



**Notice of Regular Meeting**  
**Oceano Community Services District - Board of Directors Agenda**  
**WEDNESDAY, DECEMBER 11, 2024 – 6:00 P.M.**  
**Oceano Community Services District Board Room**  
**1655 Front Street Oceano, CA**

All items on the agenda, including information items, may be deliberated. Any member of the public with an interest in one of these items should review the background material and request information on the possible action that could be taken.

The Oceano Community Services District strongly encourages your active participation in the public process, which is the cornerstone of democracy. All persons desiring to speak during any Public Comment period are asked to fill out a "Board Appearance Form" to submit to the Board Secretary prior to the start of the meeting. If you wish to speak to an item NOT on the agenda, you may do so during the "Public Comment On Matters Not on the Agenda" period. Each individual speaker is limited to a presentation time of THREE (3) minutes per item. The time limits allocated to speakers may change to facilitate the Board meeting better. Time limits may not be yielded to or shared with other speakers.

The purpose of the Board meeting is to conduct the business of the community in an effective and efficient manner. For the benefit of the community, the Oceano Community Services District asks that you follow the Board meeting guidelines while attending Board meetings and treat everyone with respect and dignity. This is done by following meeting guidelines set forth in State law and Board policy. Disruptive conduct is not tolerated, including but not limited to addressing the Board without first being recognized; interrupting speakers, Board members, or staff; continuing to speak after the allotted time has expired; failing to relinquish the podium when directed to do so; and repetitiously addressing the same subject.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. FLAG SALUTE**
- 4. AGENDA REVIEW**
- 5. BOARD ITEMS:**
  - A.** Outgoing Boardmember comments
  - B.** Administer Oaths of Office
    1. Linda Austin
    2. Shriley Gibson
    3. Kim Rose
  - C.** Incoming Boardmember comments
  - D.** Election of District Officers, President and Vice President

**6. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA**

*This public comment period provides an opportunity for members of the public to address the Board on matters of interest within the jurisdiction of the District that are not listed on the agenda. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.*

**7. SPECIAL PRESENTATIONS & REPORTS:**

**A. STAFF REPORTS:**

- i. Sheriff's South Station – Commander Ian Doughty
- ii. FCFA Operations – Fire Chief Scott Hallett
- iii. Operations – Utility System Manager Tony Marraccino
- iv. OCSD - General Manager Peter Brown

**B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**

- i. Vice President Joyce-Suneson (Parks & Recreation Advisory Committee, Finance & Budget Committee, CA Special District's Association)

- ii. Director Austin (South San Luis Obispo County Sanitation District, Zone 1/1A)
- iii. Director Gibson (Zone 3, Regional Water Quality Control Board)
- iv. Director Villa (Water Resource Advisory Committee, Local Agency Formation Commission)
- v. Director Rose

**C. PUBLIC COMMENT ON SPECIAL PRESENTATIONS AND REPORTS:**

*This public comment period provides an opportunity for members of the public to address the Board on matters discussed during Special Presentations and Reports. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.*

*the sole discretion to determine when the item will be heard. Members of the public wishing to speak on Consent items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes.*

**8. CONSENT AGENDA ITEMS:**

- A. Action: Review and Approve the Minutes for the Special Meeting held on November 13, 2024 Page 4
- B. Action: Review and Approve the Minutes for the Regular Meeting held on November 13, 2024 Page 5
- C. Information: Review of Cash Disbursements Page 9
- D. Information: Review the proposal by South County Sanitary Service Inc. (SCSS) to adjust solid waste and recycling rates by 4.98% and to increase Franchise Fees from SCSS from 5% to 10% Page 25
- E. Action: Review and approve a Resolution adopting a Workplace Violence Prevention Plan Page 99

**9. BUSINESS ITEMS:**

**Public comment** *Members of the public wishing to speak on business items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes on each of the following items.*

- A. Action: Review and Approval of a Resolution approving the OCSD Office Space and Sherriff's Office Lease Agreements Following OCSD's divestiture of fire services. Page 130
- B. Action: Approval of a resolution Designating the General Manager as the authorized representative to execute agreements for the Ken Mar Gardens, Halcyon Water System, Halcyon Estates, and Grand Mobile Manor Consolidation Projects Improvements Project through the State Revolving Fund Financing Program Page 238
- C. Action: Approve a Budget Adjustment of \$58,818 from Water Fund reserves for design services, construction management and quality assurance services with Advantage Technical Services for the rehabilitation of the 1-million-gallon water storage tank and authorize the General Manager to execute an agreement with Advantage Technical Services Page 245
- D. Action: Request to Approve a Purchase Order for a WillScot office trailer for the utility yard in the amount of \$56,180, with a corresponding Budget Adjustment, including the use of \$33,708 from Water Fund reserves, \$16,854 from Wastewater Fund reserves, and \$5,618 from Solid Waste Fund reserves. Page 259
- E. Action: Discuss and Approve the District's Board Meeting calendar for 2025 Page 278

**10. HEARING ITEMS:**

**Public comment** *Members of the public wishing to speak on hearing items may do so when recognized by the Presiding Officer. If a member of the public wishes to speak at this time, Public comment is limited to three (3) minutes on each of the following items.*

- A. A public hearing on an appeal by Laura Gaisie regarding a water bill and provide staff direction as deemed appropriate Page 281

**11. RECEIVED WRITTEN COMMUNICATIONS:**

**12. FUTURE AGENDA ITEMS:**

**13. CLOSED SESSION:**

- A. PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel
- B. Pursuant to Government Code §54957: Performance evaluation – General Manager

**14. ADJOURNMENT:**

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This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda is posted at the Oceano Community Services District, 1655 Front Street, Oceano, CA. Agenda and reports can be accessed and downloaded from the Oceano Community Services District website at [www.oceanocsd.org](http://www.oceanocsd.org)

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**ASSISTANCE FOR THE DISABLED** If you are disabled in any way and need accommodation to participate in the Board meeting, please call the Clerk of the Board at (805) 481-6730 for assistance at least three (3) working days prior to the meeting so necessary arrangements can be made.



**Oceano Community Services District  
Summary Minutes – Special Board Meeting  
Wednesday, November 13, 2024 – 5:00 PM  
OCSD BOARD ROOM**

1. **CALL TO ORDER:** Called at approximately 5:04PM. by President Varni
  
2. **ROLL CALL:** Board members present: Director Gibson, Director Austin, Director Villa, Vice President Joyce-Suneson, and President Varni.  
Staff present: Peter Brown, General Manager; Carey Casciola, Business & Accounting Manager, and Rob Schultz, Legal Counsel.
  
3. **FLAG SALUTE:** Led by President Varni
  
4. **AGENDA REVIEW:** Accepted as presented.
  
5. **PUBLIC COMMENT FOR ITEMS ON THE AGENDA:** None
  
6. **CLOSED SESSION:**
  - A. **PUBLIC EMPLOYMENT** pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel

President Varni adjourned the Board to closed session at 5:06PM

No reportable action out of closed session.
  
7. **ADJOURNMENT:** President Varni adjourned the meeting at 5:25PM.



**Oceano Community Services District**  
**Summary Minutes – Regular Board Meeting**  
**Wednesday, November 13, 2024 – 6:00 P.M.**  
**OCSD BOARD ROOM**

1. **CALL TO ORDER:** Called at approximately 6:00 p.m. by President Varni
2. **ROLL CALL:** Board members present: Director Gibson, Director Austin, Director Villa, Vice President Joyce-Sunesson, and President Varni.  
Staff present: Peter Brown, General Manager; Carey Casciola, Business & Accounting Manager; and Rob Schultz, Legal Counsel.
3. **FLAG SALUTE:** Led by President Varni.
4. **AGENDA REVIEW:** Accepted as presented.
5. **CLOSED SESSION REPORT FROM THE SPECIAL MEETINGS OF OCTOBER 16<sup>TH</sup>, OCTOBER 25<sup>TH</sup>, AND NOVEMBER 13, 2024:**  
PUBLIC EMPLOYMENT pursuant to Gov. Code Sec. 54957(b)(1) -- Title: District Legal Counsel

No reportable action was taken under the Brown Act that requires reporting.

6. **PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:** None

7. **SPECIAL PRESENTATIONS & REPORTS**

- A. STAFF REPORTS:**

- i. **Sheriff's South Station** – Sergeant Bird  
Oceano October 2024 Stats:  
Calls for service 339 (Oct 2023 366)  
2 assault & battery / 26 disturbances / 0 burglary, theft or mail theft / 2 vandalisms / 37 assist other agencies / 9 suspicious circumstances / 44 enforcement stops resulting in 17 arrests
- ii. **Five Cities Fire Authority** – FCFA Chief Hallet – Absent
- iii. **Operations** - Utility Systems Manager - Tony Marraccino  
Lopez is 92% full (45,537 AF) / 51 AF delivered and 3 AF pumped  
0 SSOs for October 2024  
Continuing with rounds and samples  
12 work orders / 13 USAs / 15 customer service calls / 3 after-hours call outs  
10/18 utility staff supported the office due to staffing shortage.  
The raised manhole on Jetty which has been concreted back in.  
Continuing with dead-end flushing and sewer jetting.  
Replaced the chlorine level at well 8 and repaired the chlorine pump.  
An operator attended a water treatment class in Morro Bay.  
Replaced a broken service line at 2300 Cienaga.  
Currently reading meters.  
Completed first-of-the-month equipment runs and alarm checks.  
Completed two dump runs and concrete and asphalt recycling.  
Hit hydrant at 25<sup>th</sup> Street and Nabal – staff will file an insurance claim.  
Continuing with trash pick up – 5 Ready311 Tickets for October.  
The newly acquired Ford F-150 Lightning is here and available for viewing.

**iv. General Manager – Peter Brown**

9/18 The State Water Board Division of Drinking Water issued the District a new Domestic Water Supply Permit.

Working with the County Flood Control and Water Conservation District and State Water Subcontractors Advisory Committee to update policies and procedures for flexible priority use for state water allocations.

10/15 attended two RCAC workshops.

10/17 attended the LAFCo public hearing on fire divestiture. LAFCo voted in favor of the divestiture and the protest hearing is currently open. It closed on 11/20, and the public hearing will be at 9 am on Thursday, 11/21, at the County Board of Supervisors chambers.

10/30 attended the kickoff for hazard mitigation.

11/1 attended the economic forecast meeting.

11/4 attended the South County multi-jurisdictional meeting with SSLOCSD, SLO Sheriff, IWMA and South County Sanitary, Inc.

11/13 attended the Zone 3 TAC meeting and a field review of the Stormwater Capture Project. Staff is working on evaluating low-cost office modular options for the utility staff.

Will be on vacation next week.

**B. BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS:**

- i. **President Varni:** Regional Water Mgt Group, State Water Subcontractors, Airport Land Use – Reported on the 11/16 OPARC Community Event.
- ii. **Vice President Joyce-Suneson:** Parks & Recreation Advisory Committee, Finance & Budget Committee, CA Special District’s Association – Reported on the 11/5 OPARC meeting.
- iii. **Director Austin:** South San Luis Obispo County Sanitation District, Zone 1/1A – Reported on the 11/6 SSLOCSD meeting.
- iv. **Director Gibson:** Zone 3, Regional Water Quality Control Board – No reports.
- v. **Director Villa:** Water Resource Advisory Committee, Local Agency Formation Commission – No reports.

**C. PUBLIC COMMENT ON BOARD OF DIRECTORS AND OUTSIDE COMMITTEE REPORTS: None**

<b>8. CONSENT AGENDA:</b>	<b>ACTION:</b>
<ul style="list-style-type: none"> <li>a) Action: Review and Approve the Minutes for the Special Meeting held on October 9, 2024</li> <li>b) Action: Review and Approve the Minutes for the Regular Meeting held on October 9, 2024</li> <li>c) Action: Review and Approve the Minutes for the Special Meeting held on October 16, 2024</li> <li>d) Action: Review and Approve the Minutes for the Special Meeting held on October 25, 2024</li> <li>e) Information: Review of Cash Disbursements</li> <li>f) Action: Approval of a Resolution to Close the District Office for normal operations for the three business days of December 26, 27, and 30, 2024</li> <li>g) Action: Adoption of the Notice of Completion (NOC) for the Stormwater and Groundwater Recharge Project (Contract No. 2023-01) Information: Review of Cash Disbursements</li> </ul>	<p>After an opportunity for public comment and Board and staff discussion, a motion was made by Director Austin to approve the consent agenda as presented with a second from Director Gibson with a 5-0 roll call vote.</p> <p>Public Comment: None</p>

<b>9A. BUSINESS ITEMS:</b>	<b>ACTION:</b>
<p>Action: Introduction of a proposal by South County Sanitary Service Inc. (SCSS) to adjust solid waste and recycling rates by 4.98%, to provide for notices to be sent pursuant to Article XIIID of the California Constitution, to set a public hearing for January 8, 2025, authorizing adjustments to solid waste and recycling rates and adopt a resolution to increase Franchise Fees from SCSS from 5% to 10%.</p>	<p>After a presentation from Garth Schultz, President of R3 Consulting Group, and SCSS District Manager Jeff Clarin, Board and staff discussion, an opportunity for public comment and Board and staff discussion, a motion was made by President Varni to approve staff recommendations 1-3, with a second from Director Austin with a 5-0 roll call vote.</p> <p>Public Comment: Giselle Naylor – Had questions for SCSS.</p>

<b>9B. BUSINESS ITEMS:</b>	<b>ACTION:</b>
<p>Action: Approval of a proposal and professional services agreement with GSI Water Solutions Inc. to manage the Northern Cities Management Area groundwater monitoring program and prepare the Annual Monitoring Reports for 2024 through 2026 in the amount of \$135,456 plus contingencies of \$12,193 for a total contract amount of \$147,649</p>	<p>After an opportunity for public comment and Board and staff discussion, President Varni motioned to approve the proposal for a professional services agreement with GSI Water Solutions Inc. to manage the Northern Cities Management Area groundwater monitoring program and prepare the Annual Monitoring Reports for 2024 through 2026 in the amount of \$135,456 plus contingencies of \$12,193 for a total contract amount of \$147,649 with a second from Director Gibson with a 5-0 roll call vote.</p> <p>Public Comment: Giselle Naylor – Had questions relating to Golden State Water in the Nipomo Mesa area.</p>

<b>9C. BUSINESS ITEMS:</b>	<b>ACTION:</b>
<p>Action: Approve a Budget Adjustment of \$134,970 from Water Fund reserves for design services for Phase 1 of the District's Capital Improvement Projects and authorize the General Manager to execute an agreement with Cannon Engineering and to submit a grant application for construction funds.</p>	<p>After an opportunity for public comment and Board and staff discussion, Director Austin made a motion to approve a Budget Adjustment of \$134,970 from Water Fund reserves for design services for Phase 1 of the District's Capital Improvement Projects and authorize the General Manager to execute an agreement with Cannon Engineering and to submit a grant application for construction funds, with a second from Director Villa and a 5-0 roll call vote.</p> <p>Public Comment: Giselle Naylor – Provided comment on records retention.</p>

<b>9D. BUSINESS ITEMS:</b>	<b>ACTION:</b>
<p>Action: Review the draft Encroachment Permit from the San Luis Obispo County Public Works Department and provide staff direction on how to proceed with 2025 maintenance, permitting, and seeking a funding source for the completion of electrical work at the new Oceano Plaza</p>	<p>After an opportunity for public comment , Board and staff discussion, the Board gave direction to staff to opposed moving forward with the encroachment permit and directed the General Manager to inquire with the County regarding available funding options and the costs related to the plaza going forward.</p> <p>Public Comment:  Julie Tacker – In opposition of the Oceano Plaza.  Giselle Naylor - In opposition of the Oceano Plaza.</p>

- 10. **HEARING ITEMS:** None
- 11. **RECEIVED WRITTEN COMMUNICATION:** RCAC Training Certificates
- 12. **FUTURE AGENDA ITEMS:** SCSS rate increase review
- 13. **ADJOURNMENT:** President Varni adjourned the meeting at approximately 8:00PM.





# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

PHONE(805) 481-6730 FAX (805) 481-6836

Date: December 11, 2024

To: Board of Directors

From: Carey Casciola, Business and Accounting Manager

Subject: **Agenda Item #8(C): Recommendation to Review Cash Disbursements**

### Recommendation

It is recommended that the board review the attached cash disbursements:

### Discussion

The following is a summary of the attached cash disbursements. The table captures the payments from last meeting to this meeting.

Description	Check Sequence	Amounts
	61231 - 61264	
<b>Disbursements:</b>		
Regular Payable Register - paid 11/13/2024	61231 - 61242	\$ 9,627.40
Utility Billing Account - Final Bill, Refund Due - paid 12/05/2024	61260 - 61263	\$ 797.77
Reimbursement Agreement Refund Deposit - paid 12/05/2024	61264	\$ 885.00
Subtotal:		\$ 11,310.17
<b>Reoccurring Payments for Board Review (authorized by Resolution 2020-06):</b>		
Payroll Disbursements - PPE 11/02/2024	N/A	\$ 35,077.35
Payroll Disbursements - PPE 11/16/2024	N/A	\$ 35,184.82
Board Member Stipends - 10/31/2024, 11/30/2024	N/A	\$ 1,399.45
Five Star Bank Mastercard Online Payment - paid 11/21/2024	N/A	\$ 1,149.67
Reoccurring Utility Disbursements - paid 11/13/2024 *	61243 - 61251	\$ 3,254.27
Reoccurring Utility Disbursements - paid 11/21/2024	61252 - 61253	\$ 6,963.26
Reoccurring Health Disbursements - paid 11/21/2024	61254 - 61258	\$ 7,711.69
Reoccurring Health Disbursements - paid 12/05/2024	61259	\$ 56.21
Subtotal:		\$ 90,796.72
Grand Total:		\$ 102,106.89

\*Void Lost Check #61175, dated 10/08/2024, \$850.00 - Vendor requested new check, ref. #61249

### Other Agency Involvement

N/A

### Other Financial Considerations

Amounts are within the authorized Fund level budgets.

### Results

The Board's review of cash disbursements is an integral component of the District's system of internal controls and promotes a well governed community.

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE	
CHECK:	-----								
1-1001-000	11/13/2024	CHECK	061231	FAMCON PIPE & SUPPLY, INC.	369.75CR	OUTSTND	A	0/00/0000	02 5-4400-250 SMALL TOOLS AND INSTRUME 184.88 03 5-4500-175 SYSTEM PARTS/OPERATING S 184.87
1-1001-000	11/13/2024	CHECK	061232	J.B. DEWAR, INC.	331.19CR	OUTSTND	A	0/00/0000	12 5-4350-172 FUEL
1-1001-000	11/13/2024	CHECK	061233	KNECHT'S PLUMBING & HEATING, I	519.01CR	OUTSTND	A	0/00/0000	10 5-4300-163 MAINT: STRUC/IMPROV
1-1001-000	11/13/2024	CHECK	061234	MINER'S ACE HARDWARE, INC.	192.52CR	OUTSTND	A	0/00/0000	* see details below
1-1001-000	11/13/2024	CHECK	061235	OPTIMIZED INVESTMENT PARTNERS	831.49CR	OUTSTND	A	0/00/0000	01 5-4100-220 PROFESSIONAL SERVICES
1-1001-000	11/13/2024	CHECK	061236	R&R ROLL-OFF LLC	754.17CR	OUTSTND	A	0/00/0000	06 5-4900-220 PROFESSIONAL SERV
1-1001-000	11/13/2024	CHECK	061237	SLO CO PUBLIC HEALTH DEPT.	2,816.30CR	OUTSTND	A	0/00/0000	02 5-4400-220 PROFESSIONAL/SPECIAL SER
1-1001-000	11/13/2024	CHECK	061238	SPARLING, DOUG	120.00CR	OUTSTND	A	0/00/0000	02 5-4400-248 PERMITS, FEES, LICENSES
1-1001-000	11/13/2024	CHECK	061239	HD SUPPLY, INC. DBA USABLUOBOO	1,248.20CR	OUTSTND	A	0/00/0000	02 5-4400-170 MAINTENANCE: EQUIPMENT 977.49 02 5-4400-175 SYSTEM PARTS/OPERATING S 270.71
1-1001-000	11/13/2024	CHECK	061240	U.S. POSTAL SERVICE	364.00CR	OUTSTND	A	0/00/0000	01 5-4100-200 OFFICE EXPENSE
1-1001-000	11/13/2024	CHECK	061241	VESTIS GROUP, INC. DBA VESTIS	305.77CR	OUTSTND	A	0/00/0000	01 5-4100-100 CLOTHING
1-1001-000	11/13/2024	CHECK	061242	ZENITH INSURANCE COMPANY	1,775.00CR	OUTSTND	A	0/00/0000	01 5-4100-075 COMPENSATION INSURANCE
TOTALS FOR ACCOUNT 1-1001-0				CHECK TOTAL:	9,627.40CR				
				DEPOSIT TOTAL:	0.00				
				INTEREST TOTAL:	0.00				
				MISCELLANEOUS TOTAL:	0.00				
				SERVICE CHARGE TOTAL:	0.00				*MINER'S ACE HARDWARE, INC. \$192.52
				EFT TOTAL:	0.00				10 5-4300-163 MAINT: STRUC/IMPROV 28.10CR
				BANK-DRAFT TOTAL:	0.00				02 5-4400-175 SYSTEM PARTS/OPERATING S 16.30
									02 5-4400-250 SMALL TOOLS AND INSTRUME 68.48
									03 5-4500-175 SYSTEM PARTS/OPERATING S 32.58
									02 5-4400-164 Paving 103.26
TOTALS FOR POOLED CASH FUND				CHECK TOTAL:	9,627.40CR				
				DEPOSIT TOTAL:	0.00				
				INTEREST TOTAL:	0.00				
				MISCELLANEOUS TOTAL:	0.00				
				SERVICE CHARGE TOTAL:	0.00				
				EFT TOTAL:	0.00				
				BANK-DRAFT TOTAL:	0.00				

COMPANY: 99 - POOLED CASH FUND  
 ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
 TYPE: All  
 STATUS: All  
 FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999  
 CLEAR DATE: 0/00/0000 THRU 99/99/9999  
 STATEMENT: 0/00/0000 THRU 99/99/9999  
 VOIDED DATE: 0/00/0000 THRU 99/99/9999  
 AMOUNT: 0.00 THRU 999,999,999.99  
 CHECK NUMBER: 061260 THRU 061263

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	12/05/2024	CHECK	061260	ANDREATTA, MATTHEW	95.71CR	OUTSTND	A	0/00/0000 02 1-1102-000 A/R - REFUNDS
1-1001-000	12/05/2024	CHECK	061261	CALPORTLAND COMPANY	587.72CR	OUTSTND	A	0/00/0000 02 1-1102-000 A/R - REFUNDS
1-1001-000	12/05/2024	CHECK	061262	FIELD, CATHERINE E	22.82CR	OUTSTND	A	0/00/0000 02 1-1102-000 A/R - REFUNDS
1-1001-000	12/05/2024	CHECK	061263	RODRIGUEZ, ANA	91.52CR	OUTSTND	A	0/00/0000 02 1-1102-000 A/R - REFUNDS
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	797.77CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	797.77CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

COMPANY: 99 - POOLED CASH FUND  
ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
TYPE: All  
STATUS: All  
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 061264 THRU 061264

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	12/05/2024	CHECK	061264	SHANI MUSCAT	885.00CR	OUTSTND	A	0/00/0000 02 2-2200-001 DEPOSITS FROM DEVELOPMEN
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	885.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	885.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

**Payroll Summary Report**  
**Board of Directors - Agenda Date December 11, 2024**

	(*)		
Gross Wages	10/19/2024	11/2/2024	11/16/2024
Regular	\$29,880.76	\$29,366.68	\$29,366.69
Overtime Wages	\$196.98	\$495.36	\$901.28
Stand By	\$420.00	\$840.00	\$540.00
Gross Wages	\$30,497.74	\$30,702.04	\$30,807.97
Cell Phone Allowance	\$62.50	\$62.50	\$62.50
Health Pay-Out	\$272.50	\$272.50	\$272.50
Total Wages	\$30,832.74	\$31,037.04	\$31,142.97
<b><u>Disbursements</u></b>			
Net Wages	\$22,748.62	\$22,875.67	\$22,965.56
State and Federal Agencies	\$6,100.17	\$6,273.48	\$6,291.06
CalPERS	\$5,892.80	\$5,791.83	\$5,791.83
SEIU - Union Fees	\$167.80	\$136.37	\$136.37
Total Disbursements processed with Payroll	\$34,909.39	\$35,077.35	\$35,184.82
 Health (Disbursed with reoccurring bills)	 \$5,948.22	 \$5,812.16	 \$4,798.21
Total District Payroll Related Costs	\$40,857.61	\$40,889.51	\$39,983.03

(\*) Previously reported in prior Board Meeting packet - provided for comparison.

**Board Member Stipend Summary Report**  
**Board of Directors - Agenda Date December 11, 2024**

(\*)

	8/30/2024	10/31/2024
<u>Gross Stipends</u>	9/30/2024	11/30/2024
Board Member Stipends	<u>\$2,000.00</u>	<u>\$1,300.00</u>
Gross Stipends	<u>\$2,000.00</u>	<u>\$1,300.00</u>

**Disbursements**

Net Stipends	\$1,846.99	\$1,200.55
State and Federal Agencies	\$306.02	\$198.90
Total Disbursements processed with Stipends	<u>\$2,153.01</u>	<u>\$1,399.45</u>

(\*) Previously reported in prior Board Meeting packet - provided for comparison.

RECEIVED  
OCT 16 2024



BOARD OF DIRECTOR'S  
REGULAR & SPECIAL MEETING COMPENSATION FORM  
BOARD MEETING: OCTOBER 9, 2024

DIRECTORS	SIGNATURE	DATE	ELGIBLE/TAKEN COMPENSATION
PRESIDENT <u>VARNI</u>	<i>Varni</i>	10/9/24	\$100.00
VICE PRESIDENT <u>JOYCE-SUNESON</u>	<i>Joyce - Suneson</i>	10/9/24	\$100.00
DIRECTOR <u>AUSTIN</u>	<i>Linda Austin</i>		\$100.00
DIRECTOR <u>GIBSON</u>	<del>_____</del> <i>S. Gibson</i>		<del>0</del> -\$100.00
DIRECTOR <u>VILLA</u>	ABSENT		\$100.00

Oceano Community Services District - BYLAW's

Section 8.1: Each Director is authorized to receive one hundred dollars (\$100.00) as compensation for each Regular or Special Meeting.

Section 8.2: In no event shall Director compensation exceed one hundred dollars (\$100.00) per day.

Section 8.3: Director compensation shall not exceed six hundred (\$600.00) in any one (1) calendar month.



RECEIVED  
OCT 28 2024

BOARD OF DIRECTOR'S  
~~REGULAR~~ SPECIAL MEETING COMPENSATION FORM  
BOARD MEETING: OCTOBER 16, 2024

DIRECTORS	SIGNATURE	DATE	ELGIBLE/TAKEN COMPENSATION
PRESIDENT <u>VARNI</u>	<i>[Signature]</i>	<i>Oct 16/24</i>	\$100.00 ✓
VICE PRESIDENT <u>JOYCE-SUNESON</u>	<i>Beverly Joyce Amesen</i>	<i>10-16-24</i>	\$100.00 ✓
DIRECTOR <u>AUSTIN</u>	<i>[Signature]</i>	<i>NO PAY LG</i>	<del>\$100.00</del>
DIRECTOR <u>GIBSON</u>	<i>[Signature]</i>		<del>\$100.00</del>
DIRECTOR <u>VILLA</u>	<i>[Signature]</i>	<i>10-16-2024</i>	\$100.00 ✓

Oceano Community Services District - BYLAW's

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Section 8.3: Director compensation shall not exceed six hundred (\$600.00) in any one (1) calendar month.



RECEIVED

OCT 28 2024



BOARD OF DIRECTOR'S  
REGULAR & SPECIAL MEETING COMPENSATION FORM  
BOARD MEETING: OCTOBER 25, 2024

DIRECTORS	SIGNATURE	DATE	ELGIBLE/TAKEN COMPENSATION
PRESIDENT <u>VARNI</u>	<i>[Signature]</i>	10/25/24	\$100.00 ✓
VICE PRESIDENT <u>JOYCE-SUNESON</u>	<i>[Signature]</i>	10-29-24	\$100.00 ✓
DIRECTOR <u>AUSTIN</u>	<i>[Signature]</i>	10-25-24	\$100.00 ✓
DIRECTOR <u>GIBSON</u>	NO SIGNATURE		\$100.00
DIRECTOR <u>VILLA</u>	<i>[Signature]</i>		\$100.00 ✓

Oceano Community Services District - BYLAW's

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Section 8.3: Director compensation shall not exceed six hundred (\$600.00) in any one (1) calendar month.

RECEIVED

NOV 14 2024



BOARD OF DIRECTOR'S  
REGULAR & SPECIAL MEETING COMPENSATION FORM  
BOARD MEETING: NOVEMBER 13, 2024

DIRECTORS	SIGNATURE	DATE	ELGIBLE/TAKEN COMPENSATION
PRESIDENT <u>VARNI</u>	<i>[Signature]</i>	11/13/24	\$100.00
VICE PRESIDENT <u>JOYCE-SUNESON</u>	<i>[Signature]</i>	11-13-24	\$100.00
DIRECTOR <u>AUSTIN</u>	<i>[Signature]</i>		\$100.00
DIRECTOR <u>GIBSON</u>	<i>[Signature]</i>	<i>[Signature]</i>	<i>[Signature]</i> \$100.00
DIRECTOR <u>VILLA</u>	<i>[Signature]</i>	11-13-24	\$100.00

Oceano Community Services District - BYLAW's

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Section 8.3: Director compensation shall not exceed six hundred (\$600.00) in any one (1) calendar month.

Oceano Community Services District  
Five Star Bank Mastercard

A/P Mastercard Credit Card Disbursement

Date	Name	Amount	Description	GL Account #
10/25/2024	ADOBE *ADOBE 4085366000 CA	\$23.99	PERMITS, FEES LICENSES	01-5-4100-248
10/23/2024	2024CENTRALCOASTECONO SOLVANG CA	\$130.39	CLASSES/SEMINARS/TRAINING FEES	01-5-4100-285
10/22/2024	SQ *SLO COUNTY CHAPTER PASO ROBLES CA	(\$20.00)	PERMITS, FEES LICENSES	01-5-4100-248
10/17/2024	INTUIT *QBOOKS ONLINE CL.INTUIT.COMCA	\$65.00	PERMITS, FEES LICENSES	01-5-4100-248
10/16/2024	CA RURAL WATER ASSOC SACRAMENTO CA	\$275.00	CLASSES/SEMINARS/TRAINING FEES	02-5-4400-285
10/09/2024	SQ *SLO COUNTY CHAPTER GOSQ.COM CA	\$20.00	PERMITS, FEES LICENSES	01-5-4100-248
10/03/2024	SQ *DELTINA COFFEE ROA OCEANO CA	\$37.38	OFFICE EXPENSE	03-5-4500-200
10/02/2024	ZOOM.US 888-799-9666 SAN JOSE CA	\$47.59	OFFICE EXPENSE	01-5-4100-200
09/30/2024	RENAISSANCE HOTELS PAL INDIAN WELLS CA	\$495.08	CLASSES/SEMINARS/TRAINING FEES	01-5-4100-285
10/01/2024	INDEED 98043503 AUSTIN TX	\$75.24	JOB ADVERTISING EXPENSE	01-5-4100-283

Total ACH - 11/21/2024

\$1,149.67

12/11/2024 Board Meeting - Five Star Bank Mastercard Online Payment - paid 11/21/2024	<b>\$1,149.67</b>
--	-------------------

COMPANY: 99 - POOLED CASH FUND  
ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
TYPE: All  
STATUS: All  
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 061243 THRU 061251

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	11/13/2024	CHECK	061243	LIVE, LLC DBA ADVANTAGE ANSWER	311.07CR	OUTSTND	A	0/00/0000 01 5-4100-110 COMMUNICATIONS
1-1001-000	11/13/2024	CHECK	061244	AGP VIDEO INC.	785.00CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES
1-1001-000	11/13/2024	CHECK	061245	CHARTER COMMUNICATIONS	150.00CR	OUTSTND	A	0/00/0000 01 5-4100-110 COMMUNICATIONS
1-1001-000	11/13/2024	CHECK	061246	COASTAL COPY, INC.	372.94CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES 260.37 02 5-4400-205 OUTSIDE UB MAIL SERVICE 56.29 03 5-4500-205 OUTSIDE UB MAIL SERVICE 56.28
1-1001-000	11/13/2024	CHECK	061247	DE LAGE LANDEN FINANCIAL SERVI	213.43CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES
1-1001-000	11/13/2024	CHECK	061248	DIGITAL WEST NETWORKS, INC.	183.29CR	OUTSTND	A	0/00/0000 01 5-4100-110 COMMUNICATIONS
1-1001-000	11/13/2024	CHECK	061249	HIRIARTE'S INDOOR CLEANING SER	850.00CR	OUTSTND	A	0/00/0000 01 5-4100-173 MAINT:STRUCTURES/IMPROVE
1-1001-000	11/13/2024	CHECK	061250	SO CAL GAS	98.29CR	OUTSTND	A	0/00/0000 01 5-4100-290 UTILITIES
1-1001-000	11/13/2024	CHECK	061251	VERIZON WIRELESS	290.25CR	OUTSTND	A	0/00/0000 02 5-4400-110 COMMUNICATIONS 190.85 03 5-4500-110 COMMUNICATIONS 31.01 06 5-4900-110 COMMUNICATIONS 14.31 10 5-4300-110 COMMUNICATIONS 2.39 01 5-4100-110 COMMUNICATIONS 51.69
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	3,254.27CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	3,254.27CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

COMPANY: 99 - POOLED CASH FUND  
ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
TYPE: All  
STATUS: All  
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 061252 THRU 061253

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	11/21/2024	CHECK	061252	AGP VIDEO INC.	735.00CR	OUTSTND	A	0/00/0000 01 5-4100-220 PROFESSIONAL SERVICES
1-1001-000	11/21/2024	CHECK	061253	PACIFIC GAS & ELECTRIC	6,228.26CR	OUTSTND	A	0/00/0000 01 5-4195-295 STREET LIGHTING 3,009.52 02 5-4400-290 UTILITIES 2,302.32 03 5-4500-290 UTILITIES 87.72 01 5-4100-290 UTILITIES 538.61 01 5-4200-290 UTILITIES 123.42 01 5-4100-200 OFFICE EXPENSE 166.67
TOTALS FOR ACCOUNT 1-1001-0				CHECK TOTAL:	6,963.26CR			
				DEPOSIT TOTAL:	0.00			
				INTEREST TOTAL:	0.00			
				MISCELLANEOUS TOTAL:	0.00			
				SERVICE CHARGE TOTAL:	0.00			
				EFT TOTAL:	0.00			
				BANK-DRAFT TOTAL:	0.00			
TOTALS FOR POOLED CASH FUND				CHECK TOTAL:	6,963.26CR			
				DEPOSIT TOTAL:	0.00			
				INTEREST TOTAL:	0.00			
				MISCELLANEOUS TOTAL:	0.00			
				SERVICE CHARGE TOTAL:	0.00			
				EFT TOTAL:	0.00			
				BANK-DRAFT TOTAL:	0.00			

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK:								
1-1001-000	11/21/2024	CHECK	061254	COLONIAL LIFE AND ACCIDENT	170.98CR	OUTSTND	A	0/00/0000 01 2-2166-005 INS: VOLUNTARY
1-1001-000	11/21/2024	CHECK	061255	FRMS CALIFORNIA BANK & TRUST F	6,577.66CR	OUTSTND	A	0/00/0000 01 5-4100-090 INS: GROUP HEALTH/LIFE \$2,859.80 01-5-4100-603 UTILITY CREW-EMP INS \$3,717.86
1-1001-000	11/21/2024	CHECK	061256	HUMANA INSURANCE CO.	575.40CR	OUTSTND	A	0/00/0000 01 5-4100-090 INS: GROUP HEALTH/LIFE \$251.74 01-5-4100-603 UTILITY CREW-EMP INS \$323.66
1-1001-000	11/21/2024	CHECK	061257	PRINCIPAL LIFE INSURANCE COMPA	331.44CR	OUTSTND	A	0/00/0000 01 5-4100-090 INS: GROUP HEALTH/LIFE \$175.92 01-5-4100-603 UTILITY CREW-EMP INS \$155.52
1-1001-000	11/21/2024	CHECK	061258	TASC -CLIENT INVOICES	56.21CR	OUTSTND	A	0/00/0000 01 5-4100-090 INS: GROUP HEALTH/LIFE
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	7,711.69CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	7,711.69CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

COMPANY: 99 - POOLED CASH FUND  
ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
TYPE: All  
STATUS: All  
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 061259 THRU 061259

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	12/05/2024	CHECK	061259	TASC -CLIENT INVOICES	56.21CR	OUTSTND	A	0/00/0000 01 5-4100-090 INS: GROUP HEALTH/LIFE
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	56.21CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	56.21CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	0.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		

COMPANY: 99 - POOLED CASH FUND  
ACCOUNT: 1-1001-000 POOLED CASH OPERATING  
TYPE: All  
STATUS: All  
FOLIO: All

CHECK DATE: 0/00/0000 THRU 99/99/9999  
CLEAR DATE: 0/00/0000 THRU 99/99/9999  
STATEMENT: 0/00/0000 THRU 99/99/9999  
VOIDED DATE: 0/00/0000 THRU 99/99/9999  
AMOUNT: 0.00 THRU 999,999,999.99  
CHECK NUMBER: 061175 THRU 061175

ACCOUNT	--DATE--	--TYPE--	NUMBER	-----DESCRIPTION-----	----AMOUNT---	STATUS	FOLIO	CLEAR DATE
CHECK: -----								
1-1001-000	10/08/2024	CHECK	061175	HIRIARTE'S INDOOR CLEAN	VOIDED	VOIDED	A	10/08/2024
MISCELLANEOUS: -----								
1-1001-000	10/08/2024	MISC.	061175	HIRIARTE'S INDOOR CLEAN	VOIDED	VOIDED	A	10/08/2024
TOTALS FOR ACCOUNT 1-1001-0				CHECK	TOTAL:	850.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	850.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		
TOTALS FOR POOLED CASH FUND				CHECK	TOTAL:	850.00CR		
				DEPOSIT	TOTAL:	0.00		
				INTEREST	TOTAL:	0.00		
				MISCELLANEOUS	TOTAL:	850.00		
				SERVICE CHARGE	TOTAL:	0.00		
				EFT	TOTAL:	0.00		
				BANK-DRAFT	TOTAL:	0.00		





# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

---

**Date:** December 11, 2024

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

**Subject:** **Agenda Item 8(D):** A proposal by South County Sanitary Service Inc. (SCSS) to adjust solid waste and recycling rates by 4.98% and to increase Franchise Fees from SCSS from 5% to 10%.

## Recommendation

Information item for the Board and members of the public to be aware of the following

1. Public notices detailing the rate increases via the South County Sanitary Service Inc. have been sent out to all members of the community.
2. A Proposition 218 Public Rate Hearing has been set for January 8, 2025, pursuant to Article XIII D of the California Constitution.

## Background

South County Sanitary Service Inc. (SCSS) provides Solid Waste, Recycling, Green Waste and Organics Material collection services for the community of Oceano pursuant to the July 14, 2010, Franchise Agreement. Article 8 of the agreement addresses SCSS's compensation and rates.

Per the Franchise Agreement, rates are reviewed in accordance with the "City of San Luis Obispo Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates" which was originally established in 1994 (1994 Rate Manual). The 1994 Rate Manual allows for a cost-based rate adjustment every three years and interim rate adjustments in the other two years. In interim rate periods, SCSS is limited to adjustments based on inflation, tipping fee adjustments, and franchise or regulatory fee changes. During cost-based rate adjustment years, SCSS is able to request adjustments due to changes in other operational costs as set forth in the 1994 Rate Manual.

The OCSD Board voted in 2020 to reduce Franchise Fees charged to customers from 10 to 5%, in part to offset water rate increases and high solid waste fee increases experienced at the time. Therefore, SCSS currently pays the District a franchise fee of 5% of gross revenues to cover the District's costs related to solid waste utility management, administration, and associated programs. Then in 2022, during the last solid waste rate increase, the Board approved using \$55,000 of solid waste reserves to cover three months of retroactivity for the customers of Oceano. As a result, District reserves have been used to support solid waste utility management and reserves have gone from \$362,434 in FY 2019-20 to \$144,304 in FY 2023-24, indicating the need to improve cost recovery



# Oceano Community Services District

Board of Directors Meeting

in order to be able to maintain service levels. All the municipal agencies in the County charge franchisee fees at 10%, except Cambria CSD which is currently at 6%. By increasing the franchise fees from 5.0% back up to 10.0%, the fee revenues can be used to build back reserves, support staff work, and to run the District's [clean and green programs](#). For the average residential customer using a 64 gallon container, this Franchise Fee change from 5 to 10% amounts to \$0.08 (8 cents) per month. The attached Solid Waste Budget Worksheet includes the Solid Waste Fund's 8-year history of revenue and expenses:

SOLID WASTE FUND SOLID WASTE DEPARTMENT - 06	ACTUAL FY 2017/2018	ACTUAL FY 2018/2019	ACTUAL FY 2019/20	ACTUAL FY 2020/21	ACTUAL FY 2021/2022	ACTUAL FY 2022/23	ESTIMATED FY 2023/24	FINAL BUDGET FY 2024/25
<b>RESERVES</b>								
Beginning Reserves	\$357,640	\$375,044	\$379,280	\$362,434	\$357,056	\$277,262	\$231,447	\$144,304
Operating Surplus / (Deficit)	\$16,946	(\$681)	(\$21,641)	(\$11,987)	(\$86,189)	(\$49,707)	(\$38,193)	(\$34,547)
Transfers & Encumbrances	\$458	\$4,917	\$4,795	\$6,609	\$6,395	\$3,891	(\$48,950)	\$4,338
<b>ENDING RESERVES</b>	<b>\$375,044</b>	<b>\$379,280</b>	<b>\$362,434</b>	<b>\$357,056</b>	<b>\$277,262</b>	<b>\$231,447</b>	<b>\$144,304</b>	<b>\$114,095</b>

As reported to the OCSB Board in 2022, SCSS and other agencies in San Luis Obispo County had previously intended to update the annual rate adjustment methodology. The City of San Luis Obispo has been working with Waste Connections, SCSS's parent company, to develop and implement a new rate adjustment methodology to replace the 30-year-old Rate Manual. The key objectives for a new rate adjustment methodology are to enhance rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness. The City of San Luis Obispo contracted with R3 Consulting Group, Inc. (R3) to support development and negotiation of a new rate adjustment methodology and the new rate adjustment methodology is available for consideration by other public agencies in San Luis Obispo County. District staff has been following the development of the new rate adjustment methodology, which will be presented to the Board as an amendment to the agreement with SCSS in association with the January 8, 2025 public hearing regarding the 2025 rate adjustment. OCSB staff support the proposed changes to the rate setting methodology because the prior one was outdated and in need of review and update, and most importantly, because the changes support rate stability in the future, predictability for rate payers and cost-effectiveness for providers of service and solid waste utility managers.

