advantage of interaction with others whenever possible.
- If lodging is in connection with a conference or organized education activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the member of the Board of Directors at the time of booking. If the group rate is not available, the Director shall use lodging that is comparable with the group rate. Personal phone calls, room service, and other discretionary expenditures are not reimbursable.
- (b) Members of the Board of Directors shall use government and group rates offered by a provider of transportation for travel when available. Directors using his/her private vehicle on District business, shall be compensated at the prevailing IRS per diem mileage rate.
- (c) Any Director traveling on District business shall receive in addition to transportation and lodging expenses, a per diem allowance to cover ordinary expenses such as meals, refreshments and tips. The amount set for per diem shall be considered fair reimbursement. The per diem shall include breakfast, lunch and dinner. The per diem rate shall be pursuant to current General Services Administration annually published rates for San Luis Obispo County at: gsa.gov.
- (d) All travel and other expenses for District business, conferences, or seminars outside of the State of California shall require separate Board authorization, with specific accountability as to how the District shall benefit by such expenditure.
- 11.2** All expenses that do not fall within the reimbursement policy set forth in 11.1, above, shall be approved by the Board of Directors, at a public meeting, before the expense is incurred.
- 11.3** Board members shall submit an expense report on the District form within ten (10) calendar days after incurring the expense. The expense report shall be accompanied by receipts documenting each expense except for per diem allowances.

- 11.4** Members of the Board of Directors shall provide brief reports on meetings attended at the expense of the District at the next regular meeting of the Board of Directors and as required by AB 1234.

12. CORRESPONDENCE DISTRIBUTION POLICY

Time permitting, the following letters and other documents shall be accumulated and delivered to the Board of Directors on Monday of each week and/or with agenda packet.

- 12.1** All letters approved by the Board of Directors and/or signed by the Chair on behalf of the District; and
- 12.2** All letters and other documents received by the District that are of District-wide concern, as determined by District staff.

13. CONFLICTS AND RELATED POLICY

State laws are in place which attempt to eliminate any action by a Director or the District which may reflect a conflict of interest. The purpose of such laws and regulations is to ensure that all actions are taken in the public interest. Laws which regulate conflicts are very complicated. The following provides a brief policy summary of various conflict related laws. Directors are encouraged to consult with District Legal Counsel and/or the Fair Political Practices Commission (FPPC) at 1-800-ASK-FPPC (1-800-275-3772), prior to the day of the meeting, if they have questions about a particular agenda item.

13.1 Conflict of Interest

Each Director is encouraged to review the District Conflict Code on an annual basis. The general rule is that an official may not participate in the making of a governmental decision if it is: reasonably foreseeable that the decision will have a material financial effect on the official or a member of his or her immediate family or on an economic interest of the official, and the effect is distinguishable from the effect on the public generally. Additionally, the FPPC regulations relating to interests in real property have recently been changed. If the real property in which the Director has an interest is located within 500 feet of the boundaries of the property affected by decision, that interest is now deemed to be directly involved in the decision. The existing Regulation 18702.2 eliminated a prior bright-line 500-foot rule. Determining materiality where a property is more than 500 feet from the property subject to the decision is more complicated and subjective, and requires a comprehensive review of all factors that potentially affect the value of the property.

13.2 Interest in Contracts, Government Codes Section 1090

The prohibitions of Government Code Section 1090 provide that the Board of Directors may not contract with any business in which another Director has a financial interest.

13.3 Incompatible Office

The basic rule is that public policy requires that when the duties of two offices are repugnant or overlap so that their exercise may require contradictory or inconsistent action, to the detriment to the other public interest, their discharge by one person is incompatible with that interest. When a Director is sworn in for such a second office, he/she is simultaneously terminated from holding the first office.

14. EVALUATION OF CONSULTANTS

The District's legal counsel shall be evaluated by the Board of Directors annually during the months of May or June of each year.

15. CONTINUING EDUCATION

Directors are encouraged to attend educational conferences and professional meetings when the purposes of such activities are to improve District operation. Subject to budgetary constraints, there is no limit to the number of Directors attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

16. BOARD BYLAWS REVIEW POLICY

The Board Bylaws Policy shall be reviewed annually at the first regular meeting in February. The review shall be provided by District Counsel and ratified by Board action.

17. RESTRICTIONS ON RULES

The rules contained herein shall govern the Board in all cases to which they are applicable, and in which they are not inconsistent with State or Federal laws.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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www.sslocsd.org

Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator
Date: March 04, 2026
Via: Mychal Jones, Plant Superintendent

**Subject: CONSIDERATION OF ADOPTION OF RESOLUTION NO. 2026-469
APPROVING THE 2025 SAN LUIS OBISPO COUNTY MULTI-
JURISDICTIONAL HAZARD MITIGATION PLAN**

RECOMMENDATION:

1. Adopt Resolution No. 2026-469 approving the 2025 San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan.

BACKGROUND AND DISCUSSION:

At the August 05, 2020 Board of the Directors meeting, the Board adopted Resolution 2020-417 adopting the 2020 San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan (MJHMP). The MJHMP identifies natural and manmade hazards that may impact the District. It also assesses the vulnerability and risks posed by those hazards, develops strategies for mitigating those hazards, presents future maintenance procedures for the plan, and documents the planning process.

With the expiration of the previous plan, the MJHMP being presented to the Board for consideration underwent a comprehensive update in 2025. Updates to the MJHMP have been developed to meet the requirements of the Federal Disaster Mitigation Act (Act) of 2000. The Act requires state and local government to develop MJHMPs to maintain their eligibility for certain federal disaster assistance and hazard mitigation funding programs. The update process has been completed, and the plan is now ready for adoption. Attached to this Staff Report for quick reference is the District's Local Hazard Mitigation Plan, Annex U. The full MJHMP can be viewed at

<https://www.slocounty.ca.gov/departments/administrative-office/office-of-emergency-services/forms-documents>.

Adoption of the MJHMP will bring the District into compliance with FEMA requirements and make the District eligible for certain categories of federal hazard mitigation funding over the next five years. The San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan has been approved by FEMA, and the County has received FEMA approval pending adoption by the governing bodies of participating jurisdictions.

It is recommended that the Board of Directors adopt Resolution 2026-469, adopting the 2025 San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan.

FISCAL CONSIDERATION:

The total cost of the project was \$245,030, 75% of which was funded by a Hazard Mitigation Grant Program, with the remaining 25% local match being provided by the participating jurisdictions with the percentage share based on a per capita formula. The District's share is \$1,250. Additionally, significant potentially positive fiscal impacts exist as a Hazard Mitigation Plan is a prerequisite to receiving certain disaster reimbursement funds and grants.

Attachments:

1. 2025 MJHMP SSLOCSD Local Hazard Mitigation Plan Annex U
2. FEMA Approval Letter

RESOLUTION NO. 2026-469

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT ADOPTING THE 2025 UPDATE TO THE LOCAL HAZARD
MITIGATION PLAN**

WHEREAS, on March 04, 2026, pursuant to Federal Disaster Mitigation Act of 2000, the District has prepared an updated 2025 Local Hazard Mitigation Plan to identify the risks to lives and property created by natural and artificial hazards to the District, and to formulate a set of goals, objectives and actions to mitigate risks created by these hazards; and

WHEREAS, an adopted Local Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre- and post-disaster mitigation grant programs;

WHEREAS, the District, in coordination with the County of San Luis Obispo, all local Municipalities, Community Service Districts, and local Sanitation Districts participated in the FEMA-prescribed mitigation planning process to prepare a Multi-Jurisdictional Hazard Mitigation Plan; and

WHEREAS, the California Office of Emergency Services and FEMA officials have reviewed the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan and approved it contingent upon this official adoption of the participating governing bodies;

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

1. The Board adopts the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan, and in particular, the Local Hazard Mitigation Plan for the South San Luis Obispo County Sanitation District as outlined in Annex U; and
2. The District will submit this adoption resolution to the County of San Luis Obispo to be included with the submissions to the California

Office of Emergency Services and FEMA officials to enable the plan's final approval in accordance with requirements of the Disaster Mitigation Act of 2000.

3. This resolution supersedes Resolution 2020-417, and Resolution 2020-417 shall have no further force and effect.

PASSED AND ADOPTED at a regular meeting of the South San Luis Obispo County Sanitation District held March 04, 2026.

BOARD CHAIR

ATTEST:

APPROVED AS TO FORM:

BY:

DISTRICT COUNSEL

CONTENTS:

BY:

DISTRICT ADMINISTRATOR



Annex U South San Luis Obispo County Sanitation District

U.1 District Profile

The South San Luis Obispo County Sanitation District provides wastewater collection, treatment and disposal services to the three-member agencies of Arroyo Grande, Grover Beach, and the Oceano Community Services District (CSD). The District is governed by a District Board composed of three members appointed by each of the member agencies. This Board makes policy and operational decisions based on recommendations of the District Administrator, engineers, and staff, and establishes policies, goals, and objectives. It additionally approves budgets, expenditures, and related district functions.

The district’s commitment to public health is focused on sound environmental design, educational opportunities, effectively working with homeowners and businesses, and appropriate and responsible construction mechanisms. The District engages in a fats, oils, and grease safe release program as well as a pretreatment of chemicals and substances program to prevent the introduction of pollutants into the water and land, while protecting personnel from hazardous materials exposure.

U.1.1 Mitigation Planning History and 2025 Process

This Annex was updated during the development of the 2025 San Luis Obispo County Hazard Mitigation Plan Update. The District was previously part of the Multi-Jurisdictional Local Hazard Mitigation Plan which was approved by FEMA in April 2020. The previous mitigation plan was used to inform Coastal Hazards Monitoring but was not formally incorporated into other planning mechanisms. A review of jurisdictional priorities found no significant changes in priorities since the last update.

The Plant Superintendent of the South San Luis Obispo County Sanitation District was the representative on the county Hazard Mitigation Planning Committee and took the lead for developing the plan and this annex in coordination with the South SLO District Local Planning Team (Planning Team). The District Planning Team will be responsible for implementation and maintenance of the plan.

Table U-1 South San Luis Obispo County Sanitation District Hazard Mitigation Plan Planning Team

STAKEHOLDER GROUP	DEPARTMENT OR STAKEHOLDER	TITLE
Local Planning Team	South SLO County Sanitation District	Plant Superintendent
	South SLO County Sanitation District	District Administrator
Agencies involved in hazard mitigation activities	San Luis Obispo Public Works	Public Works Engineer
Agencies that have the authority to regulate development	Arroyo Grande	Community Development Director
	Grover Beach	Public Works Director
Neighboring communities	Arroyo Grande	Community Development Director
	Grover Beach Public Works	Director

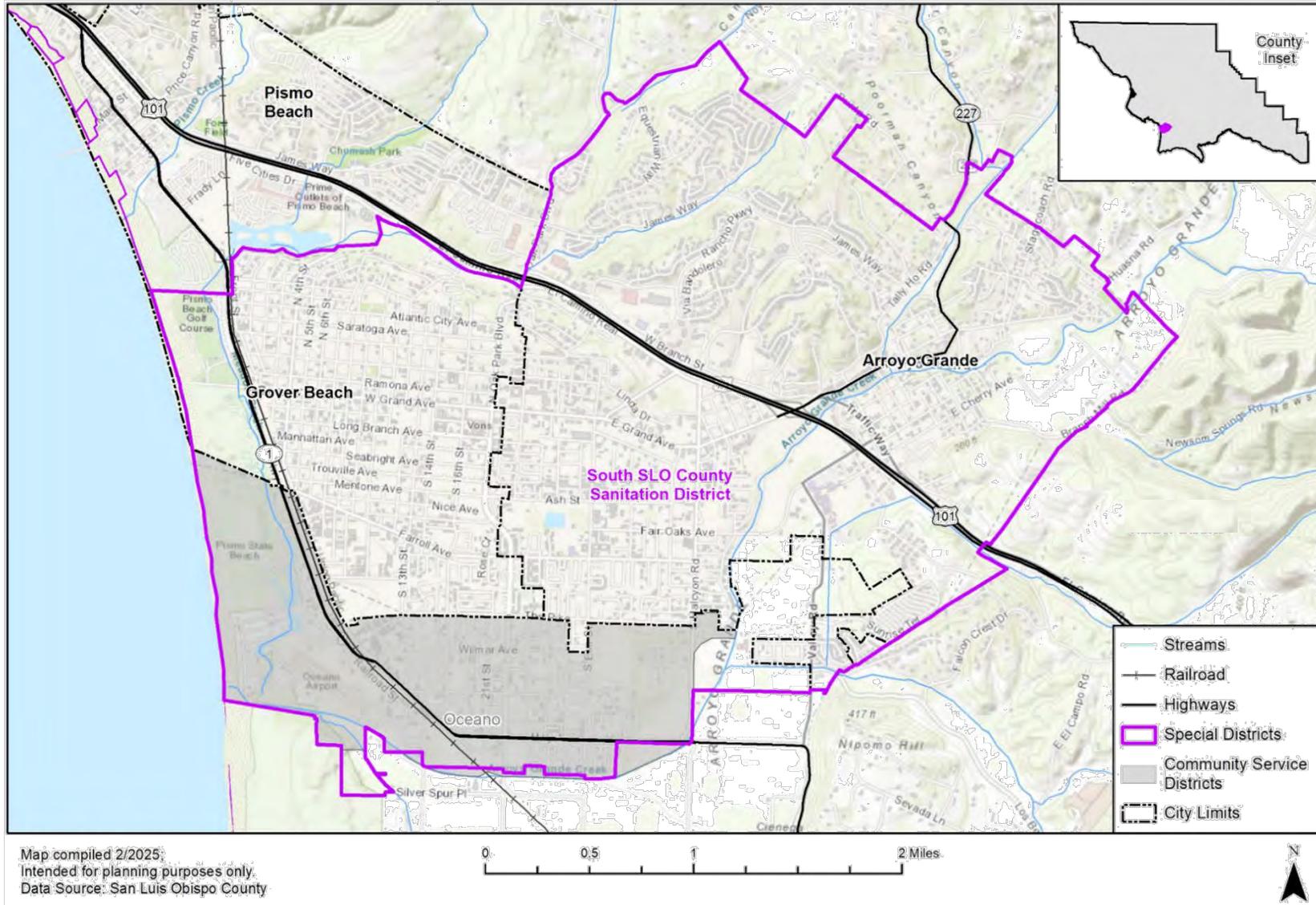


STAKEHOLDER GROUP	DEPARTMENT OR STAKEHOLDER	TITLE
Representatives of business, academia, and other private orgs	Oceano Community Services District Management	Management
	California Coastal Commission	
Representatives supporting underserved communities	5Cities Homeless Coalition	

More details on the planning process followed and how the jurisdictions, service districts and stakeholders participated can be found in Section 3 of the Base Plan, along with how the public was involved during the 2025 update. Figure U-1 below is a map showing the South SLO County Sanitation District including its sphere of influence and nearby areas.