The City of San Luis Obispo also contracted with R3 to conduct a detailed review of the 2025 cost-based rate applications submitted by Waste Connections to ten agencies in San Luis Obispo County, including the District. The District received an initial rate adjustment request from SCSS on July 3, 2024, for an adjustment to the District's solid waste rates of 3.76% effective January 1, 2025 under the 30-year old rate methodology. However, it is likely that the old methodology would lead to future volatility and higher annual adjustments than the new proposed one. After R3's review, adjustments necessary for effectuation of the new rate methodology and new regional service enhancements, rate-stabilization going forward, improved profit and operating margins, and the potential for the District to adjust the franchise fee paid by SCSS to the District from 5% back to the standard 10% of gross revenues collected in the District, the recommended 2025 rate adjustment is 4.98%. Under the 5% franchise fee rate, the new proposed rate would be 4.72% (\$0.08 savings per month per average household).



### Cost-Based Rate Adjustment

R3 completed a thorough review of SCSS' 2025 cost-based rate adjustment application and adjustments necessary for the new recommended rate adjustment methodology. After careful review of the rate adjustment request, and the outcomes of negotiations of a new rate adjustment methodology between the City of San Luis Obispo and Waste Connections, R3 completed a report evaluating the 2025 rate adjustment request and the new rate methodology (Attachment 1). R3's review suggests that the original 3.76% adjustment effective January 1, 2025, is justifiable in accordance with the 1994 Rate Manual. R3's report further recommends the new rate adjustment methodology as superior for both rate payers and haulers. The corresponding rate adjustment of 4.98% will provide key benefits to the District in terms of rate predictability and stability and new enhanced services. The table on the following page shows the current and proposed monthly residential solid waste and recycling rates given the recommended 4.98% adjustment. Note that SCSS will pro-rate the rate adjustment given that Board authorization of rate adjustment would be after January 1, 2025.

Service Description	Current Monthly Rate Effective 1/1/2024	Proposed 4.98% Rate Adjustment	Recommended Proposed Monthly Rate Effective 1/1/2025
32 Gallon Waste Wheeler	\$20.37	\$1.01	\$21.38
64 Gallon Waste Wheeler	\$29.31	\$1.46	\$30.77
96 Gallon Waste Wheeler	\$57.38	\$2.86	\$60.24

### New Rate Adjustment Methodology

The City of San Luis Obispo, in its capacity as the lead agency on the solid waste rate adjustment methodology update process, and in partnership with Los Osos Community Services District and Waste Connections, completed negotiations and arrived at tentative agreement with Waste Connections regarding the terms and conditions of a new rate adjustment methodology. The outcome was the result of extensive good faith negotiations between the City of San Luis Obispo and Waste Connections, with due consideration to input



provided by other public agency stakeholders, including input made by the Oceano Community Services District staff.

Pending Board approval, the new rate adjustment methodology will replace the 1994 Rate Manual and will regulate annual rate adjustments for the District's solid waste rates starting in 2026. The new methodology fulfills key objectives including rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness. Additionally, the new methodology can be applied on a regional scale and is available as a recommended alternative to the 1994 Rate Manual for all agencies, including the District. The key features of the new methodology include:

- **Capped CPI Adjustments:** Starting in 2026, rate adjustments will be based on the Garbage and Trash CPI, with a floor of 2% and a cap of 5%. Amounts under 2% or over 5% will carry forward. The CPI adjustment will apply to Waste Connections' collection and post-collection cost centers.
- **Revenue Balancing Mechanism:** Starting in 2027, adjustments to rates will account for shortfalls or surpluses in Waste Connections' actual revenues compared to projected revenues from prior years. For example, if Waste Connections' 2025 revenues exceed projections, the amount of surplus revenues will be credited to the rates in 2027 (and vice versa), achieving fairness in compensation and rates for the company and for ratepayers. Such adjustments would take place annually and will be independent of the CPI cap and floor noted above. It should be noted that SCSS's 2023 net income was such that, were a revenue balancing mechanism in place at the time, surplus revenues would have been carried forward to the 2025 rate year and would have offset the forthcoming rate adjustment.
- **Less Frequent Cost-Based Adjustments:** Currently, solid waste rates are adjusted based on the 1994 Rate Manual every three years on Waste Connections' costs. Via the new methodology, cost-based adjustments would occur a maximum of every five years, and only if requested by Waste Connections or the District. The first opportunity for a cost-based adjustment will be for the 2030 rate year. If neither Waste Connections nor the District request a cost-based adjustment, then the CPI adjustment approach will be applied. Cost-based adjustments will be based on Waste Connections' consolidated audited financial statements for the region. Timeframes for cost-based adjustment application and review process will be ample, such that the District will have sufficient time for review and approval processes and such that the potential for delay in implementation is minimized.
- **Updated Depreciation Lifespan for Trucks:** The 1994 Rate Manual set a 7-year depreciation schedule for solid waste collection trucks. Modern solid waste collection trucks have a 10-year lifespan, and the depreciation schedule was adjusted accordingly and results in cost savings to rate payers.
- **Updated Profit Allowance:** The 2025 rate adjustment will include a 9% profit allowance of projected collection costs and in 2026 and thereafter the profit allowance will be 10%. For



context, the 2025 profit allowance is approximately 5% of revenues and R3 estimates that the 2026 profit allowance will be approximately 5.5% of revenues.

- **Removed Limitation on Corporate Overhead:** The 1994 Rate Manual placed a limitation on corporate overhead costs. Today, corporate overhead costs fund legal, tax, payroll, human resources, engineering, compliance, IT, training and recruiting programs. The District and Waste Connections agreed to remove the prior limitation in order to fund these services.
- **Extraordinary Adjustments:** The California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulation is requiring all solid waste collection trucks to be zero emissions in 2042. This includes a phased in plan to get the percentage of the fleet to be zero emission vehicle (ZEV) with 10% by 2030, 25% by 2033, 50% by 2036, 75% by 2039 and 100% by 2042. During CPI Adjustment years, Waste Connections may request extraordinary rate adjustments due to changes in law affecting collection operations, including for compliance with CARBS's ACF electrification mandate (which may necessitate change to depreciation schedules). The District may, but is not obligated to, consider requests for extraordinary rate adjustments due to changes in law affective post-collection operations. Requests for extraordinary change are subject to good faith meet and confer negotiations between the District and Waste Connections.
- **Regional Service Enhancements:**
  - **Customer Assistance Program:** 20% low-income discount provided to residential customers using 32-gallon cart service, using existing jurisdictional practices on low-income relief for their offered utility type services with evidence of qualifying financial hardship.
  - **Free Bulky Waste Collections:** Collection of one free bulky waste item twice annually from SCSS and five free extra trash items from the Oceano CSD annually from residential accounts at no cost via the District's voucher program.
  - **Annual Cart Exchange:** Once annual exchange of a residential solid waste, recycling, or organics cart per customer account.

Per R3's report, the key factors affecting the 2025 rate adjustment are summarized as follows:

- A doubling of post-collection costs for organics processing since 2022 due to updated costs for processing infrastructure to meet the requirements of Senate Bill (SB) 1383.
- Market rate adjustment of post-collection costs for landfill disposal, which have remained flat since 2016. Landfill disposal costs have been below market at \$41 per ton since 2016 and will increase to a fair market cost of \$70 per ton in 2025.
- Cost-of-living changes in collection costs, which include labor, capital, operating expenses, insurance and overhead costs, for 2025 increases over 2024 amounting to approximately 4.21%.
- Additional costs for regional service enhancements, described above, which add 0.50% to the 2025 rate adjustment.



# Oceano Community Services District

Board of Directors Meeting

Taken altogether, and including appropriate adjustments to SCSS' original request to achieve the objectives of the new rate methodology, the 2025 rate adjustment effective January 1, is 4.98% as shown in the table below:

<b>Original Adjustment per 1994 Rate Manual</b>	<b>3.76%</b>
Revised Depreciation Schedule	-1.33%
Remove Limitation on Corporate Overhead	1.51%
Regional Service Enhancements	0.50%
Updated Profit Allowance	0.23%
Updated and Recalculated Franchise Fee	0.31%
<b>Revised Adjustment for New Methodology</b>	<b>4.98%</b>

Article 8.2 of the franchise agreement provides that "Collection Rates" are "those established by Resolution adopted by the Board." The public hearing set for January 8, 2025, will include a resolution for your Board's consideration. The hearing will be conducted in accordance with Article XIID (Proposition 218). At this time, the proposed recommendations are limited in order to formally initiate the rate setting process, which the District is compelled to initiate under the terms of the franchise agreement.

## Other Agency Involvement

Neighboring cities that also have franchise agreements with SCSS have conducted similar reviews and will also be holding public hearings in accordance with Proposition 218.

## Other Financial Considerations

The District currently receives franchise fee income of approximately \$69,000 per year based on a franchise fee of 5% of SCSS gross rate revenues collected in the District. If the District changes the franchise fee to 10.0% of SCSS gross rate revenues collected in the District, franchise fee revenues in 2025 would be approximately \$138,000 and the District could begin to rebuild reserves and pay for ongoing staff costs and enhanced customer services (e.g. bulky item pickups). SCSS passed through to the District a landfill savings of approximately \$11,100. These fees are used to sponsor community clean up events, the bulky item voucher program and to deal with illegal dumping activities throughout the community. The proposed rates contemplate Board direction to adjust the franchise fee to 10%, and those rates will be included in the Draft Proposition 218 notice.

## Results



## Oceano Community Services District

Board of Directors Meeting

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Initiating the rate review process and holding a hearing on January 8, 2025, is consistent with the franchise agreement with SCSS. Proposition 218 promotes transparency in rate setting efforts and helps to promote well governed communities.

Attachments:

- a. Prop 218 Notice to Customers
- b. R3 Rate Report
- c. SCSS 2025 Rate Adjustment Application

## **Notice of Public Hearing Regarding Proposed Solid Waste Rate Adjustment**

### **Property Owners and Tenants - Customers:**

The Oceano Community Services District (OCSD) will hold a public hearing regarding rate adjustments (the “Proposed Rate Adjustment”) proposed by South County Sanitary Service (the “Garbage Company”) for properties and customers receiving solid waste, recycling, and green waste services within the OCSD. The Proposed Rate Adjustment will be considered by the OCSD at the date, time, and location specified below. Consistent with the requirements of Proposition 218, this notice also provides the following information:

- The Date, Time, and Place of the Public Hearing;
- The Reason for the Proposed Rate Adjustment;
- The Effective date of the Proposed Rate Adjustment;
- The Basis for the Proposed Rate Adjustment; and
- The Majority Protest Procedures.

### **NOTICE OF PUBLIC HEARING**

**The Public Hearing for the Proposed Rate Adjustment within the OCSD limits will be held on:**

**Date:** January 8, 2025      **Time:** 6:00 pm

**Place:** Oceano Community Service District Board Room located at 1655 Front St Oceano, CA

**At the Public Hearing, the Oceano CSD Board will consider all public comments in support of and in opposition to the Proposed Rate Adjustment and whether or not a majority protest exists pursuant to the California Constitution (as described below). If approved, the Proposed 2025 Rate Adjustment would become effective on January 1, 2025 and annual adjustments would be effective each January 1 of 2026, 2027, 2028 and 2029.**

### **Reason For and Basis of the Proposed Rate Adjustments**

The Proposed Rate Adjustment for 2025 is based on the Garbage Company’s documented cost of providing solid waste services and is a 4.98% increase above current solid waste rates. This cost-based adjustment is necessary for the Garbage Company to continue to provide safe, environmentally sound and reliable solid waste removal, transportation and disposal services to the residents and businesses of Oceano. The adjustments are requested due to:

- Increases in organics processing costs – Third-party costs for the organic waste post-collection processing facility operated by the company formerly named Hitachi Zosen INOVA, and which are not within the Garbage Company’s control, have doubled since 2022. The change in cost is the result of changes in facility capital and operating costs.
- Increases in landfill disposal costs – Costs for landfill waste disposal at Cold Canyon have remained flat since 2016. The 2025 rate adjustment reflects a market adjustment to these costs, from a per ton tipping fee of \$41 per ton (in place since 2016) to a per ton tipping fee of \$70. The Garbage Company provided market comparison demonstrating the applicability of the \$70 per ton market tipping fee.
- Collection costs including labor, vehicles, operating expenses and overhead – These costs are increasing 4.21% in 2025.



- Adjustments necessary for moving to a new methodology for annual rate adjustments that provides for increased rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness. These include updated depreciation lifespans for garbage trucks, removal of a limitation on corporate overhead costs for legal, tax, payroll, human resources, engineering, compliance, IT, training and recruiting programs, and updated profit allowance from 8% to 10% .
- Adjustments for new service enhancements, including the ability for residents to exchange a solid waste collection cart once annually at no cost, no charge collection for one bulky item twice annually via voucher program, and a rate assistance program providing a 20% low-income discount provided to residential customers using 32-gallon cart service (using third party verification of low-income).

The Proposed Rate Adjustments for 2025 applicable to residential solid waste customers are shown in the table below. This includes all three streams (trash, recycling, organic waste).

<b>Garbage Container Size</b>	<b>2024 Monthly Costs</b>	<b>2025 Monthly Costs</b>	<b>Change in Monthly Rate</b>
32-gallon	\$20.37	\$21.38	\$1.01
64-gallon	\$29.31	\$30.77	\$1.46
96-gallon	\$57.38	\$60.24	\$2.86

In addition, commencing each January 1 of 2026, 2027, 2028 and 2029 solid waste rates will be adjusted based on the following:

- Annual change in the Bureau of Labor Statistics’ Consumer Price Index (CPI) for Garbage and Trash Collection in the U.S all city average, with a minimum 2% adjustment and a maximum 5% adjustment. Amounts below the minimum or above the maximum will carry forward to the following year.
- Calculation of a 10% profit allowance starting in 2026 (estimated at additional 0.67% to 0.69% adjustment in 2026).
- Addition of a revenue balancing mechanism starting in 2027, wherein actual revenues from solid waste rates over or under projections carry forward as additions to, or offsets against, the annual CPI adjustment.

The Proposed Rate Adjustments have been independently reviewed for consistency with the City of San Luis Obispo Rate Setting Process and Methodology Manual for Integrated Solid Waste Management dated June 1994 and in accordance with the provisions of the OCSD’s Franchise Agreement with the Garbage Company, as amended, governing solid waste service within the boundaries of the OCSD. The Proposed Rate Adjustments contemplate implementation of a new methodology for annual rate adjustments which is described in New Solid Waste Rate Adjustment Methodology and 2025 Rates report authored by independent reviewer, R3 Consulting Group, Inc. The consultant’s report and the complete set of proposed 2025 solid waste rates is available at the OCSD office located at 1655 Front St Oceano, CA as well on the November 13, 2024 OCSD Board meeting agenda packet online ([www.ocsd.specialdistrict.org](http://www.ocsd.specialdistrict.org))

**How Do I Protest the Proposed Rate Adjustment?**

Pursuant to Section 6 of Article XIII D of the California Constitution, the following persons may submit a written protest against the Proposed Rate Adjustment to the Secretary to the Board before the close of the Public Hearing referenced above.

- An owner(s) of property (parcel(s)) receiving solid waste, recycling, and green waste services within the District limits. If the person(s) signing the protest, as an owner, is not shown on the last equalized assessment roll as the owner of the parcel(s) then the protest must contain or be accompanied by written evidence that such person signing the protest is the owner of the parcel(s) receiving services;  
or
- A tenant(s) whose name appears on the Garbage Company's records as the customer of record for the corresponding parcel receiving solid waste, recycling, and green waste services within the OCSD limits (tenant-customer).

A valid written protest must contain a statement that you protest the Proposed Rate Adjustment, the address or Assessor's Parcel Number (APN) of the parcel or parcels which receive solid waste, recycling, and green waste services, and a signature by either the owner or the tenant-customer of the parcel or parcels. One written protest per parcel shall be counted in calculating a majority protest to the Proposed Rate Adjustment subject to the requirements of Section 6 of Article XIII D of the California Constitution. Written protests will not be accepted by e-mail or by facsimile. Verbal protests will not be counted in determining the existence of a majority protest. To be counted, a protest must be received in writing by the Secretary to the Board before the close of the Public Hearing referenced above.

Written protests regarding the solid waste rate Adjustment may be mailed to:

**Oceano Community Service District**  
**Attn: Secretary to the Board**  
**PO Box 599**  
**Oceano, CA 93475**

If valid written protests are presented by a majority of owners and/or tenants-customers of parcels receiving solid waste, recycling, and green waste services within the OCSD limits, then OCSD will not adjust the rates for the services.

**SOUTH COUNTY SANITARY SERVICE**  
**EFFECTIVE JANUARY 1, 2025**  
**OCEANO CSD**

Service Description	Pickups Per Week	Monthly Rate Effective 01/01/2024	Proposed Rate Increase	Monthly Rate Effective 01/01/2025
<b>RESIDENTIAL SINGLE FAMILY DWELLING AND MULTI-UNIT (4 UNITS OR LESS):</b>				
32 Gallon Waste Wheeler	1	\$20.37	\$1.01	\$21.38
64 Gallon Waste Wheeler	1	\$29.31	\$1.46	\$30.77
96 Gallon Waste Wheeler	1	\$57.38	\$2.86	\$60.24
TWO-64 Gallon Waste Wheelers	1	\$67.72	\$3.37	\$71.09
ONE 64 & ONE 96 Gallon	1	\$88.14	\$4.39	\$92.53
TWO-96 Gallon Waste Wheelers	1	\$108.54	\$5.41	\$113.95
Residential customers must use the waste wheelers provided by the garbage company. This solid service fee for residential trash collections (container with black or gray lid) includes once a week pick-up of one greenwaste/organics container (green lid), and one recycling container (blue lid).				
<b>MULTI-FAMILY (5 or MORE)</b>				
Rates are the same as commercial dumpsters and waste wheeler rates (below).				
<b>COMMERCIAL DUMPSTERS - ALL AREAS:</b>				
1 yd dumpster	1	\$99.70	\$4.97	\$104.67
1 yd dumpster	2	\$143.42	\$7.14	\$150.56
1 yd dumpster	3	\$189.50	\$9.44	\$198.94
1 yd dumpster	4	\$233.25	\$11.62	\$244.87
1 yd dumpster	5	\$281.83	\$14.04	\$295.87
1 yd dumpster	6	\$328.00	\$16.33	\$344.33
1 yd dumpster	7	\$437.31	\$21.78	\$459.09
1.5 yd dumpster	1	\$119.05	\$5.93	\$124.98
1.5 yd dumpster	2	\$182.12	\$9.07	\$191.19
1.5 yd dumpster	3	\$245.42	\$12.22	\$257.64
1.5 yd dumpster	4	\$342.55	\$17.06	\$359.61
1.5 yd dumpster	5	\$417.84	\$20.81	\$438.65
1.5 yd dumpster	6	\$498.04	\$24.80	\$522.84
1.5 yd dumpster	7	\$658.50	\$32.79	\$691.29
2 yd dumpster	1	\$128.75	\$6.41	\$135.16

**SOUTH COUNTY SANITARY  
SERVICE  
EFFECTIVE JANUARY 1, 2025  
OCEANO CSD**

<b>Service Description</b>	<b>Pickups Per Week</b>	<b>Monthly Rate Effective 01/01/2024</b>	<b>Proposed Rate Increase</b>	<b>Monthly Rate Effective 01/01/2025</b>
2 yd dumpster	2	\$211.29	\$10.52	\$221.81
2 yd dumpster	3	\$301.14	\$15.00	\$316.14
2 yd dumpster	4	\$439.76	\$21.90	\$461.66
2 yd dumpster	5	\$539.42	\$26.86	\$566.28
2 yd dumpster	6	\$643.81	\$32.06	\$675.87
2 yd dumpster	7	\$881.86	\$43.92	\$925.78
3 yd dumpster	1	\$155.37	\$7.74	\$163.11
3 yd dumpster	2	\$286.61	\$14.27	\$300.88
3 yd dumpster	3	\$400.82	\$19.96	\$420.78
3 yd dumpster	4	\$714.13	\$35.56	\$749.69
3 yd dumpster	5	\$847.84	\$42.22	\$890.06
3 yd dumpster	6	\$991.15	\$49.36	\$1,040.51
3 yd dumpster	7	\$1,365.23	\$67.99	\$1,433.22
4 yd dumpster	1	\$221.06	\$11.01	\$232.07
4 yd dumpster	2	\$332.92	\$16.58	\$349.50
4 yd dumpster	3	\$478.59	\$23.83	\$502.42
4 yd dumpster	4	\$750.76	\$37.39	\$788.15
4 yd dumpster	5	\$930.41	\$46.33	\$976.74
4 yd dumpster	6	\$1,056.82	\$52.63	\$1,109.45
4 yd dumpster	7	\$1,642.20	\$81.78	\$1,723.98
6 yd dumpster	1	\$331.61	\$16.51	\$348.12
6 yd dumpster	2	\$499.39	\$24.87	\$524.26
6 yd dumpster	3	\$717.85	\$35.75	\$753.60
6 yd dumpster	4	\$1,126.13	\$56.08	\$1,182.21
6 yd dumpster	5	\$1,395.62	\$69.50	\$1,465.12
6 yd dumpster	6	\$1,585.25	\$78.95	\$1,664.20

**SOUTH COUNTY SANITARY SERVICE**  
**EFFECTIVE JANUARY 1, 2025**  
**OCEANO CSD**

Service Description	Pickups Per Week	Monthly Rate Effective 01/01/2024	Proposed Rate Increase	Monthly Rate Effective 01/01/2025
6 yd dumpster	7	\$2,463.30	\$122.67	\$2,585.97

The rates shown above include the monthly container rental fee and a semi-annual dumpster cleaning.

**COMMERCIAL GARBAGE CANS - ALL AREAS:**

32 Gallon Waste Wheeler	1	\$28.74	\$1.43	\$30.17
32 Gallon Waste Wheeler	2	\$50.68	\$2.52	\$53.20
64 Gallon Waste Wheeler	1	\$48.06	\$2.39	\$50.45
64 Gallon Waste Wheeler	2	\$74.01	\$3.69	\$77.70
96 Gallon Waste Wheeler	1	\$57.87	\$2.88	\$60.75
96 Gallon Waste Wheeler	2	\$90.66	\$4.51	\$95.17
96 Gallon Waste Wheeler	3	\$119.89	\$5.97	\$125.86
96 Gallon Waste Wheeler	4	\$151.80	\$7.56	\$159.36
96 Gallon Waste Wheeler	5	\$183.65	\$9.15	\$192.80

\* Maximum volume and weight per garbage can : 33 gallons / 80 pounds

**COMMERCIAL - OTHER CHARGES:**

Rates for all commercial customers include recycling or greenwaste/organics pickup once per week, included with the garbage service rate. Customers can choose from a 64 or 96 gallon blue commingled recycle waste wheeler or a 32 or 64 gallon organics waste wheeler included with the garbage service rate (96 gallon waste wheelers can only be used with greenwaste due to weight). If you need a bin for recycling there is a charge (see below). **If you need more frequent recycling, including organics/greenwaste service, it can be provided at a 50% discount from the garbage service rates for the specified level of service required.**

**MISCELLANEOUS CHARGES - ALL CUSTOMERS:**

Overstacked Garbage & extra bags Minimum/unit	each	\$7.13	\$0.36	\$7.49
Overstacked Green waste & extra bags Minimum/unit	each	\$3.57	\$0.18	\$3.75
Overstacked Recycle & extra bags Minimum/unit	each	\$3.57	\$0.18	\$3.75
In yard service (per can or commodity) IN ADDITION TO STANDARD GARBAGE RATES	per month	\$17.78	\$0.89	\$18.67
Vacant Rate	per month	\$16.57	\$0.83	\$17.40
Waste wheeler cleaning	each time	\$26.52	\$1.32	\$27.84
Trip charge	each time	\$17.78	\$0.89	\$18.67
Non-payment downsize service	each time	\$17.78	\$0.89	\$18.67

**SOUTH COUNTY SANITARY SERVICE**  
**EFFECTIVE JANUARY 1, 2025**  
**OCEANO CSD**

<b>Service Description</b>	<b>Pickups Per Week</b>	<b>Monthly Rate Effective 01/01/2024</b>	<b>Proposed Rate Increase</b>	<b>Monthly Rate Effective 01/01/2025</b>
Non-payment redeliver waste wheeler	each time	\$17.78	\$0.89	\$18.67
<b>MISCELLANEOUS CHARGES - ALL CUSTOMERS (Con't):</b>				
Non-payment reconnect service	each time	\$42.73	\$2.13	\$44.86
Small item pickup (TV, toilet)	each	\$41.70	\$2.08	\$43.78
Appliance pickup-residential	each	\$58.79	\$2.93	\$61.72
Larger than residential appliance or glass, glass doors, or plate glass	by quote only			
Garbage extras on your scheduled pickup day	per yard	\$15.00	\$0.75	\$15.75
Garbage extras -NOT ON YOUR SCHEDULED PICKUP DAY	per yard	\$41.40	\$2.06	\$43.46
Commercial Waste Wheeler rent	per month	\$5.51	\$0.27	\$5.78
Re-deliver bin on stopped acct	each time	\$50.96	\$2.54	\$53.50
Compactor	per yard	\$22.69	\$1.13	\$23.82
Sunday Service (in additional to garbage service level)	per month	\$88.98	\$4.43	\$93.41
Recycle bin rental	per month	\$9.90	\$0.49	\$10.39
Stand by time	per hour	\$85.64	\$4.26	\$89.90
Extra bin cleaning		\$79.51	\$3.96	\$83.47
Replacement/Repair of bins or waste wheelers	at market price			
Lock Charge	per month	\$9.90	\$0.49	\$10.39
City Clean Up	per item	\$14.56	\$0.73	\$15.29
Extra 32, 64, 96 Gal Waste Wheeler - Recycle	per month	\$2.00	\$0.10	\$2.10
Extra 32, or 96 Gal Waste Wheeler - Green Waste	per month	\$4.93	\$0.25	\$5.18
<b>Short Term Dumpsters:</b>				
Delivery & Pickup-Bin		\$50.96	\$2.54	\$53.50
Delivery & Pickup-Waste Wheeler		\$42.73	\$2.13	\$44.86
Rental	Per Day	\$5.51	\$0.27	\$5.78
Empties	Per Yard	\$41.40	\$2.06	\$43.46
<b>Mattress:</b>				

**SOUTH COUNTY SANITARY SERVICE**  
**EFFECTIVE JANUARY 1, 2025**  
**OCEANO CSD**

Service Description	Pickups Per Week	Monthly Rate Effective 01/01/2024	Proposed Rate Increase	Monthly Rate Effective 01/01/2025
Twin	Each	\$23.14	\$1.15	\$24.29
Double	Each	\$23.14	\$1.15	\$24.29
Queen	Each	\$23.14	\$1.15	\$24.29
King	Each	\$23.14	\$1.15	\$24.29

**ADDITIONAL INFORMATION ALL CUSTOMERS:**

1. Customers requesting Temporary Bins or Roll-off Box Service can call the office for current rates
2. Polystyrene (Styrofoam, Plastic #6) is not collected for recycling and should be thrown away as trash. Please bag Styrofoam packing peanuts before placing in trash container.
3. It is encouraged to bag your trash in the garbage container but do not bag your recyclables or green waste in their respective containers and keep it loose.
4. Recycling, Greenwaste/Organics and Garbage containers should spaced 3 feet apart away from any obstacles (i.e mailboxes, cars, etc) before 6:00am on collection service day.
5. The fee schedule above only includes the Garbage Company rates and does not include IWMA fees, which are separately noted on the billings.
6. Cleaning fees will be billed on a time and materials basis
7. Late Fees are imposed for residential customers over 30 days delinquent. The fee is 1.5% per month of the outstanding charge, with a minimum fee of \$5.00. No prior notice is required, as this late fee policy is stated at the bottom of every bill.
8. Customers can be charged for contamination fees in the trash, recycling and/or the greenwaste/organics containers.

**Any additional recycling services are charged at 50% of the garbage rate.**

# REPORT

City of San Luis Obispo and Participating Agencies

## New Solid Waste Rate Adjustment Methodology and 2025 Rates

*Submitted electronically: November 1, 2024*





November 1, 2024

Ms. Meg Buckingham  
Solid Waste and Recycling Coordinator  
Public Utilities  
879 Morro, San Luis Obispo, CA 93401  
*submitted via email: mbuckin@slocity.org*

**SUBJECT: New Solid Waste Rate Adjustment Methodology and 2025 Rates**

Dear Ms. Buckingham and Participating Agencies,

R3 Consulting Group, Inc. (R3) was engaged by the City of San Luis Obispo (City) to provide solid waste consulting services via two engagements supporting the City's negotiations of a new solid waste services agreement with Waste Connections, the solid waste hauler. R3 was originally engaged by the City to work in collaboration with Los Osos Community Services District and Waste Connections to update the methodology for annual adjustments to the solid waste rates charged by Waste Connections. The key objectives for updating the rate adjustment methodology were to enhance rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness.

As that engagement proceeded, eight other agencies in San Luis Obispo County (the City of Arroyo Grande, the City of Grover Beach, the City of Pismo Beach, Avila Beach Community Services District, Cambria Community Services District, Cayucos Sanitary District, Nipomo Community Services District, and Oceano Community Services District – altogether "Participating Agencies" or "Agencies") were included as stakeholder participants in the development of new rate adjustment methodology. With the inclusion of these additional Agencies, objectives for the engagement were updated to include regional scale applicability of the new rate adjustment methodology. R3 was then engaged by the City to review Waste Connections' rate adjustment requests for the 2025 rate year on behalf of all ten Agencies with the objective of determining 2025 solid waste rates that would be an appropriate starting point for a new rate adjustment methodology starting in 2026.

The City of San Luis Obispo served as the lead contracting agency for both engagements, providing primary oversight and direction of R3's work. Input and feedback were also sought from the other nine Agencies, and the results reflect their stakeholder input. Ultimately, the outcomes of both engagements are the conclusion of good faith contract negotiations between the City and Waste Connections. In summary, the City and Waste Connections have tentatively agreed to updated terms and conditions for annual rate adjustment which fulfill key objectives while also securing enhanced services that will protect low income households, prevent illegal dumping, and clean solid waste collection containers. The new rate adjustment methodology and enhanced services also resulted in updated adjustments to solid waste rates for 2025.

The City intends to recommend a new agreement with Waste Connections to the City Council that will include the new rate adjustment methodology and enhanced services along with the 2025 adjustments to solid waste rates. In keeping with the objective for the results to be applicable on a regional scale, Waste Connections is willing to offer the new rate adjustment methodology and

select enhanced services to the other nine Agencies at the updated 2025 adjustments to solid waste rates.

R3 would like to recognize that this has been a significant undertaking, and we'd like to thank the City of San Luis Obispo, Waste Connections, Los Osos Community Services District, and Participating Agencies for your involvement in providing feedback during this process. In closing, R3 recommends City and stakeholder consideration of the revised 2025 rates and the new rate adjustment methodology as a means of achieving shared rate fairness, stability, and predictability objectives. Here's what Waste Connections has shared regarding the outcomes:

*“San Luis Garbage (SLG) had the opportunity to negotiate with the City of San Luis Obispo on the re-write of the 1994 rate-making manual. The goal of this endeavor was to simplify and streamline the rate-making process for all parties and provide an improved model going forward for potential refuse collection rate changes. The process included a considerable amount of discussion and analysis and although arduous at times, SLG feels the negotiations were performed in good faith, were collaborative in nature and carried out with mutual respect. In addition to updating the rate-making methodology, both parties took the opportunity to establish some new service enhancements that will discourage illegal dumping, provide cart cleaning exchanges, and offer rate relief for low-income customers. SLG believes the outcome of the negotiation has provided a much-improved rate-review process for the City of San Luis Obispo and other cities currently under the old rate-making methodology which will ultimately allow for an easier path to fair and reasonable rates for all customers.”*

\* \* \* \* \*

We appreciate the opportunity to be of service to the City and would like to thank the City and the Participating Agencies for their involvement and feedback. We would also like to recognize Waste Connections staff for being communicative and responsive to requests for information during the process.

Sincerely,



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# TABLE OF CONTENTS

1. **Executive Summary**  
page 1



2. **Background**  
page 4



3. **New Solid Waste Rate Adjustment  
Methodology and 2025 Rates**  
page 10



## **Attachments**

- 1 Summary of Original 2025 Base Year Rate Adjustments
- 2 Revised 2025 Rate Adjustments
- 3 CPI-U for Garbage and Trash
- 4 Example Rate Calculations for 2026 through 2029

# 1. EXECUTIVE SUMMARY

## New Rate Adjustment Methodology

The City of San Luis Obispo, in its capacity as the lead agency on the solid waste rate adjustment methodology update process, and in partnership with Los Osos Community Services District and Waste Connections, completed negotiations and arrived at tentative agreement with Waste Connections regarding the terms and conditions of a new methodology. The outcome was the result of extensive good faith negotiations between the City and Waste Connections, with due consideration to input provided by other public agency stakeholders.

**Pending City Council approvals, the new methodology will replace the 1994 Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates (1994 Rate Manual) and will regulate annual rate adjustments for the City's solid waste rates starting in 2026.**

The new methodology fulfills key objectives established by the City and Waste Connections, including rate stability, predictability, fairness, transparency, ease of administration, and cost-effectiveness. Additionally, in response to requests by other Agencies that contract with Waste Connections in San Luis Obispo County, the new methodology can be applied on a regional-scale and is available as recommended alternative to the 1994 Rate Adjustment Manual for those Agencies.

The key features of the new methodology include:

- › **CPI Adjustments:** Starting in 2026, rate adjustments will be based on the Garbage and Trash CPI, with a floor of 2% and a cap of 5%. Amounts under 2% or over 5% will carry forward. The CPI adjustment will apply to Waste Connections' collection and post-collection cost centers.
- › **Revenue Balancing Mechanism:** Starting in 2027, adjustments to rates will account for shortfalls or surpluses in Waste Connections' actual revenues compared to projected revenues from prior years. For example, if Waste Connections' 2025 revenues exceed projections, the amount of surplus revenues will be credited to the rates in 2027 (and vice versa), achieving fairness in compensation and rates for the company and for ratepayers. Such adjustments would take place annually and will be independent of the CPI cap and floor noted above (there is no cap on these amounts).
- › **Less Frequent Cost-Based Adjustments:** Currently, solid waste rates are adjusted based on the 1994 Rate Adjustment Manual every three years on Waste Connections' costs. Via the new methodology, cost-based adjustments would occur a maximum of every five years, and only if requested by Waste Connections or the City. The first opportunity for a cost-based adjustment will be for the 2030 rate year. If neither Waste Connections nor the City request a cost-based adjustment, then the CPI adjustment approach will be applied. Cost-based adjustments will be based on Waste Connections' consolidated audited financial statements for the region. Timeframes for cost-based adjustment application and review process will be ample, such that the City will have sufficient time for review and approval processes and such that the potential for delay in implementation is minimized. These timeframes will be delineated in the forthcoming amendment to the agreement with Waste Connections.
- › **Updated Depreciation Lifespan for Trucks:** The 1994 Rate Manual set a 7-year depreciation schedule for solid waste collection trucks. Modern solid waste collection trucks have a 10-year lifespan, and the depreciation schedule was adjusted accordingly.
- › **Updated Profit Allowance:** The 2025 rate adjustment will include a 9% profit allowance of projected collection costs and in 2026 and thereafter the profit allowance will be 10%. The updated profit allowance is in-keeping with industry standard ranges for solid waste services. For

context, the 2025 profit allowance is approximately 5% of revenues and we estimate that the 2026 profit allowance will be approximately 5.5% of revenues. Profit will not be allowed on post-collection costs.

- › **Removed Limitation on Corporate Overhead:** The 1994 Rate Manual placed a limitation on corporate overhead costs. Today, corporate overhead costs fund legal, tax, payroll, human resources, engineering, compliance, IT, training and recruiting programs. The City and Waste Connections agreed to remove the prior limitation in order to fund these services. In the near-term, compensation to Waste Connections for corporate overhead will be limited by the CPI adjustment noted above. Cost-based adjustments to corporate overhead are possible in 2030, and will be subject to review, justification, and potential limitation at that time.
- › **Extraordinary Adjustments:** The California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulation is requiring all solid waste collection trucks to have zero emissions by 2042. This includes a phased in plan to get the percentage of the fleet to be zero emission vehicle (ZEV) with 10% by 2030, 25% by 2033, 50% by 2036, 75% by 2039 and 100% by 2042. During CPI Adjustment years, Waste Connections may request extraordinary rate adjustments due to changes in law affecting collection operations, including for compliance with CARB's ACF zero emission mandate (which may necessitate change to depreciation schedules). The City may, but is not obligated to, consider requests for extraordinary rate adjustments due to changes in law affecting post-collection operations. Requests for extraordinary change are subject to good faith negotiations between City and Waste Connections.

## New Service Enhancements

During negotiations, the City and Waste Connections also took the opportunity to establish new service enhancements that will discourage illegal dumping, provide cart cleaning exchanges, and offer rate relief for low-income customers. The below service enhancements are available to the other Agencies that approve the new rate adjustment methodology in association with adjusted 2025 solid waste rates:

- › **Customer Assistance Program:** 20% low-income discount provided to residential customers using 32-gallon cart service, using existing jurisdictional practices on low-income relief for their offered utility type services with evidence of qualifying financial hardship.
- › **Free Bulky Waste Collections:** Collection of a bulky waste item twice annually from residential accounts at no separate cost, via clean-up week or voucher program depending on existing program.
- › **Annual Cart Exchange:** Once annual exchange of a residential solid waste, recycling, or organics cart per customer account.

## 2025 Rate Adjustments

As a result of the above, Waste Connections' 2025 rate adjustment request was revised from a 9.29% increase to a 9.89% increase in solid waste rates, effective January 1, 2025 (and prior to other rate structure adjustments that the City and Waste Connections may enact). When the new rate methodology changes and service enhancements are equally applied to the other regional Agencies, the results are as shown in Table 1 on the following page. Additional details are included in Section 3 of this report.

**Table 1: 2025 Rate Adjustments**

Agency	Original	Revised
City of San Luis Obispo	9.29%	9.89%
City of Arroyo Grande	3.97%	4.92%
Los Osos CSD	12.47%	13.18%
City of Pismo Beach	3.97%	4.82%
Cambria CSD	12.78%	12.59%
City of Grover Beach	3.97%	5.02%
Nipomo CSD	3.23%	5.04%
Oceano CSD	3.76%	4.98%
Cayucos SD	12.47%	14.32%
Avila Beach CSD	3.97%	4.60%

## 2. BACKGROUND

### 1994 Rate Manual

The 1994 Rate Manual is a 120-page document that provides step-by-step directives regarding annual adjustments to solid waste rates in the City. Though the 1994 Rate Manual specifically references the City of San Luis Obispo, other agencies in San Luis Obispo County (including the nine Agencies referenced in this report) also follow the 1994 Rate Manual for annual adjustments to solid waste rates.

The 1994 Rate Manual established a three-year cycle for adjustments to solid waste rates. The first year of each three-year cycle (called a “base year”) adjusted rates based on the documented costs of providing solid waste services. In the second and third years, solid waste rates were adjusted in accordance with external indicators, such as the Consumer Price Index (CPI).

While the 1994 Rate Manual was an appropriate approach to annually adjusting solid waste rates at the time, changing regulatory conditions and modern best practices in solid waste rate setting indicate that the prior approach has outlived its usefulness. In particular, cost-based adjustments on a fixed three-year cycle are no longer the industry norm. Most solid waste rate adjustment methodologies in California today either do not include regular cost-based adjustments or do so less frequently. When allowed, cost-based adjustments are typically the result of extraordinary changes in cost due to factors like changes in law or other uncontrollable factors (such as China’s National Sword Policy in 2017 and the COVID pandemic in 2020). Additionally, step-by-step instructions and timelines in the 1994 Rate Manual are outdated and do not contemplate current approaches to public noticing, public hearings, and review timelines for authorizing rate adjustments.

### RFQ for New Rate Adjustment Methodology

Recognizing the limitations of the 1994 Rate Manual, the City and Los Osos Community Services District issued a request for quotes (RFQ) in early 2024 seeking a consultant to develop a new rate adjustment methodology. Pursuant to the RFQ process, R3 was awarded an agreement to provide support in developing a new rate adjustment methodology.

### Rate Adjustment History

Rate adjustments experienced by the City and participating Agencies have varied significantly in the prior ten years from 2015 through 2024, as shown in Table 2, on the following page. As shown in the table, rate adjustments by agency have varied from 0% (most Agencies in 2015) to over 20% (most Agencies in 2022).

There are important reasons for these variances, primarily related to the unfunded State mandates of SB 1383 (Short-lived Climate Pollutants Act) which required all agencies in California to implement programs to recover and recycle organic waste to reduce methane emissions from landfills. While rate adjustments were necessary to fund the required SB 1383 programs, the combination of new costs with the three-year cost-based adjustment approach in the 1994 Rate Manual resulted in rate adjustment spikes in 2016, 2019, and 2022. Overall, across the Agencies, the average annual rate adjustment from 2015 through 2024 has been 6.76%.

One important objective of the new rate adjustment methodology is to minimize the recurrence of such spikes by reducing the frequency of cost-based rate adjustments. From R3’s experience implanting new rate methodologies with other clients, the result has been stable and predictable annual rate adjustments.

**Table 2: 2015 – 2024 Rate Adjustments by Agency**

Agency	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City of San Luis Obispo	0.00%	5.25%	1.00%	1.60%	13.70%	1.70%	0.70%	17.75%	9.10%	3.00%
City of Arroyo Grande	0.00%	3.25%	1.00%	1.60%	10.06%	1.70%	0.70%	22.19%	9.10%	3.00%
Los Osos CSD	2.00%	10.37%	1.00%	1.60%	25.74%	1.70%	0.70%	41.87%	7.70%	2.70%
City of Pismo Beach	0.00%	3.25%	1.00%	1.60%	10.06%	1.70%	0.70%	22.19%	9.10%	3.00%
Cambria CSD	1.92%	9.93%	1.00%	1.60%	25.32%	1.70%	0.70%	41.50%	9.10%	3.00%
City of Grover Beach	0.00%	3.25%	1.00%	1.60%	10.06%	1.70%	0.70%	22.19%	9.10%	3.00%
Nipomo CSD	0.00%	0.00%	1.00%	1.60%	15.08%	1.70%	0.70%	21.27%	9.10%	3.00%
Oceano CSD	0.00%	3.25%	1.00%	1.60%	10.06%	1.70%	0.70%	21.03%	9.10%	3.00%
Cayucos SD	2.00%	27.39%	1.00%	1.60%	26.43%	1.70%	0.70%	43.30%	9.10%	3.00%
Avila Beach CSD	0.00%	3.25%	1.00%	1.60%	10.06%	1.70%	0.70%	22.19%	9.10%	3.00%

## Financial Statement History

There are three Waste Connections business units serving the ten participating Agencies (San Luis Garbage, Mission Country Disposal, and South County Sanitary Service). Each business unit prepares annual audited financial statements which are used as the basis for base year rate applications to the Agencies. R3 analyzed Waste Connections' audited financial statements for the six years from 2018 through 2023 to evaluate profit achievement, with the results summarized in Table 3, below. Table 3 also includes estimated profit achievement in 2024 (still underway) and for 2025 (prior to 2025 rate adjustments).

**Table 3: 2018 – 2023 Profit Achievement**

Business Unit	2018	2019	2020	2021	2022	2023	2024	2025
San Luis Garbage	-13.84%	-16.84%	-9.66%	-3.41%	12.47%	6.30%	-0.64%	-6.62%
Mission Country Disposal	-19.26%	-30.77%	-9.28%	-19.84%	-10.21%	2.47%	-4.09%	-8.95%
South County Sanitary Service	5.38%	1.40%	0.25%	-5.56%	5.93%	15.85%	8.43%	2.38%
Overall	-7.22%	-12.45%	-5.22%	-7.88%	4.66%	9.67%	2.61%	-3.16%



As shown in Table 3, in total across all three business units, Waste Connections operated without any net income between 2018 and 2021, with net positive profitability being achieved in 2022 and 2023. Profit achievement varied by business unit, with South County Sanitary Service consistently experiencing greater profit achievement and Mission Country Disposal consistently experiencing lesser or no profit achievement. This is one of the key reasons that rate adjustments for the Agencies served by Mission Country Disposal (Cambria Community Services District, Cayucos Sanitary District, and Los Osos Community Services District) were higher than the other Agencies in 2019 and 2022.

Table 3 also shows that projected profit achievement in 2024 will be lower than 2023, which is primarily the result of Waste Connections incurring increased landfill disposal costs (provided by a related party) and increased organics processing costs (provided by a non-affiliated third party processor). Projected profit achievement for 2025 – which, importantly, is **prior to 2025 adjustments to solid waste rates** – demonstrates no net profit for San Luis Garbage and Mission County Disposal and low net income for South County Sanitary Service. Overall, without adjustments to rates, Waste Connections service to the Agencies in 2025 will not yield net income.

It should be noted that Waste Connections allocates costs between business units based on allocation metrics that include vehicle operating hours, number of solid waste containers, and number of customer accounts. While such metrics are useful means of allocating costs, they do not necessarily represent the exact cost of providing service within a given business unit.

## Rate Comparison

R3 compared current 2024 solid waste rates for the Agencies to rates in other jurisdictions in San Luis Obispo County, Santa Barbara County, and Monterey County. The results are shown in Table 4, below and on the following page, and are organized in ascending order by 32-gallon monthly rate (common residential subscription level).

**Table 4: Regional Comparison of Monthly Rates**

Agency	20 Gallon	32 Gallon	64 Gallon	96 Gallon	2 Cubic Yards
Oceano CSD	N/A	\$20.37	\$29.31	\$57.39	\$128.75
San Luis Obispo	\$14.74	\$23.53	\$47.06	\$70.59	\$185.21
Pismo Beach	N/A	\$23.76	\$47.56	\$71.33	\$166.02
Grover Beach	N/A	\$24.23	\$32.74	\$41.23	\$147.95
Arroyo Grande	N/A	\$27.33	\$35.52	\$43.73	\$167.65
Nipomo CSD	N/A	\$27.57	\$39.52	\$51.81	\$136.62
Avila Beach CSD	N/A	\$28.31	\$46.78	\$65.24	\$177.68
Santa Barbara County Zone 4 Lompoc	N/A	\$31.41	\$36.13	\$40.70	\$179.98
Cayucos SD	N/A	\$32.60	\$38.52	\$44.48	\$184.32
Santa Barbara County Zone 5	N/A	\$33.03	\$37.84	\$42.46	\$192.87
City of Atascadero	N/A	\$33.67	\$52.80	\$66.35	\$172.24
San Miguel	N/A	\$34.13	\$53.80	\$72.88	\$124.12
Santa Barbara County Zone 4 Santa Ynez	N/A	\$34.33	\$42.62	\$50.77	\$254.11
City of Morro Bay	\$22.21	\$35.54	\$71.07	\$106.63	\$265.30
Svang	N/A	\$36.28	\$45.20	\$54.69	\$256.55

Agency	20 Gallon	32 Gallon	64 Gallon	96 Gallon	2 Cubic Yards
Goleta	N/A	\$37.39	\$41.88	\$48.35	\$240.10
Templeton	N/A	\$38.73	\$54.63	\$60.41	\$149.58
Los Osos CSD	\$27.74	\$39.45	\$60.57	\$64.96	\$228.72
Buellton	N/A	\$40.51	\$48.40	\$56.38	\$281.13
Cambria CSD	N/A	\$41.52	\$83.03	\$124.55	\$201.94
King City	\$32.43	\$42.83	\$53.68	\$63.52	\$288.00
Santa Barbara County Zone 2	N/A	\$43.25	\$54.66	\$65.92	\$259.61
City of Paso Robles	\$38.15	\$43.32	\$57.42	\$63.59	\$188.36
Santa Barbara County Zone 3	N/A	\$45.22	\$51.52	\$57.75	\$215.72
MRWMD	\$38.28	\$46.54	\$72.92	\$91.20	\$277.20
City of Santa Barbara	N/A	\$48.26	\$59.82	\$71.38	\$277.66
WM Area (Formerly Mid-State)	N/A	\$48.72	\$71.31	\$93.84	\$214.46
Santa Barbara County Zone 1	N/A	\$56.60	\$62.86	\$69.25	\$256.74
Santa Maria	N/A	N/A	\$38.74	\$47.87	\$166.72

Table 4 demonstrates that solid waste rates for the City and other Participating Agencies compare favorably to others in the region. Charts 1 through 4, below and on the following pages, show the information from Table 4 in graphical format.

**Chart 1: Regional Comparison of Monthly 32-gallon Cart Rates**

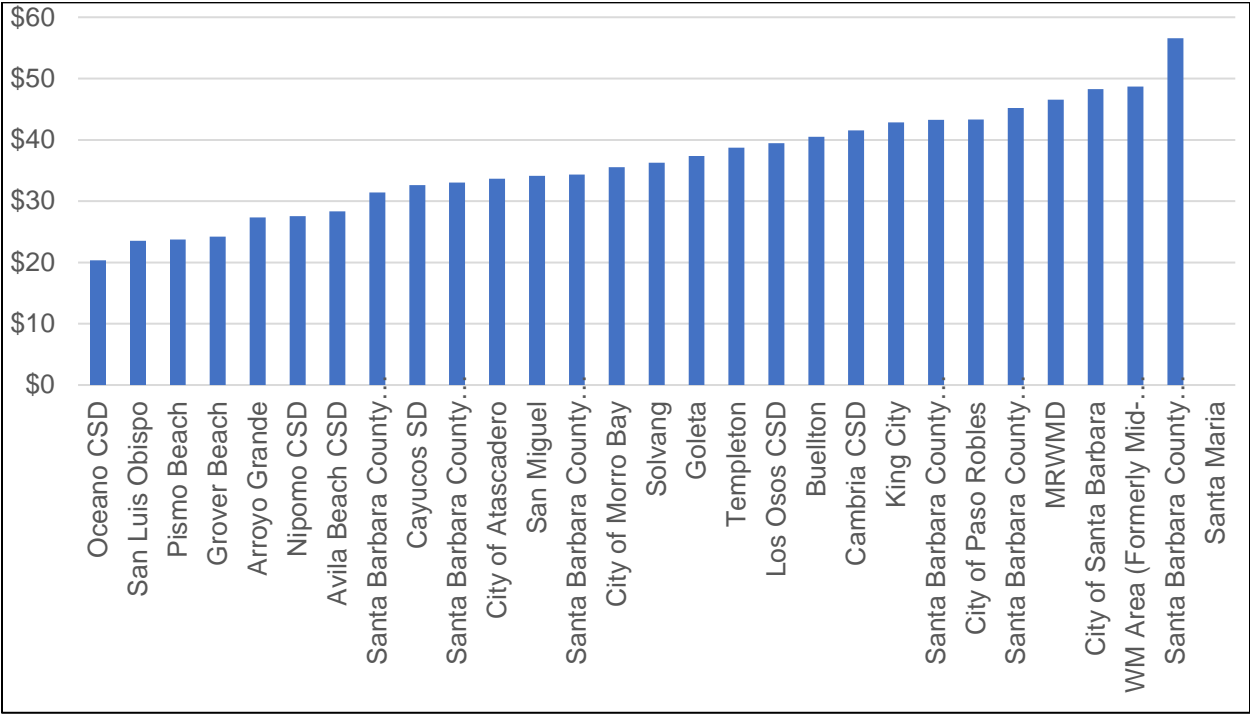
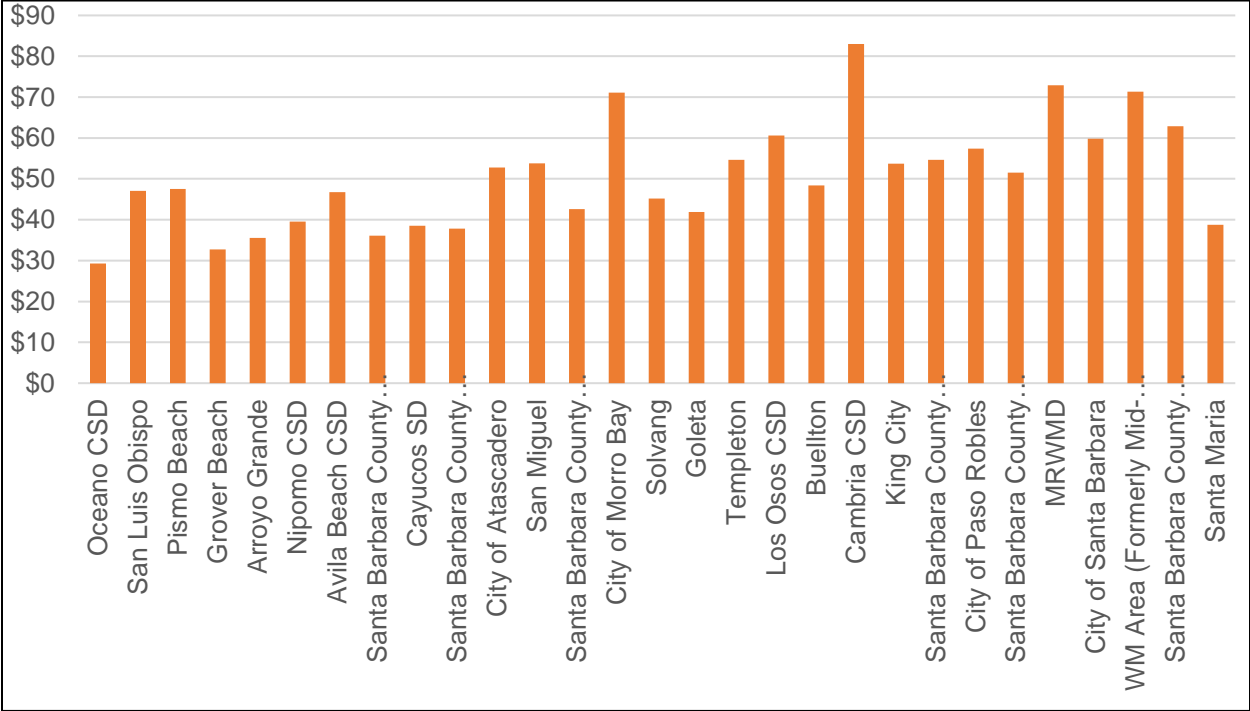


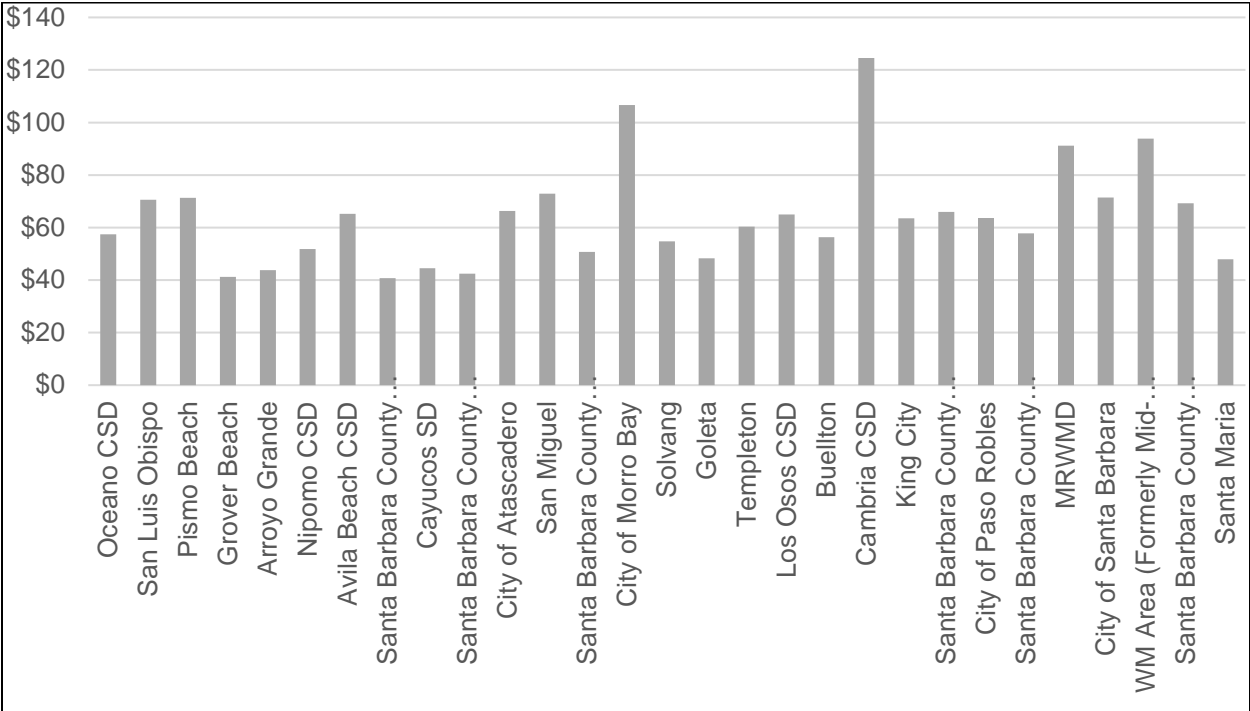
Chart 1, which is organized in ascending order of 32-gallon monthly rate, demonstrates that the rates for 32-gallon monthly service (the most subscribed residential service level) for all Participating Agencies

other than Cambria Community Services District, Cayucos Sanitary District, and Los Osos Community Services District are the lowest in the region. Chart 2 shows how 64-gallon monthly rates compare.

**Chart 2: Regional Comparison of Monthly 64-gallon Cart Rates**

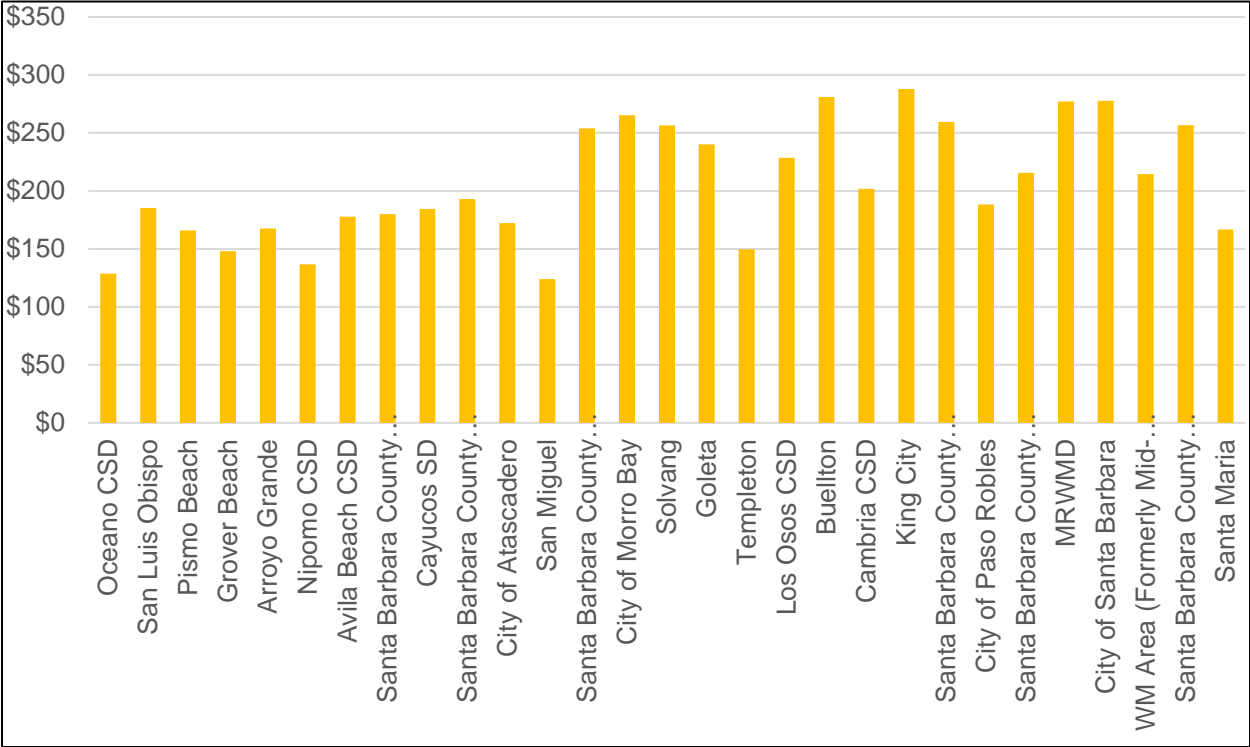


**Chart 3: Regional Comparison of Monthly 96-gallon Cart Rates**



Charts 3 and 4 keep the same ordering as Charts 1 and 2 and show how large residential 96-gallon service and commercial two (2) cubic yard bin service compare with the region. Overall, while exceptions exist, rates for solid waste service for the City and the Participating Agencies are among the lowest in the region, including San Luis Obispo County, Santa Barbara County, and Monterey County.

Chart 4: Regional Comparison of Monthly 2 Cubic Yard Rates



### 3. NEW RATE ADJUSTMENT METHODOLOGY AND 2025 RATES

#### 2025 Base Year Rate Adjustments

Waste Connections submitted base year rate applications to the Agencies for rates effective January 1, 2025.<sup>1</sup> Those rate applications were prepared in accordance with the 1994 Rate Manual, with modification for an effectiveness date of January 1, 2025, instead of the October 1, 2024 date that otherwise would have been the effective date given strict adherence to the 1994 Rate Manual. In simple terms, the applications project future 2025 costs for providing solid waste services based on the actual costs of providing services as follows:

- › Actual results for the most recently completed year (2023), which are based on the audited financial statements.
- › Projected results for the current year (2024), which are to be based on year-to-date information available at the time the application is submitted.
- › Projected results for the next year (2025).

Adjustments to solid waste rates are then calculated based on the projected 2025 revenue requirement, which is the sum of:

- › Allowed costs.
- › Allowable operating profit.
- › Pass through costs.

In reviewing the 2025 base year rate applications for the Agencies, R3:

- › Checked calculations for mathematical accuracy and consistency.
- › Tied projected costs back to the 2023 audited financial statements.
- › Evaluated the root causes of extraordinary changes in cost for landfilling and organics processing.
- › Reviewed 2024 revenues year to date to determine accuracy of projected revenues at current rates for 2025.
- › Proposed adjustments to solid waste collection vehicle depreciation lifetimes.

A summary of Waste Connections' original 2025 base year rate adjustments per the applications submitted to the Agencies is included as Attachment 1.

It should be noted that Waste Connections' base year rate applications are made at the business unit level (San Luis Garbage, Mission Country Disposal, and South County Sanitary Service) with no allocation of projected costs to individual Agencies served by those business units. Rather, the base year rate adjustment applications use total costs and revenues for those business units to calculate rate adjustments for the individual Agencies. For the purposes of our analysis, and as documented in Attachment 1, R3 allocated projected expenses by agency in accordance with proportion of revenues – this allocation approach is what the base year rate application achieve in practice, and the result is an exact match to the rate adjustment calculations included in the base year rate applications for each agency.

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<sup>1</sup> Authorization of the January 1, 2025 rate adjustments are expected to occur after that date. Waste Connections will prorate adjustment amounts on customer bills to account for the timing difference.

R3 thoroughly reviewed the figures included in the 2025 rate adjustment calculations, as well as supporting documentation requested of Waste Connections during the review process and found that Waste Connections’ rate applications were accurate and in accordance with the 1994 Rate Manual. The rate adjustments shown in Table 5 on the following page are the correct rate adjustments per the 1994 Rate Manual and are the default rate adjustments effective January 1, 2025, if the City and the Participating Agencies do not move forward with revisions to the 2025 rates in accordance with the new rate adjustment methodology.

**Table 5: 2025 Rate Adjustments Per 1994 Rate Manual**

Agency	January 1, 2025, Default Rate Adjustment
City of San Luis Obispo	9.29%
City of Arroyo Grande	3.97%
Los Osos CSD	12.47%
City of Pismo Beach	3.97%
Cambria CSD	12.78%
City of Grover Beach	3.97%
Nipomo CSD	3.23%
Oceano CSD	3.97%
Cayucos SD	12.47%
Avila Beach CSD	3.97%

## Revisions for New Rate Adjustment Methodology

In negotiating the terms and conditions of a new rate adjustment methodology starting in 2026, the City and Waste Connections made the following revisions to the 2025 base year rate adjustments:

### Updated Depreciation Lifespan for Trucks

The 1994 Rate Manual set a 7-year depreciation schedule for solid waste collection trucks. Modern solid waste collection trucks have a 10-year lifespan, and the depreciation schedule was adjusted by Waste Connections accordingly. Table 6, on the following page, shows the dollar magnitude of this change and the effect on the 2025 rate adjustment, with the effect being a reduction in the rate adjustment calculation ranging from 1.33% to 1.62%, depending on agency. Differences in effect by agency are the result of business unit allocations described earlier in this report.

**Table 6: Change in Depreciation Lifespan**

	San Luis Obispo	Los Osos CSD	Cambria CSD	Cayucos SD	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo CSD	Oceano CSD	Avila CSD
Original Depreciation	\$1,338,367	\$376,989	\$295,515	\$131,502	\$398,063	\$316,350	\$236,919	\$225,376	\$114,616	\$26,441
Revised Depreciation	1,125,720	317,545	248,918	110,766	336,460	267,393	200,254	190,498	96,879	22,349
Change in Calculations	(212,647)	(59,444)	(46,597)	(20,735)	(61,603)	(48,957)	(36,665)	(34,878)	(17,737)	(4,092)
<b>Effect on Rate Adjustment</b>	<b>-1.47%</b>	<b>-1.62%</b>	<b>-1.62%</b>	<b>-1.62%</b>	<b>-1.33%</b>	<b>-1.33%</b>	<b>-1.33%</b>	<b>-1.33%</b>	<b>-1.33%</b>	<b>-1.33%</b>

**Removed Limitation on Corporate Overhead**

The 1994 Rate Manual placed a limitation on corporate overhead costs. Today, corporate overhead costs fund legal, tax, payroll, human resources, engineering, compliance, IT, training and recruiting programs. The City and Waste Connections agreed to remove the prior limitation in order to fund these services. Table 7, below, shows the effect of removing the prior limitation on corporate overhead. Differences in effect by agency are the result of different original proportionate amounts of corporate overhead between Agencies. In the near-term, compensation to Waste Connections for corporate overhead will be limited by the CPI adjustment noted above. Cost-based adjustments to corporate overhead are possible in 2030, and will be subject to review, justification, and potential limitation at that time.

**Table 7: Change in Corporate Overhead**

	San Luis Obispo	Los Osos CSD	Cambria CSD	Cayucos SD	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo CSD	Oceano CSD	Avila CSD
Original Corporate Overhead	\$246,296	\$46,213	\$36,226	\$16,120	\$93,625	\$74,406	\$55,724	\$53,009	\$26,958	\$6,219
Revised Corporate Overhead	430,378	80,753	63,301	28,168	163,600	130,017	97,371	92,627	47,106	10,867
Change in Calculations	184,082	34,540	27,075	12,048	69,975	55,611	41,648	39,619	20,148	4,648
<b>Effect on Rate Adjustment</b>	<b>1.28%</b>	<b>0.94%</b>	<b>0.94%</b>	<b>0.94%</b>	<b>1.51%</b>	<b>1.51%</b>	<b>1.51%</b>	<b>1.51%</b>	<b>1.51%</b>	<b>1.51%</b>

### 50% Cost Share for Regional Service Enhancements

Waste Connections is offering new service enhancement to the benefit of the City and the Agencies including:

- › Collection of a bulky waste item twice annually from residential accounts at no cost, via clean-up week or voucher program depending on existing program.
- › Once annual exchange of a residential solid waste, recycling, or organics cart per customer account.

Waste Connections has estimated the annual cost of offering these service regionally and is proposing recovery of 50% of the projected costs via the 2025 rate adjustment. The City and Waste Connections have tentatively agreed to this cost sharing as part of the new agreement and for inclusion in the 2025 rates. Waste Connections is proposing the low income discount customer assistance program without a change in rate adjustment.

Table 8, below, shows the effect of including the 50% cost sharing for these two service enhancements into the 2025 rate adjustment. Cost allocations are by percentage of accounts by agency, which is the reason for differences in the effect of rate adjustment by agency.

**Table 8: 50% Cost Share for Service Enhancements**

	San Luis Obispo	Los Osos CSD	Cambria CSD	Cayucos SD	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo CSD	Oceano CSD	Avila CSD
New Annual Cart Exchange	\$26,376	\$9,889	\$7,223	\$3,623	\$11,445	\$7,566	\$8,179	\$7,987	\$3,681	\$320
Bulky Clean-up Enhancements	21,091	7,908	5,776	2,897	9,152	6,050	6,540	6,386	2,944	256
Change in Calculations	47,467	17,797	12,999	6,520	20,597	13,616	14,719	14,373	6,625	576
<b>Effect on Rate Adjustment</b>	<b>0.33%</b>	<b>0.48%</b>	<b>0.45%</b>	<b>0.51%</b>	<b>0.45%</b>	<b>0.37%</b>	<b>0.54%</b>	<b>0.55%</b>	<b>0.50%</b>	<b>0.19%</b>

### Corrections to AB 939 Fees

Agency fees, which include AB 939 Fees and Franchise Fees, are included as estimates in rate adjustment applications. Because the rate applications are at the company business unit level, and not at the individual agency level, AB 939 fees in the application are allocated to the Agencies in proportion to revenues. However, only the City of San Luis Obispo and Cayucos Sanitary District receive AB 939 Fees – therefore this was corrected in the revised 2025 rate adjustments as shown in Table 9, on the following page. Note that the values for the City of San Luis Obispo also include a correction to Franchise Fee revenues.<sup>2</sup>

<sup>2</sup> Specifically, to remove the 1994 Rate Manual’s approach to “grossing up” the calculated rate adjustment to account for the Franchise Fee by including the projected Franchise Fee payment amounts in the rate adjustment calculation itself. This approach is also recommended for the other Agencies starting with the 2026 rate adjustment.



**Table 9: Corrections to AB 939 Fees**

	San Luis Obispo	Los Osos CSD	Cambria CSD	Cayucos SD	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo CSD	Oceano CSD	Avila CSD
Original Agency Fees	\$362,140	\$5,226	\$4,097	\$1,823	\$-	\$-	\$-	\$-	\$-	\$-
Revised Agency Fees	439,411	-	-	12,754	-	-	-	-	-	-
Change in Calculations	77,271 <sup>3</sup>	(5,226)	(4,097)	10,931	-	-	-	-	-	-
<b>Effect on Rate Adjustment</b>	0.54%	-0.14%	-0.14%	0.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Updated Profit Allowance**

The 1994 Rate Manual, along with the Agencies agreements with Waste Connections, limits allowable profit based on an “operating ratio” of 92% or 93% of allowable collection expenses (not including post-collection disposal, processing or recycling expenses nor agency fees) depending on the agency. A 93% operating ratio is the equivalent of a 7.53% profit margin, and a 92% operating ratio is the equivalent of an 8.7% profit margin.

A key negotiation point between the City and Waste Connections was a change to the profit allowance. Ultimately, after much discussion and negotiation, the City and Waste Connections agreed that the 2025 rate adjustment will include a 9% profit allowance of projected allowable collection costs and in 2026 and thereafter the profit allowance will be 10%. The updated profit allowance is in-keeping with industry standards for solid waste services.

For context, the 2025 profit allowance is approximately 5% of revenues and we estimate that the 2026 profit allowance will be approximately 5.5% of revenues. Table 10, on the following page, shows the effect of changing the profit allowance to 9% of collection costs for all Agencies for the 2025 rate adjustments. Differences in the effect on rate adjustment are due to differences in existing profit allowances by agency, as well as differences in the depreciation, corporate overhead and new service enhancements shown in earlier tables.

<sup>3</sup> Includes adjustment to Franchise Fee to remove “grossing up” method from City’s 2025 rate adjustment calculations.

**Table 10: 9% Profit Allowance on Allowable Collection Costs**

	San Luis Obispo	Los Osos CSD	Cambria CSD	Cayucos SD	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo CSD	Oceano CSD	Avila CSD
Original Profit Allowance	\$641,302	\$188,392	\$170,609	\$65,715	\$227,094	\$180,477	\$135,161	\$111,295	\$65,388	\$15,085
Revised Profit Allowance	768,515	224,623	175,993	78,382	237,649	188,618	141,665	134,797	68,490	15,714
Change in Calculations	127,213	36,231	5,384	12,667	10,555	8,141	6,504	23,502	3,102	629
<b>Effect on Rate Adjustment</b>	<b>0.88%</b>	<b>0.99%</b>	<b>0.19%</b>	<b>0.99%</b>	<b>0.23%</b>	<b>0.22%</b>	<b>0.24%</b>	<b>0.90%</b>	<b>0.23%</b>	<b>0.20%</b>

**Total Revisions for New Rate Adjustment Methodology**

Taken altogether, the revisions to the 2025 rate adjustment result in small increases to the original 2025 rate adjustment calculations. These are shown in Table 11, on the following page, and are also shown in Attachment 2.

Table 11: Overall Revisions to 2025 Rate Adjustments

	San Luis Obispo	Los Osos CSD	Cambria CSD	Cayucos SD	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo CSD	Oceano CSD	Avila CSD
Original 2025 Revenue Calculation	\$15,640,734	\$4,089,595	\$3,228,699	\$1,426,540	\$4,786,646	\$3,804,059	\$2,848,911	\$2,692,832	\$1,378,241	\$317,951
Change in Depreciation	(212,647)	(59,444)	(46,597)	(20,735)	(61,603)	(48,957)	(36,665)	(34,878)	(17,737)	(4,092)
Change in Corporate Overhead	184,082	34,540	27,075	12,048	69,975	55,611	41,648	39,619	20,148	4,648
Enhanced Services	47,467	17,797	12,999	6,520	20,597	13,616	14,719	14,373	6,625	576
Updated Profit Allowance	127,213	36,231	5,384	12,667	10,555	8,141	6,504	23,502	3,102	629
Corrections to AB 939 Fees	77,271	(5,226)	(4,097)	10,931	-	-	-	-	-	-
<b>Revised 2025 Revenue Calculation</b>	<b>15,864,119</b>	<b>4,113,493</b>	<b>3,223,463</b>	<b>1,447,971</b>	<b>4,826,170</b>	<b>3,832,470</b>	<b>2,875,118</b>	<b>2,735,447</b>	<b>1,390,379</b>	<b>319,712</b>
Revenues at Current Rates	14,435,726	3,677,194	2,882,493	1,282,686	4,621,616	3,672,906	2,750,690	2,616,676	1,330,724	306,989
Shortfall	(1,428,393)	(436,299)	(340,970)	(165,285)	(204,554)	(159,564)	(124,428)	(118,771)	(59,655)	(12,724)
<b>Revised 2025 Rate Adjustment<sup>4</sup></b>	<b>9.89%</b>	<b>13.18%</b>	<b>12.59%</b>	<b>14.32%</b>	<b>4.92%</b>	<b>4.82%</b>	<b>5.02%</b>	<b>5.04%</b>	<b>4.98%</b>	<b>4.60%</b>

### Proportionality in Cost of Service

R3 analyzed the 2025 rate adjustments for adequacy with respect to the cost-of-service requirements of Proposition 218. Because the base year rate adjustment methodology is based on the documented cost of provided solid waste services as expressed in Waste Connections’ audited financial statements, we find that the current and proposed solid waste service rates will generate revenues sufficient to cover the cost-of-providing service plus a reasonable profit allowance commensurate with normal expectations in the solid waste industry.

R3 also analyzed the proposed solid waste service rates for adequacy with respect to proportionate allocation of costs among solid waste service customers. R3 found that the current (and thus also

<sup>4</sup> Rate adjustments shown include grossing up for franchise fees per 1994 Rate Manual methodology, except for San Luis Obispo.

proposed) solid waste rate structure proportionately allocates costs to service types and container sizes based on the relative differences in cost associated with the types of services provided to customers.

For example, for customers subscribing to 60- or 90-gallon cart solid waste service, the per-gallon cost-of-service for those subscribed to the larger container size (90-gallons) is proportionately less than those subscribed to the smaller container size (60-gallons). This is because solid waste service is comprised of both fixed and variable costs, with the fixed cost portion being for the cost of collection (labor, fuel, capital equipment, and other shared costs) as well as the costs related to post-collection disposal, processing, recycling and composting. Thus, the cost-of-service for the larger container size (90-gallons) has a lesser proportion of fixed costs to variable costs compared to the smaller (60-gallon) container size.

### Factors Affecting 2025 Rate Adjustments

Overall, for the Agencies and the three Waste Connections business units, the 2025 rate adjustments reflect an 8.12% increase in revenues to meet increased costs and revised profit allowances. The largest contributors to the overall increase are:

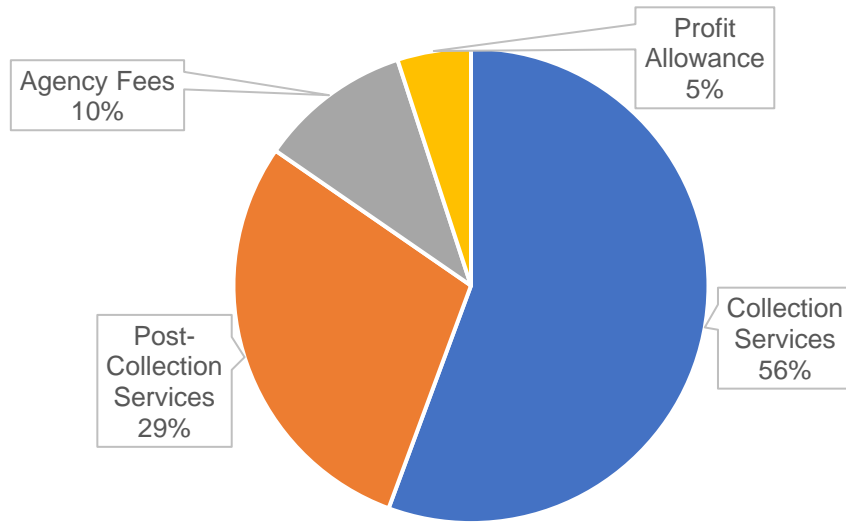
- › **Increases in organics processing costs** – Third-party costs for the organic waste post-collection processing facility operated by the company formerly named Hitachi Zosen INOVA, and which are not within Waste Connections' control, have doubled since 2022. The change in cost is the result of changes in facility capital and operating costs.
- › **Increases in landfill disposal costs** – Related party costs for landfill waste disposal at Cold Canyon have remained flat since 2016. The 2025 rate adjustment reflects a market adjustment to these costs, from a per ton tipping fee of \$41 per ton (in place since 2016) to a per ton tipping fee of \$70. Waste Connections provided market comparison demonstrating the applicability of the \$70 per ton market tipping fee.

Other factors play minor roles in the 2025 rate adjustment:

- › **Collection costs including labor, vehicles, operating expenses and overhead** – These costs are increasing in proportion to the Consumer Price Index and are projected to increase by 3.20% in 2024 and 4.21% for 2025.
- › **Agency fees** – These costs are mostly proportionate to changes in rates and are projected to increase by 2.22% in 2024 and 3.30% in 2025.

Overall, collection services comprise the single largest component overall rate funded expenses, at 56% of total rate revenues. Post-collection services are the next largest component of rate funding, at 29% of total rate revenues. Agency fees comprise 10% of rate revenues and profit allowance comprises 5% of rate revenues. This is demonstrated in Chart 5, on the following page.

Chart 5: Summary Components of 2025 Rate Revenues



## New Rate Adjustment Methodology

The City and Waste Connections negotiated a new methodology for adjusting rates starting in 2026, which are summarized below. R3 is preparing an exhibit to the City’s new agreement with Waste Connections that will further detail the terms and conditions of the new methodology in accordance with the following points, which have been tentatively agreed to by the parties. The exhibit will be finalized and ready for distribution to the Agencies on or around November 18, 2024. It is recommended that the Agencies bring forward the exhibit as an amendment to their agreements with Waste Connections when considering the 2025 rate adjustments, which is anticipated to occur in January 2025.

The features of the new methodology include:

- › **CPI Adjustments:** Starting in 2026, rate adjustments will be based on the Garbage and Trash CPI, with a floor of 2% and a cap of 5%. Amounts under 2% or over 5% will carry forward. The CPI adjustment will apply to Waste Connections’ collection and post-collection cost centers. The proposed CPI is the Consumer Price Index for all Urban Consumers for Garbage and Trash in the United States, all City average. Details and prior results for this CPI are included in Attachment 3. This is the same CPI used by Waste Connections in preparing its 2025 base year application.
- › **Updated Profit Allowance:** As stated previously, the 2025 rate adjustment includes a 9% profit allowance of projected collection costs. The City and Waste Connections have tentatively agreed that, in 2026 and thereafter, the profit allowance will be 10% of collection costs.
- › **Revenue Balancing Mechanism:** Starting in 2027, adjustments to rates will account for shortfalls or surpluses in Waste Connections’ actual revenues compared to projected revenues from prior years. For example, if Waste Connections’ 2025 revenues exceed projections, the amount of surplus revenues will be credited to the rates in 2027 (and vice versa), achieving fairness in compensation and rates for the company and for ratepayers. Such adjustments would take place annually and will be independent of the CPI cap and floor noted above.
- › **Less Frequent Cost-Based Adjustments:** Currently, solid waste rates are adjusted based on the 1994 Rate Manual every three years on Waste Connections’ costs. Via the new methodology,

cost-based adjustments would occur a maximum of every five years, and only if requested by Waste Connections or the City. The first opportunity for a cost-based adjustment will be for the 2030 rate year. If neither Waste Connections nor the City request a cost-based adjustment, then the CPI adjustment approach will be applied. Cost-based adjustments will be based on Waste Connections’ consolidated audited financial statements for the region. Timeframes for cost-based adjustment application and review process will be ample, such that the City will have sufficient time for review and approval processes and such that the potential for delay in implementation is minimized.

- › **Extraordinary Adjustments:** The California Air Resources Board (CARB) Advanced Clean Fleets (ACF) regulation is requiring all solid waste collection trucks to be zero emissions in 2042. This includes a phased in plan to get the percentage of the fleet to be zero emission vehicle (ZEV) with 10% by 2030, 25% by 2033, 50% by 2036, 75% by 2039 and 100% by 2042. During CPI Adjustment years, Waste Connections may request extraordinary rate adjustments due to changes in law affecting collection operations, including for compliance with CARB’s ACF zero emission mandate (which may necessitate change to depreciation schedules). The City may, but is not obligated to, consider requests for extraordinary rate adjustments due to changes in law affective post-collection operations. Requests for extraordinary change are subject to good faith meet and confer negotiations between City and Waste Connections.

### Example Calculations for 2026 through 2029

R3 has prepared example calculations of projected rate adjustments for 2026 through 2029 based on the tentatively agreed to terms and conditions outlined above (including adjustment to 10% profit allowance on collection services starting in 2026). Table 12, below, demonstrates this example for the City of San Luis Obispo, and Attachment 4 provides examples for all Agencies. Note that the example in Table 12 and Attachment 4 includes the following assumptions:

- › CPI at the 5% cap (note that CPI below the 5% cap will result in lower rate adjustments)
- › Revenue reconciliation at 1% below annual rate revenue projections (note that amounts above rate revenue projections will offset rate adjustments, not add to them).
- › Discontinuance of the prior Franchise Fee grossing method on rate adjustment for all Agencies starting in 2026.