Figure U-1 South San Luis Obispo County Sanitation District



Map compiled 2/2025
Intended for planning purposes only.
Data Source: San Luis Obispo County



U.1.2 Geography and Climate

The geography and climate of the South San Luis Obispo County region play an important role in shaping the operations and challenges faced by the South SLO County Sanitation District. The District is located along California's Central Coast, a region characterized by a Mediterranean climate with mild, wet winters and warm, dry summers. This seasonal variation affects the volume and characteristics of wastewater entering the treatment plant, particularly during the rainy season when infiltration and inflow from stormwater can increase flows within the sewer system. Although SSLOCSD does not manage the collection systems directly, higher flows from member agencies during wet weather events can impact the treatment plant's capacity and operations.

The region's coastal geography also influences the District's services. The proximity to the ocean requires careful management of treated effluent discharges to protect sensitive marine environments. Therefore, the District must adhere to strict regulatory standards to ensure that wastewater is adequately treated before discharging into the ocean. Additionally, sea level rise and coastal erosion present long-term risks to infrastructure, particularly facilities located near low-lying coastal areas. The District must plan for potential impacts such as flooding, saltwater intrusion, and increased regulatory pressure. Additionally, the risk of drought places added emphasis on water conservation and may impact wastewater characteristics due to lower household water usage which can lead to more concentrated wastewater and potential operational challenges in the treatment process.

U.1.3 History

In 1958 the Grover City County Water Board commissioned several engineering studies aimed at investigating the rising nitrate levels observed in the local groundwater sources. At that time both Grover City and the Oceano community were entirely unsewered and depended on individual septic tanks. While Arroyo Grande had sewer systems at that time, said systems led to a wastewater treatment facility located at the sewer farm, and the partially treated wastewater was disposed onto nearby lands. Because of the studies carried out upon that engineering commissioning, it was determined there was a need to better address the septic tank and sewer farm impacts on nearby lands and groundwater resources. To solve these issues, the South San Luis Obispo County Sanitation District was founded on September 3, 1963. Upon this new sanitation district development, nine miles of trunk sewer lines were built, as well as a new wastewater treatment plant and an ocean outfall line to get rid of the treated wastewater. To date, further improvements have taken place as well expansions in the wastewater systems. Key years when improvements, additions, or other constructions were incorporated into the District's infrastructure include 1978, 1979, 1986, 1990, and 2005.

U.1.4 Economy

Currently the District's staff is composed of the District Administrator, a bookkeeper/secretary, and six operational staff.

Between 2020 and 2025, the South SLO County Sanitation District demonstrated a strong commitment to fiscal responsibility, operational efficiency, and strategic infrastructure investment. Annual budgets have been balanced each year, with total appropriations growing from approximately \$8.8 million in FY 2020-21 to \$17.1 million in FY 2024-25. This growth reflects the District's proactive efforts to meet current operational needs while preparing for future demands. Core revenue streams, including service charges, connection fees, interest income, and the strategic use of reserves, have remained stable, and FY 2024-25 introduced a \$9.96 million redundancy funding allocation to enhance system reliability.



Throughout this period, the District carefully managed operating expenditures, including personnel, maintenance, and utilities, while steadily increasing capital outlay from \$2.9 million in FY 2020-21 to over \$11.5 million in FY 2024-25. These capital investments supported long-term improvements such as trunk sewer maintenance, chemical tank replacement, and installation of cogeneration systems. The District maintained a consistent focus on infrastructure renewal and compliance with regulatory standards, guided by established reserve and investment policies that ensure prudent financial management.

Demographic indicators can help the District understand the communities it serves and how best to manage wastewater treatment needs now and into the future. Key demographic factors include population size and growth, which affect long-term infrastructure planning; age distribution, which influences usage patterns across different life stages; and housing characteristics, which provide insight into residential wastewater output. Table U-4 presents selected demographic information relevant to District’s service area

Table U-2 South San Luis Obispo County Sanitation District Economic Indicators

INDICATOR	ARROYO GRANDE	GROVER BEACH	OCEANO CDP
Median Household Income	\$103,258	\$82,534	\$69,448
Per Capita Income	\$50,203	\$41,607	\$38,764
Poverty Rate	4.6%	12.7%	17.1%
Unemployment Rate	2.3%	3.4%	3.2%

Source: U.S. Census Bureau American Community Survey 2018-2023, 5-Year Estimates www.census.gov

U.1.5 Population

The South SLO County Sanitation District does not serve customers directly. Instead, it provides wastewater treatment services to its member agencies. These member agencies manage their own sewer collection systems and collect fees from their customers, which are then used to pay the District for treatment services. However, understanding the economic conditions of the communities it serves helps the District evaluate rate structures, anticipate service demand, and ensure equitable access. Metrics such as median household income and per capita income provide insight into residents' financial capacity, while the poverty rate highlights the proportion of the population that may require affordability programs or assistance. Additionally, the unemployment rate offers a snapshot of economic stability, which can influence both residential and commercial wastewater usage. Table U-3 summarizes key economic indicators relevant to SSLOCSA’s service area.

Table U-3 South San Luis Obispo County Sanitation District Demographic and Housing Characteristics

CHARACTERISTIC	ARROYO GRANDE	GROVER BEACH	OCEANO CDP
Population	18,441	12,701	7,098
Median age	45.2	40.5	46.4
Percent over 65 years old	25.7%	17.8%	27.2%
Percent under 5 years old	4.8%	4.5%	5.7%
Average household size	2.43	2.54	3.3



CHARACTERISTIC	ARROYO GRANDE	GROVER BEACH	OCEANO CDP
Total housing units	8,198	5,757	3,177
Housing vacancy rate	6.5%	13.6%	12.3%
Housing type: 1-unit	73.9%	74.7%	65.9%
Housing type: 2-units	1.1%	2.8%	3.9%
Housing type: 3 or 4 units	3.2%	14.2%	5.8%
Housing type: 5 to 9 units	3.3%	3.9%	3.7%
Housing type: 10 to 19 units	4.7%	0.2%	0.5%
Housing type: 20 or more units	7.1%	0.4%	0.0%
Housing type: Mobile home	6.6%	3.6%	19.7%
Housing type: Boat, RV, van, etc.	0.0%	0.2%	0.5%
Housing characteristic: lacking complete plumbing facilities	0.0%	0.5%	0.4%
Housing characteristic: lacking complete kitchen facilities	0.3%	0.8%	0.4%

Source: U.S. Census Bureau American Community Survey 2018-2023 5-Year Estimates, www.census.gov/

U.1.6 Development Trends

Since the Sanitation District encompasses and provides services for Arroyo Grande, Grover Beach, and the Oceano Community Services District it is expected that development and changes in the community will follow those of the two cities and CSD. For more information on these member communities refer to the Base Plan as well as Annex A (Arroyo Grande), Annex C (Grover Beach), and Annex N (Oceano). There has not been any development since 2019 that has increased or decreased vulnerability of District facilities to hazards.

U.2 Hazard Identification and Summary

The Sanitation District Planning Team identified the key hazards that affect the District, and summarized their frequency of occurrence, spatial extent, potential magnitude, and overall significance specific to the District in Table U-4.

Table U-4 South SLO County Sanitation District Hazard Risk Summary

HAZARD	GEOGRAPHIC AREA	PROBABILITY OF FUTURE OCCURRENCE	MAGNITUDE/ SEVERITY (EXTENT)	OVERALL SIGNIFICANCE
Adverse Weather: Thunderstorm, Heavy Rain, Lightening, Hail	Significant	Likely	Limited	Low
Adverse Weather: High Wind and Tornado	Significant	Likely	Negligible	Low
Adverse Weather: Extreme Heat	Extensive	Occasional	Negligible	Low
Agricultural Pest Infestation and Disease	Limited	Highly Likely	Negligible	Medium
Coastal Flood/Coastal Erosion/Sea Level Rise	Limited	Likely	Critical	Medium



HAZARD	GEOGRAPHIC AREA	PROBABILITY OF FUTURE OCCURRENCE	MAGNITUDE/ SEVERITY (EXTENT)	OVERALL SIGNIFICANCE
Dam Incidents and Failure	Extensive	Unlikely	Catastrophic	Medium
Drought and Water Shortage	Significant	Likely	Limited	Low
Earthquake	Significant	Occasional	Critical	High
Flood	Significant	Highly Likely	Limited	Medium
Tsunami	Limited	Occasional	Limited	Low
Wildfire	Significant	Occasional	Limited	Low
Geographic Area Limited: Less than 10% of planning area Significant: 10-50% of planning area Extensive: 50-100% of planning area Probability of Future Occurrences Highly Likely: Near 100% chance of occurrence in next year or happens every year. Likely: Between 10 and 100% chance of occurrence in next year or has a recurrence interval of 10 years or less. Occasional: Between 1 and 10% chance of occurrence in the next year or has a recurrence interval of 11 to 100 years. Unlikely: Less than 1% chance of occurrence in next 100 years or has a recurrence interval of greater than every 100 years.	Magnitude/Severity (Extent) Catastrophic—More than 50 percent of property severely damaged; shutdown of facilities for more than 30 days; and/or multiple deaths Critical—25-50 percent of property severely damaged; shutdown of facilities for at least two weeks; and/or injuries and/or illnesses result in permanent disability. Limited—10-25 percent of property severely damaged; shutdown of facilities for more than a week; and/or injuries/illnesses treatable do not result in permanent disability. Negligible—Less than 10 percent of property severely damaged, shutdown of facilities and services for less than 24 hours; and/or injuries/illnesses treatable with first aid Significance Low: minimal potential impact Medium: moderate potential impact High: widespread potential impact			

U.3 Vulnerability Assessment

This section considers the District’s assets at risk, including an inventory of improved properties and critical facilities and Community Lifelines, and historic, economic, cultural, and environmental assets. Please refer to Section 5.2.2 of the base plan for a detailed description of the methodology used.

The key information to support the HIRA for this Annex was collected through a Data Collection Guide, which was distributed to each participating municipality, community services district, or special district to complete during the planning process. Information collected was analyzed and summarized in order to identify and rank all the hazards that could impact anywhere within the County, as well as to rank the hazards and identify the



related vulnerabilities unique to each jurisdiction/district. In addition, the District's planning team was asked to share information on past hazard events that have affected the district.

Each participating jurisdiction or district was in support of the main hazard summary identified in the Base Plan. However, the hazard summary rankings for each jurisdictional annex may vary slightly due to specific hazard risk and vulnerabilities unique to that jurisdiction (see Table U-4). Identifying these differences helps the reader to differentiate the district's risk and vulnerabilities from that of the overall County.

Note: The hazard significance reflects overall ranking for each hazard and is based on the South SLO County Sanitation District's planning team input from the Data Collection Guide and the risk assessment developed during the planning process (see Chapter 5 of the Base Plan), which included more detailed quantitative and qualitative analyses with best available data for all hazards in the County.

The hazard summaries in Table U-4 reflect the hazards that could potentially affect the District in major ways. Based on this analysis, the priority hazard (High Significance) for mitigation is earthquake/liquefaction. The second priority hazards (Medium Significance) are agricultural pest infestation/disease, dam incidents/failure, drought and water shortage, flood, coastal flood, erosion, and sea level rise. The discussion of vulnerability for each of the assessed hazards is contained in the following sections.

U.3.1.1 Other Hazards

The following hazards identified in the base plan HIRA are not identified within this jurisdictional annex due to low or no risk or insignificant anticipated impacts and are not considered further for vulnerability or mitigation actions:

- Biological agents
- Freeze
- Fog
- Seiche
- Liquefaction

- Landslides and Debris Flow
- Subsidence

U.3.2 Assets at Risk

This section considers the South SLO County Sanitation District's assets at risk, including values at risk, critical facilities and infrastructure, historic assets, economic assets, and growth and development trends. Please refer to Section 5.2.2 of the base plan for a detailed description of the methodology used.