**Table 12: Example Calculation of New Rate Methodology for the City of San Luis Obispo**

	2025	2026	2027	2028	2029
Collection Services	\$8,539,055	\$8,966,008	\$9,414,308	\$9,885,024	\$10,379,275
Profit Allowance	768,515	896,601	941,431	988,502	1,037,927
Post-Collection Services	4,602,096	4,832,201	5,073,811	5,327,501	5,593,876
Franchise Fee	1,586,412	1,675,695	1,777,106	1,866,072	1,959,572
AB 939 Fee	368,041	386,443	405,765	426,053	447,356
Revenue Reconciliation Example	N/A	N/A	158,641	167,569	177,711
<b>Total Revenues</b>	<b>15,864,119</b>	<b>16,756,947</b>	<b>17,771,062</b>	<b>18,660,722</b>	<b>19,595,717</b>
<b>Indexed Rate Adjustment</b>		<b>5.63%</b>	<b>6.05%</b>	<b>5.01%</b>	<b>5.01%</b>

## Attachment 1: Summary of Waste Connections' Original 2025 Rate Application Calculations

Category		San Luis Garbage Company (SLG)	Mission Country Disposal (MCD)			South County Sanitary Service (SCSS)					
		San Luis Obispo	Los Osos	Cambria	Cayucos	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo	Oceano	Avila
Current Revenues	Single Family Residential	\$ 5,282,964	\$ 2,795,167	\$ 2,201,010	\$ 987,376	\$ 2,379,516	\$ 1,598,158	\$ 1,580,148	\$ 1,570,029	\$ 684,117	\$ 91,446
	Multi-Family Dumpsters	2,556,077	-	-	-	-	-	-	-	-	-
	Non-Residential Carts	729,282	100,710	77,805	33,710	256,857	237,767	134,053	119,843	74,076	24,711
	Non-Residential Dumpsters	5,846,777	776,244	599,701	259,830	1,979,781	1,832,640	1,033,238	923,712	570,958	190,469
	<b>Total Rate Revenue</b>	<b>14,415,100</b>	<b>3,672,121</b>	<b>2,878,516</b>	<b>1,280,916</b>	<b>4,616,154</b>	<b>3,668,565</b>	<b>2,747,439</b>	<b>2,613,584</b>	<b>1,329,151</b>	<b>306,626</b>
Other Income (Allocated)	20,626	5,073	3,977	1,770	5,462	4,341	3,251	3,092	1,573	363	
<b>Total Current Revenues</b>		<b>14,435,726</b>	<b>3,677,194</b>	<b>2,882,493</b>	<b>1,282,686</b>	<b>4,621,616</b>	<b>3,672,906</b>	<b>2,750,690</b>	<b>2,616,676</b>	<b>1,330,724</b>	<b>306,989</b>
Collection Services	Labor	3,658,710	1,042,706	817,360	363,719	1,113,222	884,704	662,567	630,287	320,535	73,945
	Depreciation	1,338,367	376,989	295,515	131,502	398,063	316,350	236,919	225,376	114,616	26,441
	Insurance	1,124,499	316,418	248,035	110,374	329,978	262,241	196,396	186,828	95,012	21,919
	Other G&A	976,729	282,701	221,605	98,612	304,307	241,840	181,117	172,293	87,621	20,213
	Fuel	754,387	321,408	251,946	112,114	254,951	202,616	151,742	144,349	73,409	16,935
	Maintenance	421,166	116,487	91,312	40,633	117,432	93,326	69,893	66,488	33,813	7,800
	Corporate Overhead	246,296	46,213	36,226	16,120	93,625	74,406	55,724	53,009	26,958	6,219
	<b>Total Collection Services</b>	<b>8,520,154</b>	<b>2,502,921</b>	<b>1,961,999</b>	<b>873,074</b>	<b>2,611,578</b>	<b>2,075,482</b>	<b>1,554,357</b>	<b>1,478,629</b>	<b>751,964</b>	<b>173,473</b>
Post-Collection & Affiliated Party Services	Garbage Landfilling	2,408,278	349,264	273,782	121,631	508,314	403,969	302,538	287,798	146,361	33,765
	Organics Processing	1,108,784	477,019	373,927	166,395	660,852	525,194	393,325	374,162	190,282	43,897
	Recyclables Processing	916,880	173,112	135,700	60,385	270,385	214,881	160,927	153,087	77,853	17,960
	Affiliated Party Costs	168,154	57,121	44,776	19,925	46,128	36,659	27,455	26,117	13,282	3,064
	<b>Total Post-Collection &amp; Affiliated Party Services</b>	<b>4,602,096</b>	<b>1,056,516</b>	<b>828,185</b>	<b>368,536</b>	<b>1,485,678</b>	<b>1,180,703</b>	<b>884,245</b>	<b>841,165</b>	<b>427,778</b>	<b>98,686</b>
Pass-Through Services	Franchise Fee	1,515,042	336,540	263,809	117,393	462,296	367,397	275,149	261,744	133,111	30,708
	AB 939 Fee	362,140	5,226	4,097	1,823	-	-	-	-	-	-
<b>Total Pass-Through Services</b>		<b>1,877,182</b>	<b>341,766</b>	<b>267,905</b>	<b>119,216</b>	<b>462,296</b>	<b>367,397</b>	<b>275,149</b>	<b>261,744</b>	<b>133,111</b>	<b>30,708</b>
<b>Total Compensation for Services</b>		<b>14,999,432</b>	<b>3,901,203</b>	<b>3,058,090</b>	<b>1,360,825</b>	<b>4,559,552</b>	<b>3,623,582</b>	<b>2,713,750</b>	<b>2,581,537</b>	<b>1,312,853</b>	<b>302,866</b>
Allowed Operating Margin		641,302	188,392	170,609	65,715	227,094	180,477	135,161	111,295	65,388	15,085
<b>Total Revenue Requirement</b>		<b>15,640,734</b>	<b>4,089,595</b>	<b>3,228,699</b>	<b>1,426,540</b>	<b>4,786,646</b>	<b>3,804,059</b>	<b>2,848,911</b>	<b>2,692,832</b>	<b>1,378,241</b>	<b>317,951</b>
Surplus (Shortfall)		(1,205,008)	(412,401)	(346,206)	(143,854)	(165,030)	(131,153)	(98,222)	(76,155)	(47,518)	(10,962)
Calculated Adjustment to Rate Revenues		8.36%	11.22%	12.01%	11.22%	3.57%	3.57%	3.57%	2.91%	3.57%	3.57%
Grossing up for Franchise Fees		9.29%	12.47%	12.78%	12.47%	3.97%	3.97%	3.97%	3.23%	3.76%	3.97%

## Attachment 2: Summary of Revised 2025 Rate Application Calculations

Category	San Luis Garbage Company (SLG)	Mission Country Disposal (MCD)			South County Sanitary Service (SCSS)						
	San Luis Obispo	Los Osos	Cambria	Cayucos	Arroyo Grande	Pismo Beach	Grover Beach	Nipomo	Oceano	Avila	
Current Revenues	Single Family Residential	\$ 5,282,964	\$ 2,795,167	\$ 2,201,010	\$ 987,376	\$ 2,379,516	\$ 1,598,158	\$ 1,580,148	\$ 1,570,029	\$ 684,117	\$ 91,446
	Multi-Family Dumpsters	2,556,077	-	-	-	-	-	-	-	-	-
	Non-Residential Carts	729,282	100,710	77,805	33,710	256,857	237,767	134,053	119,843	74,076	24,711
	Non-Residential Dumpsters	5,846,777	776,244	599,701	259,830	1,979,781	1,832,640	1,033,238	923,712	570,958	190,469
	<b>Total Rate Revenue</b>	<b>14,415,100</b>	<b>3,672,121</b>	<b>2,878,516</b>	<b>1,280,916</b>	<b>4,616,153</b>	<b>3,668,565</b>	<b>2,747,439</b>	<b>2,613,584</b>	<b>1,329,152</b>	<b>306,626</b>
Other Income (Allocated)	20,626	5,073	3,977	1,770	5,462	4,341	3,251	3,092	1,573	363	
<b>Total Current Revenues</b>	<b>14,435,726</b>	<b>3,677,194</b>	<b>2,882,493</b>	<b>1,282,686</b>	<b>4,621,615</b>	<b>3,672,905</b>	<b>2,750,689</b>	<b>2,616,676</b>	<b>1,330,724</b>	<b>306,989</b>	
Collection Services	Labor	3,658,710	1,042,706	817,360	363,719	1,113,222	884,704	662,567	630,287	320,536	73,945
	Depreciation	1,125,720	317,545	248,918	110,766	336,460	267,393	200,254	190,498	96,879	22,348
	Insurance	1,124,499	316,418	248,035	110,374	329,978	262,241	196,396	186,828	95,012	21,919
	Other G&A	1,024,196	300,498	234,604	105,132	324,904	255,456	195,836	186,866	94,246	20,789
	Fuel	754,387	321,408	251,946	112,114	254,951	202,616	151,742	144,349	73,409	16,935
	Maintenance	421,167	116,487	91,312	40,633	117,431	93,326	69,893	66,488	33,813	7,800
	Corporate Overhead	430,378	80,753	63,301	28,168	163,600	130,017	97,371	92,627	47,106	10,867
<b>Total Collection Services</b>	<b>8,539,055</b>	<b>2,495,814</b>	<b>1,955,476</b>	<b>870,906</b>	<b>2,640,547</b>	<b>2,095,751</b>	<b>1,574,059</b>	<b>1,497,742</b>	<b>761,000</b>	<b>174,605</b>	
Post-Collection & Affiliated Party Services	Garbage Landfilling	2,408,278	349,264	273,782	121,631	508,314	403,969	302,538	287,798	146,361	33,765
	Organics Processing	1,108,784	477,019	373,927	166,395	660,852	525,194	393,325	374,162	190,282	43,897
	Recyclables Processing	916,880	173,112	135,700	60,385	270,385	214,881	160,927	153,087	77,853	17,960
	Affiliated Party Costs	168,154	57,121	44,776	19,925	46,128	36,659	27,455	26,117	13,282	3,064
<b>Total Post-Collection &amp; Affiliated Party Services</b>	<b>4,602,096</b>	<b>1,056,516</b>	<b>828,185</b>	<b>368,536</b>	<b>1,485,678</b>	<b>1,180,703</b>	<b>884,245</b>	<b>841,164</b>	<b>427,779</b>	<b>98,686</b>	
Pass-Through Services	Franchise Fee	1,586,412	336,540	263,809	117,393	462,296	367,397	275,149	261,744	133,111	30,708
	AB 939 Fee	368,041	-	-	12,754	-	-	-	-	-	-
<b>Total Pass-Through Services</b>	<b>1,954,453</b>	<b>336,540</b>	<b>263,809</b>	<b>130,147</b>	<b>462,296</b>	<b>367,397</b>	<b>275,149</b>	<b>261,744</b>	<b>133,111</b>	<b>30,708</b>	
<b>Total Compensation for Services</b>	<b>15,095,604</b>	<b>3,888,870</b>	<b>3,047,470</b>	<b>1,369,589</b>	<b>4,588,521</b>	<b>3,643,852</b>	<b>2,733,452</b>	<b>2,600,650</b>	<b>1,321,890</b>	<b>303,998</b>	
<b>Allowed Operating Margin</b>	<b>768,515</b>	<b>224,623</b>	<b>175,993</b>	<b>78,382</b>	<b>237,649</b>	<b>188,618</b>	<b>141,665</b>	<b>134,797</b>	<b>66,490</b>	<b>15,714</b>	
<b>Total Revenue Requirement</b>	<b>15,864,119</b>	<b>4,113,493</b>	<b>3,223,463</b>	<b>1,447,971</b>	<b>4,826,170</b>	<b>3,832,470</b>	<b>2,875,117</b>	<b>2,735,447</b>	<b>1,390,380</b>	<b>319,712</b>	
<b>Surplus (Shortfall)</b>	<b>(1,428,393)</b>	<b>(436,299)</b>	<b>(340,970)</b>	<b>(165,285)</b>	<b>(204,555)</b>	<b>(159,564)</b>	<b>(124,428)</b>	<b>(118,771)</b>	<b>(59,655)</b>	<b>(12,724)</b>	
<b>Calculated Adjustment to Rate Revenues</b>	9.89%	11.86%	11.83%	12.89%	4.43%	4.34%	4.52%	4.54%	4.48%	4.14%	
<b>Grossing up for Franchise Fees</b>		13.18%	12.59%	14.32%	4.92%	4.82%	5.02%	5.04%	4.98%	4.60%	
<b>Profit Margin on Collection Services (2025)</b>	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	
<b>Franchise Fee</b>	10.0%	10.0%	6.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
<b>Change to Original Rate Application</b>	0.60%	0.71%	-0.19%	1.85%	0.95%	0.85%	1.05%	1.81%	1.22%	0.63%	



# ATTACHMENT 3

## Consumer Price Index for All Urban Consumers (CPI-U) Original Data Value

Series Id: CUUR0000SEHG02  
 Not Seasonally Adjusted  
 Series Title: Garbage and trash collection in U.S. city average, all  
 Area: U.S. city average  
 Item: Garbage and trash collection  
 Base Period: DECEMBER 1983=100  
 Years: 2014 to 2024

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	HALF1	HALF2	Annual Change
2014	422.440	422.483	423.413	425.393	425.242	425.930	426.562	426.771	427.327	427.995	427.808	428.187			
2015	427.734	429.248	429.235	429.807	431.234	430.813	431.229	432.967	433.843	434.829	436.428	436.996			1.46%
2016	437.205	438.296	437.699	437.676	438.317	437.858	438.607	439.358	439.707	440.311	443.343	444.745			1.71%
2017	446.266	447.699	446.987	447.129	447.272	448.046	448.328	448.717	449.008	452.196	453.820	453.596			2.20%
2018	453.354	454.915	455.230	458.722	462.887	465.041	465.579	470.457	471.026	472.535	486.650	485.935	458.358	475.364	3.96%
2019	475.687	477.474	478.569	479.449	480.865	480.984	482.138	483.987	484.346	486.133	486.485	486.708	478.838	484.966	3.22%
2020	491.003	494.429	495.288	494.432	494.946	496.679	498.564	500.882	501.756	503.315	504.970	508.190	494.463	502.946	3.49%
2021	512.722	517.270	518.505	518.579	516.440	517.202	521.185	524.408	529.934	530.114	529.053	532.538	516.786	527.872	4.74%
2022	533.078	538.313	540.719	542.564	544.546	547.554	548.187	548.706	558.254	561.090	563.816	565.185	541.129	557.540	5.17%
2023	570.412	575.697	576.773	580.124	587.431	589.812	596.167	597.347	596.997	597.569	601.631	602.164	580.042	598.646	7.28%
2024	606.773	610.551	610.015	611.073	609.538	611.946	614.089	615.880					609.983		3.71%
<b>10-Year Average</b>															
3.69%															

## Attachment 4 - Indexed Rate Adjustment Methodology Example Calculations

Example CPI <span style="background-color: yellow;">5%</span> 5%      5%      5%						
San Luis Obispo						
	2025	2025	2026	2027	2028	2029
Collection Services	\$ 8,539,055	\$ 8,539,055	\$ 8,966,008	\$ 9,414,308	\$ 9,885,024	\$ 10,379,275
Profit Allowance	768,515	768,515	896,601	941,431	988,502	1,037,927
Post-Collection Services	4,602,096	4,602,096	4,832,201	5,073,811	5,327,501	5,593,876
Franchise Fee	1,586,412	1,586,412	1,675,695	1,777,106	1,866,072	1,959,572
AB 939 Fee	368,041	368,041	386,443	405,765	426,053	447,356
Revenue Reconciliation Example	N/A	N/A	N/A	158,641	167,569	177,711
<b>Total Revenues</b>	<b>15,864,119</b>	<b>15,864,119</b>	<b>16,756,947</b>	<b>17,771,062</b>	<b>18,660,722</b>	<b>19,595,717</b>
<b>Indexed Rate Adjustment</b>			5.63%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(158,641)	(167,569)	(177,711)	(186,607)	(195,957)

Arroyo Grande						
	2025	2025	2026	2027	2028	2029
Collection Services	\$ 2,640,547	\$ 2,640,547	\$ 2,772,575	\$ 2,911,203	\$ 3,056,763	\$ 3,209,602
Profit Allowance	237,649	237,649	277,257	291,120	305,676	320,960
Post-Collection Services	1,485,678	1,485,678	1,559,962	1,637,960	1,719,858	1,805,851
Franchise Fee	462,296	484,875	512,199	543,197	570,391	598,970
AB 939 Fee	-	-	-	-	-	-
Revenue Reconciliation Example	N/A	N/A	N/A	48,487	51,220	54,320
<b>Total Revenues</b>	<b>4,826,170</b>	<b>4,848,749</b>	<b>5,121,993</b>	<b>5,431,968</b>	<b>5,703,909</b>	<b>5,989,703</b>
<b>Indexed Rate Adjustment</b>			5.64%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(48,487)	(51,220)	(54,320)	(57,039)	(59,897)

Los Osos CSD						
	2025	2025	2026	2027	2028	2029
Collection Services	\$ 2,495,814	\$ 2,495,814	\$ 2,620,605	\$ 2,751,635	\$ 2,889,217	\$ 3,033,677
Profit Allowance	224,623	224,623	262,060	275,163	288,922	303,368
Post-Collection Services	1,056,516	1,056,516	1,109,341	1,164,808	1,223,049	1,284,201
Franchise Fee	336,540	419,661	443,556	470,397	493,949	518,698
AB 939 Fee	-	-	-	-	-	-
Revenue Reconciliation Example	N/A	N/A	N/A	41,966	44,356	47,040
<b>Total Revenues</b>	<b>4,113,493</b>	<b>4,196,613</b>	<b>4,435,563</b>	<b>4,703,970</b>	<b>4,939,492</b>	<b>5,186,984</b>
<b>Indexed Rate Adjustment</b>			5.69%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(41,966)	(44,356)	(47,040)	(49,395)	(51,870)

Pismo Beach						
	2025	2025	2026	2027	2028	2029
Collection Services	\$ 2,095,751	\$ 2,095,751	\$ 2,200,539	\$ 2,310,566	\$ 2,426,094	\$ 2,547,399
Profit Allowance	188,618	188,618	220,054	231,057	242,609	254,740
Post-Collection Services	1,180,703	1,180,703	1,239,738	1,301,725	1,366,811	1,435,152
Franchise Fee	367,397	385,008	406,703	431,316	452,909	475,602
AB 939 Fee	-	-	-	-	-	-
Revenue Reconciliation Example	N/A	N/A	N/A	38,501	40,670	43,132
<b>Total Revenues</b>	<b>3,832,470</b>	<b>3,850,080</b>	<b>4,067,035</b>	<b>4,313,165</b>	<b>4,529,095</b>	<b>4,756,025</b>
<b>Indexed Rate Adjustment</b>			5.64%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(38,501)	(40,670)	(43,132)	(45,291)	(47,560)

**Cambria CSD**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 1,955,476	\$ 1,955,476	\$ 2,053,250	\$ 2,155,912	\$ 2,263,708	\$ 2,376,894
Profit Allowance	175,993	175,993	205,325	215,591	226,371	237,689
Post-Collection Services	828,185	828,185	869,595	913,074	958,728	1,006,664
Franchise Fee	263,809	188,914	199,670	211,664	222,261	233,395
AB 939 Fee	-	-	-	-	-	-
<b>Revenue Reconciliation Example</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>31,486</b>	<b>33,278</b>	<b>35,277</b>
<b>Total Revenues</b>	<b>3,223,463</b>	<b>3,148,569</b>	<b>3,327,840</b>	<b>3,527,727</b>	<b>3,704,346</b>	<b>3,889,920</b>
<b>Indexed Rate Adjustment</b>			<b>5.69%</b>	<b>6.01%</b>	<b>5.01%</b>	<b>5.01%</b>
<b>Revenue Surplus (Shortfall) Example</b>	<b>-1%</b>	<b>(31,486)</b>	<b>(33,278)</b>	<b>(35,277)</b>	<b>(37,043)</b>	<b>(38,899)</b>

**Grover Beach**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 1,574,059	\$ 1,574,059	\$ 1,652,762	\$ 1,735,400	\$ 1,822,170	\$ 1,913,278
Profit Allowance	141,665	141,665	165,276	173,540	182,217	191,328
Post-Collection Services	884,245	884,245	928,457	974,880	1,023,624	1,074,805
Franchise Fee	275,149	288,885	305,166	323,634	339,836	356,864
AB 939 Fee	-	-	-	-	-	-
<b>Revenue Reconciliation Example</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>28,889</b>	<b>30,517</b>	<b>32,363</b>
<b>Total Revenues</b>	<b>2,875,117</b>	<b>2,888,854</b>	<b>3,051,661</b>	<b>3,236,343</b>	<b>3,398,364</b>	<b>3,568,639</b>
<b>Indexed Rate Adjustment</b>			<b>5.64%</b>	<b>6.05%</b>	<b>5.01%</b>	<b>5.01%</b>
<b>Revenue Surplus (Shortfall) Example</b>	<b>-1%</b>	<b>(28,889)</b>	<b>(30,517)</b>	<b>(32,363)</b>	<b>(33,984)</b>	<b>(35,686)</b>

**Nipomo CSD**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 1,497,742	\$ 1,497,742	\$ 1,572,629	\$ 1,651,261	\$ 1,733,824	\$ 1,820,515
Profit Allowance	134,797	134,797	157,263	165,126	173,382	182,051
Post-Collection Services	841,164	841,164	883,223	927,384	973,753	1,022,441
Franchise Fee	261,744	274,856	290,346	307,917	323,333	339,533
AB 939 Fee	-	-	-	-	-	-
<b>Revenue Reconciliation Example</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>27,486</b>	<b>29,035</b>	<b>30,792</b>
<b>Total Revenues</b>	<b>2,735,447</b>	<b>2,748,559</b>	<b>2,903,461</b>	<b>3,079,173</b>	<b>3,233,326</b>	<b>3,395,332</b>
<b>Indexed Rate Adjustment</b>			<b>5.64%</b>	<b>6.05%</b>	<b>5.01%</b>	<b>5.01%</b>
<b>Revenue Surplus (Shortfall) Example</b>	<b>-1%</b>	<b>(27,486)</b>	<b>(29,035)</b>	<b>(30,792)</b>	<b>(32,333)</b>	<b>(33,953)</b>

**Oceano CSD**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 761,000	\$ 761,000	\$ 799,050	\$ 839,002	\$ 880,953	\$ 925,000
Profit Allowance	68,490	68,490	79,905	83,900	88,095	92,500
Post-Collection Services	427,779	427,779	449,168	471,626	495,207	519,968
Franchise Fee	133,111	139,697	147,569	156,500	164,335	172,569
AB 939 Fee	-	-	-	-	-	-
<b>Revenue Reconciliation Example</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>13,970</b>	<b>14,757</b>	<b>15,650</b>
<b>Total Revenues</b>	<b>1,390,380</b>	<b>1,396,966</b>	<b>1,475,692</b>	<b>1,564,998</b>	<b>1,643,347</b>	<b>1,725,686</b>
<b>Indexed Rate Adjustment</b>			<b>5.64%</b>	<b>6.05%</b>	<b>5.01%</b>	<b>5.01%</b>
<b>Revenue Surplus (Shortfall) Example</b>	<b>-1%</b>	<b>(13,970)</b>	<b>(14,757)</b>	<b>(15,650)</b>	<b>(16,433)</b>	<b>(17,257)</b>

**Cayucos SD**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 870,906	\$ 870,906	\$ 914,452	\$ 960,174	\$ 1,008,183	\$ 1,058,592
Profit Allowance	78,382	78,382	91,445	96,017	100,818	105,859
Post-Collection Services	368,536	368,536	386,962	406,311	426,626	447,957
Franchise Fee	117,393	147,842	156,250	165,705	174,002	182,720
AB 939 Fee	12,754	12,754	13,392	14,061	14,764	15,503
Revenue Reconciliation Example	N/A	N/A	N/A	14,784	15,625	16,571
<b>Total Revenues</b>	<b>1,447,971</b>	<b>1,478,420</b>	<b>1,562,501</b>	<b>1,657,053</b>	<b>1,740,019</b>	<b>1,827,202</b>
<b>Indexed Rate Adjustment</b>			5.69%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(14,784)	(15,625)	(16,571)	(17,400)	(18,272)

**Avila Beach CSD**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 174,605	\$ 174,605	\$ 183,335	\$ 192,502	\$ 202,127	\$ 212,234
Profit Allowance	15,714	15,714	18,334	19,250	20,213	21,223
Post-Collection Services	98,686	98,686	103,620	108,801	114,241	119,953
Franchise Fee	30,708	32,112	33,921	35,974	37,775	39,667
AB 939 Fee	-	-	-	-	-	-
Revenue Reconciliation Example	N/A	N/A	N/A	3,211	3,392	3,597
<b>Total Revenues</b>	<b>319,712</b>	<b>321,117</b>	<b>339,210</b>	<b>359,738</b>	<b>377,748</b>	<b>396,675</b>
<b>Indexed Rate Adjustment</b>			5.63%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(3,211)	(3,392)	(3,597)	(3,777)	(3,967)

**Total**

	2025	2025	2026	2027	2028	2029
Collection Services	\$ 22,604,956	\$ 22,604,956	\$ 23,735,204	\$ 24,921,964	\$ 26,168,062	\$ 27,476,465
Profit Allowance	2,034,446	2,034,446	2,373,520	2,492,196	2,616,806	2,747,647
Post-Collection Services	11,773,587	11,773,587	12,362,266	12,980,380	13,629,399	14,310,869
Franchise Fee	3,834,558	3,948,262	4,171,077	4,423,411	4,644,863	4,877,591
AB 939 Fee	380,795	380,795	399,835	419,826	440,818	462,859
Revenue Reconciliation Example	N/A	N/A	N/A	407,420	430,419	456,452
<b>Total Revenues</b>	<b>40,628,342</b>	<b>40,742,046</b>	<b>43,041,902</b>	<b>45,645,198</b>	<b>47,930,367</b>	<b>50,331,883</b>
<b>Indexed Rate Adjustment</b>			5.65%	6.05%	5.01%	5.01%
Revenue Surplus (Shortfall) Example	-1%	(407,420)	(430,419)	(456,452)	(479,304)	(503,319)

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# South County Sanitary Service

## 2025 Base Year Rate Adjustment Application

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### Summary

### OCEANO COMMUNITY SERVICE DISTRICT

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#### Requested Increase

Digester Expense	0.89%
Disposal Increases	1.24%
General inflation and costs	1.63%

1. Rate Increase Requested

**3.76%**

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#### Rate Schedule

Rate Schedule	Current Rate	Increased Rate	Adjustment (a)	New Rate
<b>Single Family Residential</b>				
2. Economy Service (1 - can curb)	\$ 20.37	\$0.77		\$21.14
4. Standard Service (2- can curb)	\$ 29.31	\$1.10		\$30.41
5. Premium Service (3 - can curb)	\$ 57.38	\$2.16		\$59.54

(a) Calculated rates are rounded up to the nearest \$0.01.

6. **Multiunit Residential and Non-residential**

Rate increases of

**3.76%**

will be applied to all rates in each structure  
with each rate rounded to the nearest \$0.01

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#### Certification

To the best of my knowledge, the data and information in this application is complete, accurate, and consistent with the instructions provided by the Rate Setting Manual.

Name: Jeff Clarin

Title: District Manager

Signature:



Date:

July 3, 2024



- SAN LUIS GARBAGE
- SOUTH COUNTY SANITARY
- MISSION COUNTRY DISPOSAL
- MORRO BAY GARBAGE



*Safety • Integrity • Service*

July 3, 2024

Carey Casciola  
Business and Accounting Manager  
Oceano Community Services District  
1655 Front Street, Oceano, CA 93445

Subject: South County Sanitary Services 2025 Base Rate Increase Request

Dear Ms. Casciola,

After much work with our South County Sanitary Services (SCSS) team, it is my pleasure to submit our base year rate application. We look forward to working with the Oceano Community Services District and R3 to review our rate application and study the rate structure to achieve more sustainable outcomes in public perception especially with Proposition 218. The CSD's approval of the revenue requirement requested in our application will ensure that the CSD is provided with cost-effective yet advanced collection, processing and disposal service.

SCSS was planning on submitting the base year application to be effective October 1<sup>st</sup>, 2024, but after conversations with the majority of the jurisdictions during our rate manual revision meetings the jurisdictions preferred to have the base year application pushed to February 1<sup>st</sup>, 2025 with a proration back to January 1<sup>st</sup>, 2025. The October 1<sup>st</sup>, 2024 implementation SCSS requested rate request was slated to be 0.38% (0.42% grossed up for franchise fees). Now with the February 1<sup>st</sup>, 2025 implementation we are targeting a rate increase of 3.57% (3.76% grossed up for franchise fees).

The requested rate increase is driving off the following larger factors:

Factor	Additional Revenue	Increase %
<b>HZI Digester Expense</b>	\$183,754	0.89%
<b>LF Tip Fee</b>	\$253,943	1.24%
<b>General Inflation</b>	\$334,699	1.63%
<b>Total</b>	<b>\$772,396</b>	<b>3.76%</b>

**HZI**

The anaerobic digester (AD) constructed by HZI has now been operational since late 2018. As the first AD facility of its kind in the United States, HZI encountered numerous headwinds, including:

- Inflationary costs (Wages, repair and parts cost increases, etc.)
- Property tax increases (2023 assessment drastically increased)
- Residual and contamination cost

The HZI facility remains a key piece in our effort to meet the requirements of SB1383 and CSD’s goals to be carbon neutral. The success in meeting the mandates of SB 1383 relies heavily on AD facilities and having this facility operational gives the CSD an advantage in meeting these goals.

HZI requests an increase of approximately 30% of their monthly base fee to offset their investment and increased operating expenses, which is allocated based on how much tonnage each jurisdiction provides. This portion of our request will be directly paid to HZI, which does not share common ownership or equity interests with SCSS or Waste Connections.

**Market Wage Adjustments**

Employers everywhere have struggled to attract and retain qualified labor. Commercial Driver License positions, Customer Service Representatives and mechanics are particularly difficult to fill. California’s continued effort to raise minimum wage has created headwinds for all companies. We have had to increase wages faster than the rate of inflation, especially with the recent food service minimum wage laws and anticipate close to an average of 5 percent increase in wages in early 2025. We fear the consequence of not paying these wages poses a real threat to our ability to deliver safe, quality service. Aside from the risks, SCSS believes it is important to pay our employees living wages.

**Landfill Tip Fee**

The rates at Cold Canyon Landfill charged to the hauling companies has remained unchanged since 2016. In that time general CPI increased over 35%. The cost to build a cell has more than doubled during that time as well. As a result, Cold Canyon Landfill is requesting the tipping fee for

garbage be increased from \$41 per ton to \$70 per ton, effective January 1<sup>st</sup>, 2025. This is well below the Cold Canyon Landfill gate rate of \$92 per ton for non-franchised waste and significantly lower than the surrounding southern landfills in Santa Maria, Lompoc or Tajiguas ranging from \$90-\$189 per ton for franchised waste.

### **Comparable Rates**

Our packet includes a list of comparable rates in San Luis Obispo County. We are very pleased to report that in nearly all cases, our rates after the increase will continue to be in line with the surrounding communities.

### **Rate Manual Revision**

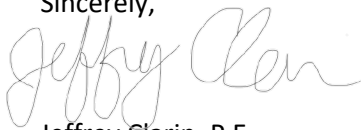
This application follows guidance from an over 30-year old rate manual. It complies with corporate overhead caps and uses a model that is inconsistent with modern industry business practices. It includes duplicative audit costs and administrative expenses that cannot be eliminated until we address these items together. This remains a priority for us, and we hope that we can work through the revision process for 2025 and beyond.

### **Conclusion**

Our management team has reviewed and accepts responsibility for this rate request. This application is based upon what our management team feels is the best course of action based on the conditions outlined in this letter. All assumptions made are reasonable and accurate.

We appreciate our continued partnership between the Oceano Community Services District and SCS and allowing us to service our community's solid waste and recycling collection needs. If you have any questions regarding our submittal, please feel to contact me at 805-748-8041.

Sincerely,



Jeffrey Clarin, P.E.  
District Manager  
South County Sanitary Services  
Waste Connections



**South County Sanitary Service**

**2025 Base Year Rate Adjustment Application**

*Financial Information*

Historical		Current	Projected	
2022	2023	2024	Base Year 2025	2026

(from Pg. 4)

**Section I-Allowable Costs**

6. Direct Labor	\$3,876,983	\$3,933,773	\$4,089,551	\$4,244,954	\$4,372,302
7. Corporate Overhead	\$378,184	\$411,842	\$424,197	\$438,196	\$451,342
8. Office Salaries	\$880,888	\$892,558	\$929,965	\$965,303	\$994,262
9. Other General and Admin Costs	\$5,546,270	\$6,095,066	\$6,284,286	\$6,574,613	\$6,771,851
<b>10. Total Allowable Costs</b>	<b>\$10,682,325</b>	<b>\$11,333,240</b>	<b>\$11,727,999</b>	<b>\$12,223,066</b>	<b>\$12,589,758</b>

**Section II-Allowable Operating Profit**

11. Operating Ratio	93.2%	85.5%	92.2%	92.0%	92.0%
<b>12. Allowable Operating Profit</b>	<b>\$777,646</b>	<b>\$1,923,795</b>	<b>\$989,002</b>	<b>\$1,062,875</b>	<b>\$1,094,761</b>

**Section III-Pass Through Costs**

13. Tipping Fees	4,314,403.18	\$5,455,082	\$6,557,270	\$6,737,579	\$6,939,706
14. Franchise Fees	\$1,980,140	\$2,033,572	\$2,094,579	\$2,163,700	\$2,228,611
15. AB939 Fees	-	-	-	-	-
16. Payments to Affiliated Companies*	197,808.57	197,523.57	207,992.32	215,896.03	222,372.91
<b>17. Total Pass Through Costs</b>	<b>\$6,492,352</b>	<b>\$7,686,177</b>	<b>\$8,859,841</b>	<b>\$9,117,175</b>	<b>\$9,390,690</b>

\* Affiliate Payments include interest, lease payments, and transportation

**Section III-Pass Through Costs**

18. Revenue Requirement	\$17,952,323	\$20,943,212	\$21,576,842	\$22,403,116	\$23,075,209
<b>19. Total Revenue Offsets</b> (from Page 3)	<b>\$17,952,323</b>	<b>\$20,943,212</b>	<b>\$21,576,842</b>	<b>\$21,630,720</b>	<b>\$21,839,712</b>

**Section III-Pass Through Costs**

20. Net Shortfall (Surplus)	\$772,396
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	All Others	Oceano	Nipomo
21. Total Residential and Non-residential Revenue without increase in Base Year (pg.5, line 76)	\$21,630,720	\$21,630,720	\$21,630,720
22. Percent Change in Residential and Non-residential Revenue Requirement	3.57%	3.57%	2.91%
23. Franchise Fee Adjustment Factor (1 - 6 percent)	90.000%	95.000%	90.000%
	<b>3.97%</b>	<b>3.76%</b>	<b>3.23%</b>
Limitation due to cumulative increases			
24. Percent Change in Existing Rates	<b>3.97%</b>	<b>3.76%</b>	<b>3.23%</b>

# 2025 Base Year Rate Adjustment Application

## Revenue Offset Summary

	Section VII - Revenue Offsets				
	Historical		Current	Projected	
	2022	2023	2024	Base Year 2025	2026
<i>Residential Revenue (without increase in Base Yr.)</i>					
28. Single Family Residential	10,222,758	12,140,434	12,504,647	\$12,535,909	\$12,661,268
Multiunit Residential Dumpster					
29. Number of Accounts					
30. Revenues					
31. Less Allowance for Uncollectible Resi Accounts	\$0	\$0	\$0	\$0	\$0
<b>32. Total Residential Revenue</b>	<b>\$10,222,758</b>	<b>\$12,140,434</b>	<b>\$12,504,647</b>	<b>\$12,535,909</b>	<b>\$12,661,268</b>
<i>Non-residential Revenue (without increase in Base Yr.)</i>					
Account Type					
Non-residential Can					
33. Number of Accounts					
34. Revenues					
Non-residential Wastewheeler					
35. Number of Accounts			248	249	251
36. Revenues	885,511	1,008,662	1,038,922	\$1,041,520	\$1,051,935
Non-residential Dumpster					
37. Number of Accounts			1,912	1,917	1,936
38. Revenues	6,825,257	7,774,474	8,007,708	\$8,027,727	\$8,108,004
39. Less: Allowance for Uncollectible Non-resid	\$0	\$0	\$0	\$0	\$0
<b>40. Total Non-residential Revenue</b>	<b>\$7,710,768</b>	<b>\$8,783,136</b>	<b>\$9,046,630</b>	<b>\$9,069,247</b>	<b>\$9,159,939</b>
45. Interest on Investments	\$0	\$0	\$0	\$0	\$0
46. Other Income	18,797	19,642	25,564	25,564	\$18,505
<b>47. Total Revenue Offsets</b>	<b>\$17,952,323</b>	<b>\$20,943,212</b>	<b>\$21,576,842</b>	<b>\$21,630,720</b>	<b>\$21,839,712</b>

**South County Sanitary Service**  
**2025 Base Year Rate Adjustment Application**

**Cost Summary for Base Year**

Description of Cost	BASE YEAR				
	2022	2023	2024	2025	2026
Labor	3,607,739	3,653,464	3,798,141	3,942,470	\$4,060,744
Payroll Taxes	269,243	280,310	291,410	302,483	\$311,558
<b>48. Total Direct Labor</b>	<b>\$3,876,983</b>	<b>\$3,933,773</b>	<b>\$4,089,551</b>	<b>\$4,244,954</b>	<b>\$4,372,302</b>
49. Corporate Overhead	413,422	\$628,203	\$647,049	\$668,402	\$688,454
Less limitation (enter as negative)	(\$35,238)	(\$216,361)	(\$222,852)	(\$230,206)	(\$237,112)
<b>Total Corporate Overhead</b>	<b>\$378,184</b>	<b>\$411,842</b>	<b>\$424,197</b>	<b>\$438,196</b>	<b>\$451,342</b>
Office Salaries	833,370.32	\$839,689	\$875,002	\$908,252	\$935,500
Payroll Taxes - Office	\$47,518	\$52,869	\$54,963	\$57,051	\$58,763
<b>50. Total Office Salaries</b>	<b>\$880,888</b>	<b>\$892,558</b>	<b>\$929,965</b>	<b>\$965,303</b>	<b>\$994,262</b>
Bad Debt	4,922	\$8,501	\$2,500	\$2,500	\$2,575
Allocated expenses	\$0	\$0	\$0	\$0	\$0
Bonds expense	\$8,341	\$5,693	\$5,995	\$6,223	\$6,409
Depreciation	\$1,391,177	\$1,704,522	\$1,794,862	\$1,863,067	\$1,918,959
Drive Cam fees	\$34,488	\$34,066	\$35,871	\$37,234	\$38,351
Dues and Subscriptions	\$9,130	\$24,713	\$26,022	\$27,011	\$27,822
Facilities	\$171,119	\$146,091	\$153,834	\$159,679	\$164,470
Gas and oil	\$1,138,209	\$1,237,166	\$1,149,574	\$1,193,258	\$1,229,056
Insurance	\$1,324,786	\$1,387,074	\$1,460,589	\$1,544,408	\$1,590,740
Interest Expense	\$247,439	\$220,991	\$232,704	\$241,546	\$248,793
Laundry (Uniforms)	\$31,346	\$27,036	\$28,469	\$29,551	\$30,438
Legal and Accounting	\$38,813	\$71,872	\$75,682	\$101,859	\$104,915
Miscellaneous and Other	(\$9,943)	(\$24,867)	(\$384)	(\$399)	(\$411)
Office Expense	\$164,680	\$271,341	\$285,723	\$296,580	\$305,477
Operating Supplies	\$3,130	\$3,187	\$3,356	\$3,484	\$3,588
Other Taxes	\$40,970	\$58,788	\$61,898	\$64,250	\$66,178
Outside Services	\$4,758	\$8,231	\$8,667	\$8,996	\$9,266
Public Relations and Promotion	\$4,353	\$9,631	\$10,141	\$10,527	\$10,842
Permits	\$95,950	\$111,111	\$117,000	\$121,446	\$125,089
Postage	\$28,708	\$8,600	\$9,056	\$9,400	\$9,682
Relocation	\$255	\$14,196	\$14,949	\$15,517	\$15,982
Rent	\$6,365	\$6,080	\$6,403	\$6,646	\$6,845
Telephone	\$31,069	\$28,795	\$30,321	\$31,473	\$32,417
Tires	\$194,433	\$185,752	\$195,597	\$203,030	\$209,120
Travel	\$16,922	\$23,747	\$25,006	\$25,956	\$26,735
Truck Repairs	\$540,443	\$502,847	\$529,498	\$549,619	\$566,108
Utilities	\$24,406	\$19,900	\$20,955	\$21,751	\$22,404
<b>51. Total Other Gen/Admin Costs</b>	<b>5,546,270</b>	<b>6,095,066</b>	<b>6,284,286</b>	<b>6,574,613</b>	<b>6,771,851</b>
<b>52. Total Tipping Fees</b>	<b>4,314,403</b>	<b>5,455,082</b>	<b>6,557,270</b>	<b>6,737,579</b>	<b>6,939,706</b>
<b>53. Total Franchise Fee</b>	<b>1,980,140</b>	<b>2,033,572</b>	<b>2,094,579</b>	<b>2,163,700</b>	<b>2,228,611</b>
<b>54. Total AB 939/Regulatory Fees</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>55. Total Lease Pmt to Affil Co.'s</b>	<b>184,059</b>	<b>193,077</b>	<b>203,311</b>	<b>211,036</b>	<b>217,367</b>
<b>55b. Total Transportation to Affil Co.'s</b>	<b>13,750</b>	<b>4,446</b>	<b>4,682</b>	<b>4,860</b>	<b>5,005</b>
<b>56. Total Cost</b>	<b>17,174,677.15</b>	<b>\$19,019,417</b>	<b>\$20,587,840</b>	<b>\$21,340,241</b>	<b>\$21,980,448</b>

# 2025 Base Year Rate Adjustment Application

**Base Year Revenue Offset Summary**

For Information Purposes Only

Description of Revenue	Section VII-Revenue Offsets						
	Overall	Franchise	Refuse Collection				Non-franchise
	Total	Total	Arroyo	Pismo	Grover	Unincorporated	Total
<i>Residential Revenue (without increase in Base Year)</i>							
57. Single Family Residential	\$12,535,909	\$12,535,909	2,379,515.61	1,598,157.91	1,580,147.55	6,978,087.91	
<i>Multiunit Residential Dumpster</i>							
58. Number of Accounts	\$0	\$0					
59. Revenues	\$0	\$0					
60. Less Allowance for Uncollectable	\$0	\$0					
61. <b>Total Residential Revenue</b>	<b>\$12,535,909</b>	<b>\$12,535,909</b>	<b>\$2,379,516</b>	<b>\$1,598,158</b>	<b>\$1,580,148</b>	<b>\$6,978,088</b>	<b>\$0</b>
<i>Non-residential Revenue (without increase in Base Year)</i>							
Account Type							
<i>Non-residential Can</i>							
62. Number of Accounts	\$0	\$0					
63. Revenues	\$0	\$0					
<i>Non-residential Wastewheeler</i>							
64. Number of Accounts	249	249	58	41	50	100	
65. Revenues	\$1,041,520	\$1,041,520	256,857	237,767	134,053	412,842	
<i>Non-residential Dumpster</i>							
66. Number of Accounts	1,917	1917	446	314	383	774	0
67. Revenues	\$8,027,727	\$8,027,727	1,979,780.83	1,832,639.73	1,033,238.01	3,182,068.53	
68. Less: Allowance for Uncollectable Non-residential Accounts	\$0	\$0					
69. <b>Total Non-residential Revenue</b>	<b>\$9,069,247</b>	<b>\$9,069,247</b>	<b>\$2,236,638</b>	<b>\$2,070,407</b>	<b>\$1,167,291</b>	<b>\$3,594,911</b>	<b>\$0</b>
74. <b>Interest on Investments</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0
75. <b>Other Income</b>	\$25,564	\$0	\$0	\$0	\$0	\$0	\$25,564
76. <b>Total Revenue Offsets</b>	<b>\$21,630,720</b>	<b>\$21,605,156</b>	<b>\$4,616,154</b>	<b>\$3,668,565</b>	<b>\$2,747,438</b>	<b>\$10,572,999</b>	<b>\$25,564</b>

Fiscal Year: 1-1-2025 to 12-31-2025

Pg. 5 of 6

**South County Sanitary Service**

**2025 Base Year Rate Adjustment Application**

**Operating Information**

Historical				Current		Projected		
	Percent		Percent		Percent	Base Year	Percent	
2022	Change	2023	Change	2024	Change	2025	Change	2026

**Section IX-Operating Data**

**Residential**

**Accounts**

77.	Arroyo Grande	5,890	0.4%	5,912	0.2%	5,927	0.2%	5,942	0.2%	5,956
	Grover Beach	4,233	-0.2%	4,223	0.2%	4,234	0.2%	4,244	0.3%	4,255
	Pismo Beach	3,819	2.3%	3,907	0.2%	3,917	0.2%	3,927	0.3%	3,936
	Oceano CSD	1,870	0.2%	1,873	0.2%	1,878	0.2%	1,882	0.2%	1,887
	Nipomo CSD	4,097	0.3%	4,110	0.2%	4,120	0.3%	4,131	0.2%	4,141
	County	3,251	8.2%	3,516	0.2%	3,525	0.2%	3,534	0.2%	3,542
		23,160	1.6%	23,541	0.3%	23,600	0.2%	23,659	0.3%	23,718
78.	Routes-Garbage	7	0.0%	7	0.0%	7	0.0%	7	0.0%	7
79.	Routes-Recycling	6	0.0%	6	0.0%	6	0.0%	6	0.0%	6
80.	Direct Labor Hours	36,082	-3.3%	34,882	0.2%	34,969	0.3%	35,056	0.2%	35,144

**Non-residential Garbage**

**Accounts**

80.	Arroyo Grande	491	2.0%	501	0.3%	502	0.2%	504	0.2%	505
	Grover Beach	441	-2.5%	430	0.2%	431	0.2%	432	0.3%	433
	Pismo Beach	393	-10.2%	353	0.2%	354	0.2%	355	0.2%	356
	Oceano CSD	191	6.8%	204	0.2%	205	0.2%	205	0.2%	206
	Nipomo CSD	209	3.3%	216	0.2%	217	0.2%	217	0.3%	218
	County	478	-5.9%	450	0.3%	451	0.2%	452	0.3%	453
		2,203	-2.2%	2,154	0.3%	2,159	0.2%	2,165	0.3%	2,170
81.	Routes-garbage	8	0.0%	8	0.0%	8	0.0%	8	0.0%	8
	Routes-recycling	3	0.0%	3	0.0%	3	0.0%	3	0.0%	3
82.	Direct Labor Hours	28,933	-3.3%	27,970	0.2%	28,040	0.2%	28,110	0.2%	28,181

**Recyclable Materials - All areas-Commingled Recycling (in tons)**

**Accounts**

83.	Tons Collected	12,740	-4.3%	12,192	0.3%	12,222	0.2%	12,253	0.2%	12,283
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**Recyclable Materials - All areas-Greenwaste Recycling**

	Routes	7	0.0%	7	-13.9%	6	0.0%	6	0.0%	6
	Tons Collected	13,511	-0.2%	13,481	0.2%	13,515	0.2%	13,549	0.2%	13,583
	Direct Labor Hours	13,833	-3.3%	13,372	0.2%	13,406	0.0%	13,406	0.0%	13,406

	Garbage Tons Collected	41,507	0.7%	41,800	0.3%	41,905	0.2%	42,010	0.2%	42,115
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# SOLID WASTE FEE SURVEY

## Section I - Introduction

1. Name of City/County	City of Santa Maria	Paso Robles	Templeton
2. Contact Person	Natalia Heredia	Ian Hoover	Jessica McGinnis
3. Title of Contact Person	Utilities Accounting Technician III	General Manager	WM - Senior Account Executive
4. Telephone Number	(805) 925-0951 x7244	(805) 286-3001	805-275-9965
5. Date Contacted	5/29/2024	5/29/2024	6/20/2024

## Section II - General Information

6. Are residential curbside collection and disposal services provided by the municipality or private contractor?	Municipality	Private	Municipality
7. Is a franchise for refuse collection granted to the hauler?	N/A	Yes	Yes
8. Is a franchise for recyclable material collection granted to the hauler?	No	Yes	Yes
9. Is there a franchise fee? If so, how much is it?	N/A	10% County 11.5% City of Paso	10%
10. What is the franchise hauler's disposal cost per ton?	N/A	\$53 Compacted	Compacted \$62.00/ton Uncompacted \$69.00/ton
11. Who bills the customer?	Municipality	Company	WM

## Section III - Residential Service

12. Are residential rates regulated?	Yes, through the Prop 218 process	Yes	Yes
13. What is the monthly charge fore residential service?	60 gallon - \$38.74 90 gallon - \$47.87	60G (City) - \$57.42 90G (City) - \$63.59 64G (County 2016) - \$45.33 96G (County 2016) - \$59.66	32-gallon - \$38.73 65-gallon - \$54.63 96-gallon - \$60.41
14. How many cans are picked up at this charge?	3	3	Trash/Recycle/Organics
15. What is the charge for additional cans?	60 gallon - \$30.80 90 gallon - \$39.93	60G (City) - \$57.42 90G (City) - \$63.59 64G (County 2016) - \$45.33 96G (County 2016) - \$59.66	Trash is an entirely additional service fee. Recycle & Organics \$11.60/each per month

# SOLID WASTE FEE SURVEY

## Section III - Residential Service (continued)

16. Is there a separate charge for yard waste collection?	No	No	No
17. Are there any citywide cleanup days provided at no additional charge by the hauler?	Yes	Yes	Yes
18. Does your community have a curbside recycling program?	Yes	Yes	Yes
19. Is there an additional charge to residents for this program, or is it included in the monthly charge for solid waste collection?	Included in monthly charge	Included	Included in montly charge
20. If separate, what is the charge?	N/A	N/A	N/A

## Section IV - Non Residential Service

21. Are non-residential rates regulated?	Yes, through the Prop 218 process	Yes	Yes
22. Provide the monthly fee for the following services, assuming pick up is one time per week:			
1 cubic yard	N/A	\$147.00	N/A
1.5 cubic yards	N/A	\$160.06	\$132.02
2 cubic yards	\$166.72	\$188.36	\$149.58
3 cubic yards	\$190.61	\$244.98	\$185.21
6 cubic yards	\$280.83	N/A	\$278.01
23. Effective period of rates quoted	7/1/2024	1/1/2024 - CPI	4/1/2024 - 4/1/2025

**Monthly Rate Comparisons for Garbage Service**

Service Size	Nipomo CSD	San Luis Obispo	Pismo Beach	South County Urban	Arroyo Grande	Cambria	Cayucos	Los Osos CSD	Grover Beach	Morro Bay	Avila Beach CSD	Oceano
20 Gallon	N/A	\$ 14.74	N/A	N/A	N/A	N/A	N/A	\$ 27.74	N/A	\$ 22.21	N/A	N/A
35 Gallon	\$ 27.58	\$ 23.53	\$ 23.77	\$ 28.27	\$ 26.73	\$ 41.51	\$ 32.60	\$ 39.45	\$ 24.23	\$ 35.54	\$ 28.32	\$ 20.38
65 Gallon	\$ 39.52	\$ 47.06	\$ 47.55	\$ 46.74	\$ 34.72	\$ 83.01	\$ 38.51	\$ 60.57	\$ 32.75	\$ 71.07	\$ 46.79	\$ 29.32
95 Gallon	\$ 51.81	\$ 70.59	\$ 71.32	\$ 65.17	\$ 42.75	\$ 124.55	\$ 44.47	\$ 64.96	\$ 41.23	\$ 106.63	\$ 65.25	\$ 57.38
2 yard (1X WK)	\$ 136.62	\$ 185.21	\$ 166.02	\$ 177.48	\$ 167.65	\$ 201.94	\$ 184.32	\$ 228.72	\$ 147.95	\$ 265.30	\$ 177.68	\$ 128.75

Service Size	Atascadero	Templeton	Solvang	Buelton	San Miguel	Paso Robles	King City	Monterey Regional Waste Management District Area (MRWMD)	WM area formerly Mid-State Area (rural North SLO County, Santa Margarita)
20 Gallon	N/A	N/A	N/A	N/A	N/A	\$ 38.15	\$ 32.43	\$ 38.28	N/A
35 Gallon	\$ 33.67	\$ 38.73	\$ 36.28	\$ 40.51	\$ 34.13	\$ 43.32	\$ 42.83	\$ 46.54	\$ 48.72
65 Gallon	\$ 52.80	\$ 54.63	\$ 45.20	\$ 48.40	\$ 53.80	\$ 57.42	\$ 53.68	\$ 72.92	\$ 71.31
95 Gallon	\$ 66.35	\$ 60.41	\$ 54.69	\$ 56.38	\$ 72.88	\$ 63.59	\$ 63.52	\$ 91.20	\$ 93.84
2 yard (1X WK)	\$ 172.24	\$ 149.58	\$ 256.55	\$ 281.13	\$ 124.12	\$ 188.36	\$ 288.00	\$ 277.20	\$ 214.46

Service Size	City of Santa Maria	Santa Barbara County (Zone 1, South Coast Unincorporated)	Santa Barbara County (Zone 2, Unincorporated Goleta)	Santa Barbara County (Zone 3, Isla Vista and Cuyama Valley)	Santa Barbara County (Zone 4 - Santa Ynez)	Santa Barbara County (Zone 4 - Lompoc)	Santa Barbara County (Zone 5, Unincorporated Santa Maria/Orcutt)	Goleta	City of Santa Barbara
20 Gallon	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
35 Gallon	N/A	\$ 56.60	\$ 43.25	\$ 45.22	\$ 34.33	\$ 31.41	\$ 33.03	\$ 37.39	\$ 48.26
65 Gallon	\$ 38.74	\$ 62.86	\$ 54.66	\$ 51.52	\$ 42.62	\$ 36.13	\$ 37.84	\$ 41.88	\$ 59.82
95 Gallon	\$ 47.87	\$ 69.25	\$ 65.92	\$ 57.75	\$ 50.77	\$ 40.70	\$ 42.46	\$ 48.35	\$ 71.38
2 yard (1X WK)	\$ 166.72	\$ 256.74	\$ 259.61	\$ 215.72	\$ 254.11	\$ 179.98	\$ 192.87	\$ 240.10	\$ 277.66



<b>Landfill Name</b>	<b>Rate Per Ton</b>	<b>Garbage Truck Rate Per Ton</b>	<b>As of</b>
Santa Maria Landfill	\$ 90.00	\$ 90.00	1/1/2024
Tajiguas - Franchise	\$ 121.00	\$ 189.00	7/1/2024
Paso Robles Landfill	\$ 63.00	\$ 53.00	7/1/2022
Johnson Canyon Landfill	\$ 64.75	\$ 64.75	7/1/2023
Chicago Grade Landfill	\$ 62.00		1/1/2024
City of Lompoc Landfill	\$ 100.00		7/1/2023
Cold Canyon Landfill	\$ 92.00	\$ 70.00	1/1/2025
ReGen Monterey	\$ 74.00		7/1/2023

*South County Sanitary Service, Inc.*

*Financial Statements*

*December 31, 2023 and 2022*



## ***C O N T E N T S***

	<b><u>Page(s)</u></b>
<b><i>Independent Auditors' Report</i></b>	1 - 2
<b><i>Financial Statements</i></b>	
Statements of revenues and expenses - regulatory basis	3
Notes to financial statements	4 - 12
<b><i>Independent Auditors' Report on Supplementary Information</i></b>	13
Schedules of allowable costs - regulatory basis	14 - 15



**Independent Auditors' Report**

To Management of South County Sanitary Service, Inc.  
San Luis Obispo, California

***Opinion***

We have audited the accompanying financial statements of South County Sanitary Service, Inc., which comprise the statements of revenues and expenses – regulatory basis for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the results of operations of South County Sanitary Service, Inc. for the years ended December 31, 2023 and 2022, in accordance with the financial reporting provisions of the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo as described in Note 1.

***Basis for Opinion***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions prescribed or permitted by the City and County of San Luis Obispo, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the City and County of San Luis Obispo. Our opinion is not modified with respect to that matter.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of South County Sanitary Service, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with financial reporting provisions of the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo, 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 South County Sanitary Service, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



*Independent Auditors' Report – Continued*

*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 opinion. 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 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, including omissions, 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, 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 South County Sanitary Service, Inc.'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 South County Sanitary Service, Inc.'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.

*Caliber Audit & Attest, LLP*

San Luis Obispo, California  
June 21, 2024

**South County Sanitary Service, Inc.**

**Statements of Revenues and Expenses - Regulatory Basis  
Years Ended December 31, 2023 and 2022**

	<b>2023</b>	<b>2022</b>
<b>Revenues</b>		
Hauling revenue	\$ 20,923,570	\$ 17,933,526
Other income	24,432	18,797
Total revenue	20,948,002	17,952,323
<b>Allowable Costs</b>		
Direct labor	3,933,055	3,875,600
Corporate overhead - allowable threshold	411,842	378,184
Office salaries	836,906	811,699
Other general and administrative costs	5,954,616	5,513,884
Interest, related party	220,991	247,439
Total allowable costs	11,357,410	10,826,806
<b>Allowable Pass-Through Costs</b>		
Tipping fees, related party	3,595,500	2,815,156
Non-related party tipping fees	1,859,582	1,499,247
Franchise fees and taxes	2,033,572	1,857,942
Related party rent	193,077	184,059
Transportation - compactors, related parties	4,446	13,750
Total pass-through costs	7,686,177	6,370,154
Total allowable and pass-through costs	19,043,587	17,196,960
Rate setting income	1,904,415	755,363
<b>Non-Allowable Costs</b>		
Other non-allowable gains, net	(24,172)	(9,247)
Landfill savings, pass-through fees	128,786	122,199
Total non-allowable costs	104,614	112,952
Net income	\$ 1,799,801	\$ 642,411

See Notes to Financial Statements.

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

**Note 1. Summary of Significant Accounting Policies**

***Nature of business:***

South County Sanitary Service, Inc. (the Company) became a wholly-owned subsidiary of Waste Connections US, Inc. as of April 1, 2002. The Company operates a garbage collection service for residential, commercial, and governmental entities located in Pismo Beach, Arroyo Grande, Grover Beach and other areas of San Luis Obispo County. The Company services collection routes by use of Company-owned equipment and employees of the Company. The Company extends credit in the form of accounts receivable to customers in its service area.

***Prescribed accounting practices:***

The County of San Luis Obispo, City of Arroyo Grande, City of Pismo Beach, City of Grover Beach, Avila Beach Community Services District, Nipomo Community Service District and Oceano Community Service District require the Company to utilize the accounting principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo in its financial statement reporting for rate setting purposes.

The primary purpose of the accounting principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo is to determine integrated solid waste management rates which are fair to residents and which provide adequate revenue to the hauler. The basis of presentation prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo differs from U.S. generally accepted accounting principles (U.S. GAAP) in that the following expenses are non-allowable costs: charitable donations and political contributions, entertainment expenses, income tax expenses, landfill savings payment and profit sharing payments not related to an Internal Revenue Service approved pension program. The Manual also specifies a limitation on corporate overhead, which is defined as salaries of corporate officers that can be treated as allowable costs. Bonus costs and allocated facility and administrative support costs are included as allowable costs and are not part of the corporate overhead pool subject to limitation. Although not specifically listed as non-allowable costs in the Manual, management has also historically classified the following costs as non-allowable: loss (or gain) on disposal of assets, penalties, and certain employee relocation costs.

In addition, according to the accounting principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management, the operations of the individual garbage districts are considered separate entities for rate setting purposes. Given this, the financial statements for each company have not been consolidated with the other subsidiaries of Waste Connections US, Inc.

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

***Reclassifications:***

Certain amounts in the 2022 financial statements have been reclassified for comparative purposes to conform with presentation in the 2023 financial statements.

***Allocation of costs:***

Management of the Company believes that because costs are shared between districts, allocating costs between the companies receiving the benefits is the most effective way to track and record the costs at the standalone district (Company) level. These costs are mainly allocated based on truck hours or customer count (container counts, CNG trucks and yard waste tons are also used as allocators), depending on the nature of the cost. In general, costs that are administrative are allocated on customer count, and costs that are direct are allocated on truck hours, consistent with the direct labor (direct) and office salaries (administrative) allocations.

***Interest:***

Interest expense is allocated using an estimated internal interest rate (3.09% for 2023 and 3.89% for 2022) and applying that interest rate to the average net book value of fixed assets, and then allocating to the stand-alone district level based on the pro-rata depreciation allocation percentages. The Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo includes interest expense as an allowable cost.

***Income tax:***

Entity level income tax is assessed at the corporate parent entity level. As a wholly owned subsidiary, the standalone district (the Company) does not pay or incur income tax. As such, there is no provision for current or deferred income taxes for the Company, and no allocation is made on the standalone financial statements for income tax. Income tax expense is a non-allowable cost under the principles prescribed by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo.

***Franchise fees and taxes:***

U.S. generally accepted accounting principles would require that tax and franchise fees that are assessed by governmental authorities that are directly imposed on a revenue-producing transaction between a seller and a customer be presented on a net basis (excluded from revenues). However, in accordance with the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo, franchise fees and taxes have been shown gross on the statements of revenues and expenses – regulatory basis and are included in revenues and shown as an allowable cost.



*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

***Use of estimates:***

The preparation of financial statements in conformity with practices prescribed or permitted by the Rate Setting Process and Methodology Manual for Integrated Solid Waste Management Rates of the City of San Luis Obispo, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles, 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 reporting period. Actual results could differ from those estimates.

***Revenue recognition:***

Revenues are recognized when services are transferred to customers in an amount that reflects consideration that is expected to be received.

***Nature of revenue:***

The Company's solid waste collection business involves the collection of waste from residential, commercial and industrial customers for transport directly to the landfill, transfer stations or recycling centers. Solid waste collection services include both recurring and temporary customer relationships. The services are performed under service agreements or franchise agreements with governmental entities. Residential and commercial collection services are provided on a subscription basis with individual households or businesses. The fees received for collection services are based primarily on the market, collection frequency, level of service, route density, type and volume or weight of the waste collected, type of equipment and containers furnished, the distance to the disposal or processing facility, the cost of disposal or processing, and prices charged by competitors for similar services.

***Disaggregation of revenue:***

The following table presents the Company's revenue disaggregated by contract type:

	<u>2023</u>	<u>2022</u>
Hauling revenues - residential customers	\$ 12,140,434	\$ 10,222,758
Hauling revenues - commercial customers	8,783,136	7,710,768
Total	<u>\$ 20,923,570</u>	<u>\$ 17,933,526</u>

The factors that impact the timing and amount of revenue recognized for each type of revenue may vary based on the nature of the service performed. Generally, the Company recognizes revenue at the time it performs a service. Certain customers are billed in advance (bi-monthly billing) and, accordingly, recognition of the related revenues is deferred until the services are provided.

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

*Contract balances:*

The timing of revenue recognition, billings and cash collections results in billed accounts receivable (contract assets), and customer deposits and deferred revenue (contract liabilities) on the Company's balance sheet (not presented).

*Performance obligations:*

Service performance obligations of a long-term nature, such as solid waste collection service contracts, are satisfied over time, and revenue is recognized based on the value provided to the customer during the period. The amount billed to the customer is based on variable elements such as the number of residential homes or businesses for which collection services are provided, the volume of waste collected, transported and disposed, and the nature of the waste accepted. The Company does not disclose the value of unsatisfied performance obligations for these contracts as its right to consideration corresponds directly to the value provided to the customer for services completed to date and all future variable consideration is allocated to wholly unsatisfied performance obligations.

*Costs to obtain a contract:*

The incremental direct costs of obtaining a contract, which consist of sales incentives, would be recognized on the Company's balance sheet (not presented) as a deferred sales incentive to be amortized to expense over the life of the customer relationship. There were no contract acquisition costs recorded at the stand-alone district level.

*Accounts receivable and allowance for credit losses:*

Accounts receivable is stated at the amount management expects to collect from outstanding balances. At each balance sheet date, the Company recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. The allowance estimate is derived from a review of the Company's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Company. Management believes that the composition of trade receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly and has not identified any current conditions or supportable forecasts that would have a material impact on the expected credit losses.

The Company writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

entity's accounting policy election. Changes in the valuation allowance have not been material to the financial statements.

***Property and equipment, and depreciation:***

Repairs, maintenance and small equipment purchases are charged to expense when incurred. Expenditures, which significantly increase asset values or extend useful lives, are capitalized and recorded at cost. Depreciation expense is calculated on the straight-line method over the following useful lives:

	<u>Years</u>
Buildings and improvements	25
Vehicles	7
Containers	7
Equipment	7
Office equipment	5

Depreciation is allocated to each stand-alone district based on a combination of customer count, container count, and truck hours allocation factors. Depreciation expense for the years ended December 31, 2023 and 2022 was \$1,704,522 and \$1,391,758, respectively.

***Public relations and promotions (advertising) costs:***

The Company expenses public relations and promotions costs as incurred.

***Insurance:***

Waste Connections US, Inc., the sole shareholder and parent of the Company has high deductible coverage for automobile liability, general liability, employer's liability, environmental liability, as well as for certain employee group health claims, property and workers' compensation. Waste Connection's insurance accruals are based on claims filed and estimates of claims incurred but not reported and are developed by corporate management with assistance from its third-party actuary and its third-party claims administrator. The insurance accruals are influenced by past claims experience factors, which have a limited history, and by published industry development factors. Insurance expense and allocated insurance expense for the Company are recorded in other general and administrative costs on the statements of revenues and expenses – regulatory basis.

***Economic dependency:***

The Company provides disposal services to residential and commercial customers under the terms of franchise agreements with the Cities of Arroyo Grande, Grover Beach, Pismo Beach and the County of San Luis Obispo. The Company also has franchise agreements with Avila Beach Community Service District, Oceano Community Services District and Nipomo Community Service District. Collection rates are determined annually based on historical expenses, future budgeted expenses, and a reasonable rate of return. The franchise agreements extend through 2039.

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

In consideration for the grant of the exclusive franchise to provide services to the respective municipalities the Company has agreed to pay a franchise fee based upon a percentage of annual gross solid waste revenues provided to each grantee, as follows:

Avila Beach Community Services District	10%
Oceano Community Service District	5%
Nipomo Community Service District	10%
City of Arroyo Grande	10%
City of Grover Beach	10%
City of Pismo Beach	10%
County of San Luis Obispo (unincorporated)	10%

In addition to the franchise fees above, the Company is required to make landfill savings payments to the County of San Luis Obispo and the Cities of Arroyo Grande, Grover Beach, Pismo Beach and Oceano Community Services District. These landfill savings payments are non-allowable for the purposes of rate setting and are adjusted annually by the same percent increase as collection rates.

The Company is required to submit audited financial statements to the County of San Luis Obispo, to the cities of Arroyo Grande, Grover Beach, and Pismo Beach and to the community service districts of Avila, Oceano and Nipomo within six months of their year end. The contracts allow for an extension of time if mutually agreed upon by both parties.

***Related party rent:***

The Company accounts for intercompany leases as related party rent expense and has not adopted the new lease guidance because the intercompany leases eliminate on a consolidated level for Waste Connections US, Inc.

***Note 2. Related Party Transactions***

The Company has entered into various related party transactions. The nature of related party transactions and amounts not specifically identified elsewhere in the financial statements are as follows:

*Overhead:*

South County Sanitary Service, Inc. is a wholly-owned subsidiary of Waste Connections US, Inc. Waste Connections US, Inc. provides management and administrative services to South County Sanitary Service, Inc. These costs are included as corporate overhead - allowable threshold in the accompanying statements of revenues and expenses - regulatory basis.

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

*Tipping fees:*

Waste Connections US, Inc. is also the sole shareholder in Cold Canyon Land Fill, Inc. which operates the sanitary landfill that the Company utilizes for the disposal of garbage collected, and the Materials Recovery Facility (MRF) for the disposal of recyclable material. These costs are included in tipping fees, related party in the accompanying statement of revenues and expenses – regulatory basis.

*Transportation:*

The Company also pays other related companies for transportation costs of garbage to the landfill. The transportation costs – compactors, related parties are included in the accompanying statement of revenues and expenses – regulatory basis.

*Allocated insurance:*

The Company incurs expenses for insurance costs that are allocated from a related party company that is a subsidiary of Waste Connections US, Inc. The amount of the insurance cost allocated totaled \$1,387,074 and \$1,324,786 for the years ended December 31, 2023 and 2022, respectively, which is included in other general and administrative costs.

*Allocated facilities and regional support costs:*

The Company incurs expenses for regional facilities and administrative support costs that are allocated from the regional division of Waste Connections US, Inc. The amount of the facilities and administrative support costs allocated totaled \$55,652 and \$69,189 for the years ended December 31, 2023 and 2022, respectively, which is included in other general and administrative costs.

*Allocated labor:*

The related companies pay for labor and services on behalf of each other. These costs are allocated between the companies receiving the benefits. The allocated labor costs are recorded to direct labor or office salaries. Direct labor costs are allocated to the companies based on truck hours. Office salaries are allocated to the companies based on customer count.

*Allocated bonuses:*

Bonus costs to the local level employees allocated from corporate are included in direct labor and office salaries.

*Allocated interest:*

Interest expense is allocated to the stand-alone district level based on the policy as described in Note 1, and is shown as interest, related party.

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

*Allocated other costs:*

The Company incurs other costs that are shared between the related companies. These costs are allocated between the companies receiving the benefits. These costs are mainly allocated based on truck hours or customer count (container counts, CNG trucks and yard waste tons are also used as allocators), depending on the nature of the cost. In general, costs that are administrative are allocated on customer count, and costs that are direct are allocated on truck hours, consistent with the direct labor (direct) and office salaries (administrative) allocations.

**Note 3. *Employee Benefit Plan***

The Company's employees can participate in the 401(k) profit sharing plan (the Plan) offered by Waste Connections US, Inc. Waste Connections US, Inc. made matching contributions to a trust, for the benefit of qualified employees, subject to certain limitations imposed by the Internal Revenue Service for the years ended December 31, 2023 and 2022. The Company matches 100% of employee contributions up to 5% of compensation and the match vests immediately. Substantially all employees are eligible who are 21 years of age and have at least one year of service. For the years ended December 31, 2023 and 2022, the Company's contribution amounted to \$137,140 and \$128,786, respectively. The total amount of the retirement costs are recorded in the financial statements as part of direct labor and office salaries.

**Note 4. *Related Party Lease***

The Company has a lease for office and yard space with a related party, Corral de Piedra Land Company. The lease is renewed annually. The base rent is allocated to the stand-alone districts. The monthly base rent for the Company's yard and office space for the years ended December 31, 2023 and 2022 is \$16,090 and \$15,338, respectively. The base rent is subject to an annual increase based on the Consumer Price Index (CPI) and is also subject to allocation adjustments. Related party rent expense for the years ended December 31, 2023 and 2022 was \$193,077 and \$184,059, respectively. Non-related party rent expense for the years ended December 31, 2023 and 2022 was \$6,080 and \$6,365, respectively.

**Note 5. *Commitments and Contingencies***

The Company has certain workers' compensation claims outstanding at the end of the year. The ultimate responsibility of these claims is held by Waste Connections US, Inc, the sole shareholder and parent of the Company. The known liability and expense is allocated from the corporate consolidated level to the stand-alone Company. However, the liability and expense for any incurred but not reported (IBNR) estimated amounts have not been recorded to the financial statements of the stand-alone Company.

The solid waste industry in which the Company operates is subject to a certain level of environmental risk. Although the Company does not accept hazardous waste materials from its commercial and residential customers for placement in the landfill, and is not aware of

*South County Sanitary Service, Inc.*

*Notes to Financial Statements*

any occurrences of receiving hazardous waste materials, occurrences are reasonably possible. Such environmental liabilities could have a material effect on the financial position of the Company.

***Note 6. Significant Concentration of Risk***

The Company operates exclusively in the solid waste industry in San Luis Obispo County, and therefore, its revenues and receivables are subject to geographical concentrations.

Due to the nature of the Company's services, its accounts receivable balance is comprised of amounts due from many customers. This diversity reduces the risk of any one customer significantly impacting the Company's realization of its receivables.

***Note 7. Subsequent Events***

The date to which events occurring after December 31, 2023 have been evaluated for possible adjustment to the financial statements or disclosure is June 21, 2024 which is the date on which the financial statements were available to be issued.



*Independent Auditors' Report on Supplementary Information*

To Management of South County Sanitary Service, Inc.  
San Luis Obispo, California

We have audited the financial statements of South County Sanitary Service, Inc. for the years ended December 31, 2023 and 2022, and our report thereon dated June 21, 2024, which expressed an unmodified opinion on those statements, appears on pages one and two. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of allowable costs – regulatory basis are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Caliber Audit & Attest, LLP*

San Luis Obispo, California  
June 21, 2024



*South County Sanitary Service, Inc.*

*Schedules of Allowable Costs - Regulatory Basis  
Years Ended December 31, 2023 and 2022*

	<u>2023</u>	<u>2022</u>
<b><i>Direct Labor</i></b>		
Labor	\$ 3,652,745	\$ 3,606,357
Payroll taxes	<u>280,310</u>	<u>269,243</u>
Total direct labor	<u>\$ 3,933,055</u>	<u>\$ 3,875,600</u>
<b><i>Office Salaries</i></b>		
Office salaries	\$ 784,037	\$ 764,181
Payroll taxes	<u>52,869</u>	<u>47,518</u>
Total office salaries	<u>\$ 836,906</u>	<u>\$ 811,699</u>

*South County Sanitary Service, Inc.*

*Schedules of Allowable Costs - Regulatory Basis - Continued  
Years Ended December 31, 2023 and 2022*

	<i>2023</i>	<i>2022</i>
<b><i>Other General and Administrative Costs</i></b>		
Bad debt	\$ 8,501	\$ 4,922
Bond	5,693	8,341
Depreciation	1,704,522	1,391,758
Drive cam fees	34,066	34,488
Dues and subscriptions	24,699	17,690
Facilities & regional support - allocated from related parties	55,652	69,189
Gas and oil	1,237,166	1,138,209
Insurance - allocated from related parties	1,387,074	1,324,786
Laundry and uniforms	27,036	31,346
Legal and accounting	71,872	71,876
Miscellaneous and other	6,424	5,367
Office	316,456	283,606
Operating supplies	59,124	68,736
Other taxes	58,788	40,970
Outside services	62,266	81,165
Permits and licenses	111,111	95,950
Postage	8,600	28,963
Public relations and promotions	19,856	4,353
Relocation	14,196	493
Rent	6,080	6,365
Telephone	28,795	31,069
Tires	185,752	194,433
Travel	23,747	39,151
Truck repairs	477,240	516,252
Utilities	19,900	24,406
	\$ 5,954,616	\$ 5,513,884



# Oceano Community Services District

1655 Front Street | P.O. Box 599 | Oceano, CA 93475

PHONE (805) 481-6730 | FAX (805) 481-6836

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**Date:** December 11, 2024

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager  
Peter Brown, General Manager

**Subject: Agenda Item #8(E):** Review and approve a Resolution adopting a Workplace Violence Prevention Plan

## Recommendation

It is recommended that the Oceano Community Services Board of Directors review and consider a resolution adopting a Workplace Violence Prevention Plan.

## Discussion

Senate Bill 553 ([SB 553](#)) was signed into law on September 20, 2023. This new law requires the District to have a Workplace Violence Prevention Plan (WVPP) approved by the Board.

The Oceano Community Services District (District) is committed to providing a work environment that is free of disruptive, threatening, or violent behavior involving any employee, appointed or elected official, volunteer, contractor, resident, or visitor. Our policy is to establish, implement, and maintain an effective Workplace Violence Prevention Plan (Plan) that addresses the hazards known to be associated with four types of workplace violence as defined by Labor Code Section [6401.9](#).

According to the Occupational Safety and Health Administration (OSHA), workplace violence is the second leading cause of fatal occupational injuries in the United States, affecting nearly 2 million American workers annually. SB 553 addresses workplace violence by requiring employers to implement basic protections to protect employees while at work. SB 553 amended Labor Code section 6401.7 to require employers to develop and implement a workplace violence prevention plan in accordance with newly codified Labor Code section 6401.9, which sets out the requirements for the plan. Starting July 1, 2024, most employers in California must establish, implement, and maintain a Workplace Violence Prevention Plan that includes:

- Prohibiting employee retaliation.
- Accepting and responding to reports of workplace violence.
- Employee workplace violence training and communication.
- Emergency response.
- Workplace violence hazard assessments.



## Oceano Community Services District

Board of Directors Meeting

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- Other requirements, such as maintaining a Violent Incident Log.

The attached Plan covers all items required by SB553 and OSHA. The District will implement this plan starting December 12, 2024 and employees will complete their annual training required in the Plan.

### **Other Agency Involvement**

The Service Employees International Union Local 620.

### **Financial Considerations**

None.

Attachments:

- A. Draft Resolution
- B. Workplace Violence Prevention Plan

**OCEANO COMMUNITY SERVICES DISTRICT**

**RESOLUTION NO. 2024 - \_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT APPROVING A NEW DISTRICT WORKPLACE VIOLENCE PREVENTION PLAN UNDER SENATE BILL No. 553**

**WHEREAS**, the Oceano Community Services District (herein referred to as District) is a local government agency formed and operating in accordance with Section §61000 et seq. of the California Government Code; and

**WHEREAS**, on September 20, 2023, Governor Newsom signed Senate Bill No. 553 (“SB 553”) into law, which requires certain California employers to take steps to prevent and respond to workplace violence; and

**WHEREAS**, notably, SB 553 added Section 6401.9 to the California Labor Code, which, effective July 1, 2024, requires covered employers to adopt a comprehensive workplace violence prevention plan; and

**WHEREAS**, the District is considered a covered employer therefore required to adopt a comprehensive workplace violence plan.

**NOW THEREFORE BE IT RESOLVED** that the Board of Directors of the Oceano Community Services District hereby adopts the Workplace Violence Prevention Plan Policy attached hereto as Exhibit “A”

**PASSED AND ADOPTED** by the Board of Directors of the Oceano Community Services District on December 11, 2024, by the following vote:

- AYES:**
- NAYES:**
- ABSENT:**
- ABSTAIN:**

\_\_\_\_\_  
President, Board of Directors of the  
Oceano Community Services District

**ATTEST:**

\_\_\_\_\_  
Board Secretary of the  
Oceano Community Services District

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Robert W. Schultz, District Legal Counsel

**December 11, 2024**

# **Workplace Violence Prevention Plan**

**TABLE OF CONTENTS**

Policy ..... 1

Definitions ..... 1

Prohibited Acts..... 2

Responsibility and Authority..... 3

Employee Active Involvement ..... 4

Compliance ..... 4

Communication and Training with Employees..... 5

Workplace Violence Incident Reporting Procedures..... 6

Emergency Response Procedures..... 7

Workplace Violence\_Hazard Assessment..... 7

Workplace Violence\_Hazard Correction..... 7

Post Incident Response and Investigation ..... 8

Training & Instruction ..... 9

Recordkeeping ..... 10

Cal/OSHA Reporting of Work Related Fatalities and Serious Injuries.....10

Annual Review ..... 10

Appendices

- A. Workplace Violent Incident Log
- B. Workplace Violence Prevention Hazard Assessment & Correction Form
- C. Workplace Violence Emergency Response Scenarios & Procedures
  - a. Workplace Violence Act or Threats
  - b. Active Shooter
  - c. Bomb Threat
  - d. Civil Unrest
  - e. Medical Emergencies
  - f. Suspicious Package

## Policy

The Oceano Community Services District (OCSD) is committed to providing a work environment that is free of disruptive, threatening, or violent behavior involving any employee, appointed or elected official, volunteer, contractor, client, and/or visitor. Our policy is to establish, implement, and maintain an effective Workplace Violence Prevention Plan that addresses the hazards known to be associated with four types of workplace violence as defined by Labor Code Section 6501.9 and as required by SB 533. The regulation requires us to establish, implement, and maintain, at all times in all our facilities, a workplace violence prevention plan for the purpose of protecting employees and other personnel from aggressive and violent behavior at the workplace.

## Definitions

Emergency: Unanticipated circumstances that can be life threatening or pose a risk of significant injuries to employees or other persons.

Engineering Controls: An aspect of the built space or a device that removes a hazard from the workplace or creates a barrier between the employee and the hazard.

Log: The violence incident log required to document and track occurrences (Appendix A)

Plan: The Workplace Violence Prevention Plan (WVPP).

Serious Injury or Illness: Any injury or illness occurring in a place of employment or in connection with any employment that requires inpatient hospitalization for other than medical observation or diagnostic testing, or in which an employee suffers an amputation, the loss of an eye, or any serious degree of permanent disfigurement, but does not include an injury or illness or death caused by an accident on a public street or highway, unless the accident occurred in a construction zone.

Threat of Violence: Any verbal or written statement, including, but not limited to, texts, electronic messages, social media messages, or other online posts, or any behavioral or physical conduct, that conveys an intent, or that is reasonably perceived to convey an intent, to cause physical harm or to place someone in fear of physical harm, and that serves no legitimate purpose.

Work Practice Controls: Procedures and rules that are used to effectively reduce workplace violence hazards.

Workplace Violence: Any act of violence or threat of violence that occurs in a place of employment. Includes, but is not limited to, the following:



- The threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury.
- An incident involving a threat or use of a firearm or other dangerous weapon, including the use of common objects as weapons, regardless of whether the employee sustains an injury.
- The following four workplace violence types:
  - **Type 1 Violence** – Workplace violence committed by a person who has no legitimate business at the worksite and includes violent acts by anyone who enters the workplace or approaches an employee with the intent to commit a crime.
  - **Type 2 Violence** – Workplace violence directed at employees by customers, residents, or visitors.
  - **Type 3 Violence** – Workplace violence against an employee by a present or former employee, supervisor, or manager.
  - **Type 4 Violence** – Workplace violence committed in the workplace by a person who does not work there but has or is known to have a personal relationship with an employee.
  - Workplace violence does not include lawful acts of self-defense or defense of others.

## Prohibited Acts

OCS&D will not ignore, condone, or tolerate *threats of violence* or *workplace violence* by any employee, appointed or elected official, volunteer, contractor, customer, or visitor.

- *Threats of violence* include both verbal and non-verbal conduct that causes a person to fear for their safety because there is a reasonable possibility they might be physically injured, and that serves no legitimate work-related purpose.
- *Workplace violence* means any act of violence or threat of violence that occurs at the work site. The term workplace violence shall not include lawful acts of self-defense or defense of others. Workplace violence includes the following:
  - The threat or use of physical force against an employee that results in, or has a high likelihood of resulting in, injury, psychological trauma, or stress, regardless of whether the employee sustains an injury.
  - An incident involving the threat or use of a firearm or other dangerous weapon, including

the use of common objects as weapons, regardless of whether or not the employee sustains an injury.

In addition, OCSD prohibits all *dangerous weapons* not used for fire suppression, accident and incident response, emergency medical services, the service of law enforcement, or security duties on all OCSD property. Any employee or appointed or elected official in possession of prohibited dangerous weapons on OCSD property is in violation of this policy and may be subject to disciplinary action up to and including dismissal. Any volunteer, contractor, or visitor in possession of prohibited dangerous weapons will be banned from the premises. *Dangerous weapons* include any instrument capable of inflicting death or serious bodily injury.

## **Responsibility and Authority**

### **Workplace Violence Prevention Plan Administrator:**

The District's Management (General Manager, Business and Accounting Manager, and Utilities Manager) have the authority and responsibility for developing, implementing, and maintaining this Plan.

### **Managers and Supervisors:**

Management shall solicit feedback and input from employees and their authorized representatives in developing and implementing the Plan. Active involvement of employees could include, but is not limited to, their participation in identifying, evaluating, and correcting workplace violence hazards; designing and implementing training; and reporting and investigating workplace violence incidents.

Management shall coordinate the implementation of the workplace violence prevention plan, when applicable, to ensure employers and their employees understand their respective roles as provided in the plan. These other employers and their staff shall be trained on OCSD's Plan.

### **Management Responsibilities include:**

- Implementing the plan in their work areas.
- Provide input to the General Manager regarding the plan.
- Participating in investigations of workplace violence reports.
- Answering employee questions concerning this plan.

### **Employees Responsibilities include:**

- Complying with the plan.
- Maintaining a violence-free work environment.
- Attending all training.
- Following all directives, policies, and procedures.

- Reporting suspicious persons in the area and alerting the proper authorities when necessary.
- Provide input to improve the plan contents and application

### **Employees Active Involvement:**

The District ensures the following policies and procedures to obtain the active involvement of employees and authorized employee representatives in developing and implementing the Plan.

- Management will work with and allow employees and authorized employee representatives to participate in:
  - Identifying, evaluating, and determining corrective measures to prevent workplace violence. This includes, but is not limited to, periodic safety meetings with employees and their representatives to discuss the identification of workplace violence-related concerns and hazards, and to evaluate the concerns to identify corrective action.
  - Design and implementation of training by encouraging employees to provide feedback and suggestions to help customize the training materials and sessions.
  - Reporting and potentially assisting in the investigation of workplace violence incidents.
- Management will ensure that all workplace violence policies and procedures within this Plan are clearly communicated and understood by all employees. Managers and supervisors will enforce the rules fairly and uniformly.
- All employees will follow all directives, policies, and procedures as outlined in this Plan and assist in maintaining a safe work environment.
- The Plan shall be in effect at all times and in all work areas and be specific to the hazards and corrective measures for each work area and operation.