U.3.2.1 Critical Facilities and Infrastructure

A critical facility is one that is essential to providing utility or direction either during the response to an emergency or during the recovery operation. Most of the facilities considered critical in the context of the Hazard Mitigation Plan are owned and operated by the Cities of Arroyo Grande and Grover Beach, and the Oceano Community Services District. As such, those facilities are listed within each jurisdiction's annex. Refer to Section 5.2 of the Base Plan for more information on the Assets used throughout each annex and the county-wide analyses. The list below includes only the infrastructure and facilities owned and maintained by the District itself.



Wastewater Treatment Plant (WWTP) Core Systems

- Headworks Pump Station
- Primary Clarifiers
- Fixed Film Reactor
- Aeration Basins
- Chemical Storage Tanks (Chlorine, Sodium Bisulfite, Ferric Chloride)
- Chemical Injection Pumps
- Secondary Clarifiers
- Chlorine Contact Tank
- Motor Control Centers
- Digesters
- Emergency Generators

Site Structures and Grounds

- Barbed Wire Perimeter Fencing
- Light Poles
- Grit King
- Heating & Mixing Building
- Splitter Box
- Administrative Building and Laboratory

Sewer and Collection Infrastructure

- Approximately nine miles of trunk sewer mains (not the full collection system, which is owned by member agencies)
- Trunk Sewer Maintenance Equipment and inspection systems (e.g., CCTV and flushing systems)

Redundancy and Flood Protection Improvements

- Flood Gates (new and improved for 500-year flood protection)
- Stem Walls (planned)
- Pump Systems and Sump Pumps
- Above-ground Diesel Tank
- Above-ground Emergency Generators

Operational and Emergency Equipment

- Trash Pumps
- Emergency Supplies Storage (in centrifuge building)
- Fuel Storage
- Vehicles and Maintenance Shop Equipment
- 12 MGD Emergency Bypass Pump

U.3.2.2 Natural Resources

Natural assets may include wetlands, threatened and endangered species, or other environmentally sensitive areas. Natural and environmental resources are important to include in benefit-cost analyses for future projects and may be used to leverage additional funding for projects that also contribute to community goals for protecting sensitive natural resources. Awareness of natural assets can lead to opportunities for meeting multiple objectives. For instance, protecting wetlands areas protects sensitive habitat as well as attenuates and stores floodwaters. Because the Sanitation District encompasses the Cities of Arroyo Grande and Grover Beach as well as the Oceano CSD, referring to these respective annexes as well as the documents within the Base Plan is recommended to get more details on natural resources of interest within this special district.

U.3.2.3 Economic Assets

Economic assets within this special district are represented in the critical facilities and infrastructure noted previously.



U.3.3 Estimating Potential Losses

This section details vulnerability to specific hazards of medium or high significance, where quantifiable, noted by the Planning Team. Impacts of past events and vulnerability to specific hazards are further discussed below, though Section 5 of the Base Plan should be referenced for more details on the County’s HIRA findings and hazard profiles.

U.3.3.1 Adverse Weather: Thunderstorm/Heavy Rain/Lightning/Hail

South San Luis Obispo Sanitation District’s risk and vulnerability does not differ significantly from that of San Luis Obispo County. The overall significance rating of the planning area is **low**. The district is subject to many of the same regional weather patterns during storm seasons and transitional weather patterns. The entire property and facility inventory of the South San Luis Obispo SD is exposed to the impacts of thunderstorm/heavy rain/lightning due to the widespread nature of these hazards.

Of primary concern for the district is its facilities, including Wastewater Treatment Plant and related core systems, and keeping them running adequately to serve the needs of the community. In adverse weather conditions it’s possible for power outages, which could potentially take these facilities offline for a period of time and prevent the district from operating. Each of these facilities could also possibly be damaged by hail, lightning, or heavy rain events, which could trigger other damaging cascading hazards such as flooding or landslides. District employees may also be vulnerable to lightning strikes if working outdoors during adverse weather conditions. Hazard awareness is important to minimize impacts to District staff.

Similar to the county, the district is susceptible to the impacts of heavy rainfall. The planning area experiences about 16 inches of precipitation annually, according to Western Regional Climate Center. While thunderstorms and lightning are relatively rare, they can still pose safety risks to residents and strain electrical infrastructure when they occur. Dense fog is a common concern along the coast, particularly in the cooler months, often reducing visibility along roadways. The tables below show key climate variables such as extreme temperatures, precipitation totals, and the frequency of specific weather events. Note that Pismo Beach weather station is the nearest official reporting site to South San Luis Obispo Sanitation District.

Table U-5 Pismo Beach Climate Summary Table – Weather (Period of Record: 07/01/1949 - 08/30/2017)

SUMMARY PERIOD	MONTHLY MEAN MAXIMUM TEMP.	MONTHLY MEAN MINIMUM TEMP.	DAILY EXTREME HIGH TEMP	DAILY EXTREME HIGH DATE	DAILY EXTREME LOW TEMP	DAILY EXTREME LOW DATE	MAXIMUM TEMP. ≥ 90°F MEAN # DAYS	MINIMUM TEMP. ≤ 32°F MEAN # DAYS
Winter	63.9 °F	43.5 °F	92 °F	12/2/1958	21 °F	12/3/1986	0	2.9
Spring	66.9 °F	46.3 °F	101 °F	4/7/1989	23 °F	3/23/1963	0.6	0.4
Summer	69.5 °F	52.4 °F	102 °F	8/22/1972	37 °F	6/29/1987	1.1	0
Fall	70.3 °F	50.1 °F	103 °F	9/3/1982	27 °F	10/27/1986	1.4	0.1
Annual	67.5 °F	47.8 °F	103 °F	9/3/1982	21 °F	12/3/1986	3.4	4.3

Source: Western Regional Climate Center (WRCC) <https://wrcc.dri.edu/>

* Winter is defined as December, January, and February

** Summer is defined as June, July, and August



Table U-6 Pismo Beach Climate Summary Table – Precipitation (Period of Record: 07/01/1949 - 08/30/2017)

SUMMARY PERIOD	PRECIP. MEAN	PRECIP. HIGH	PRECIP. HIGH YEAR	PRECIP. LOW	PRECIP. LOW YEAR	PRECIP.1 DAY MAXIMUM	PRECIP. 1 DAY MAXIMUM DATE	PRECIP. ≥ 1.00 IN. MEAN # DAYS
Winter	9.34 in.	26.85 in.	1969	2.03 in.	1964	5.16 in.	1/19/1969	2.4
Spring	4.1 in.	17.23 in.	1991	0.03 in.	1997	2.62 in.	3/20/2011	1
Summer	0.15 in.	1.5 in.	2015	0 in.	1953	1.15 in.	7/19/2015	0
Fall	2.76 in.	8.19 in.	1972	0.09 in.	2014	2.25 in.	11/14/1953	0.6
Annual	15.92 in.	33.58 in.	1983	3.23 in.	2013	5.16 in.	1/19/1969	4.3

Source: Western Regional Climate Center (WRCC) <https://wrcc.dri.edu/>

* Winter is defined as December, January, and February

** Summer is defined as June, July, and August

U.3.3.2 Adverse Weather: High Wind and Tornado

South San Luis Obispo Sanitation District’s risk and vulnerability to this hazard does not differ significantly from that of the County overall significance of **low**. While these hazards are not common in the region they can occasionally occur during strong storm systems, particularly in the winter months. The entire property and facility inventory of the South SLO SD is exposed to the impacts of high winds due to the widespread nature of these hazards. Particularly vulnerable pieces of infrastructure include the districts fencing and light poles, as well as operational and emergency equipment, which are more likely than the District’s larger structures to be damaged by high winds. High wind could present a hazard, through blowing debris or falling trees, to district staff if working outdoors during adverse weather conditions. Hazard awareness is important to minimize impacts on District staff.

Of primary concern for the district is its facilities and keeping them running adequately to serve the needs of the community. In high wind conditions it’s likely for downed trees and power lines, and subsequent power outages, which could potentially take these facilities offline for a period of time and prevent the district from operating. The District may experience gusty winds capable of causing minor damage and tornado activity is extremely rare across the county. As such, while the potential for high wind events exists, the likelihood of significant damage or disruption remains low and tornado risk is considered minimal.

U.3.3.3 Adverse Weather: Extreme Heat

Extreme heat is a **low** significance hazard for the South San Luis Obispo Sanitation District. The monthly mean maximum temperature for Pismo Beach, the closest NOAA weather station with recent data, is 69.5°F; however, temperatures up to 103°F have been recorded (see Table U-5). Additionally, rising temperatures and more frequent heat waves are increasing the likelihood of more extreme heat events in the future. Projections by the Scripps Institute suggest that the Central Coast region could see as many as five times as many days of extreme heat by the end of the century (Thorton 2024).

High temperatures place stress on sewer lines and equipment, potentially causing pipes to expand and contract, which can lead to cracks or joint failures, especially in older systems. Equipment in treatment plants and lift stations is also vulnerable to overheating if cooling systems are not adequate, and electronic components are also susceptible to failing. Additionally, warmer temperatures increase biological activity in sewer lines, accelerating the production of hydrogen sulfide gas which can corrode metal infrastructure.



Extreme heat can disrupt the efficiency of wastewater treatment processes. Heat also increases the need for energy to cool facilities and maintain equipment performance, which can strain the district's power systems, particularly during peak demand periods. Additionally, residential water use may increase during heatwaves, raising inflow to the sewer system and potentially overwhelming capacity. Each of these consequences of extreme heat can negatively impact the district's facilities and infrastructure.

Public health and safety are also at greater risk during extreme heat events, impacting the entire population of the service area of South SLO SD. Higher temperatures can lead to more frequent blockages and sewer overflows, especially when combined with power outages that may disable pump stations. Field crews and plant operators face increased risk of heat-related illnesses while working outdoors or in enclosed spaces with poor ventilation.

U.3.3.4 Agricultural Pest Infestation and Disease

Due to Arroyo Grande, Grover Beach, and Oceano CSD containing relatively large amounts of agricultural fields, this hazard was ranked as a **medium** overall significance rating in the district. Pests and related diseases/pathogens have the potential to affect the local economy and agricultural landscapes by hurting or destroying crops and livestock. The number of invasive pests and pathogens newly detected in California and the rest of the United States has increased at alarming rates in recent years, and that trend is projected to continue into the future. These factors all could further reduce water quality in the area and place additional strain on the district's facilities, impacting its ability to function.



U.3.3.5 Coastal Storm/Coastal Erosion/Sea Level Rise

Overall, the LPT has rated coastal storm, erosion, and sea level rise hazards as holding **medium** significance for the District. The District facility is located on the low-lying coastal plain of Oceano, approximately 1,500 feet from the mean higher high water mark of the Pacific Ocean. It is bounded by Arroyo Grande Creek to the south and lower Meadow Creek Lagoon to the west. This positioning places the facility within the Coastal Zone and at elevated risk from coastal storms, sea level rise, and bluff erosion. Coastal flood risks in this region are primarily influenced by high tide and large swell events that affect the dynamic lagoon-berm system of Arroyo Grande Creek and Lagoon. The creek and lagoon system, historically sinuous and backed by foredunes, now exhibits altered flow patterns, especially following the 2023 breach of the foredune barrier. This breach has allowed the creek to discharge more directly to the ocean, bypassing the lagoon and enhancing drainage conveyance during future storm events.

The District operates under a Coastal Development Permit (CDP No. 3-16-0233) issued in 2019, which requires annual monitoring of coastal hazards, including sea level rise, and outlines thresholds that trigger response actions. The Coastal Hazards Monitoring Program includes ongoing assessments of water levels, beach berm elevation, foredune morphology, streamflow, and oceanic conditions. Notably, water levels in Arroyo Grande Lagoon have periodically exceeded the flood hazard trigger of 10.4 feet NAVD 88 in recent years. However, no operational impacts at the District Facility have occurred to date, largely due to effective drainage following breaches in the foredunes.

During the 2023–2024 monitoring year, oceanic conditions, rather than rainfall, were the dominant driver of elevated water levels and morphological changes in the lagoon and adjacent beach berm. Large swell and king tide events caused multiple lagoon breaches and temporary flow reversals in Arroyo Grande Creek. Despite intense coastal energy, the altered creek mouth and diminished lagoon footprint reduced the likelihood of sustained upstream flooding. These changes may indicate an emerging trend toward more frequent breaches and higher conveyance capacity, which could mitigate some sea level rise-related risks in the short term.

The District's Redundancy and Improvements Project, initiated in 2021 and nearing completion, includes minor floodproofing and is designed to withstand up to 500-year flood elevations (14.75 to 15.25 feet NAVD 88). These upgrades enable key process units to be serviced without violating effluent permit requirements, providing critical operational resilience in the face of future coastal hazards. In addition to physical upgrades, aerial drone surveys are now conducted three times annually to supplement pedestrian beach berm monitoring, offering a more complete picture of changing topography and foredune stability.

While no direct flood damage has been recorded at the District Facility during extreme coastal events in the past five years, indirect impacts, such as emergency rescues during high surf events and infrastructure stress, highlight the growing exposure of coastal infrastructure to sea level rise and extreme weather. The combination of regional rainfall, ocean swell, and shifting outlet morphology remains a critical focus of the District's hazard mitigation strategy. Ongoing coordination with San Luis Obispo County, California State Parks, and Oceano CSD remains essential to monitor, model, and respond to coastal hazards that threaten both the District and neighboring lands.

While current conditions do not pose an imminent threat to operations, evolving climate conditions and continued shoreline erosion warrant sustained attention and adaptive management over the planning horizon. The District will continue to implement its Monitoring Plan and evaluate improvements based on collected data, stakeholder input, and new modeling forecasts to ensure preparedness for future sea level rise and extreme coastal events.



Further information on this hazard at the county level can be found in Section 5.3.7 of the base plan.

Figure U-2 and Figure U-3, below, show sea level rise scenario analysis extents with tidal inundation only and tidal inundation with the 1% annual chance floodplain.



Figure U-2 South SLO Sanitation District Sea Level Rise Scenario Analysis: Tidal Inundation Only





Figure U-3 South SLO Sea Level Rise Scenario Analysis: Tidal Inundation and 1% Annual Chance Flood



Map compiled 9/2019;
intended for planning purposes only.
Data Source: USGS CoSMoS v3.1.
San Luis Obispo County, US Census TIGER
Database, CA Open Data Portal, LAFCO.
Note: SLR = Sea Level Rise

0 1 2 Miles





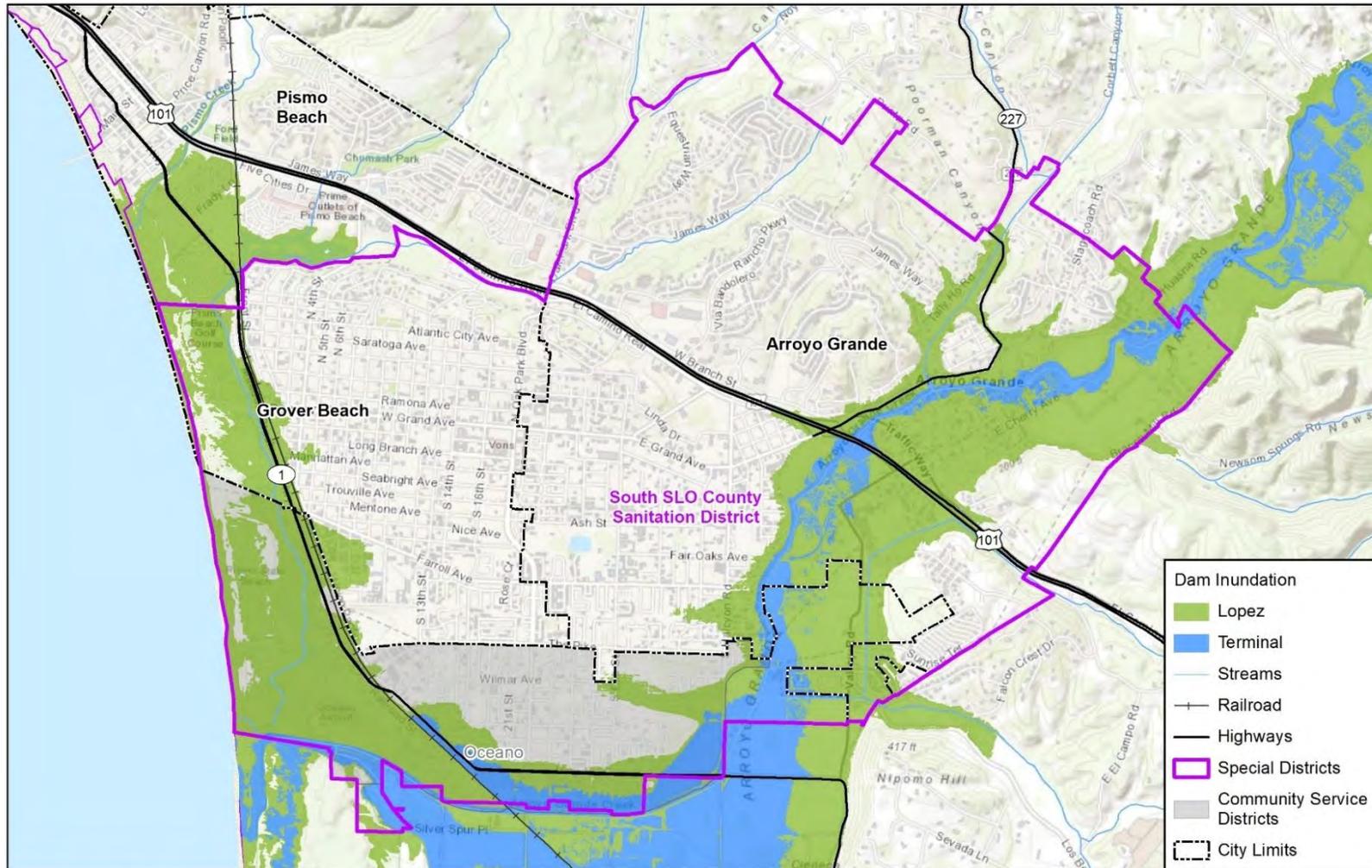
U.3.3.6 Dam Incidents

The Sanitation District is at risk of dam failure incidents based on its location downstream of the Lopez and Terminal Dams. The Terminal Dam is a concern, but nearly all of its potential inundation zone exists well within the inundation zone of the Lopez Dam, which is over 60 times larger and located just upstream. Lopez Dam is a high hazard earthen dam located about eight miles northeast of Arroyo Grande. If this dam were to fail and flood the Arroyo Grande River into the Sanitation District or any of its three-member communities, major damages can be expected; it could inundate much of Grover Beach, Arroyo Grande, and the Oceano CSD. A failure of the Lopez Dam would also affect Highway 101 and other important local roads, hence impeding or reducing flows of goods, people, and resources into and out of the cities and CSD, potentially impacting the entire region. Additionally, the District's wastewater treatment facility is within the inundation zone.

This hazard is rated **medium** significance for the Sanitation District.



Figure U-4 South San Luis Obispo County Sanitation District Dam Inundation



Map compiled 2/2025;
 Intended for planning purposes only.
 Data Source: San Luis Obispo County,
 NID 2024, Department of Water Resources (DWR),
 Division of Safety of Dams (DSOD)

0 0.5 1 2 Miles





U.3.3.7 Drought and Water Shortage

SSLOCSO faces drought risks that align with broader regional challenges but are uniquely tied to wastewater treatment operations and infrastructure reliability. Prolonged droughts can reduce influent flows to the treatment plant, affect the availability of recycled water, and increase concentrations of pollutants in wastewater streams, impacting treatment efficiency and compliance with discharge regulations. Additionally, reduced groundwater levels in the service area may affect wastewater infiltration rates and contribute to potential land subsidence, which can damage pipelines and underground infrastructure. Given these operational concerns, drought is a **high** significance hazard for the District.

Drought directly impacts the District's ability to maintain consistent wastewater treatment processes. Lower water availability leads to higher wastewater concentrations, requiring adjustments in treatment operations to manage elevated salinity, increased organic loads, and potential chemical imbalances. Additionally, reduced flows in receiving water bodies can affect the dilution capacity for treated effluent, potentially leading to challenges in maintaining water quality. Infrastructure maintenance becomes more critical during droughts, as aging sewer lines and treatment components may be more prone to damage due to shifting soils or decreased infiltration into the wastewater system.

The District's wastewater infrastructure, including its treatment plant, pumping stations, and sewer mains, is vulnerable to drought-related supply reductions. Prolonged droughts reduce the availability of supplemental water sources, which may be necessary for treatment processes, equipment cooling, and facility operations. Additionally, increased groundwater pumping in the region places pressure on local aquifers, potentially affecting infiltration and inflow dynamics within the wastewater system. The region's coastal proximity also raises concerns about saltwater intrusion into groundwater, which could further complicate treatment operations and infrastructure longevity. Wastewater treatment sustainability and effluent discharge compliance will continue to be a concern, particularly as drought frequency and severity increase.

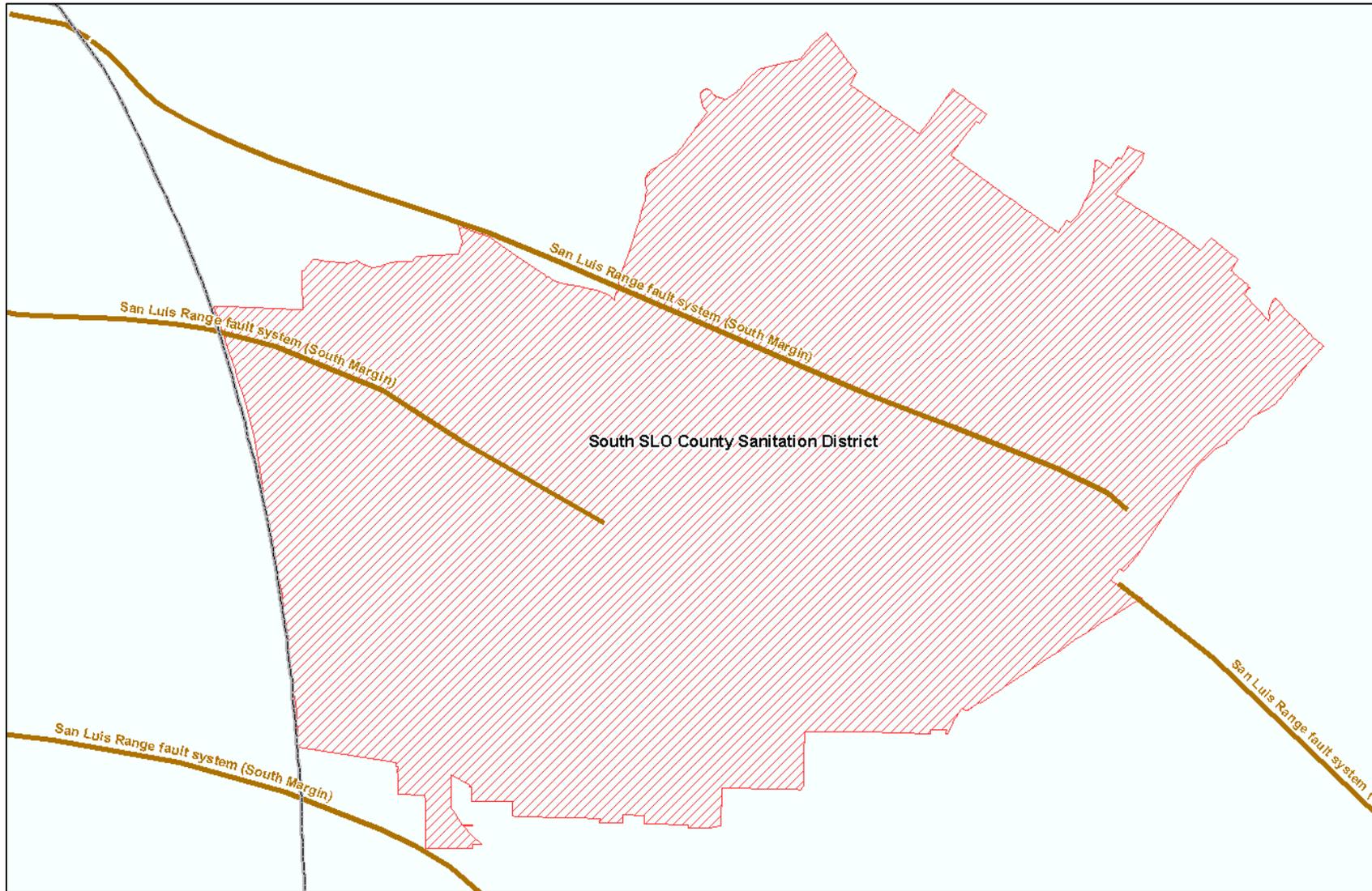
U.3.3.8 Earthquake

The Sanitation District is underlain by several earthquake faults such as portions of the San Luis Range/South Margin fault system. Overall, earthquake hazards (both of which are discussed in more detail in Section 5.3.7 of the Base Plan) are ranked as **high** significance hazards due to the large degree of liquefiable soil risk in the Grover Beach, Arroyo Grande, and Oceano communities (see each respective City or CSD Annex for more information on potential social and structural impacts).

Sewer systems by their nature are highly vulnerable to earthquakes, particularly pipeline infrastructure. Table 5-93 in Section 5.3.10.7 of the County Plan shows Hazus damage estimates to wastewater lines and facilities from a major earthquake could total over \$531 million countywide. This includes infrastructure owned and operated by the district. Damages to facilities and infrastructure from seismic activity or liquefaction could also impede the ability of the District to perform its core functions, with an extended downtime impacting the recovery of the wider community and San Luis Obispo County as a whole.