### **Compliance**

District Management is responsible for ensuring all employees clearly communicate and understand the plan. The following techniques are used to ensure all employees understand and comply with the Plan:

- Informing all employees of the Plan during new employee safety orientation training and ongoing workplace violence prevention training.
- Ensuring *all* employees receive training on this Plan.
- Providing comprehensive workplace violence prevention training to managers and supervisors concerning their roles and responsibilities for Plan implementation.
- Evaluating employees to ensure their compliance with the Plan, and recognizing employees demonstrate safe work practices that promote the elements of the Plan.
- Disciplining employees appointed or elected officials, and volunteers who engage in threats of violent behaviors up to and including dismissal.
- Ensuring training of this Plan is conducted on an annual basis.

## **Communication**

District Management is responsible for communicating with employees about workplace violence in a form readily understandable by all employees.

We recognize that open, two-way communication between our management team, staff, and other employers about workplace violence issues is essential to a safe and productive workplace. The following communication system is designed to facilitate a continuous flow of workplace violence prevention information between management and staff in a form that is readily understandable by all employees and consists of the following:

- New employee orientation includes workplace violence prevention policies and procedures.
- Workplace violence prevention training, at least annually.
- Regularly scheduled meetings that address security issues and potential workplace violence hazards.
- Effective communication between employees and supervisors about workplace violence prevention and concerns.
- Posted or distributed workplace violence prevention information.
- Encouraging employees to inform their supervisor about threats of violence or workplace violence. Employees may use the Workplace Violence Incident Log (Appendix A) to assist in their reporting of incidents. No employee will be disciplined for reporting threats of violence or workplace violence.
- Employees will not be prevented from accessing their mobile or other communications devices to seek emergency assistance, assess the safety of a situation, or communicate with a person to verify their safety. Employees' concerns will be investigated in a timely manner, and they will be informed of the results of the investigation and any corrective actions to be taken.

Employee training on workplace violence will include:

- Detailed review of this Plan.
- Workplace violence risks that employees may encounter in their jobs.
- How to recognize the potential for violence and escalating behavior.
- Strategies to de-escalate behaviors and to avoid physical harm.
- OCSD systems that are in place to warn of emergencies.
- How to report incidents to law enforcement.

#### **Coordination with Other Employers:**

The District will implement the following effective procedures to coordinate the implementation of the Plan with other employees to ensure those employers and their employees understand their respective responsibilities and roles:

- All employees will be trained in workplace violence prevention.
- Workplace violence incidents involving any employee are reported, investigated, and recorded.
- At a multiemployer worksite, the District will ensure that if our employees experience a workplace violence incident, we will record the information in the Violence Incident Log and provide a copy to the controlling employer.

#### **Procedures**

Employees should report all threats or acts of workplace violence to their supervisor or the General Manager. In the event a supervisor or manager is not available or is the threat, the employee can report an incident directly to the General Manager, or the County Sheriff's Office. A strict non-retaliation policy is in place.

#### **Responding to Actual or Potential Workplace Violence Emergencies:**

In the event of an actual or potential workplace violence emergency, the employees should determine the best immediate reporting option based on the situation and circumstances. The methods of reporting emergencies include but are not limited to the following methods:

- Employees shall call 911 to report the incident and request assistance from law enforcement.
- Immediately notifying the General Manager, Utilities System Manager, or the Business and Accounting Manager through direct contact or phone.

Upon being notified of a workplace violence emergency, the General Manager will determine if emergency procedures should be activated and if evacuation or shelter-in-place procedures should be implemented.

Refer to Appendix C for procedures on how to respond to specific workplace violence emergency scenarios.

### **Emergencies and Reporting a Crime**

For immediate assistance in an emergency that is not associated with a service call, contact emergency services or law enforcement by calling 911. For immediate assistance in an emergency associated with a service call in progress, request immediate assistance by notifying local law enforcement including the non-emergency line to the Sheriff's department at 805-781-4550. Employees should also notify their supervisor, manager, and the General Manager as soon as possible.

### **Reporting Workplace Violence Concerns**

Employees who witness or experience *threats of violence* or *workplace violence* can report the incident through their chain of command or directly to the General Manager. Employees may report anonymously and without fear of reprisal by submitting the incident in writing or verbally.

Employees experiencing illnesses or emotions related to workplace violence threats (i.e. anxiety, fear, stress, etc.) can report through their chain of command or directly to the General Manager.

### **Hazard Assessment**

Workplace hazard assessment will be conducted by the General Manager, and other selected employees, utilizing the Workplace Violence Prevention Hazard Assessment & Correction Form (Appendix B). An annual review of the past year's workplace violence incidents will be conducted. Independent third party reviews may also be conducted.

Inspections are performed according to the following schedule:

- When the Plan is first established.
- An annual review of the past year's workplace violence incidents.
- When new, previously unidentified workplace violence/ security hazards are recognized.
- After each workplace violence incident or threats occur.
- Periodic physical security assessments.

### **Workplace Violence Hazard Correction**

Workplace hazards will be evaluated and corrected in a timely manner. The General Manager will implement the following procedures to correct the identified workplace violence hazards:

- If an imminent workplace violence hazard exists that cannot be immediately abated without endangering employee(s), all exposed employee(s) will be removed from the situation except those necessary to correct the existing condition. Employees needing to correct the hazardous

condition will be provided with the necessary protection, depending on the exposure. If law enforcement assistance is needed, it will be sought and implemented immediately.

- All corrective actions taken will be documented and dated on the appropriate forms. Such as the Workplace Violence Hazard Assessment and Correction form (Appendix C), or other tracking measures.

*Work practice controls* will be used to correct unsafe work conditions, practices, or procedures that threaten the security of employees.

*Work practice controls* are defined as procedures, rules, and staffing that are used to effectively reduce workplace violence hazards. Work practice controls may include, but are not limited to:

- Appropriate staffing levels.
- Employee training on workplace violence prevention methods.
- Employee training on procedures to follow in the event of a workplace violence incident.

Corrective actions will be implemented in a timely manner based on the severity of the hazard, documented and dated.

### **Post-Incident Response and Investigation**

The General Manager or his/her designee will implement the following post- incident procedures and use the Workplace Violent Incident Log (Appendix A) to document incidents and investigations:

- Provide immediate medical care or first aid.
- Visit the scene of an incident as soon as safe and practicable.
- Interview involved parties, such as employees, witnesses, law enforcement, and/or security personnel.
- Examine the workplace for security risk factors associated with the incident, including any previous reports of inappropriate behavior by the perpetrator.
- Determine the cause of the incident.
- Identify all employees involved in the incident.
- Offer staff individual trauma counseling resources.
- Conduct a debriefing with all affected staff.
- Determine if corrective measures developed under this plan were effectively implemented; solicit feedback from all personnel involved in the incident as to the cause of this incident and if injuries occurred, how injury could have been prevented.
- Record the incident in the Workplace Violent Incident Log (Appendix A).

- Obtain any reports completed by law enforcement.
- Ensure corrective actions are taken.
- Management and staff will meet to review the incident to discuss what went well and wrong, address changes, potential training, if additional outreach to law enforcement or community partners would be helpful, if policy changes are required, or to consider restraining orders, if necessary.

## **Training & Instruction**

All employees, including managers and supervisors, will have training and instruction on general and job-specific workplace violence practices.

Training will occur:

- When the Plan is first established.
- When hired.
- Annually to ensure all employees understand and comply with the Plan.
- When a new or previously unrecognized workplace, violence hazard had been identified.

Employee training on workplace violence will include:

- A review of the Plan, how to obtain a copy of the Plan, and how to participate in the development and implementation of the Plan.
- How to report workplace violence incidents or concerns to the District or law enforcement, without fear of reprisal.
- Workplace violence risks that employees may encounter in their jobs.
- How to recognize the potential for violence and escalating behavior.
- General and personal safety measures.
- Strategies to de-escalate behaviors and to avoid physical harm.
- The District's alerts, alarms, or systems that are in place to warn of emergencies.
- Information about the District's Employee Assistance Program.
- Information about the Violent Incident Log and how to obtain copies of records pertaining to completed logs, hazard identification, evaluation and correction, and training records.

Employees will always have opportunities for interactive questions and answers with the Administrator or a person knowledgeable about the District's Plan.



## **Recordkeeping**

- Records of workplace violence hazard identification, evaluation, and correction will be maintained for five years per the recordkeeping requirements of the OCSD's retention program. No records shall contain medical information.
- Training for each employee, including the employee's name, training dates, type of training, and training provider, will be maintained for a minimum of three years.
- Records of violent incidents (Workplace Violent Incident Log) will be maintained for a minimum of five years.
- 

## **Cal/OSHA Reporting of Work-Related Fatalities and Serious Injuries**

The District will immediately, but no later than 48 hours after awareness, report to Cal/OSHA any work-related death or serious injury or illness, including any due to workplace violence, of an employee occurring at the workplace or in connection with any employment.

A serious injury or illness (CCR330) is defined as:

- Any inpatient hospitalization for more than observation
- Amputation
- Loss of an eye
- Serious degree of permanent disfigurement.

It does not include any injury or illness, or death caused by an accident on a public street or highway unless the accident occurred in a construction zone.

## **Annual Review**

OCSD's Workplace Violence Prevention Plan will be reviewed and updated as needed considering the following criteria:

- Staffing
- Sufficiency of security systems
- Job, equipment, and facility design and risks
- Modifications or additions to tasks and procedures that affect plan implementation
- Newly identified hazards
- Prior year incidents

- Identified deficiencies
- Feedback provided by employees and their authorized representatives

Review of the Plan will include measures outlined in the Employee Active Involvement section as well as the following:

- A review of the incident investigations and violent incident log.
- Assessment of the effectiveness of security systems, including alarms, emergency response, and available security personnel, if applicable.
- Review if violence risks are being properly identified, evaluated, and corrected.
- Any revisions should be made promptly and communicated to all employees.

**Appendix A**

**WORKPLACE VIOLENT INCIDENT LOG**

This form must be completed for every record of violence in the workplace

<b>Incident ID #*:</b>	<b>Date and Time of Incident:</b>
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<b>Specific Location of Incident:</b>
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*\* Do not identify employee by name, employee #, or SSI. The Incident ID must not reflect the employee's identity)*

<b>Describe Incident</b> (Include additional pages if needed):

**Workplace violence committed by:**

<input type="checkbox"/> Partner/Spouse of Victim	<input type="checkbox"/> Customer	<input type="checkbox"/> Manager/ Supervisor
<input type="checkbox"/> Former Partner/Spouse of Victim	<input type="checkbox"/> Family or Friend of Customer	<input type="checkbox"/> Stranger w/ criminal intent
<input type="checkbox"/> Robber/Burglar	<input type="checkbox"/> Co-Worker/Supervisor/Manager	<input type="checkbox"/> Other:
<input type="checkbox"/> Contractor	<input type="checkbox"/> Coworker	<input type="checkbox"/> _____
<input type="checkbox"/> Family or Friend	<input type="checkbox"/> Stranger	<input type="checkbox"/> _____
<input type="checkbox"/> Parent/Relative of Victim	<input type="checkbox"/> Board Member	

**Circumstances at time of incident:**

<input type="checkbox"/> Employee Performing Normal Duties	<input type="checkbox"/> Poor Lighting	<input type="checkbox"/> Employee Rushed
<input type="checkbox"/> Employee Isolated or Alone	<input type="checkbox"/> Working in a Community Setting	<input type="checkbox"/> Low Staffing Level
<input type="checkbox"/> Unable to Get Help or Assistance	<input type="checkbox"/> Unfamiliar or New Location	<input type="checkbox"/> Other:
<input type="checkbox"/> Other:		

**Location of Incident:**

<input type="checkbox"/> Board Room	<input type="checkbox"/> Public Area	<input type="checkbox"/> Hallway
<input type="checkbox"/> Lobby	<input type="checkbox"/> Restroom or Bathroom	<input type="checkbox"/> Parking Lot or Outside Building
<input type="checkbox"/> Personal Residence	<input type="checkbox"/> Kitchen	<input type="checkbox"/> Utilities Yard
<input type="checkbox"/> Other:		

**Type of Incident (check as many apply):**

<input type="checkbox"/> Robbery	<input type="checkbox"/> Grabbed	<input type="checkbox"/> Pushed
<input type="checkbox"/> Verbal Threat or Harassment	<input type="checkbox"/> Kicked	<input type="checkbox"/> Scratched
<input type="checkbox"/> Sexual Threat, Harassment, or Assault	<input type="checkbox"/> Hit with an Object	<input type="checkbox"/> Bitten
<input type="checkbox"/> Animal Attack	<input type="checkbox"/> Shot (or Attempted)	<input type="checkbox"/> Slapped
<input type="checkbox"/> Threat of Physical Force	<input type="checkbox"/> Bomb Threat	<input type="checkbox"/> Hit with Fist
<input type="checkbox"/> Threat of Use of Weapon or Object	<input type="checkbox"/> Vandalism (of Victim's Property)	<input type="checkbox"/> Knifed (or Attempted)
<input type="checkbox"/> Assault With A Weapon or Object	<input type="checkbox"/> Vandalism (of Employer's Property)	<input type="checkbox"/> Arson
<input type="checkbox"/> Robbery	<input type="checkbox"/> Other:	

**Consequences of incident:**

Medical care provided? <input type="checkbox"/> Yes <input type="checkbox"/> No	Law enforcement called? <input type="checkbox"/> Yes <input type="checkbox"/> No	Security contacted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Did anyone provide assistance to conclude the event? <input type="checkbox"/> Yes <input type="checkbox"/> No		Days lost from work (if any) _____
Actions taken by the employer to protect employees from a continuing threat. <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Completed by:**

Name:	Title:	Date:
Telephone:	Email:	
Signature:	Telephone:	

**Appendix B**

**WORKPLACE VIOLENCE PREVENTION  
ENVIRONMENTAL HAZARD ASSESSMENT & CONTROL CHECKLIST**

<b>Assessed by:</b>	<b>Title:</b>
<b>Location(s) Assessed:</b>	

This checklist is designed to evaluate the workplace and job tasks to help identify situations that may place employees at risk of workplace violence.

Step 1: Identify risk factors that may increase the District’s vulnerability to workplace violence events.

Step 2: Conduct a workplace assessment to identify physical and process vulnerabilities

Step 3: Develop a corrective action plan with measurable goals and target dates

**STEP 1: IDENTIFY RISK FACTORS**

Yes	No	Risk Factors	Comments:
		Does staff have contact with the public?	
		Does staff exchange money with the public?	
		Does staff work alone?	
		Is the workplace often understaffed?	
		Is the workplace located in an area with a high crime rate?	
		Does staff enter areas with high crime rates?	
		Does staff have mobile workplaces?	
		Does staff perform public safety functions that might put them in conflict with others?	
		Does staff perform duties that may upset people?	
		Does staff work with people known or suspected to have a history of violence?	
		Do any employees have a history of threats of violence?	

**STEP 2: CONDUCT ASSESSMENT**

**Building Interior**

Yes	No	Building Interior	Comments:
		Are employee ID badges required?	
		Are employees notified of past workplace violence events?	
		Are trained security personnel or staff accessible to employees?	
		Are bullet resistant windows or similar barriers used when money is exchanged with the public?	
		Are areas where money is exchanged visible to others?	
		Is a limited amount of cash kept on hand with appropriate signage?	
		Could someone hear an employee who called for help?	
		Do doors lock?	
		Does internal telephone system activate emergency assistance?	
		Do employees have a clear line of sight of visitors in waiting areas?	
		Do areas used for customer or visitor assistance allow co-employees to observe problems?	
		Are there physical barriers? (between staff and customers)	
		Are waiting and work areas free of objects that could be used as weapons?	
		Are customers and visitors clearly informed how to use the department services so they will not become frustrated?	
		Is furniture in waiting and work areas arranged to prevent employee entrapment?	
		Are private, locked restrooms available for employees?	
		Do employees have a secure place to store personal belonging?	
		Are there security mirrors?	
		Is there a secure entry?	

		Is there a safe to limit available cash?	
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**Buildings Exterior**

Yes	No	Building Exterior	Comments:
		Do employees feel safe walking to and from the workplace?	
		Are the entrances to the building clearly visible from the street?	
		Is the area surrounding the building free of bushes or other hiding places?	
		Are security personnel provided outside the building?	
		Is video surveillance provided outside the building?	
		Is there enough lighting to see clearly?	
		Are all exterior walkways visible to security personnel?	
		Is there a nearby parking lot reserved for staff?	
		Is there a response Plan for workplace violence emergencies?	
		Is the parking lot attended and secure?	
		Is the parking lot free of blind spots and landscapes trimmed to prevent hiding?	
		Are security escorts available?	

**Parking Area**

Yes	No	Parking Area	Comments:
		Is there a nearby parking lot reserved for staff?	
		Is the parking lot attended and secure?	
		Is the parking lot free of blind spots and landscape trimmed to prevent hiding places?	
		Is there enough lighting on the parking lot to see clearly?	
		Are security escorts available?	

## Security Measures

Yes	No	Security Measures	Comments:
		Is there a response plan for workplace violence emergencies?	
		Are there physical barriers? (between staff and customers/ visitors)	
		Are there security cameras?	
		Are there panic buttons?	
		Are there alarm systems?	
		Are there metal detectors?	
		Do doors lock?	
		Are there X-ray machines?	
		Does internal telephone system activate emergency assistance?	
		Are telephones with an outside line programed for 911?	
		Are there two-way radios, pagers, or cell phones?	
		Are there security mirrors?	
		Is there a secured entry?	
		Are there personal alarm devices?	
		Are there	

**STEP 3: DEVELOP CORRECTIVE ACTION PLAN**

*(Action Plan Types: BI – Building Interior, BE – Building Exterior, PA – Parking Area, SM – Security Measure)*

Type	Action Item	Person(s) Responsible	Target Date	Status	Comments



## WORKPLACE VIOLENCE

### EMERGENCY RESPONSE SCENARIOS & PROCEDURES

#### WORKPLACE VIOLENCE ACTS OR THREATS

Workplace violence is any act or threat of violence that occurs at the workplace. These incidents can include acts or threats of physical violence, intimidation, or harassment. Verbal abuse, physical assault, and homicide are all examples of workplace violence. We have zero tolerance toward all forms of violence.

#### FOUR TYPES OF WORKPLACE VIOLENCE

- **Type 1 violence** - Workplace violence committed by a person who has no legitimate business at the worksite and includes violent acts by anyone who enters the workplace or approaches employees with the intent to commit a crime.
- **Type 2 violence** - Workplace violence directed at employees by customers, residents, or visitors.
- **Type 3 violence** - Workplace violence against an employee by a present or former employee, supervisor, or manager.
- **Type 4 violence** - Workplace violence committed in the workplace by a person who does not work there but has or is known to have had a personal relationship with an employee.

Workplace violence does not include lawful acts of self-defense or defense of others.

#### EMPLOYEE WARNING SIGNS

Often, warning signs are observed in employees, customers, and others who may behave violently on a work site. These behaviors may include:

- Intimidation. - Rude behavior toward fellow employees.
- Frequent arguments with co-workers or clients.
- General aggressive behavior like hitting or kicking objects, breaking things, or screaming.
- Acts of revenge like stealing or property damage.
- Verbal wishes to harm other workers.

While there is no perfect way to predict violence will occur, any combination of these behaviors may be a signal. Employees are encouraged to report these actions to their supervisor or General Manager to prevent further escalation of any type of violent situation.

#### WARNING SIGNS FROM CUSTOMERS

- The person is not satisfied with any solutions you offer.
- Unreasonably agitated.
- Physical posturing (clenched fists).

If the verbal confrontation starts to escalate, remain calm, courteous, and stay neutral. Let them know you are contacting a manager to further assist them. Trust your intuition to determine if help is needed.

## **WHEN HELP IS NEEDED**

- Continue to try and help the person by listening and providing feedback until law enforcement has arrived.
- If at any time you believe you are potentially in physical danger, yell for Help!
- If you are being assaulted:
  - Yell for help.
  - Look for a way to escape.
  - Act with aggression.

## **PERSONAL SAFETY**

- When leaving the building:
  - Be alert to your surroundings and look around the area outside before exiting the building. Do not use or look at your phone.
  - Attackers expect passive victims, so walk with a steady pace, appear purposeful, and project confidence.
- While in your vehicle:
  - Have your keys in your hand as you approach your vehicle so that you do not have to search for them.
  - Before entering your vehicle quickly check the back seat and around the vehicle for anything unusual.
  - Always lock your car doors as soon as you enter the vehicle.

## **ACTIVE SHOOTER**

The three most common response options for an active shooter event are evacuate, hide out, or take action. During an active shooter event, employees need to be able to determine their best course of action for the situation they are facing.

### **CHARACTERISTICS OF AN ACTIVE SHOOTER SITUATION**

An active shooter is an individual actively engaged in killing or attempting to kill people in a confined and populated areas, typically through the use of firearms. Victims are typically selected at random. The event is unpredictable and evolves quickly. Law enforcement is usually required to end an active shooter situation.

### **HOW TO RESPOND**

#### **1. EVACUATE**

- Have an escape route in mind.
- Leave immediately.
- Keep hands visible.

#### **2. HIDE OUT**

- Hide in an area out of the shooter's view.
- Block the entry to your hiding place and lock doors, if possible.
- Silence your cell phone.

#### **3. TAKE ACTION**

- Last resort when your life is in imminent danger.
- Attempt to incapacitate the shooter.
- Act with physical aggression and throw items at shooter.
- Have an escape route in mind.

### **CALL 911 WHEN IT IS SAFE TO DO SO**

When law enforcement arrives remain calm and follow all instructions.

- Put down any items in your hands (i.e., bags, jackets).
- Raise hands and spread fingers.
- Always keep your hands visible.
- Avoid quick movements toward officers.
- Avoid pointing, screaming or yelling.
- Do not stop to ask officers for help or direction when evacuating.

Information to provide law enforcement when asked:

- Location of the active shooter.
- Number of shooters.

- Physical description of shooters.
- Type of weapons if known.

Training Resources:

- [Department of Homeland Security](#)
- [DHS Active Shooter Preparedness Video](#)

## **BOMB THREAT**

Most bomb threats are false and primarily intended to elicit a response from building occupants. However, no bomb threat should be assumed fake. If a potentially harmful device is found, call 911 for assistance.

### **PHONE THREAT**

- Remain calm.
- Immediately use the Bomb Threat Checklist for guidance and to document the call.
- After the caller has ended the call, notify the Administrator.
- If the threat was left on your voicemail, do not erase and immediately notify the Administrator.

### **WRITTEN THREAT**

- Handle the document as little as possible and immediately notify the Administrator.
- If the threat should come via e-mail, save the information.

### **POSSIBLE EVACUATION**

- The Administrator will call law enforcement and follow their instructions.
- The decision to evacuate is handled on a case-by-case basis on instructions given by law enforcement.

BOMB THREAT CHECKLIST

REMAIN CALM	
Time call received:	Time call ended:
Document any information from the phone display window:	
Engage caller as long as possible and document their words:	
Attempt to obtain information about the device:	
When will the device detonate or activate?	
Where is the device located?	
What kind of device is it?	
What does the device look like?	
Voice Description <input type="checkbox"/> Male <input type="checkbox"/> Female <input type="checkbox"/> Young <input type="checkbox"/> Adult <input type="checkbox"/> Senior <input type="checkbox"/> Calm <input type="checkbox"/> Nervous <input type="checkbox"/> Accent?	
Did you recognize the voice? Who?	
Did caller have knowledge of building?	
Unusual phrases:	
Any background noise or distinctive sounds?	
Name of person received call	

## **CIVIL UNREST**

Civil unrest events are often associated with riots, looting, or protests. In these instances, sheltering-in-place is an action taken to protect the building occupants from external hazards, minimizing the chance of injury and/or providing the time necessary to allow for a safe evacuation.

### **SHELTER IN PLACE**

If there is a need to shelter-in-place the Administrator or person-in-charge will advise employees and guests of the emergency. Please note employees and guests cannot be forced to shelter-in-place.

- The person-in-charge will collect the names of everyone in the shelter area.
- If possible, the business voicemail recording will be updated to indicate the building is closed due to the emergency.
- If the civil unrest includes hazardous chemicals, the HVAC systems may be shut off.
- If in danger of broken glass, window shades will be closed.
- Emergency supplies will be moved to the shelter area.
- The District will listen/read available mediums (radio, internet) for further instructions until we are told all is safe or to evacuate.

## MEDICAL EMERGENCY

### CPR/AED NON-Trained Responder:

- Call 911 and designate a person to direct EMS personnel as they arrive.
- Do not move person unless absolutely necessary.

### Trained and Certified CPR Responder Only:

- Designate someone to call 911 and direct EMS when they arrive.
- Check the person for responsiveness.
- Conduct a primary assessment (breathing) while checking responsiveness.
- Initiate CPR and/or AED if necessary.
- Call 911 and designate a person to direct EMS as they arrive.
- Do not move person unless absolutely necessary.
- Use universal precautions, such as disposable gloves, face mask if comforting person while waiting.

### Trained First Aid Responder Only:

- Designate someone to call 911 (if necessary) and direct EMS as they arrive.
- Do not move the person unless absolutely necessary.
- Use universal precautions, such as disposable gloves, face mask.
- Follow any directions provided by the 911 operator.
- Designate a person to direct EMS personnel as they arrive.
- Provide person information to the EMS personnel.



## **SUSPICIOUS PACKAGE**

Explosives or other life-threatening items can be enclosed in either a parcel or an envelope, and its outward appearance is limited only by the imagination of the sender. However, suspicious packages have exhibited some unique characteristics that might assist you. To apply these factors, it is important to know the type of mail normally received.

### **CHARACTERISTICS TO LOOK FOR IN A SUSPICIOUS PACKAGE OR LETTER**

- Restricted endorsements such as "personal" or "private." This is important when the addressee does not normally receive personal mail at the office.
- The addressee's name and/ title might be inaccurate.
- Distorted handwriting, or the name and address might be prepared with homemade labels or cut and paste lettering.
- Protruding wires, aluminum foil or oil stains visible.
- Emit a peculiar odor.
- Envelope might feel rigid or appear uneven or lopsided.
- Unprofessionally wrapped with several combinations of tape. Might be endorsed "Fragile-Handle With Care" or "Rush-Do Not Delay."
- Making a buzzing or ticking noise or sloshing sound.

### **IF YOU SUSPECT A SUSPICIOUS PACKAGE OR LETTER**

- Do not take a chance. Immediately call 911.
- Do not move, alter, open, examine, or disturb the article.
- Do not put in water or a confined space such as a desk drawer or filing cabinet.
- Isolate the suspicious package or article and clear the immediate area until law enforcement arrives.



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

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**Date:** November 13, 2024

**To:** Board of Directors

**From:** Peter Brown, General Manager  
Carey Casciola, Business and Accounting Manager

**Subject:** **Agenda Item 9(A): Review and Approval of a Resolution approving the OCSD Office Space, and Sherriff's Office Lease Agreements Following OCSD's divestiture of fire services .**

## Recommendation

It is recommended that the Oceano Community Services Board adopt the attached Resolution approving the OCSD Office Space and Sherriff Substation Office Lease Agreements with San Luis Obispo County for Terms December 2024 through June 30, 2044 and authorizing the General Manager and Legal Counsel to negotiate any final lease amendments:

## Discussion

Measure A-20 and A-22 were placed on the 2020 and 2022 elections which gave Oceano voters the choice to approve a special tax to increase funding for emergency medical and fire protection services and both measures fell short of the required 66.7% voter approval. Through December 2024, the Oceano Community Services District's (District) currently provides services through an extension of the 2023 Contract with Five Cities Fire Authority (FCFA).

The District approved [Resolution 2023-03](#) initiating the proceedings through the Local Agency Formation Commission (LAFCO) for divestiture of Fire Protection Services on January 11, 2023. By initiating the transfer of services to the County of San Luis Obispo (County) Plan for Service was developed with the District and included specific OCSD assets and liabilities and was adopted with [Resolution 2024-11](#). On October 17, 2024 LAFCO held a Public Hearing on the OCSD divestiture from the FCFA. Followed by a protest hearing on November 21, 2024, where the Commission approved the District's divestiture.

If adopted, the resolution approves the two Lease Agreements for the terms specified and allows staff to negotiate final amendments with the County. OCSD staff, legal counsel, and County staff have reviewed the draft agreements and they are generally satisfactory, but additional terms and conditions still need to be negotiated in order to protect the District. These are the final pieces to complete the District's fire services divestiture between OCSD and the County of San Luis Obispo.



# Oceano Community Services District

Board of Directors Meeting

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## Other Agency Involvement

The District engaged with several agencies regarding the Plan for Service for emergency medical and fire services for the community, including LAFCO, the County of San Luis Obispo, the Five Cities Fire Authority, and the Cities of Arroyo Grande and Grover Beach.

## Financial Considerations

In FY 2024-25 the District will pay \$9,678.92 a month (\$116,147 annually) to lease the District's Administration Offices located at 1655 Front St. The FY 2024-25 Final Administration Fund Budget included a new line item "Office Lease" in the amount of \$61,950. Future budgets will include lease payments to the County with CIP escalation. The Plan for Service included an option for the County to purchase the Oceano Sheriff Substation for land value after 10 years. The 2023 appraised land value provided by the County of the Oceano Sheriff Substation is \$800,000, and the improvements were valued at \$1.4 million.

## Results

Providing a resolution endorsing these actions moves the District closer to completing full divestiture.

## Attachments:

1. Resolution
2. Lease Agreement for the OCSD Office Space
3. Lease Agreement for the Sherriff's station

**OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO: 2024 - \_\_\_\_**

**A RESOLUTION BY THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY  
SERVICES DISTRICT APPROVING THE AGREEMENT BETWEEN THE COUNTY OF  
SAN LUIS OBISPO THE SHERIFF SUBSTATION LEASE AND THE OCEANO  
COMMUNITY SERVICES ADMINISTRATION OFFICE LEASE SUBJECT TO ANY  
FINAL LEASE MODIFICATIONS AND APPROVAL BY DISTRICT**

**MANAGER AND COUNSEL**

**WHEREAS**, the Oceano Community Services District was formed in 1981 by a reorganization dissolving County Service Area No. 13, Oceano Lighting District, Oceano Beach Lighting District, Oceano Sanitary District, Oceano Fire Protection District; and

**WHEREAS**, the Oceano Community Services District Board of Directors initiated proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Section 56000 of the California Government Code, for divestiture of Fire Protection Services on January 11, 2023 via Resolution of Application 2023-3 and submitted an application to the Local Agency Formation Commission on February 26, 2023; and

**WHEREAS**, since March 2023, the Oceano Community Services District and the County of San Luis Obispo have worked collaboratively to develop the Plan for Service attached hereto that was approved by the Board of Directors on July 24, 2024; and

**WHEREAS**, the Oceano Community Services District is in agreement with the provisions outlined in the Plan for Services approved by the Board of Supervisors on June 18, 2024 attached hereto; and

**WHEREAS**, as outlined in the Plan for Service, fire protection services will be transferred to the County of San Luis Obispo with services provide by the County through a contract with Five Cities Fire Authority, upon approval of the divestiture by LAFCO; and

**WHEREAS**, the same share of the existing property tax currently used to fund fire services for the District will be transferred to and used by the County to offset the costs of providing fires services to the Community of Oceano; and

**WHEREAS**, as language included in the Plan for Service approved by the Board of Supervisors on June 18 and endorsed by the District on July 24, 2024 by Resolution 2024-11 that the Oceano Community Services District will lease the Fire Station Administration office from the County of San Luis Obispo with the attached lease agreement; and

**WHEREAS**, as language included in the Plan for Service approved by the Board of Supervisors on June 18 and endorsed by the District on July 24, 2024 by Resolution 2024-11 that the Oceano Community Services District

will amend the lease with the Sheriff South Substation with the attached amended agreement; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Oceano Community Services District that:

1. The foregoing recitals are true and correct.
2. The Oceano Community Services District can no longer meet the escalating costs, needs and requirements for the purpose of providing Fire Protection Services.
3. That the Oceano Community Services District agrees to accept the following negotiated lease agreements if the divestiture of fire protection services to the County is approved by the Local Agency Formation Commission (LAFCO):
4. That the County Clerk is authorized and directed to transmit a copy of the resolution to the Executive Officer of the San Luis Obispo Local Agency Formation Commission, who shall then distribute copies in the manner prescribed by law.
5. This Resolution approves the attached agreement between the County of San Luis Obispo and the Oceano Community Services District regarding the lease of the Oceano Fire Station Administration Building in connection with divestiture of the Oceano Community Services District Fire Service and authorizes the General Manager and OCSD Legal Counsel to negotiate with the County to make any final lease agreement modifications and execute said agreement
6. This Resolution approves the attached amended lease agreement between the County of San Luis Obispo and the Oceano Community Services District regarding the Sheriff South Substation and authorizes the General Manager and OCSD Legal Counsel to negotiate with the County to make any final lease agreement modifications and authorizes the General Manager and OCSD Legal Counsel to negotiate with the County to make any final lease agreement modifications and execute said agreement

**PASSED AND ADOPTED** by the Board of Directors of the Oceano Community Services District on December 11, 2024, by the following vote:

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

\_\_\_\_\_  
President, Board of Directors  
of the Oceano Community Services District

**ATTEST:**

---

Board Secretary of the  
Oceano Community Services District

**APPROVED AS TO FORM:**

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Robert Schultz, District Counsel

## **LEASE BETWEEN THE COUNTY OF SAN LUIS OBISPO AND OCEANO COMMUNITY SERVICE DISTRICT FOR THE FIRE STATION OFFICES**

This **LEASE AGREEMENT** ("Lease") is entered into by and between **the County of San Luis Obispo**, a political subdivision of the State of California ("County"), and **the Oceano Community Services District** ("Lessee") and whereby further referred as "OCSD"), (collectively "the Parties") and will replace and supersede all previous agreements between County and OCSD, with respect to the Premises hereinafter described.

**WHEREAS**, the OCSD submitted a request to the Local Area Formation Commission ("LAFCO") in January 2023 for divestiture of fire services with LAFCO action on this request expected by December 2024 at which point the County, as the successor agency, would be responsible for providing fire services to the community of Oceano; and

**WHEREAS**, on June 18, 2024, the County Board of Supervisors approved an Oceano Community Services District Divestiture of Fire Protection Plan for Services ("Plan for Service") outlining the County's plan to accept responsibility for fire service to the community of Oceano, if divestiture is approved by LAFCO; and

**WHEREAS**, LAFCO shall oversee the divestiture process and provide final approval and plan of services on or about December, 2024, to ensure continuity and improvement in public services; and

**WHEREAS**, the OCSD currently owns the Oceano Fire Station, located at 1655 Front Street, Oceano, California, assessor parcel number 062-271-023, and is utilizing a portion of the Premises as office space; and

**WHEREAS**, according to the approved Plan of Service, the County shall acquire the deed to the Oceano Fire Station, located at 1655 Front Street, Oceano, California, assessor parcel number 062-271-023 from OCSD by June 30, 2025; and

**WHEREAS**, upon issuance of the recorded deed of County's ownership transfer, the County shall lease 3,445 SF of office space located at 1655 Front Street, Oceano (see Exhibit A) to OCSD,

resulting in rental proceeds to the County of approximately \$116,147 in year one, with annual CPI escalations, as further described herein; and

**WHEREAS**, this Lease shall become effective on the date of the new recorded deed transferring ownership of the parcel and shall terminate on the later of December 31, 2044 or upon end of 20 year term, if not earlier subject to further termination rights outlined below; and

**WHEREAS**, at the end of year ten (10) of this Lease, OCSD may terminate this Lease and at which time (if this lease is terminated) the County has an option to purchase the adjacent real property, parcel and all improvements located at assessor parcel number 062-271-024, 1681 Front Street, Oceano, California ("Adjacent Property") owned by the OCSD and leased to the County for the Oceano Sherrif's Substation ("Oceano Substation").

**WHEREAS**, the purchase price of the Adjacent Property will be for the appraised land value only, as indicated by a County approved MAI licensed appraiser and is subject to a reduction for the value of capital improvement, repair and maintenance costs as outlined in the lease agreement between the OCSD and the County dated, December 17, 2024.

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

**1. Premises:** County hereby leases to OCSD, and OCSD hereby hires and takes from County, for the term, at the rental and upon the conditions hereinafter set forth, those certain premises hereinafter referred to as "Premises," and more particularly described as a portion of the larger property located at 1655 Front Street, Oceano California, a portion of APN 062-271-023, an approximately 40,075 square foot parcel. The portion of the Premises being leased to OCSD is limited to the 3,445 square feet office space of the total 5,805 square foot Building denoted as "Office", as depicted on Exhibit "A" attached hereto, located at 1655 Front Street, Oceano California. OCSD Premised is estimated at 59.3% prorata share of the total Building's square footage.

**2. Quiet Enjoyment:** County agrees to and shall on the commencement date of the term of this Lease hereinafter set forth, place OCSD in quiet possession of the leased Premises and shall secure to OCSD the quiet possession hereof against all persons lawfully claiming the same during the entire term and any renewals or extensions thereof..



3. **Term:** The term of this Lease shall be for a period of approximately twenty (20) years, commencing on the date that the deed of the Premises is transferred to the County and shall terminate on the later of, December 31, 2044, or upon the end of the 20-year term.

4. **Option to Purchase Adjacent Parcel:** Upon OCSD vacating the Premises, the County shall exercise, subject to the County Board of Supervisors approval, a Letter of Intent to Purchase the adjacent property known as 1681 Front Street, Oceano California, assessor parcel number 062-271-024, currently utilized as a Sheriff's Substation. The completion of this purchase will require a subsequent Board approval of a Purchase and Sales Agreement, Resolution of Intent to Purchase and the Resolution of Authorization to Purchase the Adjacent Property, estimated to occur around or after year ten (10). **If the option is not exercised all other terms and condition of the lease remain in effect.**

5. **Termination:** County and OCSD agree to termination this lease effective immediately and only upon mutual consent, contingent upon OCSD vacating the Premises.

6. **Rent:** Effective on the new recorded deed date, OCSD shall pay County rent for the Premises, the sum of Nine Thousand, Six Hundred, Seventy Eight Dollars and Ninety Two Cents (\$9,678.92) per month (\$2.81 per square foot) as provided for in Paragraph 1, Premises, payable in advance on the first day of each month, without deduction, offset or abatement except as provided for in Paragraphs 3, 4, 19, 20, and 22. The prorated rent shall be based on a 30-day month, and the payment shall be rounded to two decimal places.

Beginning each subsequent annual anniversary date of the recorded deed and any extension term, the preceding year's rent shall be adjusted upward by the cumulative change in the Consumer Price Index (as described below) over the previous year's monthly rent, by at least two percent (2%) but not to exceed a maximum of five percent (5%). In the event of a decrease in the Consumer Price Index, the monthly rent shall be increased by two percent (2%).

The base for computing the adjustment is the Consumer Price Index, All Urban Consumers (1982-84=100) for the Los Angeles-Long Beach-Anaheim Area, published by the United States Department of Labor, Bureau of Labor Statistics is March. If the Index published for the month which is three months prior to the adjustment date ("Extension Index") has increased over the

Beginning Index, the monthly rent for the following year (until the next rent adjustment) shall be set by multiplying the Minimum Monthly Rent, set forth above, by a fraction, the numerator of which is the Extension Index and the denominator of which is the Beginning Index; provided the new monthly rent shall not be less than the previous year's monthly rent increased by a minimum of two percent (2%), but not to exceed five percent (5%). On adjustment of the monthly rent provided in this lease, County shall send notice to OCSD regarding such adjustment, but failure to do so shall not constitute a waiver of County's right to collect the increased amount.

If the Index is changed so that the base year differs from that used as of the date immediately preceding the commencement date of this Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the term or any extended term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued or revised.

**7. Use of Leased Premises:** The Premises shall be used solely for conducting and operating therein the business of OCSD and Emergency Command use, and no other purpose without County's prior written consent. OCSD is the intended occupant, and the Parties understand and agree that there will be public visitation to the Premises.

**8. Taxes:** County will pay all real property taxes, insurance and any assessments levied or assessed on the land and improvements thereon of which the leased Premises is a part.

**9. Utilities and Fire Suppression System:** OCSD is responsible for all of utilities including but not limited to gas, electrical, water and sewer servicing the Building, or its prorata share if in the future the Building is occupied jointly with the County or another agency for any reason other than storage. Any and all fire suppression systems and any existing fire detection systems within the leased premises shall be maintained by County according to requirements of the County of San Luis Obispo Fire Department at any time during occupancy.

**10. Data and Cabling:** OCSD shall continue to be responsible for their existing cabling in good working order. New Voice and Data cabling whether installed by OCSD or Lessor is subject to Exhibit "B", County of San Luis Obispo Voice, and Data Cabling version 4.0 (September 2021).

Should the County install new Voice or Data cabling for County use, County shall be responsible for maintaining the cabling in good working order.

**11. Insurance:**

**By County:** For the Lease Term, the County shall self-insure or maintain, at its own expense comprehensive general liability insurance. The County insures the County's personal property located on or at the Premises.

**By OCSD:** MINIMUM INSURANCE REQUIREMENTS as shown in Exhibit B.

**12. Indemnification:** To the fullest extent permitted by law, OCSD shall indemnify, defend, and hold harmless the County and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with OCSD's performance or non-performance of any obligation or duty provided for or relating to this Lease and/or the Premises, except such loss or damage which was caused by negligence or willful misconduct of the County.

**13. Janitorial and Custodial Services:** OCSD shall be solely responsible for complete janitorial services and the furnishing of janitorial supplies to the Premises occupied exclusively by OCSD, including rubbish and trash removal and sweeping/cleaning of the Premises. OCSD is responsible for all exterior trash services associated with the OCSD's use of the Premises. County shall be responsible for any future costs associated with South County Sanitation Services (SCSS) for solid waste, recycling and organics removal related to the Fire Station. SCSS currently provides three stream solid waste services to both the Sherriff Substation and the Fire Station at no cost via shared bins for both buildings. County shall pay for any routine landscape maintenance services provided by the County.

**14. Repairs and Maintenance:**

- i. **County's Responsibilities:** County shall repair and maintain the leased premises and common areas including but not limited to walls, doors, appliances, plumbing, electrical windows, floors, landscaping, exterior parking lot maintenance, parking lot repairs, exterior lighting and/or lighting facilities.

ii. **OCSD's Responsibilities:** OCSD shall pay for all repairs and maintenance to their leased Premises during the term of this Lease and any extension or renewals thereof, and shall not at any time commit or suffer to be committed any waste, neglect, nuisance, or unlawful act thereon. In addition, OCSD shall pay for its pro rata share of all repairs and maintenance of any County identified repairs and maintenance including capital facility maintenance projects effecting any common area or the entire Building, equal to the OCSD's estimated 59.3% pro rata share of the total building's square footage pursuant to paragraph 1. **Premises**, However, any such repairs or maintenance resulting from OCSD's negligence shall be at the sole cost of the OCSD. **OCSD** accepts the premises, including the interior and exterior and all associated facilities "as-is." County shall maintain and keep the Premises in a good state of repair, including but not limited to, electrical, lighting, plumbing facilities, heating, kitchen facilities, interior paint, roof, walls, doors and windows during the term of this Agreement and any extension or renewals thereof.

15. **Tenant Improvements, Remodeling, Alterations and Additions:** County shall be responsible for all applicable compliance relative to government codes, permits, local and state fire codes. County shall be responsible to ensure the Premises are inspected by the San Luis Obispo County Fire Department and meet code requirements for OCSD's use, during OCSD's occupancy.

Any tenant improvements constructed exclusively by the OCSD in excess of \$1,000 shall comply with current California **prevailing wage laws**, including, without limitation, work that constitutes a public works project as defined by California law, the Public Contract Code and Labor Code section 1720.2. OCSD shall defend and indemnify County against any claim of liability for any failure of or its agents, contractors, or employees to comply with prevailing wage laws.

OCSD shall not make any major improvements to the Premises, or any part thereof, without County's prior written consent. OCSD may, however, make non-structural alterations to the interior of the Premises without such consent, but upon written notice to County, as long as they are not visible from the exterior, do not involve roofing or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and do not trigger the requirements for

additional modifications and/or improvements to the Premises.

**16. Assignment:** OCSD shall not assign this Lease, nor sublet the whole or any part of the Premises, without the prior written consent of the County.

**17. Parking:** OCSD shall have exclusive right to a total of 18 of the 45 parking spots located on the Premises parcel.

**18. Right of Entry:** The County shall have the right with reasonable notice and at reasonable times, to inspect the Premises and to perform maintenance, repairs and improvements to the Premises or the building of which the Premises is a part. The County shall have the right and privilege at reasonable business hours with twenty-four (24) hours prior notice, to enter the Premises. However, this right of entry shall in no way interfere with the OCSD's operation on the Premises. At all times during said inspection, the inspector(s) shall be accompanied by an OCSD staff member as determined by OCSD in order to protect confidentiality of clients, workers and work product, unless waived in writing by OCSD.

**19. Signs:** OCSD at its sole cost shall place, construct and maintain any signage on the Premises listing OCSD's name and/or OCSD program at the property.

**20. Destruction of Premises:** If during the term of this Lease, the Premises are injured or destroyed by fire or other cause, so as to render the Premises, in OCSD's judgment, unfit for occupancy, or so as to substantially prevent or impair, in OCSD's judgment, OCSD's use of the Premises for intended purposes, then this Lease shall terminate at the option of either party hereto; provided that if the Premises can be repaired to the satisfaction of OCSD under the laws and regulations of any governmental agency thereunto applicable, using the same type of construction, within thirty (30) days or such reasonable time per circumstance up to one hundred twenty (120) days from date of occurrence with abatement of rent thereof, then County may forthwith repair the same, in which event such injury or destruction shall in no way annul or void this Lease. OCSD shall be entitled to a proportionate reduction in the rent herein reserved corresponding to the time during which, and to the portion of the Premises of which, OCSD shall be deprived of possession. In the event County elects not to make such repairs, or in the event repairs cannot be made to the satisfaction of OCSD, using the same type of construction, within thirty (30)

days under the laws and regulations of any governmental agency thereunto applicable, the Lease shall then terminate at the option of either party hereto. OCSD has no right of termination if any destruction was caused by its own acts or omission.

**21. Eminent Domain:**

Total Taking: If the whole of the Premises shall be taken or condemned by any competent authority under power of eminent domain for a public or quasi-public use or purpose, then the lease given shall cease and terminate as of the date actual physical possession of the Premises is taken by the condemner. All compensation and damages awarded for such total taking shall belong to and be the sole property of County.

**22. Partial Taking:** In the event that there shall be partial taking of the Premises during the term of this Lease under the power of eminent domain, this Lease shall terminate as to that the portion of the Premises so taken on the date when actual physical possession of said portion is taken by the condemner, but this Lease shall at County's option, continue in force and effect. The compensation and damages for such partial taking shall belong to and be sole property of County.

**23. Environmental Matters / Covenants Regarding Hazardous Materials:** OCSD and County shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations ("Hazardous Materials Laws") relating to industrial hygiene, environmental protection and/or the use, analysis, generation, manufacture, storage, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or polluting materials, substances or wastes, including, without limitation, any "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under such laws, ordinance or regulations (collectively, "Hazardous Materials").

OCSD and County shall further indemnify, defend, protect, and hold each other free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorneys' fees), death of or injury to any person, and damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by:

**(A)** the presence in, on, under or about the Premises or discharge in or from the Premises of any Hazardous Materials or County's use, analysis, storage, transportation, disposal,

release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the Premises, or

(B) OCSD and County's failure to comply with any Hazardous Materials Law. County's and OCSD's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of the term of this lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of County or OCSD, or by employees, agents, assignees, contractors or subcontractors of County or others acting for or on behalf of County or OCSD (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to County or OCSD.

**24. Holding Over:** In the event that OCSD shall hold over after expiration of the Lease term or any extension or renewal thereof, with the consent, express or implied, of County, such holding over shall be deemed merely a tenancy from month-to-month on the terms, covenants, and conditions, so far as applicable, and subject to the same exceptions and reservations, as herein contained, until such tenancy is terminated in manner prescribed by law.

**25. Notices:** Any notices, demands, or communication, under or in connection with this Lease, may be served by regular mail, personal delivery, or electronic transmission ("e-mail"). Such e-mail notice, and all attachments thereto, shall for all purposes be deemed received and effective upon receipt at the e-mail address provided, and that such notice is effective irrespective of whether the addressee shall actually open or read the e-mail notice and/or attachments. If by regular mail, such mail must be deposited in the United States Post Office, postage prepaid, and if addressed to the County at:

County of San Luis Obispo  
Central Services Department  
Real Property Services Division  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408

Attention: County Real Property Manager

Direct: (805) 781-5200 Email: [central\\_rps@co.slo.ca.us](mailto:central_rps@co.slo.ca.us)

and may likewise be served on OCSD at:

Oceano Community Services District  
c/o General Manager

1655 Front Street

Oceano, CA 93445

Email: [ocsdgm@oceanocsd.org](mailto:ocsdgm@oceanocsd.org)

Either County or OCSD may change such address by notifying the other party in writing as to such new address as County or OCSD may desire used and which address shall continue as the address until further written notice.

**26. Successors:** The agreements herein made shall apply to, bind and inure to the benefit of the successors and assigns of County, and the successors and permitted assigns of OCSD.

**27. Provisions Deemed Covenants and Conditions:** The parties hereto agree that all the provisions in this Lease are to be construed as covenants and conditions as though the words importing such covenants and conditions are used in each instance, and that all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representative, successors and assigns.

**28. Estoppel:** Each party, within ten (10) days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of monthly rent, the dates to which the rent has been paid in advance, and the amount of any prepaid rent.



**29. Governing Law and Venue :** This Lease shall be governed by the laws of the State where the Premises are located and any litigation concerning this Lease between the parties hereto shall be initiated in the County of San Luis Obispo.

**30. Subordination Agreement:** OCSD's rights under this Lease may be subordinate to any ground lease or mortgage, deed of trust or any other hypothecation or security entered after or placed upon the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. County's right to quiet possession of the Premises shall not be disturbed if County is not in default and so long as County shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgage, trustee, or ground lessor shall elect to have this Lease prior to the lien on its mortgage, deed of trust or ground lease, and shall give written notice thereof to County, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof. County agrees to and shall attorn to any purchaser in good faith and for value or any successor in interest of the Lessor herein.

**31. Waivers:** No waiver by County of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by OCSD of the same or any other provision. County's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of County's consent to or approval of any subsequent act by OCSD. The acceptance of rent hereunder by County shall not be a waiver of any preceding breach by OCSD of any provisions hereof, other than the failure of OCSD to pay the particular rent so accepted, regardless of County's knowledge of such preceding breach at the time of acceptance of such rent.

**32. Americans With Disabilities Act:** County shall be responsible for alterations necessary to comply with the Americans With Disabilities Act of 1990, 42 U.S.C. sect. 12101 et seq., as currently enacted and in accordance with applicable laws. In accordance with Civil Code Section 1938, Lessor represents that the property:

has not undergone inspection by a Certified Access Specialist (CASp); or

has undergone inspection by a Certified Access Specialist (CASp) and has been determined to meet all applicable construction-related accessibility standards pursuant to Section 55.53.

**33. Smoking:** Entire Premises occupied by OCSD and OCSD clients shall be a non-smoking building and no smoking shall be allowed in or on the Premises, including but not limited to all balconies, courtyards, walkways and parking areas leased by the OCSD.

**34. Severability:** The invalidity of any provision of this Lease shall not affect the validity, enforceability of any other provision of this Lease.

**35. Public Records:** Any and all written information submitted to and/or obtained by OCSD from County or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise, at the option of County/OCSD, may be treated as a public record open to inspection by the public pursuant to the California Records Act (Government Code Section 7920.000 et seq.), as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and Lessor hereby waives, for itself, its agents, employees, subtenants, and any person claiming by, through or under County/OCSD, any right or claim that any such information is not public record or that the same is trade secret or confidential information and hereby agrees to indemnify and hold harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by County/OCSD or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs. County acknowledges that the OCSD will not treat this Lease as containing confidential information and may post this Lease on the transparency County Board of Supervisor's website portal. Use by the public of the information contained in this Lease shall not be considered an act of the County.

**36. Authority of Central Services Director:** The Board of Supervisors has delegated to the County's Director of Central Services or the Director's designee the right to exercise all rights and obligations of the County under this Lease or any Lease amendment, unless specifically provided herein, or required by law or Board resolution. Any amendment made pursuant to a

delegation of authority will only be effective if the amendment is memorialized in writing, is approved by County Counsel, and is signed by the Director and OCSD.

**37. Counterparts; Electronic Signatures:** This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Faxed, photocopied, or electronically transmitted signatures have the same effect as ink originals.

**38. Entire Lease Agreement and Modifications:** This Lease constitutes the entire Lease between the Parties hereto as it pertains to the subject real property, and there are no promised terms, conditions, or obligations referring to the subject matter hereof, other than as contained in this Lease. Any alterations, changes or modifications to this Lease must be in writing and executed by both the County and OCSD. Except as otherwise stated in this Lease, County/OCSD hereby acknowledges that neither the broker (if applicable) acting as agent for County, nor any cooperating agent on this transaction, nor the County, any employee, or agent(s) of any said persons, have made any oral or written warranties or representations to OCSD relative to the condition or use by OCSD of the Premises.

**39. Drug Free Workplace:** OCSD and its employees, agents, assignees and sub-lessees will comply with all laws related to a drug free workplace. Neither OCSD nor its employees will unlawfully manufacture, distribute, dispense, possess, or use controlled substances, including but not limited to marijuana, heroin, cocaine, methamphetamine, or amphetamines at any of County's facilities or OCSD's facilities or worksites.

**40. Surrender of Possession:** OCSD shall surrender the Premises unto the County on the last day of the term (including any extension term) or sooner termination of this Lease in the same condition as when received, reasonable use and wear excepted. Any alteration, addition, or improvement made in or on the Premises by OCSD shall remain the property of the County upon the expiration or other sooner termination of this Lease. OCSD shall remove any personal property, fixtures, machinery, and equipment installed in or on the Premises by OCSD. County is not responsible for safeguarding any personal property remaining on the premises after the last day of the term.

**41. Stormwater:** OCSD shall adhere to the Pollution Prevention and Good Housekeeping requirements of the Municipal Separate Storm Sewer System Permit (MS4 Stormwater Permit) issued to the County of San Luis Obispo by the State Water Resources Control Board. Activities performed on the Premises shall conform to the requirements of the MS4 Stormwater Permit, and OCSD shall adhere to Best Management Practices (BMPs) referenced at slocounty.ca.gov and/or to future BMPs required by the County in order to maintain compliance. OCSD shall allow County personnel to inspect the Premises and agrees to implement corrective action to prevent stormwater pollution when requested by County staff. OCSD shall annually complete and submit the County Community Building Housekeeping Self-Inspection report to Real Property Services.

**42. Headings:** The headings of the paragraphs and sections of this Lease are inserted only as matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Lease and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

**43. Authority:** Each person executing this Lease on behalf of a Party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind.

//////////////////////////////////NOTHING FURTHER PAST THIS POINT//////////////////////////////////

**IN WITNESS WHEREOF**, County and Lessor have executed this Lease this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**COUNTY OF SAN LUIS OBISPO**, a political subdivision of the State of California

By: \_\_\_\_\_  
Chairperson of the Board of Supervisors

APPROVED BY THE BOARD OF SUPERVISORS

This \_\_\_ day of \_\_\_\_\_, 2024

**ATTEST:**  
**Matthew Pontes**,  
County Administrative Officer and Ex-Officio Clerk of the Board of Supervisors

By: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGAL EFFECT:**

**RITA L. NEAL**  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

Date: \_\_\_\_\_

**LESSOR:**

Oceano Community Services District

By: \_\_\_\_\_  
, General Manager

Date: \_\_\_\_\_

Exhibit A



**Exhibit B  
INSURANCE**

**MINIMUM INSURANCE REQUIREMENTS**

**Without limiting any other obligation or liability under this Lease, the Lessee at its sole cost and expense, shall secure and keep in force during the entire term of the Lease or longer, as may be specified below, the following insurance coverage, limits and endorsements:**

Lessee shall obtain and maintain for the entire term of the Agreement and Lessee shall not perform any work under this Contract until after Lessee has obtained insurance complying with the provisions of this paragraph. Said policies shall be issued by companies authorized to do business in the State of California. Lessee shall maintain said insurance in force at all times. The following coverage with the following features shall be provided:

1. Property Insurance

County is presently self-insured.

Tenant/Lessee shall maintain not less than \$1,000,000 Property Coverage on all real property being leased, including improvements and betterments owned by the County, and shall name the County as a loss payee. Tenant/Lessee shall also provide property insurance on all personal property and betterments and improvements contained within or on the leased premises. The policy must be written on an "all risks" replacement cost basis, excluding earthquake and flood, with no more than a ninety (90) percent co-insurance requirement, and Tenant/Lessee shall name Entity as a loss payee for its interest in the property.

2. Liability Insurance. County is presently self-insured. OCSD agrees to maintain in force throughout the term hereof, at OCSD's sole cost and expense, commercial general liability insurance with a broad form general liability endorsement insuring against any liability to the public for any claim for damages due to death, bodily injury or property damage related to OCSD's occupancy of the Premises, with single limit coverage of not less than \$2,000,000 per

occurrence. Lessor shall be named as an additional insured in such policy. OCSD shall provide Lessor with at least (30) days notice of cancellation of insurance.

3. Workers' Compensation Insurance: In accordance with the provisions of sections 3700 of the California Labor Code, et seq., if Lessee has any employees, Lessee is required to be insured against liability for workers' compensation or to undertake self insurance. Lessee agrees to comply with such provisions before commencing the performance of this Lease.

4. Waiver of Subrogation. Lessee hereby grants to County a waiver of any right to subrogation which any insurer of said Lessee may acquire against the County by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

C. Primary Coverage. For any claims related to this contract, Lessee's insurance coverage shall be primary insurance as respect to the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, agents, and employees shall be excess of the Lessee's insurance and shall not contribute with it.

D. Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the County.

E. Waiver of Subrogation. Lessee hereby grants to County a waiver of any right to subrogation which any insurer of said Lessee may acquire against the County by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

F. Additional Insureds to be Covered: The commercial general liability policies shall name "County of San Luis Obispo, its officers and employees" as additional insureds. The policy shall provide that the Lessee's insurance will operate as primary insurance and that no other insurance maintained by the County, or additional insureds will be called upon to contribute to a loss hereunder.

G. Certification of Coverage: Within fifteen (15) calendar days of the first day of the Commencement Date of this Lease, Lessee shall furnish County with the following for each insurance policy required to be maintained by this Lease, and annually thereafter:

- (1) A copy of the Certificate of Insurance shall be provided. The certificate of insurance must include a certification that the policy will not be



canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to the County.

- (2) A Workers' Compensation certificate of insurance must be provided.
- (3) Approval of Insurance by County shall not relieve or decrease the extent to which the Lessee may be held responsible for payment of damages resulting from Lessee's services or operations pursuant to this Contract. Further, County's act of acceptance of an insurance policy does not waive or relieve Lessee's obligations to provide the insurance coverage required by the specific written provisions of this Contract.

**H. Effect of Failure or Refusal:** If Lessee fails or refuses to procure or maintain the insurance required by this Lease, or fails or refuses to furnish County with the certifications required by *Subparagraph G.* above, County shall have the right, at its option, to forthwith terminate the Contract for cause.



**County of San Luis Obispo  
Standard for Data and Voice Cabling**

**Version 4.0  
July 2021**

**Information Technology Department  
Networking Team**

Table of Contents

1. PURPOSE OF THE STANDARD ..... 2

2. RESPONSIBILITIES ..... 2

3. DETAILS OF CABLING STANDARD ..... 2

3.1. General Standards..... 2

3.2. Horizontal Cabling ..... 5

3.3. Telecommunication Closet (IDF/MDF)..... 5

3.4. Telecommunications Cabling Rack Layout ..... 9

3.5. Cabling for IP-Based Video Cameras..... 12

3.6. Data & Voice Wall Outlets ..... 12

3.7. SRST (Survivable Remote Site Telephony) ..... 13

3.8. VoIP (Voice over Internet Protocol)..... 14

3.9. Fiber Optic Building Backbone Cable ..... 16

3.10. Underground and Aerial Fiber Installation ..... 16

3.11. Fiber Optic Terminations..... 18

3.12. Wireless Access Point Cabling Requirement ..... 19

4. LABELING AND LOCATING ..... 20

4.1. Data Cable Labeling and Identification ..... 20

4.2. Optical Fiber Labeling and Locating ..... 21

5. TESTING OF CABLING ..... 21

5.1. General Testing ..... 21

5.2. Fiber Optic Cables ..... 22

5.3. Data Horizontal Cabling System (Category 6a) ..... 23

6. GROUNDING..... 23

6.1. Master Ground Bar..... 23

6.2. Equipment Grounding ..... 28

## 1. PURPOSE OF THE STANDARD

This document defines the structured communications cabling system standards that enable the transmission of voice and data at County of San Luis Obispo facilities. This cabling standard provides a document to be used with construction of all voice and data cabling; either new projects, upgrades, or maintenance undertaken by the County of San Luis Obispo. The goal is to ensure that the County is provided with a cabling solution that optimize value by minimizing down time and maintenance requirements, while providing a scalable solution for migration and expansion in the future.

## 2. RESPONSIBILITIES

The Information Technology Department (IT) is responsible for the maintenance and management of all data and voice communication cabling at each County owned and leased facility.

This responsibility includes:

- Management of the County's Network Infrastructure
- Coordination of all cable installation, maintenance, and plant records
- Ensure compliance for new cable installations at County owned and leased facilities.

IT will work with the project coordinator to ensure appropriate data and voice cabling for each new project, upgrade, or maintenance effort.

## 3. DETAILS OF CABLING STANDARD

### 3.1. General Standards

3.1.1. New Industry Standard Materials

3.1.2. All parts will be those listed below or IT-approved equivalents.

3.1.3. Materials and equipment shall be installed and tested as specified in the applicable publications, standards, rulings, and determinations of the following:

3.1.3.1. The ANSI/TIA-568.2-D

This Standard specifies the mechanical and transmission requirements of category 3, 5e, 6, 6A, and 8 balanced twisted-pair copper cabling and components.

28 AWG patch cords, which have become popular at high-density patching areas due to their smaller diameter that helps reduce congestion, improves airflow and enables a decreased bend radius, are also now recognized in a normative annex to TIA-568.2-D

Also includes Guidelines for Supporting Power Delivery Over Balanced Twisted-Pair Cabling. This provides recommendations for cables that will support DC power, which is important in terms of supporting 4-pair PoE. DC resistance unbalance testing within and between pairs is also now specified in 568.2-D.

#### 3.1.3.2. The ISO/IEC 11801

The ISO/IEC is the international standard for information technology systems. As the name suggests, it standardizes and regulates cabling systems within an IT network. The ISO standards are reviewed every five years, with the last major review and revision taking place in 2017.

Section 11801 deals with the general standards for cabling in a commercial building. The section covers data, voice, and video services for cabling, along with specifications for both copper cabling and fiber-optic cabling.

#### 3.1.3.3. ANSI/TIA/EIA 569-A

Commercial building Standard for Telecommunication Pathways and Spaces / CABLE TRAYS AND WIREWAYS.

#### 3.1.3.4. ANSI-TIA-EIA-569-B

Commercial Building Standard for Telecommunications Pathways and Spaces standardizes specific pathway and space design and construction practices in support of telecommunications media and equipment within buildings.

#### 3.1.3.5. ANSI/TIA/EIA 606-A

Standard specifies administration for a generic telecommunications cabling system that will support a multi-product, multi-vendor environment.

#### 3.1.3.6. ANSI/EIA/TIA-607

Standard defines a telecommunications grounding and bonding system and the interconnections to the building electrical grounding system.

3.1.3.7. ANSI/TIA-526-7

Measurement of Optical Power Loss of Installed Single-mode Fiber Cable Plant

3.1.3.8. FCC–Federal Communications Commission

3.1.3.9. IEEE–Institute of Electrical and Electronic Engineers

3.1.3.10. NEMA–National Electrical Manufacturers Association

3.1.3.11. UL–Underwriters Laboratories

3.1.3.12. ANSI T1.313-2003

Electrical Protection for Telecommunications Central Offices and Similar Type Facilities

3.1.3.13. ANSI T1.333-2001

Grounding and Bonding of Telecommunications Equipment

3.1.3.14. ANSI T1.334-2002

Electrical Protection of Communications Towers and Associated Structures

3.1.3.15. IEEE Std 1100-2005

Recommended design, installation, and maintenance practices for electrical power and grounding (including both power-related and signal-related noise control) of sensitive electronic processing equipment used in commercial and industrial applications are presented.

3.1.3.16. NFPA 70

National Electric Code

- 3.1.4. All work shall be continuously coordinated with the County's Project Coordinator, Maintenance Staff, and/or Information Technology Staff.

### 3.2. Horizontal Cabling

- 3.2.1. The horizontal cable used for the distribution of data and voice shall be 4 pair, 24 AWG, Category 6A, plenum rated, LANmark-10G2 Category 6A UTP Plenum Rated Part Number 10130484 (Blue) or IT-approved equivalent.
- 3.2.2. Where horizontal pathways are not noted as plenum space, riser rated (CM) cable may be utilized. LANmark-10G2 Augmented Category 6a Riser Part Number 10137700 (Blue) or approved equivalent.
- 3.2.3. All cable runs must not exceed 90m/297ft.
- 3.2.4. Horizontal cabling will be run in ceiling space unless approved by the project coordinator.
- 3.2.5. Cabling must be appropriately supported along the entire path, using J-hooks, cable trays, or conduit and must not be attached to any other building wiring or conduit; and installed with sufficient bending radius so as not to kink, shear, or damage the cable.
- 3.2.6. Cable management straps shall be D-Ring style, hook and loop closure.
- 3.2.7. Horizontal Cabling Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
- (OR-70700107) – Ortronics D-Ring Cable Management Straps
  - (10130484) – Berk-Tek LanMark 10-G2 plenum rated CAT 6A cable
  - (10137700) – Berk-Tek LanMark 10-G2 riser rated CAT 6A cable
  - (10032090) - Berk-Tek LANMark 6, CAT6 Cable, Plenum, Yellow (CCTV ONLY)

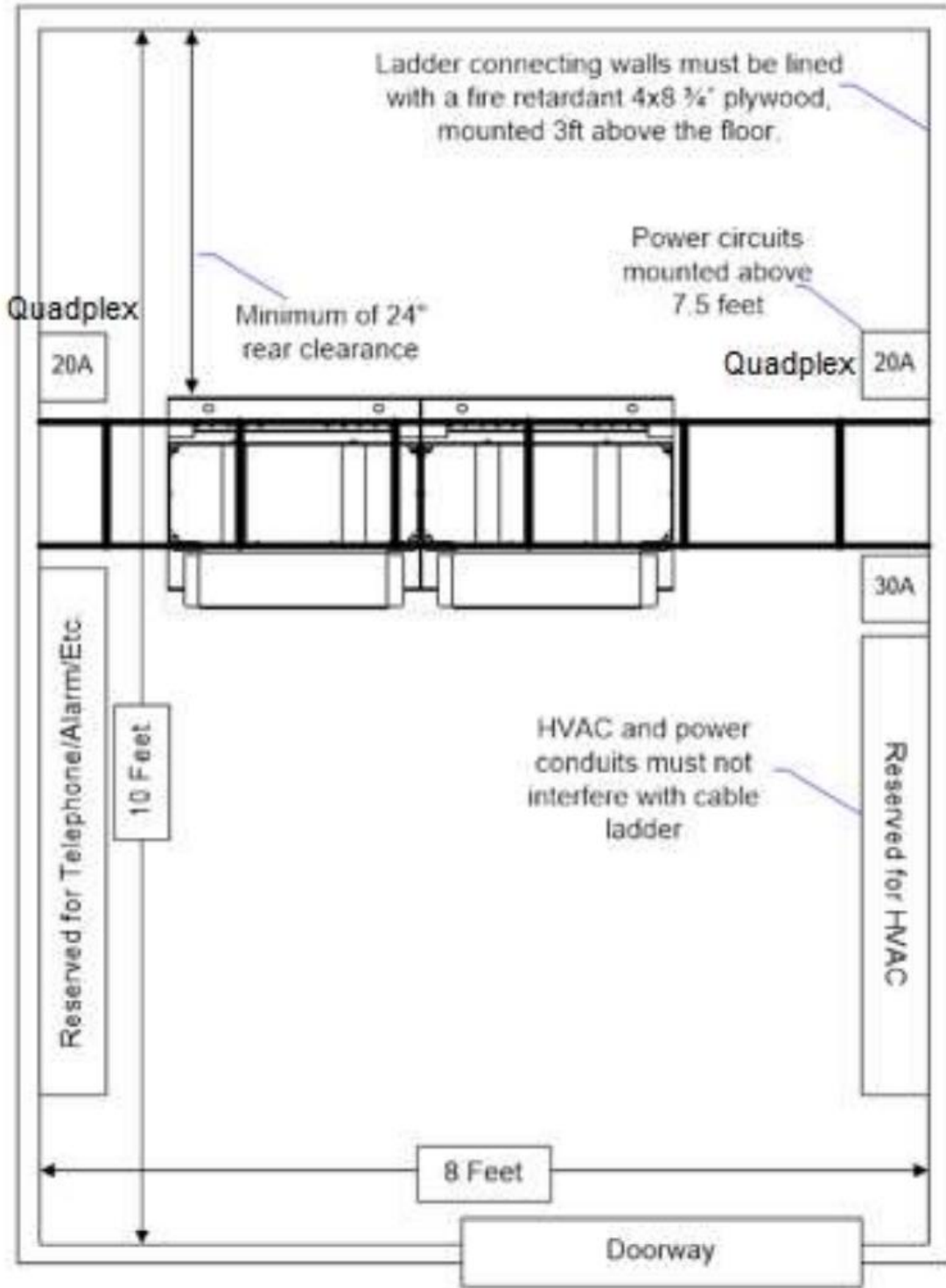
### 3.3. Telecommunication Closet (IDF/MDF)

The telecommunication closet, sometimes referred as the Intermediate Distribution Facility (IDF), aggregates data/voice cabling from wall outlets to a

single location. In larger buildings, multiple IDFs are connected to a Main Distribution Facility (MDF) using fiber optic cabling. For smaller, single floor buildings there may be only one telecommunications closet making it the MDF. Telecommunication closets should not be used to house server/computer equipment. A standard IDF/MDF is shown in Figure 1.



**Figure 1: Typical SLO County IDF Design**



- 3.3.1. Each floor in buildings with multiple floors should have at least one IDF.
- 3.3.2. For new construction the IDF and/or MDF must be a minimum of 8' X 10' and 8' in height. For a building being remodeled the IDF/MDF should be 8' x 10' but existing building constraints may not make that possible, so IT-Network will work with the appropriate staff to find an acceptable solution.
- 3.3.3. IDF walls must be covered with fire resistant ¾" plywood as appropriate to accommodate mounting of equipment, racks, ladders, power, etc. A minimum of two 4' x 8' backboards will be installed in each IDF.
- 3.3.4. Must have minimum two (2) Quadplex independent 20A 120V on separate circuit breakers, on opposite sides of the IDF, and one (1) 30A 120V electrical circuits.
- 3.3.5. Power circuits must be wall mounted 7.5 feet above the flooring.
- 3.3.6. Wall mounted power conduit and HVAC units must not interfere with cable ladder wall mounting.
- 3.3.7. Racks must be anchored to the overhead cable ladder and the floor.
- 3.3.8. The cable ladder will attach at a minimum of two points to the walls.
- 3.3.9. Wood or concrete flooring must be epoxy painted. Due to static electricity caused by carpeting carpeted flooring will not be used.
- 3.3.10. Ceilings shall be "hard" with appropriate access hatches.
- 3.3.11. All racks shall be installed side by side
- 3.3.12. Maximum of 432 copper cable terminations (144 drops for three cables each) per rack, additional cabling will require a second rack. Figure 3 below shows the rack layout.
- 3.3.13. A suitable telecommunications ground for equipment as required per ANSI/TIA/EIA-607 (telecommunications grounding), IEEE Emerald Green book and NEC requirements will be provided in each IDF. All

cable tray, ladders, equipment racks IDF/MDF shall be appropriately grounded/bonded to the telecommunications grounding.

3.3.14. IDF Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.

3.3.14.1. Telecommunications Rack

- (OR-MM6706) – Ortronics Mighty Mo cable management rack.
- (OR-MM107SVR)– Ortronics Mighty Mo server rack (four-post).
- (OR-MM6CRB06) – Ortronics cable runway mounting bracket.
- (DA-500)- Drop-In Anchor, Anchor Size 1/2-13, Drill Size 5/8 in, Length 2”- Concrete Floor
- (40604-001) – Chatsworth concrete floor anchor kit
- (40607-001) – Chatsworth wood floor anchor kit

3.3.14.2. Cable Management

- (OR-60400129) – Ortronics feed-through management panels
- (OR-60400017) – Ortronics cable management rings

3.3.14.3. Patch Panel

- (OR-PHD610U24) – Ortronics clarity 24-port T568B.2-10.  
Depending on the nature of the cabling, higher density patch panels may be used with prior County approval.

3.3.14.4. Blanks

- (OR-401004788) – Ortronics 1RU blank filler panel
- (OR-401004789) – Ortronics 2RU blank filler panel
- (OR-401004791) – Ortronics 4RU blank filler panel

3.3.14.5. Cable Runway

- (10250-712) – Chatsworth black universal 12”
- (11308-001) – Chatsworth runway j-bolt Kit
- (11420-701) – Chatsworth runway wall mount
- (11301-701) – Chatsworth runway splice kit
- (10488-701) – Chatsworth runway junction kit
- 

3.4. Telecommunications Cabling Rack Layout

3.4.1. The typical data cabling rack layout is shown in Figure 2.

Figure 2: SLO County Cabling Rack Layout  
A-B-C System Rack Standard

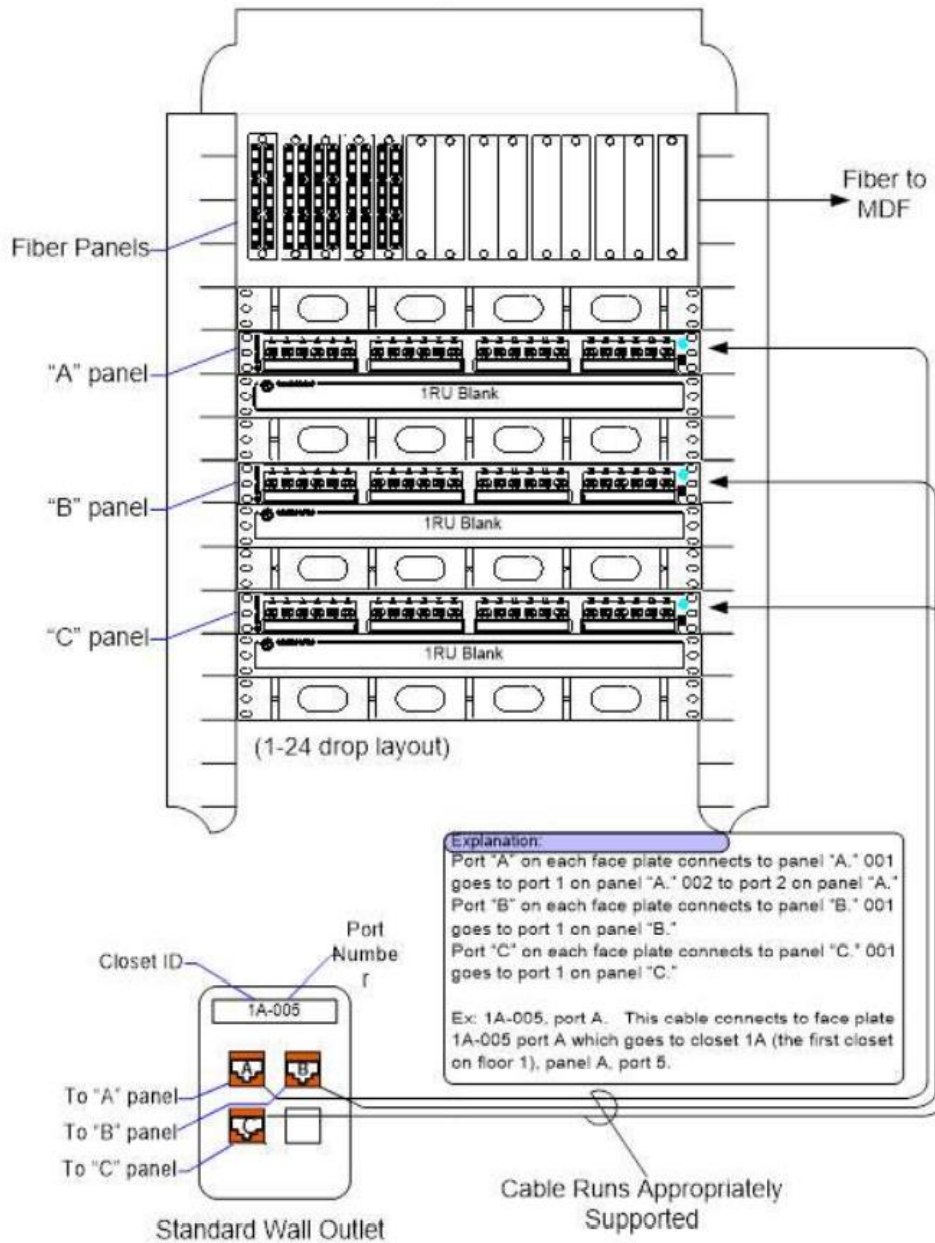
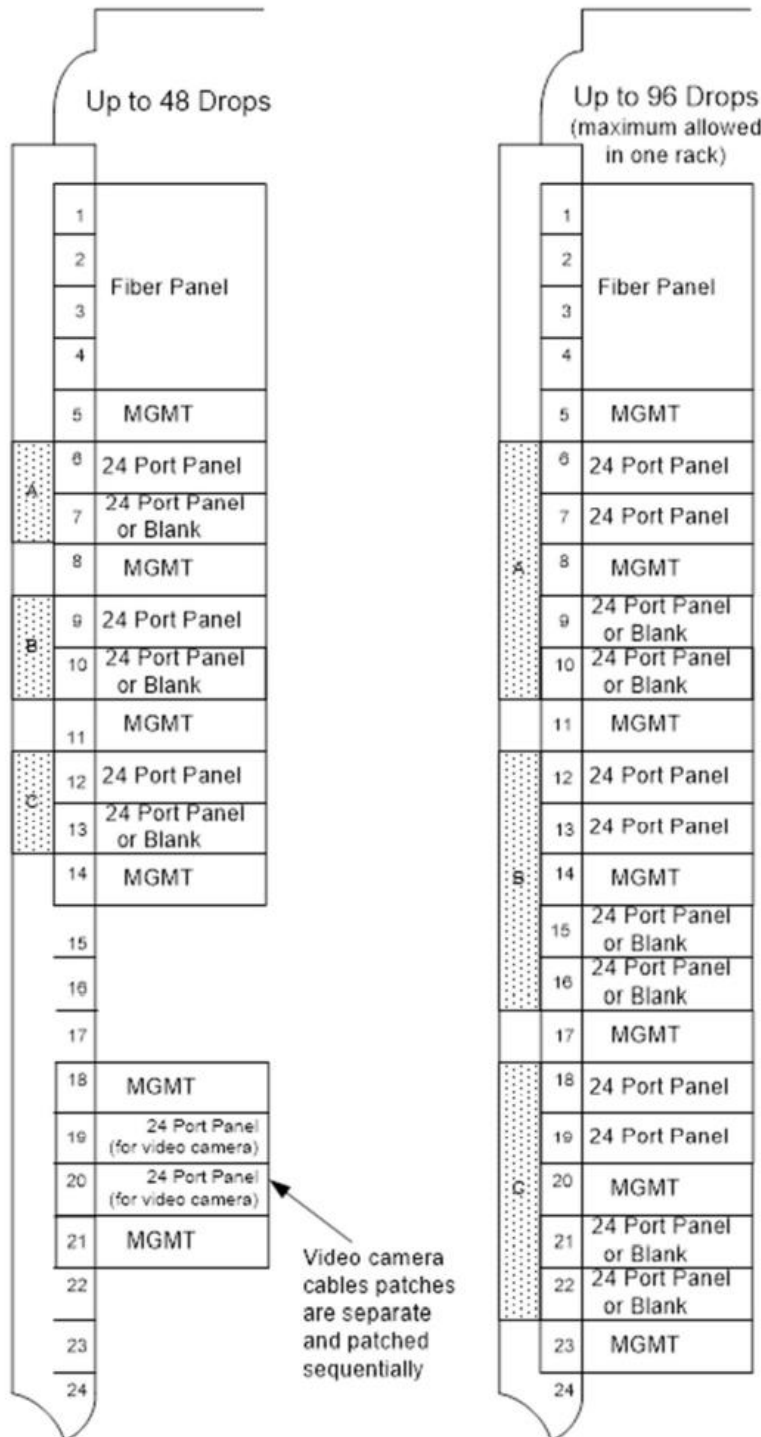


Figure 3: Typical SLO County Cabling Rack Layout for Different Number of 3 Cable Drops using Standard A-B-C Rack Layout and Sequential Video Cable Layout



### 3.5. Cabling for IP-Based Video Cameras

- 3.5.1. Only one CAT 6 cable will be run to each IP based camera.
- 3.5.2. Cables for each IP based camera will run to patch panels that are separate from the A, B, C system. They will be patched on separate 24-port patch panels sequentially located below the data cable patch panels (see Figure 3 above)
- 3.5.3. Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - 3.5.3.1. CCTV installations shall use a BERK-TEK UTP Cable, Plenum, 24 AWG, Cat 6, 4-Pair, 2-Conductor, 0.22" Cable Diameter, 1000' Length, Bare Copper Conductor, FEP Insulation, Flame Retardant PVC Jacket, Yellow, Indoor (Part number 10136749) or its equivalent
  - 3.5.3.2. Indoor locations for IP Cameras shall use a BERK-TEK LANmark-6™ Plenum 4-Pair UTP Cable (Yellow) (Part Number 10032090) or its equivalent
  - 3.5.3.3. Outdoor locations for IP Cameras shall use a BERK-TEK UTP Cable, Non-Plenum, 23 AWG, Solid, CAT 6, 4-Pair, 2-Conductor, 0.25 in Cable Diameter, 1000' Length, Bare Copper Conductor, UV Resistant Polyethylene Jacket, Black, Outdoor (Part number 10139885) , or its equivalent
- 3.5.4. All building penetrations must be sealed. All cables must be supported by a screw zip or J-hook

### 3.6. Data & Voice Wall Outlets

- 3.6.1. Wall outlets shall have 4 ports. A layout is shown in Figure 2 and Figure 4. Data ports #1, #2 and #3 shall be orange. Port #4 shall be a blank.
- 3.6.2. Should the building require a voice wall outlet, the copper line coming from outside shall be terminated to a block on the backboard of the network room or Minimum Point Of Entry (MPOE). Then from the block, a copper cable is used to terminate on Data Port #3 of the corresponding location. As shown in Figure #4 below.

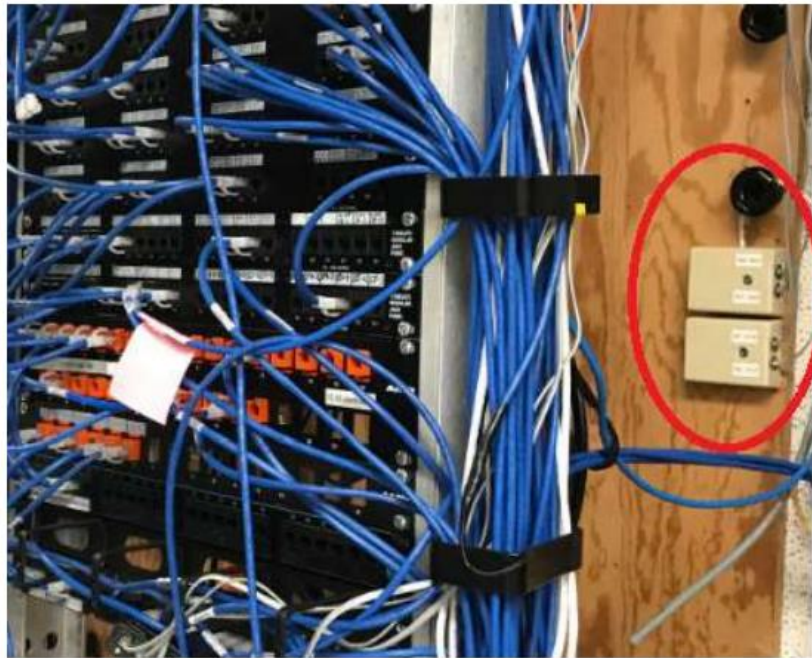


Figure #4

3.6.3. Wall Outlet Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.

- (OR-40300546) – Ortronics 4 port faceplate or (OR-40400055) Ortronics 4 port surface mount box.
- (OR-TJ610-43) – Ortronics Orange modular insert
- (OR-42100002) – Ortronics modular blank (package of ten)
- (300-66FF-WH) - White Phone Surface Mount Jack, RJ11/RJ12, Data/Voice

### 3.7. SRST (Survivable Remote Site Telephony)

A Modular Telephone Surface Mount Jack shall be terminated to a back board for every copper line as shown below. If back board is not available, the jack can be mounted to a rack closest to the SRST Router as shown in Figure #5.