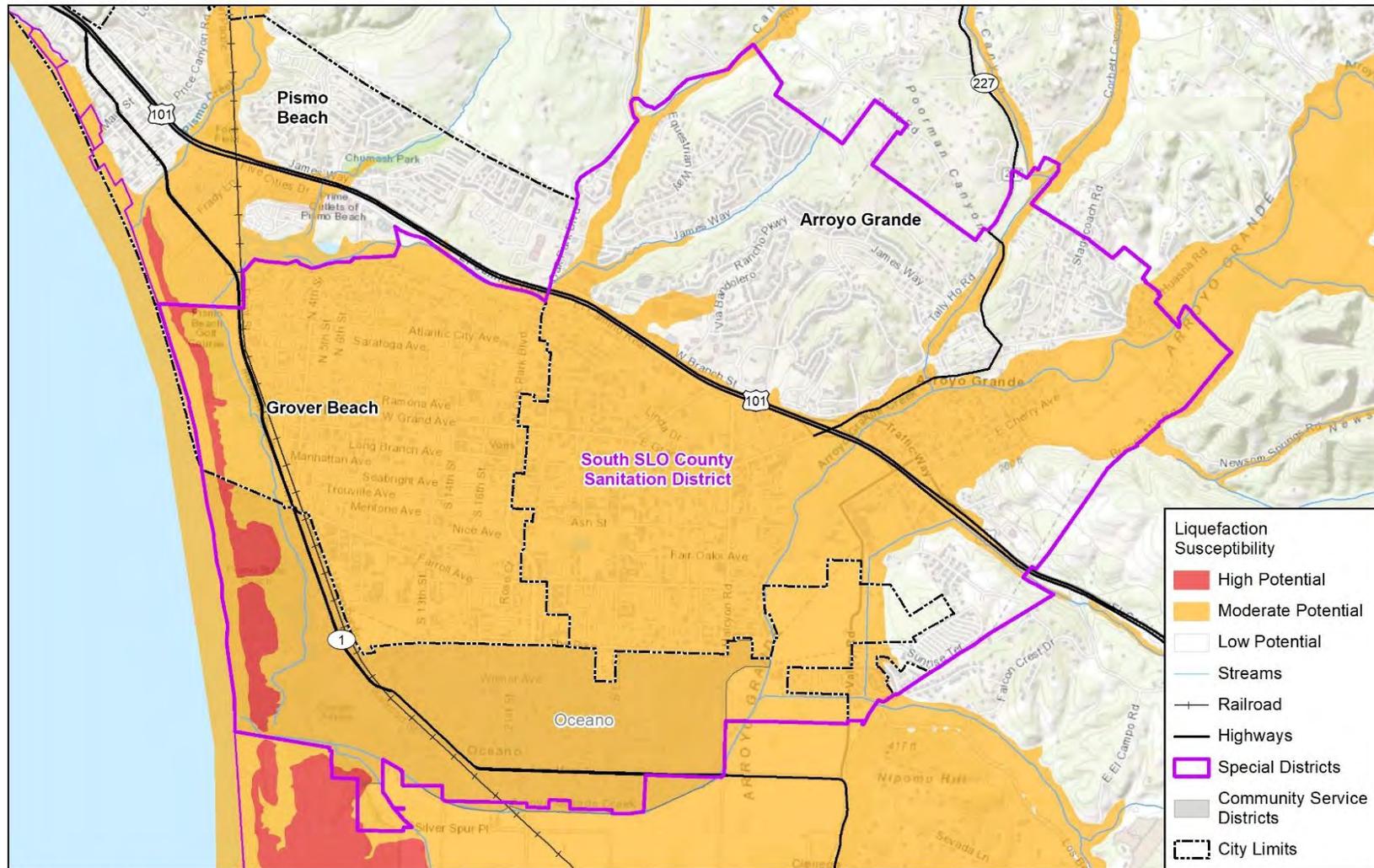
Figure U-5 Earthquake Faults near the Sanitation District



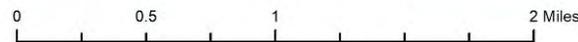
Source: USGS; San Luis Obispo County Planning and Building; LAFCO



Figure U-6 South San Luis Obispo County Sanitation District Liquefaction Susceptibility



Map compiled 2/2025;
Intended for planning purposes only.
Data Source: San Luis Obispo County





U.3.3.9 Flood

Flood hazards in the District primarily stem from riverine, estuarine, and coastal sources, with the greatest exposure tied to the hydrologic behavior of Arroyo Grande Creek, Meadow Creek, and their associated lagoons. The District facility sits near the confluence of these waterways, adjacent to the Arroyo Grande Lagoon and approximately 500 meters inland from the Pacific Ocean. FEMA-designated floodplains (Zones AE and VE) are present throughout this area, reflecting a convergence of fluvial and coastal risks. The facility is protected in part by the Arroyo Grande Creek Levee System, which confines flow from the Los Berros confluence westward toward the beach. This levee has a documented history of overtopping and through-seepage, including a significant breach in 2001 and recent vulnerabilities observed in January 2023.

Following the storms of January and March 2023, extensive repair and reinforcement activities were carried out to restore the 10-year flood carrying capacity of the levee system. Turf reinforcement mats were replaced, sediment and vegetation removal was completed, and breach repairs were prioritized near the railroad right-of-way. In 2024, the County planned the installation of hydraulic cutoff walls at four levee locations to reduce seepage, alongside continued sediment monitoring and vegetation clearing under the Waterway Management Program (WMP).

The District also implements its own flood protection and storm preparation measures at the wastewater treatment facility. Since 2019, no flood-induced operational failures have occurred, aside from a March 2020 coupling failure during high flows that released 5,000 gallons of treated effluent. In anticipation of high rainfall events during the 2023–2024 season, District staff implemented a standardized suite of preparations, including draining chemical containment tanks, inspecting backup systems and sump pumps, and verifying emergency supplies. Even during the wettest winters on record, no flooding has been recorded within the facility footprint, only minor ponding during high flow conditions.

Additionally, the District completed construction on a major Wastewater Treatment Facility Redundancy and Improvements Project. This project will provide 0.2% annual chance (500-year) flood protection for critical infrastructure via flood gates and elevation improvements, with targeted protections between 14.75 and 15.25 feet NAVD88. Although the site will meet this level of protection, access roads will remain more vulnerable to future events exceeding 2023 levels.

Monitoring of flood hazard triggers, such as water levels in Arroyo Grande Lagoon and overtopping of the north levee, is ongoing. Post-event inspections, stream gauge data, and adaptive monitoring protocols inform annual planning and emergency readiness. The District continues to refine flood triggers to improve their predictive accuracy, including duration-based thresholds and site-specific assessments.

Finally, the District benefits from the efforts of its regional partners. The Oceano CSD completed Phase 1 of a \$2.5 million stormwater recharge project, which will reduce runoff into Meadow Creek near the District site. Additional vegetation management and channel maintenance is routinely conducted by State Parks and the County to mitigate upstream flooding that could impact the District facility.

Figure U-7, below, shows the District's DWR & FEMA Flood Hazard boundary extents.

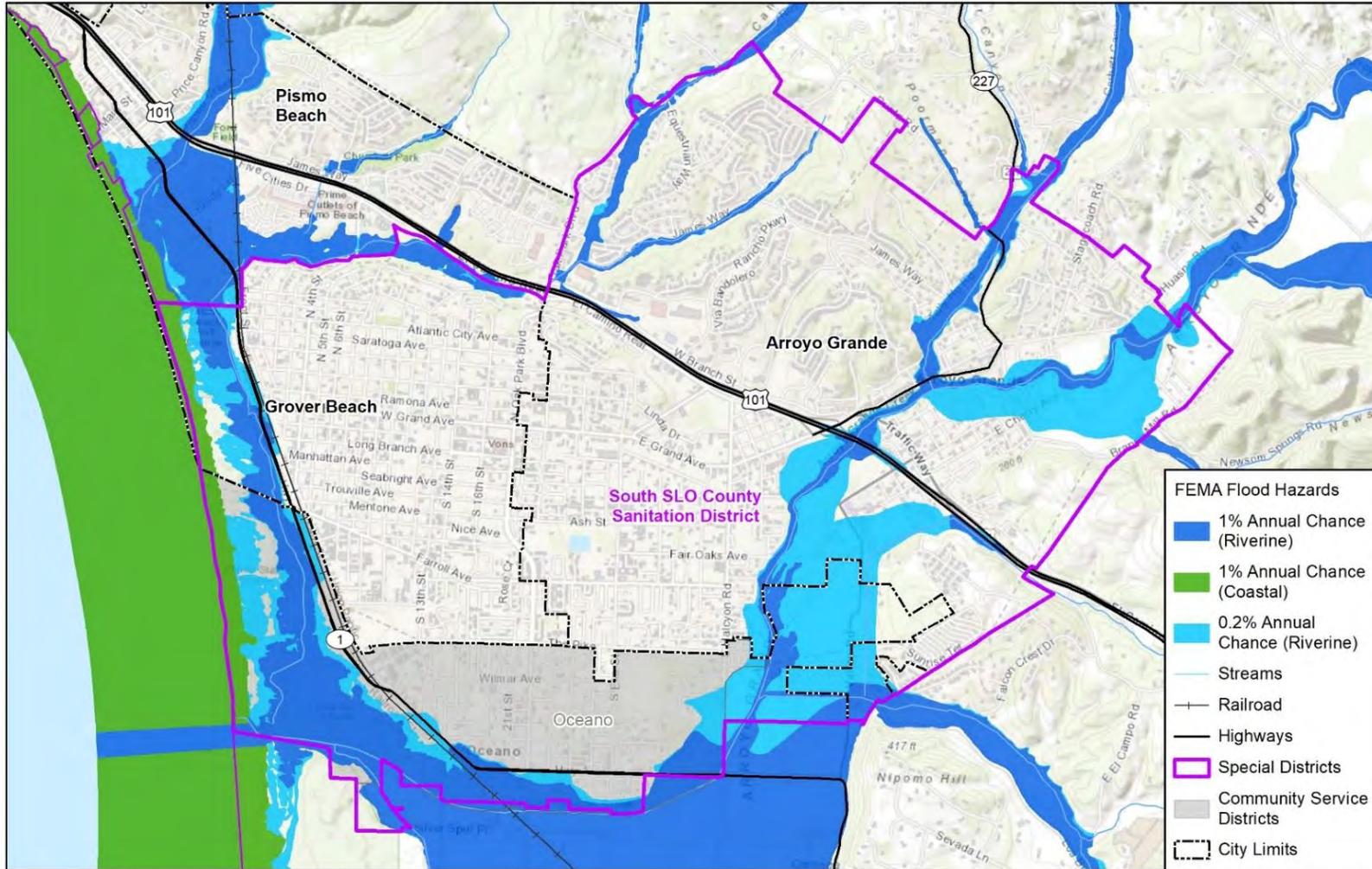
The District remains an active stakeholder in regional water and flood planning and supports the County's participation in the National Flood Insurance Program (NFIP). Overall, flood hazards remain a significant concern due to the low-lying coastal geography and hydrologic



convergence in the area. Flood is rated as a **medium** significance hazard for the District. For more information on flooding, please refer to Section 5.3.8 of the Base Plan.



Figure U-7 South San Luis Obispo County Sanitation District DWR & FEMA Flood Hazards



Map compiled 2/2025;
 Intended for planning purposes only.
 Data Source: San Luis Obispo County,
 FEMA NFHL Effective 6/6/2024,
 DWR, USACE Comprehensive Study

0 0.5 1 2 Miles





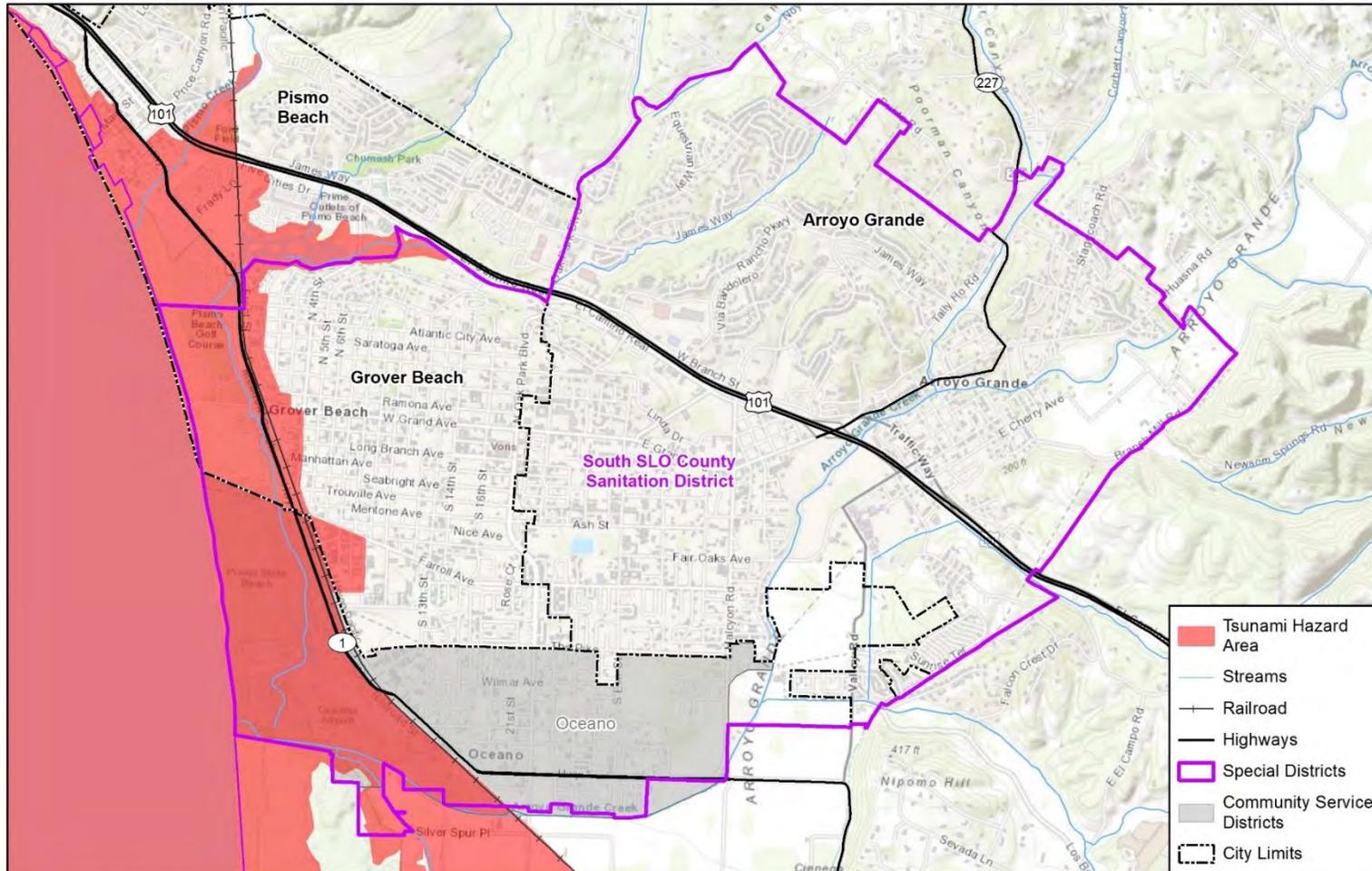
U.3.3.10 Tsunami

Tsunamis can be generated by offshore seismic activity and generate strong surges with the potential to damage and inundate coastal areas. Tsunamis generally affect coastal communities and low-lying waterways in the vicinity of the coast. Flooding caused by a tsunami brings with it a massive amount of pollution and debris, along with direct damage to buildings and infrastructure, which could cause catastrophic failure to the districts stormwater management and wastewater treatment systems. The District's wastewater facility is located directly within the inundation zone in the map shown below. An event large enough to take out the wastewater facility would put district employees at risk of dam inundation flooding and would likely damage enough of the district's infrastructure to completely take the district out of service until repairs could be made.

Overall, tsunami hazards have been rated by the planning team as holding **low** significance for the District. More information on Tsunamis can be found in Section 5.3.14 of the base plan.



Figure U-8 South San Luis Obispo County Sanitation District Tsunami Hazard



Map compiled 2/2025;
 Intended for planning purposes only.
 Data Source: San Luis Obispo County,
 California Geological Survey, Department of Conservation

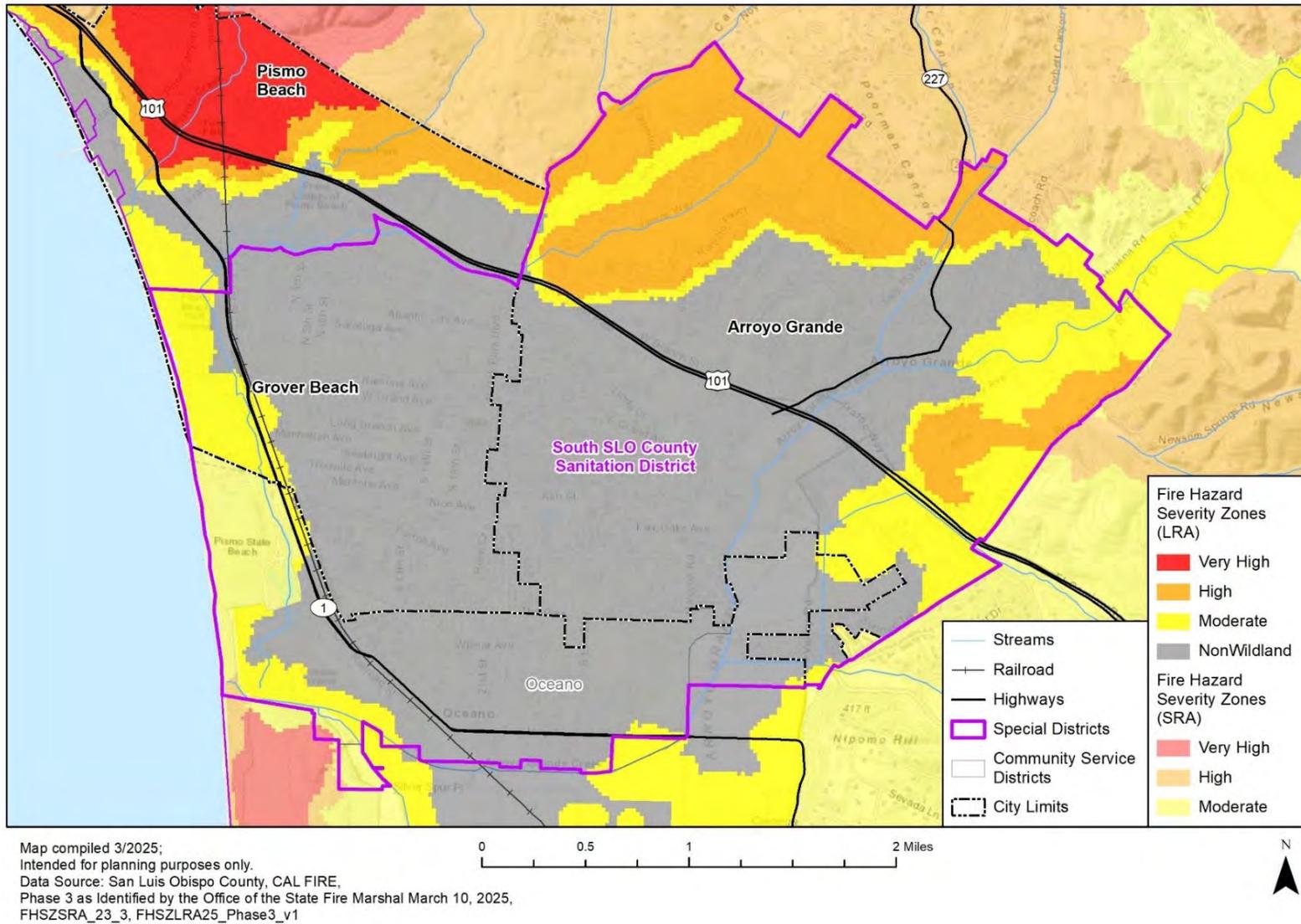


U.3.3.11 Wildfire

The overall hazard significance rating for South San Luis Obispo Sanitation District is rated **low**. The district's main facilities, including wastewater treatment plant and supporting infrastructure, are situated in relatively developed and coastal areas, where the natural vegetation load and wildfire threat are significantly lower compared to inland, rural, or heavily forested areas. Although wildfires are a recognized hazard in San Luis Obispo County, the immediate vicinity of the SSLOCS D facilities is characterized by urban development, agricultural land, and coastal influences. Additionally, the proximity to the ocean affects the humidity levels that can help prevent wildfires in the area. Figure U-9 depicts the Fire Hazard Severity Zones in South San Luis Obispo Sanitation District.



Figure U-9 South San Luis Obispo County Sanitation District Fire Hazard Severity Zones





U.3.3.12 Hazardous Materials Incidents

The district LPT rated hazardous materials incidents as having **low** overall significance. The Cal OES Spill Release Reporting Center reports 15 hazardous materials incidents in the unincorporated parts of the county from January 1st, 2019 through December 20th, 2024. This likely excludes a number of unreported minor spills. The 15 reported incidents constitutes 3% of the hazardous materials incidents reported countywide during the same time frame and averages out to roughly 2.5 incidents per year.

U.4 Capability Assessment

Capabilities are the programs and policies currently in use to reduce hazard impacts, or that could be used to implement hazard mitigation activities. This capability assessment is divided into five sections: regulatory mitigation capabilities, administrative and technical mitigation capabilities, fiscal mitigation capabilities, mitigation outreach and partnerships, and other mitigation efforts.

To develop this capability assessment, the jurisdictional and District planning representatives used a matrix of common mitigation activities to inventory policies or programs in place. The team then supplemented this inventory by reviewing additional existing policies, regulations, plans, and programs to determine if they contributed to reducing hazard-related losses.

During the plan update process, this inventory was reviewed by the jurisdictional and district planning representatives and WSP consultant team staff to update information where applicable and note ways in which these capabilities have improved or expanded. In summarizing current capabilities and identifying gaps, the jurisdictional planning representatives also considered their ability to expand or improve upon existing policies and programs as potential new mitigation strategies. The Sanitation District capabilities are summarized below.

U.4.1 Regulatory Mitigation Capabilities

Table U-7 identifies existing regulatory capabilities the District has in place to help with future mitigation efforts. Note: many of the regulatory capabilities that can be used for the District are within the County’s jurisdiction. Refer to the Base Plan’s Section 6 Capability Assessment for specific information related to the County’s mitigation capabilities as well as more details on this topic.

Table U-7 Sanitation District Regulatory Mitigation Capabilities

REGULATORY TOOL	YES/ NO	COMMENTS
General plan	No	
Zoning ordinance	No	
Subdivision ordinance	No	
Growth management ordinance	No	
Floodplain ordinance	No	
Other special purpose ordinance (stormwater, water conservation, wildfire)	Yes	
Building code	No	
Fire department ISO rating	No	



REGULATORY TOOL	YES/ NO	COMMENTS
Erosion or sediment control program	No	
Stormwater management program	No	
Site plan review requirements	No	
Capital improvements plan	No	
Economic development plan	No	
Local emergency operations plan	No	
Other special plans	No	
Flood Insurance Study or other engineering study for streams	No	
Elevation certificates (for floodplain development)	No	

Discussion on Existing Building Codes, Land Use and Development Regulations

Coordination and synchronization with other community planning mechanisms and efforts are vital to the success of this Plan. To have a thorough evaluation of hazard mitigation practices already in place, appropriate planning procedures should also involve identifying and reviewing existing plans, policies, regulations, codes, tools, and other actions are designed to reduce a community’s risk and vulnerability from natural hazards.

As an unincorporated community, the South SLO County Sanitation District is referenced in other County and City planning documents and regulated by County policies and planning mechanisms. Integrating existing planning efforts, mitigation policies, and action strategies into this annex establishes a credible, comprehensive document that weaves the common threads of a community’s values together. The development of this Special District annex involved a comprehensive review of existing plans, studies, reports, and initiatives from San Luis Obispo County and the Sanitation District that relate to hazards or hazard mitigation. A high-level summary of the key plans, studies and reports is summarized in Table U-8. Information on how they informed the update are noted and incorporated where applicable.

In addition to the development standards within the existing Local Hazard Mitigation Plans by Arroyo Grande and Grover Beach, there are County planning mechanisms that regulate future and existing development within the District’s planning area. Refer to Sea Level Rise as well as Section 6 of the Base Plan for more information on the plans, policies, regulations and staff that govern the South SLO County Sanitation District.

Table U-8 Summary of Review of Key Plans, Studies, and Reports for the Sanitation District

PLAN, STUDY, REPORT NAME	HOW DOCUMENT INFORMED THE ANNEX
County of San Luis Obispo Local Hazard Mitigation Plan (2014)	Informed past hazard event history, hazard profile and background, and mitigation strategy information.
South SLO County Sanitation District 2018 Strategic Plan	Obtained current District information, ongoing efforts, water use information, etc.
San Luis Obispo County 2014 Integrated Regional Water Management Plan	Obtained information on water use in Nipomo, water management regions, and the drought/water scarcity hazard.



PLAN, STUDY, REPORT NAME	HOW DOCUMENT INFORMED THE ANNEX
State of California’s Hazard Mitigation Plan - Updated 2018	General information on hazards, events, and vulnerability assessments.
San Luis Obispo County Dam and Levee Failure Evacuation Plan - Updated 2016	Flooding, dam, and levee hazard information and recent studies.
2014-2016 Resource Summary Report for San Luis Obispo County’s General Plan	Pulled information about water resources, reliability, and ongoing efforts to increase resilience in the county and District of Nipomo as related to drought.
Multi-Jurisdictional Local Hazard Mitigation Plan for the City of Arroyo Grande, City of Grover Beach, Lucia Mar Unified School District, and the South San Luis Obispo County Sanitation District - 2015	General background information on the Sanitation District and its member communities as well as hazards, events, mitigation capabilities, goals, etc.
Oceano Community Services District Local Hazard Mitigation Plan - 2018	General background information on the community as well as hazards, events, mitigation capabilities, goals, etc.

U.4.2 Administrative/Technical Mitigation Capabilities

Table U-9 identifies the personnel responsible for activities related to mitigation and loss prevention in the South SLO County Sanitation District.

Table U-9 Sanitation District Administrative/Technical Mitigation Capabilities

PERSONNEL RESOURCES	YES/NO	DEPARTMENT/POSITION/COMMENTS
Planner/engineer with knowledge of land development/land management practices	Yes	District Administrator
Engineer/professional trained in construction practices related to buildings and/or infrastructure	Yes	District Administrator
Planner/engineer/scientist with an understanding of natural hazards	Yes	District Administrator
Personnel skilled in GIS	Yes	Operators
Full time building official	No	
Floodplain manager	No	
Emergency manager	No	
Grant writer	No	
Other personnel	Yes	District Administrator (Professional Engineer), Certified Wastewater Treatment Plant Operators, ELAP Certified Laboratory Technician, Secretary/Bookkeeper
GIS Data Resources	Yes	Arc GIS of Trunk Sewer Line



PERSONNEL RESOURCES	YES/ NO	DEPARTMENT/POSITION/COMMENTS
(Hazard areas, critical facilities, land use, building footprints, etc.)		
Warning systems/services (Reverse 9-11, outdoor warning signals)	No	

U.4.3 Fiscal Mitigation Capabilities

Table U-10 identifies financial tools or resources that the District could potentially use to help fund mitigation activities.

Table U-10 Sanitation District Fiscal Mitigation Capabilities

FINANCIAL RESOURCES	ACCESSIBLE/ELIGIBLE TO USE (YES/NO)
Community Development Block Grants	No
Capital improvements project funding	Yes
Authority to levy taxes for specific purposes	No
Fees for water, sewer, gas, or electric services	Yes
Impact fees for new development	No
Incur debt through general obligation bonds	Yes
Incur debt through special tax bonds	No
Incur debt through private activities	No
Withhold spending in hazard prone areas	No

U.4.4 National Flood Insurance Program

As a special district, the South San Luis Obispo Sanitation District is not eligible to participate in the National Flood Insurance Program (NFIP) and does not have any mapped special flood hazard areas. Accordingly, there are no repetitive loss or severe repetitive loss properties, as defined by the NIFP, located within the District.

U.4.5 Mitigation Outreach and Partnerships

The South SLO County Sanitation District runs a responsible water use outreach program to encourage conservation and efficiency by sending out public notices via quarterly newsletters, school outreach efforts, and bill stuffers for water conversation, responsible water use, and sewer misuse examples. Other outreach, partnership, and general District efforts include those stated in existing planning mechanisms such as the Local Hazard Mitigation Plan shared by the participating jurisdictions (Arroyo Grande and Grover Beach) and the special district (Oceano).

U.4.6 Opportunities for Enhancement

Based on this capability assessment and the noted information from existing plans and efforts, the South SLO County Sanitation District has several existing mechanisms in place that help to



mitigate hazards. There are also opportunities for the District to expand or improve on these policies and programs to further protect their infrastructure and the communities they serve.

Future improvements may include providing training for staff members related to hazards or hazard mitigation grant funding in partnership with the County and Cal OES. Additional training opportunities will help to inform District staff and board members on how best to integrate hazard information and mitigation projects into the District policies and ongoing duties of the District. Continuing to train District staff on mitigation and the hazards that pose a risk to the South SLO County Sanitation District will lead to more informed staff members who can better communicate this information to the public and prevent or respond to changes in development and the District makeup overall.

The Planning Team for the District noted that South SLO Sanitation District often seeks to find opportunities to reinforce and strengthen its infrastructure during the initial design of facilities planned to be built. The District has developed a robust Coastal Hazards Monitoring Plan. To enhance its mitigation efforts, District could update and integrate its Coastal Hazards Monitoring Program with County-wide flood alert and emergency management systems, while also refining and publishing clearly defined flood triggers and response protocols informed by multi-year monitoring data.

Strengthening coordination with nearby jurisdictions and regional partners, particularly around shared watershed concerns like the Arroyo Grande Lagoon, could support more effective joint mitigation strategies. The District could also engage with local emergency services to ensure the wastewater treatment plant is incorporated into regional evacuation, continuity of operations, and communication plans. Collaborating with local schools or universities could provide valuable research support on issues such as sea level rise, erosion, and treatment technology.

U.5 Mitigation Strategy

U.5.1 Mitigation Goals and Objectives

The Sanitation District adopts those hazard mitigation goals and objectives developed by the County Planning Team and described in Section 7 of the Base Plan: Mitigation Strategy.

U.5.2 Completed 2019 Mitigation Actions

During the 2025 planning process the South San Luis Obispo Sanitation District LPT reviewed all the mitigation actions from the 2019 plan. The LPT identified that two actions that were completed, described in Table U-11.

Table U-11 South San Luis Obispo Sanitation District Completed Actions

2019 ACTION ID	HAZARD(S) ADDRESSED	MITIGATION ACTION TITLE	LEAD AGENCY	ACTION STATUS NOTES
SD.2	Flood; Coastal Flood/ Coastal Erosion/ Sea Level Rise; Earthquake, Dam incident	Redundancy Project - Flood Risk Mitigation Strategy. All critical new and existing facilities will be installed or upgraded to be protected from the 100-year flood event on Arroyo Grande Creek as defined by Flood Insurance Rate Map (FIRM) maps. This would also protect these facilities from floods	SSLOCSD	Completed. Flood mitigation has been installed around existing critical infrastructure throughout the facility. In addition, new structures and equipment were



2019 ACTION ID	HAZARD(S) ADDRESSED	MITIGATION ACTION TITLE	LEAD AGENCY	ACTION STATUS NOTES
		caused by sea level rise for the design life of the facilities and provide additional protection from dam incident flooding.		built/installed out of 100-year flood elevation.
SD.3	Earthquake	Wastewater Treatment Plant Redundancy Project - Implementation of liquefaction hazard mitigation measures per the 2019 Redundancy Project Geotechnical Report during construction of additional treatment infrastructure.	SSLOCSD	Completed

U.5.3 Mitigation Actions

The Planning Team for the South SLO County Sanitation District identified and prioritized the mitigation actions detailed in Table U-12 based on the conducted risk assessment. Actions were prioritized using the process described in Section 7.2.1 of the Base Plan. Timeline and project cost definitions are noted in Section 7.3.2 of the Base Plan. Background information and information on how each action will be implemented and administered, such as ideas for implementation, responsible office, potential funding, estimated cost, and timeline are also included. Actions with an asterisk (*) are those that mitigate losses to future development.

It is important to note that the ‘Primary Hazards Mitigated’ column uses an abbreviated version of Adverse Weather hazards in the interest of conciseness: References to ‘Adverse Weather: Thunderstorm’ includes the subhazards Thunderstorm/Heavy Rain/Lightning/Hail.



Table U-12 South SLO County Sanitation District's Mitigation Action Plan

MITIGATION ACTION NUMBER	PRIMARY HAZARD(S) MITIGATED	DESCRIPTIONS/BACKGROUND/BENEFITS	LEAD AGENCY & PARTNERS	ESTIMATED COST & POTENTIAL FUNDING SOURCES	2025 PRIORITY	TIMELINE	STATUS/IMPLEMENTATION NOTES
SD.1	Adverse Weather: Thunderstorm, High Wind, Extreme Heat; Coastal Storm/Coastal Erosion/Sea Level Rise; Flood, Tsunami	Coastal Monitoring Program. Regularly monitoring flood and other coastal hazards at the site and management responses to those hazards both on and off site. Identifying how those hazards are impacting and affecting operations of the wastewater treatment plant. Identifying changes necessary to allow continued appropriate and required functioning of the plant. Identifying flood/hazard "triggers" to establish when actions (such as retrofits, upgrades, and including plant relocation) need to be pursued in response to specific flood/hazard events or flood management activities.	SSLOCS D administration	Moderate; HMGP	High	Annual Implementation	Annual Implementation. The District continues its Coastal Hazards Monitoring Program with its last report (monitoring period May 1, 2023 - April 30, 2024) submitted to the California Coastal Commission in June 2024.
SD.2	Adverse Weather: Thunderstorm, High Wind, Extreme Heat; Coastal Storm/Coastal Erosion/Sea Level Rise, Dam Incident; Flood; Earthquake, Wildfire	Continue inspection and improvements to wastewater treatment facility critical infrastructure and collection system to ensure resiliency for adverse weather, floods, dam incidents, earthquakes and wildfires.	SSLOCS D administration	High: Fund 19- Operating Expense, Fund 26 - Replacement	High	Annual Implementation.	New in 2025



MITIGATION ACTION NUMBER	PRIMARY HAZARD(S) MITIGATED	DESCRIPTIONS/BACKGROUND/BENEFITS	LEAD AGENCY & PARTNERS	ESTIMATED COST & POTENTIAL FUNDING SOURCES	2025 PRIORITY	TIMELINE	STATUS/IMPLEMENTATION NOTES
SD.3	Drought and Water Shortage, Coastal Storm/Coastal Erosion/Sea Level Rise;	Assess alternate wastewater treatment facility effluent disposal methods to reduce impacts on water supply. Evaluate options for recycled water use (title 22 and/or IPR), treatment, and disposal to reduce impacts on groundwater basins, reduce seawater intrusion, offset potable water use, offset ag. use. Implement and construct projects and side stream studies.	SSLOCSD administration, Regional Agencies, Permitting Agencies, Regulatory Agencies.	High; Prop 4, FEMA Hazard Mitigation Assistance Grant (HMGP, FMA), General Funds, In-Kind Donations	Medium	Annual Implementation	New in 2025
SD.4	Coastal Storm/Coastal Erosion/Sea Level Rise; Dam Incident; Hazmat; Earthquake, Flood, Tsunami, Wildfire	District maintains an up-to-date Hazard Materials Business Plan which includes an inventory of hazardous materials on site, emergency communications, phone numbers, notifications, emergency containment and cleanup procedures, facility evacuation, arrangement for emergency services, emergency equipment inventory, and includes employee training on handling of hazardous materials and/or hazardous wastes during normal and/or emergency operations. Plan will consider the potential of various natural hazards to cause a spill or release.	SSLOCSD administration	Moderate; FEMA FP&S Grant, DOT Hazardous Materials Emergency Preparedness Grant, General Fund, Staff Time	Medium	Annual Implementation	New in 2025



U.6 Implementation and Maintenance

Moving forward, the South SLO County Sanitation District will use the mitigation action table in the previous section to track progress on implementation of each project. Implementation of the plan overall is discussed in Section 8 Implementation and Monitoring of the Base Plan.

U.6.1 Incorporation into Existing Planning Mechanisms

The information contained within this annex and the Base Plan, including results from the Vulnerability Assessments and the Mitigation Strategy, will be used by the District to help inform updates of the Sanitation District's existing plans (e.g. Strategic Plan) as well as in the development of additional local plans, programs, regulations, and policies. Understanding the hazards that pose a risk and the specific vulnerabilities to the District and its sphere of influence will help in future capital improvement planning and development for the District. The San Luis Obispo County Planning & Building Department may utilize the hazard information when reviewing a site plan or other type of development applications within or nearby the boundaries of the South SLO County Sanitation District area. As noted in Section 8 Implementation and Monitoring, the Planning Team representative/s from the South SLO County Sanitation District will report on efforts to integrate the hazard mitigation plan into local plans, programs, regulations, and policies and will report on these efforts at the annual Hazard Mitigation Plan and Planning Team review meeting.

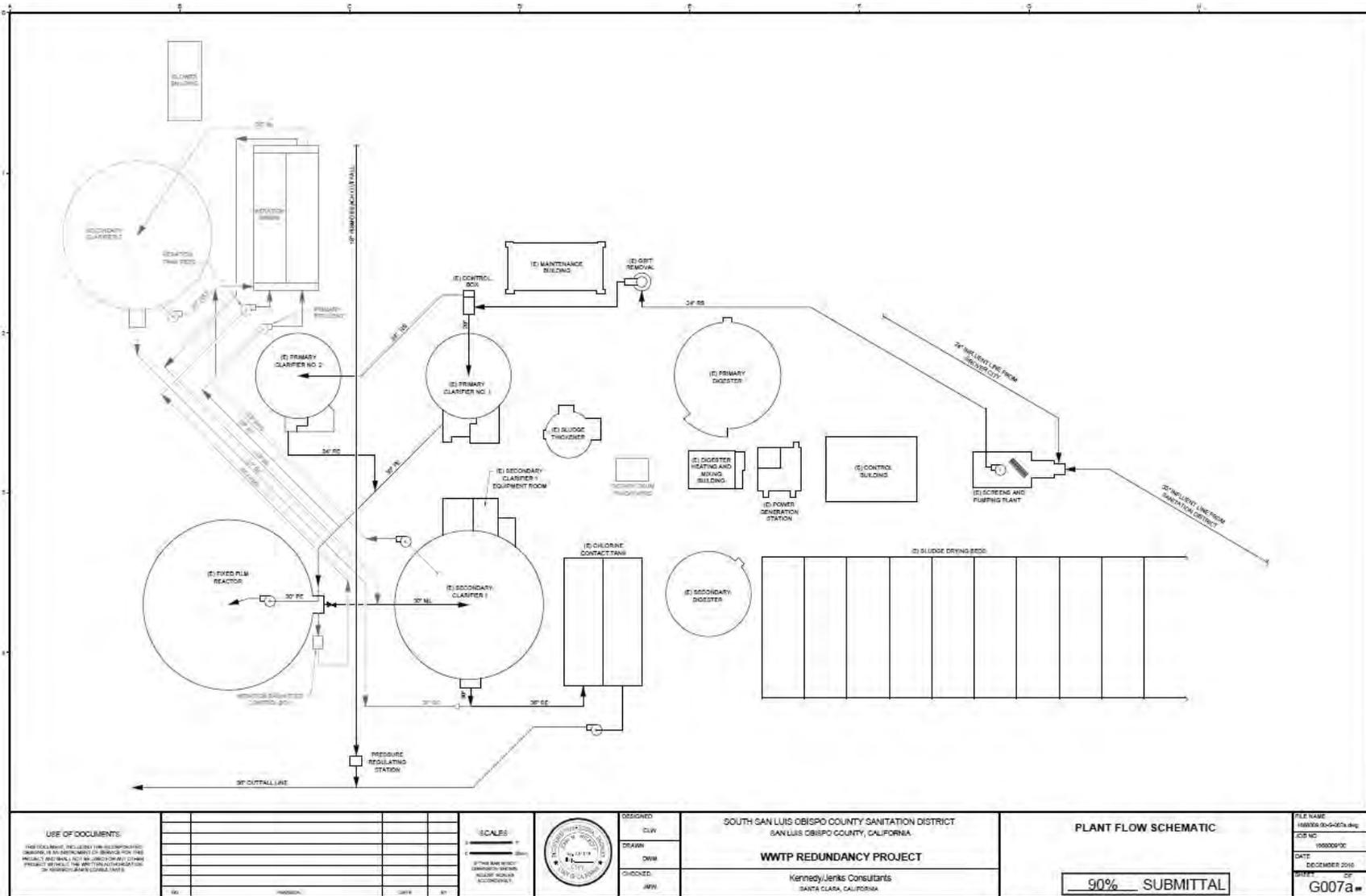
U.6.2 Monitoring, Evaluation and Updating the Plan

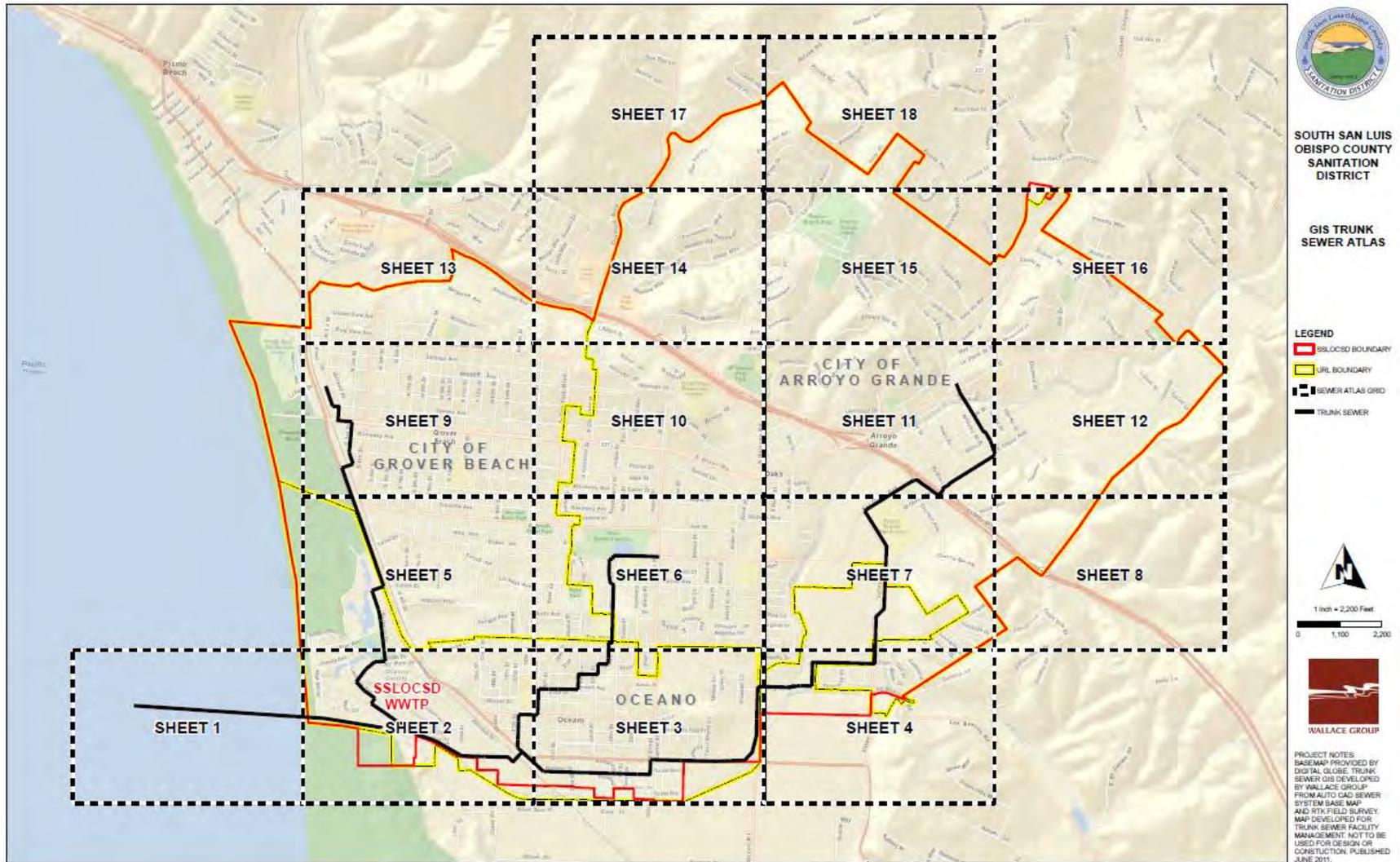
The South SLO County Sanitation District will follow the procedures to monitor, review, and update this plan in accordance with San Luis Obispo County as outlined in Section 8 of the Base Plan. The District will continue to involve the public in mitigation, as described in Section 8.3 of the base plan. The CSD General Manager will be responsible for representing the Community Services District in related County Hazard Mitigation Plan meetings or events, and for coordination with County staff and departments during plan updates. The Sanitation District realizes it is important to review the plan regularly and update it every five years in accordance with the FEMA Disaster Mitigation Act Requirements as well as other State of California requirements.



U.7 Attachments









FEMA

December 29, 2025

Scott Milner
Emergency Services Coordinator
County of San Luis Obispo Office of Emergency Services
1055 Monterey Street, Suite D430
San Luis Obispo, CA 93408

Reference: Hazard Mitigation Plan Review for San Luis Obispo County, CA

Dear Scott Milner:

The Federal Emergency Management Agency (FEMA) has completed its review of the 2025 San Luis Obispo County Hazard Mitigation Plan in accordance with the Code of Federal Regulations, Title 44, Part 201, Section 6 (44 CFR 201.6) for local hazard mitigation plans.

All mandatory requirements associated with 44 CFR 201.6 for local hazard mitigation plans have been met and the plan is eligible for final approval, pending its adoption by San Luis Obispo County and its planning participants. Formal adoption documentation must be submitted to FEMA Region 9 within one calendar year from the date of this letter.

FEMA's review did identify the need for a revision in the dam safety section to fulfill the eligibility requirements for the Rehabilitation of the High Hazard Potential Dam (HHPD) grant program, which is outlined in the enclosed Plan Review Tool. This revision is considered optional and is only required to maintain eligibility for the HHPD program.

Please note that while local hazard mitigation plans may include additional content to meet Element H: Additional State Requirements or other local objectives, FEMA's Approvable Pending Adoption (APA) status does not constitute review or approval of any content exceeding FEMA's mitigation planning requirements.

If you have any questions regarding the planning or review processes, please contact the FEMA Region 9 Hazard Mitigation Planning Team at fema-r9-mitigation-planning@fema.dhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Alison Kearns". The signature is written in a cursive style with a long, sweeping underline.

Alison Kearns
Planning and Implementation Branch Chief
Mitigation Division
FEMA Region 9

County of San Luis Obispo Hazard Mitigation Plan Review Completion Notice
December 29, 2025
Page 2 of 2

Enclosure (1)

San Luis Obispo County Plan Review Tool, dated December 29, 2025
Status of Participating Jurisdictions, dated December 29, 2025

cc: Robyn Fennig, State Hazard Mitigation Officer, California Governor's Office of
Emergency Services
Victoria LaMar-Haas, Hazard Mitigation Planning Chief, California Governor's Office of
Emergency Services

Status of Participating Jurisdictions as of December 29, 2025

Jurisdictions Adopted and Approved

#	Jurisdiction	Adoption Receipt Date

Jurisdictions Approvable Pending Adoption

#	Jurisdiction
1	County of San Luis Obispo
2	City of Arroyo Grande
3	City of Atascadero
4	City of Grover Beach
5	City of Morro Bay
6	City of Paso Robles
7	City of Pismo Beach
8	City of San Luis Obispo
9	Avila Beach Community Services District
10	Cambria Community Services District
11	Cayucos Sanitary District
12	Ground Squirrel Hollow Community Services District
13	Heritage Ranch Community Services District
14	Los Osos Community Services District
15	Nipomo Community Services District
16	Oceano Community Services District
17	Port of San Luis Harbor District
18	San Luis Obispo Flood Control and Water Conservation District
19	San Miguel Community Services District
20	San Simeon Community Services District
21	South San Luis Obispo County Sanitation District
22	Templeton Community Services District



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

Staff Report

To: Board of Directors
From: Jeremy Ghent, District Administrator; Mychal Jones, Plant Superintendent
Date: March 4, 2026

Subject: DISTRICT ADMINISTRATOR AND PLANT OPERATIONS REPORT

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

Capital Projects:

Redundancy Project:

- *The District has completed working with the vendor on warranty issues for the Rotary Drum Thickeners.*
- *All new equipment is fully operational*
- *There are no other notable issues with the new plant equipment.*

Cogeneration Project:

- *Full Update Given as ITEM 6C*

Misc:

- *District staff assisted and monitored Souza Construction and the City of Grover Beach during an overnight (11pm-6am) sewer connection to a newly installed SSLOCSD access structure (manhole) on Manhattan Avenue.*
- *District staff continue to coordinate and communicate with City of Grover staff regarding ongoing City sewer improvements.*
- *District continues to accommodate an Army Corps of Engineers research effort studying the effects of liquefaction during an earthquake. ACOE staff and researchers have been utilizing the northeast parking area at our facility to conduct soils analysis and testing to further the understanding of earthquake science.*
- *Staff is working with SLOCounty Airports and the FAA to correct a recent FAA boundary error that incorrectly added the entire Sanitation District 10 acre parcel to the Oceano Airport. Staff believes that the error is in the process of being corrected and we will update the Board when it is corrected or if additional efforts become required.*

Plant Tours:

None

Upcoming Meetings: *April 1st Standard Business and TBD items.*

Plant Operations Report

There were no violations of the District's National Pollutant Discharge Elimination System (NPDES) Permit during the January to February 2025 reporting period. All regulatory required analyses were within Permit limitations.

January 2026 Plant Data

January 2026	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100 mL	Chlorine Usage lbs/day
Low	2.22	3.1	321	6.7		290	6.5		<1	61
High	3.11	4.7	508	13.0		660	9.3		2	121
Jan 2026 AVG	2.44	3.5	422	8.2	98.1	468	8	98.3	1.1	86
Jan 2025 AVG	2.27	3.4	364	28.6	92.1	371	27.6	92.6	3.17	213
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

February 2026 Plant Data

February 2026	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100 mL	Chlorine Usage lbs/day
Low	2.22	3.2	398	8.0		368	8.0		<1	61
High	3	6.2	615	10.0		668	14.0		9	184
Feb 2026 AVG	2.4	3.7	505	9.5	98.1	547	10.3	98.1	1.6	117
Feb 2025 AVG	2.32	3.56	436	46.1	89.4	378	27.1	92.8	2.09	265
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

Operation and Maintenance Tasks

- Replaced influent composite sampler
- Installed new sprayers and piping on centrifuge centrate drain line
- Checked and marked Underground Service Alerts
- Troubleshoot rotary drum thickener operation and control logic
- Troubleshoot thickened waste activated sludge pump variable frequency drives
- Drained and rinsed chemical containments throughout facility
- Replaced gauges on centrifuge polymer injection system
- Rehabilitated metal pipe rack and organized metal storage
- Performed landscaping and weed abatement of plant grounds
- Trimmed large trees at facility front entry
- Power outage on 1/15/2026. Operations staff monitored and verified all process for proper operation during outage and following return to utility power

- Replaced variable frequency drive and harmonic balancer exterior filters in Motor Control Center 5
- Replaced waste activated sludge (WAS) pump mechanical seal and lubricants
- Replaced chemical injection piping on backside of Chlorine Contact Tank (CCT)
- Troubleshoot and repaired pressure washer
- Installed and setup new manhole level monitoring system
- Installed new brushes on street sweeper
- Replaced leaking fitting on chemical injection pump
- Installed new fan assembly on laboratory incubator
- Installed replacement sump pump at Primary Clarifier No. 1 (PC1)
- Replaced chemical induction mixer due to coolant leak

Work Orders Completed

- Inspected and cleaned outfall junction box
- Inspected and cleaned CCT effluent weir
- Test ran both emergency generators and emergency bypass pump
- De-ragged primary sludge pump
- Test ran sumps throughout facility to verify proper operation
- Replaced electrical panel desiccants throughout facility
- Performed preventative maintenance on forklift (Mr. Jackman)
- Performed algae control on clarifiers
- Performed preventative maintenance on mechanical barscreens
- Performed Fixed Film Reactor preventative maintenance and oil change
- Performed preventative maintenance on aeration basin blowers
- Performed preventative maintenance on plant carts
- Performed preventative maintenance on 6-inch trash pump
- Performed monthly facility safety walk inspection
- Performed preventative maintenance on digester vacuum/pressure relief valves
- Performed preventative maintenance on Water Champ chemical induction mixer
- Performed preventative maintenance on reclaim water filtration system

Training

- Operations staff participated in First Aid, CPR, and AED training.

Call Outs

- January 1st at 5:30am – SCADA communications failure. Operations staff responded, inspected system, cleared faults, and verified system back in proper operation. Failure may have been due to a power blip.
- February 15th at 1:28am – SCADA communications failure. Operations staff responded, inspected system, cleared, faults and verified system back in proper operation. Failure may have been due to a power blip or communication interruption.
- February 15th at 4:16am – Primary Sludge Pump fault. Operations staff responded and inspected pump fault. Cleared and placed back in operation.

- February 17th at 1:11am – RDT 1 device failure. Operations staff found condensation in RDT control panel which caused the HMI panel to fail. RDT 1 has been shutdown until the HMI panel can be replaced. Expected delivery of replacement parts is expected early to mid-March.
- February 18th – Intrusion Alarm. Operations staff responded and inspected facility. Intrusion/Door ajar alarm was due to heavy winds during storm event.

Staff



Operators Mario De Leon and Everardo Vargas performing tree maintenance.



Senior Operator Chris Rigoni and Operations Supervisor Mike Arias performing the WAS pump mechanical seal replacement.



Operators Justin Musick and Mario De Leon performing the installation of a manhole level monitor.