Figure #5

### 3.8. VoIP (Voice over Internet Protocol)

Each location requiring the installation of a VoIP phone or computer requires a standard data and voice wall outlet. The Cisco VoIP Phone should use the black cable that came from the factory to connect to a computer. If the computer is too far from the phone, then a blue CAT6 ethernet cable can be used to connect from computer to the phone. See Figure #6 and Figure #7 below.





Figure # 6



1	DC adaptor port (DC48V).	5	Access port (10/100/1000 PC) connection.
2	AC-to-DC power supply (optional).	6	Auxiliary port.
3	AC power wall plug (optional).	7	Handset connection.
4	Network port (10/100/1000 SW) connection. IEEE 802.3at power enabled.	8	Analog headset connection (optional).

Figure #7

### 3.9. Fiber Optic Building Backbone Cable

- 3.9.1. Fiber optic cabling used to connect IDFs to the MDF, Building to Building will be 24 strands of single-mode fiber optic cable, black jacket, using Berk-Tek Adventum plenum rated cable or approved equivalent.
- 3.9.2. Where pathways are not noted as plenum space, riser rated cable may be used.
- 3.9.3. The single-mode fiber must be 9/125micron OFNR terminated with LC pigtails.
- 3.9.4. All fiber optic building backbone cabling will be run inside using plenum rated 1 ¼" orange inner duct with a 900 lb pull tape. Couplings shall not be used to join shorter sections of inner duct in the middle of a run.
- 3.9.5. Fiber termination shall be with pigtails that plug into adapter panels within the fiber patch cabinet. All pigtails will be fusion spliced. All splices shall utilize appropriate splice trays and shall use heat shrink sleeves or splice protection covers.
- 3.9.6. Fiber Optic Backbone Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
- (OR-FC02U-C) – Ortronics rack mount (2U) fiber patch and splice cabinets for up to 36 fibers. For use in the IDF.
  - (OR-FC04U-C) – Ortronics rack mount (4U) fiber patch and splice cabinets for up to 144 fibers. For use in the MDF.
  - (OR-OFP-LCD12AC) – Ortronics LC duplex (12-fibers) single mode adapter panel (blue)
  - (OR-P3TF4ZRGZZZ002M) – Ortronics LC connector pigtail, 12 fiber, 50micron MMF, 2 meters.
  - (OR-P1TC4ZRSZZZ002M) – Ortronics LC connector pigtail, 12 fiber, OFNR SMF, 2 meters.
  - (OR-FST2-F012) – Ortronics fusion splice tray for 12 fibers
  - (OR-20500043) – Ortronics heat shrink sleeves pkg 50

### 3.10. Underground and Aerial Fiber Installation

This section address fiber optic cables that reside underground in conduit installed by trenching or directional bore, as well as aerial cabling installed on utility poles. Fiber counts to be determined in the project scope

3.10.1. Single Mode Fiber Optic Cable Specifications

- 3.10.1.1. Cable must meet Corning SMF-28 performance specifications or better.
- 3.10.1.2. Cable jacket color shall be black with white print labeling.
- 3.10.1.3. Cable must be pulled by hand with no mechanical assistance. Alternative means of pulling fiber must be approved by the County prior to installation.
- 3.10.1.4. Underground and Aerial over-lashed cable shall be Corning Altos Loose Tube Gel-Free, p/n xxxEW4-T4100D20.

3.10.2. Conduit Specifications

- 3.10.2.1. Conduit minimum is 2" HDPE, color orange, SDR 11, 10 or less.
- 3.10.2.2. Conduit depth shall be a minimum 24".
- 3.10.2.3. Conduit shall be joined in accordance with Manufacturer's recommendations, and all joints shall be watertight.
- 3.10.2.4. All conduits shall be cleaned and tested prior to cable installation.
- 3.10.2.5. Conduits entering pull boxes shall be sealed appropriately after cable installation is complete.
- 3.10.2.6. The conduit shall gradually and smoothly slope up to the elevation of the pull box entrance. Bends, if required shall be no more than 25 degrees.

3.10.3. Pull Box Specifications

- 3.10.3.1. Pull boxes will be used to facilitate the pulling of underground cable in ducts, as well as splice enclosure and slack storage.

- 3.10.3.2. Boxes shall be installed following Manufacturer Recommendations.
- 3.10.3.3. Boxes shall be concrete Old Castle (Christy) P48, p/n N48PBOX with 2 piece concrete lid, p/n N48D2.
- 3.10.3.4. Lid shall be marked "CoSLO Fiber Optic"
- 3.10.3.5. Boxes shall rest on 6" of compacted gravel as a base. An additional 3" of "Drain Rock" must added after the box is set
- 3.10.3.6. Boxes shall be leveled and flush to grade.
- 3.10.3.7. Maximum distance between pull boxes is 1500'
- 3.10.3.8. All cable slack within any pull box shall be a minimum of 60' of coiled cable.

#### 3.10.4. Splicing and Enclosures

- 3.10.4.1. All fibers shall be fusion spliced.
- 3.10.4.2. Splice enclosures shall be located within pull boxes, installed flush to grade.
- 3.10.4.3. Underground splice locations shall have a minimum of 60' of coiled cable for slack.
- 3.10.4.4. Aerial splice enclosures must be attached appropriately to messenger with a minimum of 100' aerially managed slack.
- 3.10.4.5. Splice enclosures shall be chosen from the following list, enclosure type and trays shall be sized appropriately to project scope.
  - Preformed Coyote Runt
  - Preformed Coyote Pup
  - Preformed 6.5" Coyote
  - Preformed 8.5" Coyote

#### 3.11. Fiber Optic Terminations

- 3.11.1. All fiber optic strands shall be terminated with LC pigtails.
- 3.11.2. All fiber optic cables will be landed within a 19" rack mountable fiber splice cabinet. See section 3.9 for details on fiber optic cabling installed within buildings.
- 3.11.3. Fiber termination shall be with pigtails that plug into adapter panels within the fiber splice cabinet. All pigtails will be fusion spliced. All splices shall utilize appropriate splice trays and shall use heat shrink sleeves or splice protection covers.
- 3.11.4. Termination Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - (OR-FC04U-C) – Ortronics rack mount (4RU) fiber patch and splice cabinets for up to 144 fibers.
  - (OR-OFP-LCD12AC) – Ortronics LC duplex (12-fibers) single mode adapters (blue)
  - (OR-626TC4ZR-RZ002M) – Ortronics connector pigtail, 12 fiber, OFNR SMF, 2 meters.
  - (OR-FST2-F012) – Ortronics fusion splice tray for 12 fibers
  - (OR-20500043) – Ortronics heat shrink sleeves pkg 50

### 3.12. Wireless Access Point Cabling Requirement

- 3.12.1. Any new Wireless Access Point Cabling in new building construction will require two blue category 6a cables to be run from the mounting location point back to the MDF/IDF for the area. (Reference section 3.3)
  - 3.12.1.1. Two cables will be required for each wireless access point in preparation for future Wi-Fi technologies like Wi-Fi 7
- 3.12.2. Termination Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - 3.12.2.1. (KSSMB2) – ORTRONICS Surface Mount Box, 2.59" W x 1.14" D x 2.27" H, 2-Port, High Impact Thermoplastic ABS 94V-0, Fog White, Plastic Keystone Jack Surface Box
  - 3.12.2.2. (KS6A-36) – ORTRONICS Category 6 Keystone Jack, Blue

- 3.12.2.3. (10130484) – Berk-Tek LanMark 10-G2 plenum rated CAT 6A cable (Blue)

#### 4. LABELING AND LOCATING

##### 4.1. Data Cable Labeling and Identification

- 4.1.1. All patch panel and wall outlet (station) designators shall be laser-printed black print on white background, no hand printing. The font shall be approximately 1/8 inches in height, block characters and clearly legible.
- 4.1.2. All labels shall be securely attached to faceplates and patch panels.
- 4.1.3. All copper and fiber optic cables shall be clearly labeled at both ends.
- 4.1.4. All patch panel and wall outlets will be labeled in sequential order as follows:

All IDFs and MDFs within a building shall follow a format of fs, where:

f = numeric character(s) identifying the building floor occupied by the IDF or MDF and s = alpha character(s) uniquely identifying the IDF/MDF on floor f,

Example: 1A is the first IDF on the first floor

Example: 3B is the second IDF on the third floor

All wall outlets (stations) shall follow a format of fs-n, where:

fs = IDF/MDF designation described above; and n = three numeric characters designating the port on the patch panels on which each of the three cables are terminated in the IDF/MDF.

Example: 1A-011 is port 11 on patch panels A, B, C in the first (or A) IDF/MDF on the first floor

Example: 2C-27 is port 27 on patch panels A, B, C in the third (or C) IDF/MDF on the second floor. See Example in Figure 8: Standard Wall Outlet below.

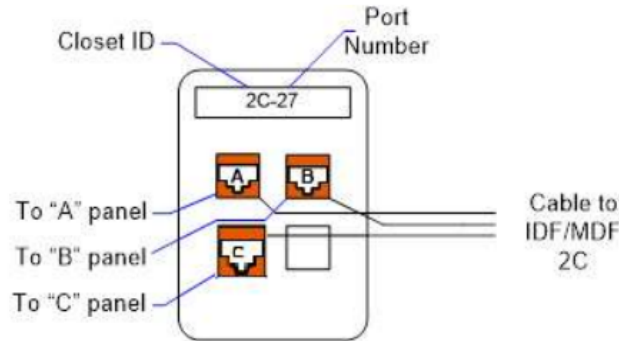


Figure #8

4.1.5. Labeling Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.

- (OR-70700408) – Ortronics patch panel designator, white
- (OR-70700411) – Ortronics wall outlet designator, white

#### 4.2. Optical Fiber Labeling and Locating

- 4.2.1. Conduits shall have an appropriately sized pull rope installed with integrated locator wire, such as Neptco Detectable MULETAPE with foot indicator.
- 4.2.2. Where applicable, buried pull boxes shall have an electronic ball locator installed, such as 3M™ iD Ball Marker 1421-XR/iD for Telecommunications industry.
- 4.2.3. Coiled cable in pull boxes and buildings will be tagged "CoSLO Fiber Optic – 805-788-2800".
- 4.2.4. Aerial cable will be tagged at each utility pole attachment "CoSLO Fiber Optic – 805-788-2800".
- 4.2.5. Cable terminations will be labeled with cable number, location, and fiber number.

### 5. TESTING OF CABLING

#### 5.1. General Testing

- 5.1.1. All testing shall be performed after all telecommunication outlets have been secured and all fibers have been terminated in their final

position and properly labeled. The building must be operational (i.e. building lighting and power must be energized during testing).

- 5.1.2. All original test results will be submitted in soft copy using the test equipment's native file format to the County's project coordinator – see 3.1.4
- 5.1.3. Submit one or more binders containing the following documentation and test results for all cables to the County of San Luis Obispo, General Services Agency-Information Technology department. Binders shall be indexed with tabs denoting Main Distribution Facility (MDF) and Intermediate Distribution Facilities (IDF). All original test results shall have been uploaded directly from the cable test equipment and printed directly. Testing and documentation shall include, but not be limited to:

## 5.2. Fiber Optic Cables

- 5.2.1. Using an Optical Power Meter with memory and adapter measure and record end-to-end insertion loss for all installed cables, including: all connectors, cables, and patch cords. All fiber optic insertion loss (attenuation). The total loss shall be measured and reported for each cable at the appropriate operating wave lengths: 1310 nm and 1550 nm for single mode fiber. Optical attenuation tests shall be conducted in both directions, end-to-end. The length of each fiber shall also be documented.
- 5.2.2. Using an Optical Time Domain Reflectometer (OTDR), all single mode cables shall be tested and record all fiber optic insertion loss (attenuation) and attenuation coefficient at the appropriate operating wave lengths: 1310 nm and 1550 nm for single mode. The length of each fiber shall be documented as well as the distance to all splices and connections.
- 5.2.3. All cables additionally certified according to the (ANSI/TIA 568.3-D) standard
  - 5.2.3.1. Single mode:
    - 100GBASE-LR - links <=10KM (IEEE 802.3cu)
    - 100GBASE-ER4 - links <=40KM (IEEE 802.3ba)
    - 100GBASE-ZR - links >40KM (IEEE 802.3ct)



### 5.3. Data Horizontal Cabling System (Category 6a)

5.3.1. All horizontal data (Category 6A) permanent link testing shall be performed using a Level IV accuracy cable tester, updated with the most recent firmware and using the correct link adapters. And record:

- Length
- Line map continuity
- Pass or Fail on a CAT 6A connectivity test

5.3.2. Tests shall be performed on finished cables (patch cords, patch panel, horizontal cable, station connectors) end to end.

## 6. GROUNDING

### 6.1. Master Ground Bar

The purpose of the master ground bus bar (MGB) (see Figure # 9) is to provide a convenient internal grounding (earthing) termination point for the communication system and to serve as a dedicated extension of the site's common grounding electrode system. The MGB functions as the primary internal earth reference point for all equipment ground bus conductors, grounding conductors and communications equipment within the facility. Typically, there should only be a single MGB per building (ANSI-J-STD-607-A- 2002 and ANSI T1.334-2002).

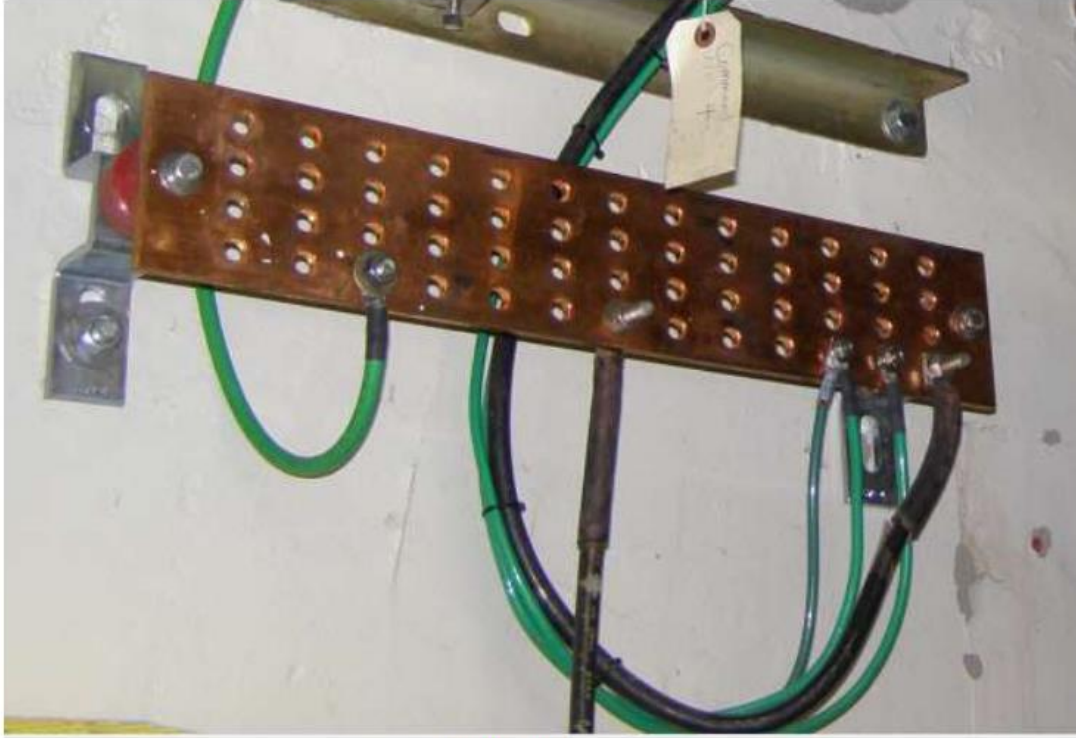


Figure # 9

All applicable general bonding requirements shall apply when attaching ground (earth) bus extension conductors and equipment grounding conductors to a ground bus conductor. The following requirements also apply:

- 6.1.1. All ground bus conductors should be installed without splices. Where splices are necessary, the number of splices should be kept to a minimum and they shall be accessible and only located in telecommunication spaces. The joined segments shall be connected using exothermic welding or listed irreversible compression-type connectors. All bonding joints shall be adequately supported and protected from damage (ANSI-J-STD-607-A-2002).
- 6.1.2. Ground bus extension conductors shall always be routed toward the MGB at the point of connection to the ground bus conductor. Ground bus extension conductors shall be connected to the ground bus conductor using exothermic welding or listed irreversible compression-type connectors. Connection points shall be taped with a suitable green tape or otherwise isolated from contact with the cable tray or other metallic surfaces.

- 6.1.3. Equipment grounding conductors shall always be routed toward the MGB at the point of connection to the ground bus conductor. Equipment grounding conductors shall be connected to the ground bus conductor using exothermic welding, listed compression-type connections, or listed split bolt connections. Connection points shall be taped with a suitable green tape or otherwise isolated from contact with the cable tray or other metallic surfaces. See Figure #10 and Figure #11

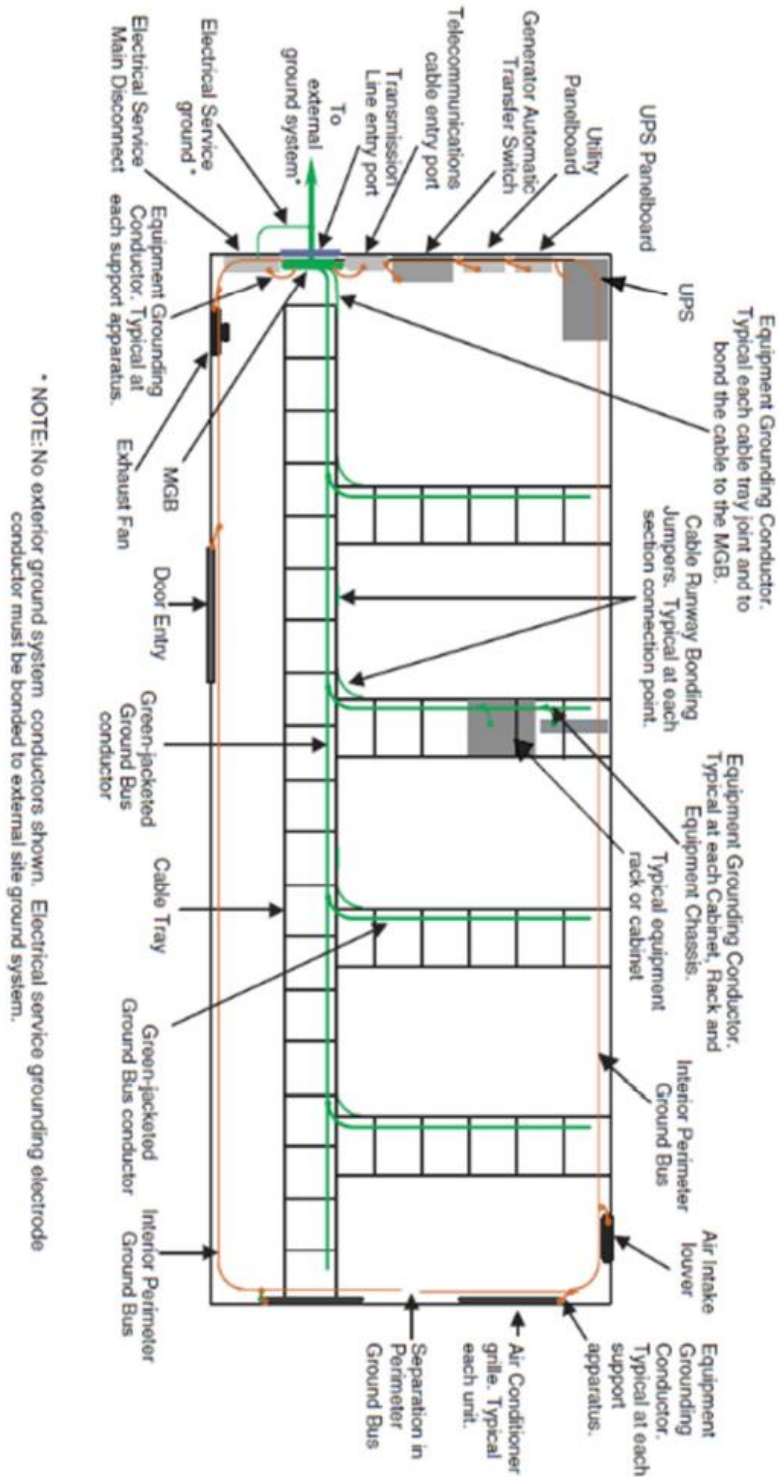


Figure #10

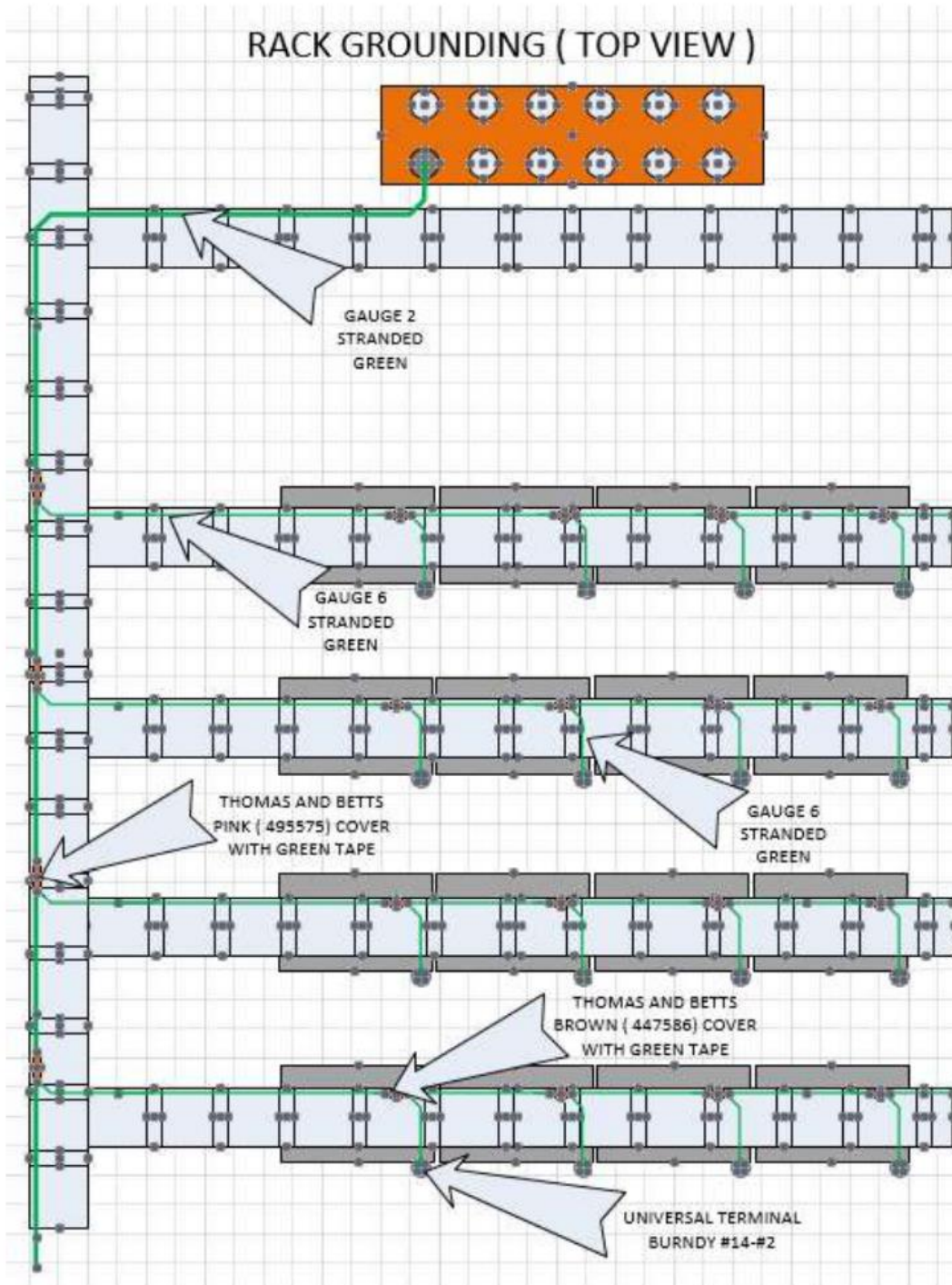


Figure # 11

- 6.1.4. Equipment grounding conductors shall be connected so that the removal of a connection will not break the ground path to any other piece of equipment or ancillary support device that may have electrical power applied.
  
- 6.1.5. Multiple connections shall not be made to one attachment point on the ground bus conductor unless this connection is made using exothermic welding, irreversible compression-type connector.

## 6.2. Equipment Grounding

An equipment grounding (earthing) conductor bonds equipment chassis or frames, and metallic ancillary support apparatus to the internal grounding system. An equipment grounding conductor from each piece of electronic equipment shall be bonded to the MGB, SSGB, RGB, ground bus conductor or ground bus extension using suitable methods. In this case, chassis are connected to the Rack. See Figure #12.

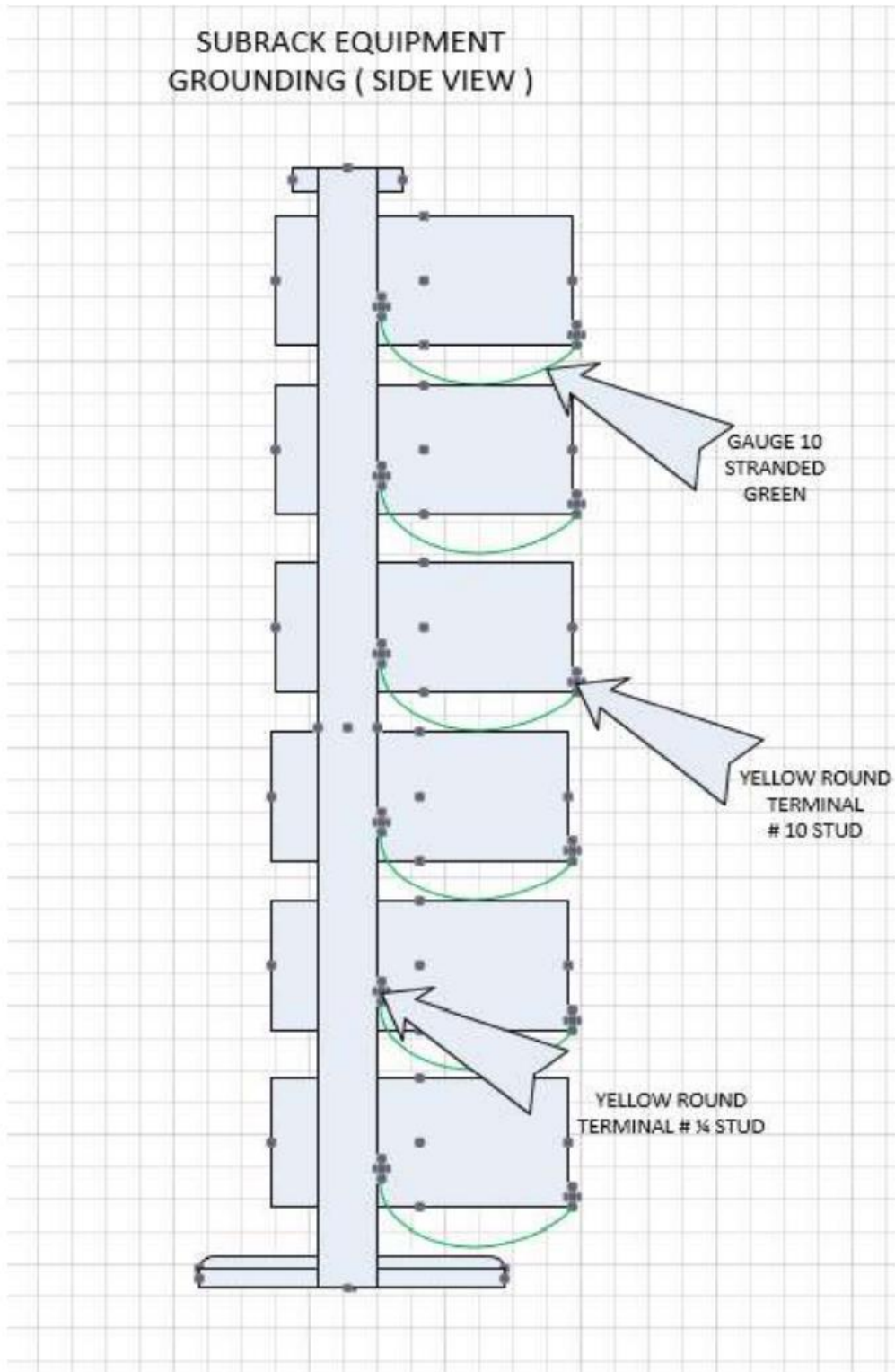


Figure #12

**Contact Details:**

**County-IT Network**

**Address:**

**976 Osos St Rm 400, San Luis Obispo, CA 93401**

**Phone # 805-781-4399**



Filename: County Of SLO Cabling Standard - Rev 4  
Directory: C:\Users\jprichard\OneDrive - County of San Luis Obispo\Documents  
Template: C:\Users\jprichard\AppData\Roaming\Microsoft\Templates\Normal.dot  
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Title:  
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Author: Richard Macabulos  
Keywords:  
Comments:  
Creation Date: 7/8/2021 11:23:00 AM  
Change Number: 221  
Last Saved On: 8/6/2021 4:14:00 PM  
Last Saved By: Jarrett Prichard  
Total Editing Time: 4,573 Minutes  
Last Printed On: 8/6/2021 4:14:00 PM  
As of Last Complete Printing  
Number of Pages: 31  
Number of Words: 4,265 (approx.)  
Number of Characters: 24,311 (approx.)

## **LEASE AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND OCEANO COMMUNITY SERVICES DISTRICT FOR THE SHERIFF SUBSTATION**

This **LEASE AGREEMENT** ("Lease") is entered into by and between **the County of San Luis Obispo**, a political subdivision of the State of California ("County"), and **the Oceano Community Services District** ("Lessor" and whereby further referred as "OCSD"), (collectively the Parties) and will replace and supersede all previous agreements between County and Lessee, with respect to the Premises hereinafter described.

**WHEREAS**, County's Sheriff's Office took occupancy of the Premises defined below in Paragraph 1 on September 4, 2002, under a lease dated April 17, 2001 ("2001 Sheriff Substation Lease"); and

**WHEREAS**, the OCSD provides fire protection services ("Fire Services") for the community of Oceano; and

**WHEREAS**, the OCSD submitted a request to the Local Area Formation Commission (LAFCO) in January 2023 for divestiture of Fire Services with LAFCO action on this request expected by December 2024 at which point the County, as a successor agency, would be responsible for providing Fire Services to the community of Oceano; and

**WHEREAS**, on June 18, 2024, the County Board of Supervisors approved a Oceano Community Services District Divestiture of Fire Protection Services Plan for Services (Plan for Service), outlining the County's plan to accept responsibility for Fire Services to the community of Oceano, if divestiture is approved by LAFCO; and

**WHEREAS**, according to the Plan of Service, the April 17, 2001, Sheriff Substation Lease will be terminated and the parties will enter into a new lease for the Premises with no lapse in occupancy; and

**WHEREAS**, the Plan of Service, reflects that the new lease will provide for rent abatement of a minimum of ten (10) years, in the amount of approximately \$123,854 for year one, with annual CPI escalations as further described herein; and

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements herein contained, the Parties hereto agree as follows:

**1. Premises:** OCSD hereby leases to County, and County hereby hires and takes from OCSD, for the Term, at the rental and upon the conditions hereinafter set forth, those certain premises hereinafter referred to as "Premises," and more particularly described as assessor parcel number 062-271-024, 1681 Front Street, Oceano, CA, an approximate 18,700 square foot parcel with approximate 6,184 square foot building, also known as the "Oceano Sheriff Substation", as depicted on Exhibit "A" attached hereto, with exclusive use of the parking area depicted on Exhibit "A".

**2. Quiet Enjoyment:** OCSD agrees to and shall on the commencement date of the term of this Lease hereinafter set forth, place County in quiet possession of the leased Premises and shall secure to County the quiet possession hereof against all persons lawfully claiming the same during the entire term and any renewals or extensions thereof. .

**3. Term:** The term of this Lease shall be for a period of approximately twenty (20) years, commencing on the date of LAFCO's approval of OCSD's request for divestiture which is expected by December 2024 ("Effective Date"), and shall terminate on June 30, 2044, or upon the end of the 20-year term, whichever occurs later.

**4. Option to Purchase:** County, at its option and upon receiving written notice of OCSD's intent to vacate the adjacent parcel, located at 1655 Front Street, Oceano, ("CSD/Fire Premises"), as outlined in the lease dated December 17, 2024, between County and OCSD for APN # 062-271-023 1655 Front Street, Oceano, shall exercise a Letter of Intention to Purchase the Premises and improvements located at 1681 Front Street, Oceano, APN # 062-271-024. . The Letter of Intention to Purchase shall outline steps and mutual consents with subsequent Board approvals for a Resolution of Intent to Purchase, a Resolution of Authorization to Purchase, and a Purchase and Sales Agreement, estimated to be around year ten (10). County's purchase price of the Premises shall be at land value only, as determined by County mutually approved licensed Member of the Appraisal Institute (MAI) appraiser within 6 months of OCSD's notice of intent to vacate, and paid for by the OCSD, and is subject to a reduction for the cost of maintenance and improvement projects as

outlined in paragraph **15. Repair and Maintenance, Section ii A**. If the option is not exercised all other terms and condition of the lease remain in effect.

**5. Termination:** County and OCSD agree to terminate this lease upon a mutual beneficial written agreement by the parties, which shall be effective upon the County's successful acquisition of the current Premises.

**6. Gross Rent:** According to the Plan of Service, County will not pay rent for performance of this Lease, with the exception of County's contributions of paragraph **15. Repair and Maintenance, Section ii A**.

**7. Use of Leased Premises:** The Premises shall be used solely for conducting and operating therein the business of the County and no other purpose without OCSD's prior written consent. The County Sheriff's Office is the intended occupant, and the parties understand and agree that there will be public visitation to the Premises. The County reserves the right to allow other departments or agencies of the County to occupy the Premises under this Lease upon thirty (30) days prior written approval by the OCSD.

**8. Taxes:** OCSD will pay all real property taxes, property insurance and any assessments levied or assessed on the land and improvements thereon of which the leased Premises is a part.

**9. Utilities and Fire Suppression System:** County shall pay for all separately metered utilities solely used by the County. **OCSD** agrees to maintain, at OCSD's sole cost and expense, any metered utilities not solely used by the County, including but not limited to water utilities, waste water and stormwater charges, sanitation, electrical services and gas, and to place any such utilities accounts in its name. Any and all fire suppression systems and any existing fire detection systems shall be maintained by OCSD according to requirements of the County of San Luis Obispo Fire Department.

**10. Data and Cabling:** County shall continue to solely use the County's fiber line through OCSD's existing conduit to County's own main distribution frame ("MDF"). New Voice and Data cabling whether installed by County or OCSD is subject to Exhibit "C", County of San Luis Obispo Voice, and Data Cabling version 4.0 (September 2021). County shall pay for phone and data services for County's exclusive use. Should OCSD install new Voice or Data cabling for OCSD use,

OCSD shall be responsible for maintaining the cabling in good working order. Additionally, OCSD shall continue to be responsible for any existing cabling owned by OCSD.

**11. Insurance:**

**By OCSD:** For the Lease Term, the OCSD shall self-insure or maintain, at its own expense comprehensive general liability insurance. The OCSD insures the OCSD's personal property located on or at the Premises.

**By County:** MINIMUM INSURANCE REQUIREMENTS as shown in Exhibit B.

**12. Indemnification:** To the fullest extent permitted by law, County shall indemnify, defend, and hold harmless OCSD and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with County's performance or non-performance of any obligation or duty provided for or relating to this Lease and/or the Premises, except such loss or damage which was caused by sole negligence or willful misconduct of OCSD

**13. Janitorial and Custodial Services:** County shall be solely responsible for complete janitorial services and the furnishing of janitorial supplies to the Premises occupied exclusively by the County. OCSD shall provide and pay for janitorial and routine landscape maintenance services to all exterior and common areas. OCSD shall provide sufficient exterior trash receptacles appropriate for the general office use, including existing and future South County Sanitation Services (SCSS) for solid waste, recycling and organics removal. SCSS currently provides three stream solid waste services to both the Sherriff Substation and the Fire Station at no cost via shared bins for both buildings. OCSD shall be responsible for any future costs associated with South County Sanitation Services (SCSS)

**14. Security Cameras.** The County is permitted to install and maintain cameras inside and/or outside the Premises, at the County's sole cost.

**15. Repairs and Maintenance:** OCSD shall put the Premises, the building, and all common areas under the control of the OCSD, into a condition fit for occupancy, and shall thereafter repair all subsequent dilapidation thereof not caused by County or its employees or

invitees, which may render them untenable. "Untenable" within this context of this paragraph means that the Premises, or the building, or the areas under the control of OCSD, substantially lack any one or more of the following affirmative standard characteristics, unless otherwise advised by County Public Works staff as standard for County leased buildings:

**i. OCSD's Responsibilities:**

**A.** Effective waterproofing and weather protection of the roof and exterior walls, including broken windows and doors.

**B.** Plumbing facilities which conformed to applicable law in effect at the time of installation, maintained in good working order. County shall make all reasonable efforts to prevent the overflowing of toilets as a result of its usage and shall be solely responsible for the repair of any plumbing systems caused by inappropriate or misuse by County or its employees or invitees. "Plumbing facilities" is an industry standard term meaning all appurtenances relevant to the plumbing system, including, including but not limited to piping, connections, fixtures, or similar as further defined in the California Building Standards Code and the California Plumbing Code, as provided in the California Code of Regulations.

**C.** A water supply approved under applicable law, which is under the control of the County, capable of producing hot and cold running water, and produces hot and cold running water, furnished to appropriate fixtures and connected to a sewage disposal system approved under applicable law.

**D.** Heating, Ventilating, and Air Conditioning (HVAC) facilities which conform to applicable law at the time of installation, maintained in good working order with preventative maintenance service minimally twice a year for comfortable occupancy, including HEPA Merv 13 filters or per manufacturers specifics of the Leased Premises during normal business hours.

**E.** Electrical lighting, which conformed to wiring and electrical law and regulations at the time of installation, maintained in good working order.

**F.** Building and appurtenances and every part thereof clean, sanitary, and free from accumulations of debris, filth, rubbish, garbage, vermin, ; and all areas under control of County

kept in every part clean, sanitary, and free from all accumulations of debris, filth, rubbish, garbage, rodents and vermin.

G. Pest control in compliance with state and local laws and regulations pertaining to the use and application of pesticides.

H. Floors, stairways, ramps, and railings maintained in good repair. Additionally,

I. OCSD shall be responsible to ensure the Premises are inspected by the appropriate public agency having jurisdiction over such inspections, to ensure that the building meets code requirements for County's use and evidence of such.

J. OCSD to be responsible for annual fire inspection as required for County's continued use of the Premises.

K. OCSD will be responsible for all common area maintenance, landscaping, exterior parking lot maintenance, parking lot repairs, exterior lighting and/or lighting facilities, associated with the County's Use of the Premises.

ii. County's Responsibilities:

A. County's obligation to pay repair and maintenance costs to the Premises are limited to an annual non-cumulative maximum of Seventeen Thousand Dollars (\$17,000) per fiscal year. No portion of the annual maximum County contribution of \$17,000 shall roll forward from fiscal year to fiscal year.

B. Any capital projects, repair or maintenance work exceeding this annual limit shall be mutually agreed upon in writing. In the event of County's future real property purchase, subject to **Paragraph 4. Option to Purchase**, an amount equal to the total County contribution for any capital projects or repair and maintenance work mutually agreed upon by separate agreement shall reduce the seller's proceeds of the purchase price in the County's favor.

C. If at any time during the term of this lease or upon termination of the lease, the County vacates the premises, the District shall reimburse the County for any contributions toward capital projects, repair, or maintenance costs that exceed the annual cap of \$17,000.

**16. Surrender:** County shall surrender the Premises unto OCSD on the last day of the term (including any extension term) or sooner termination of this Lease in the same condition as when received, reasonable use and wear excepted.

**17. Tenant Improvements, Remodeling, Alterations and Additions:** Any capital projects, repair, or maintenance work exceeding the annual limit shall be mutually agreed upon in writing and costs offset as outlined in **15. Repair and Maintenance, Section ii A.**

Under separate agreement and conditions, the OCSD will contribute \$90,000 to the County related to replacement of flooring and repainting of the Premises. This contribution will be excluded from the annual maximum contribution to maintenance and repairs and will not impact any future real property purchase subject to **15. Repair and Maintenance, Section ii A.**

Any tenant improvements constructed exclusively on behalf of the County of San Luis Obispo in excess of \$1,000 shall comply with current California **prevailing wage laws**, including, without limitation, work that constitutes a public works project as defined by California law, the Public Contract Code and Labor Code section 1720.2. In addition to any other indemnification provision in this Lease, OCSD shall defend and indemnify County against any claim of liability for any failure of OCSD or its agents, contractors, or employees to comply with prevailing wage laws.

County shall not make any major improvements to the Premises, or any part thereof, without OCSD's prior written consent. County may, however, make non-structural alterations to the interior of the Premises without such consent, but upon written notice to OCSD, as long as they are not visible from the exterior, do not involve roofing or any existing walls, will not affect the electrical, plumbing, HVAC, and/or life safety systems, and do not trigger the requirements for additional modifications and/or improvements to the Premises.

**18. Assignment:** County shall not assign this Lease, nor sublet the whole or any part of the Premises, without the prior written consent of OCSD.

**19. Parking:** County has exclusive right to all 20 parking spots within the premise.

**20. Right of Entry:** The OCSD shall have the right with reasonable notice and at reasonable times, to inspect the Premises and to perform maintenance, repairs and improvements to the Premises or the building of which the Premises is a part. The OCSD shall have the right and



privilege at reasonable business hours with twenty-four (24) hours prior notice, to enter the Premises. However, this right of entry shall in no way interfere with the County's operation on the Premises. If County meetings are being held in the building or in an office, that portion may not be inspected during the meeting. At all times during said inspection, the inspector(s) shall be accompanied by a County Sheriff's Office staff member as determined by the County in order to protect confidentiality of clients, workers and work product, unless waived in writing by the County.

**21. Signs:** County, at its sole expense, shall place, construct and maintain any signage on the Premises listing County's name and/or County program at the property.

**22. Destruction of Premises:** If during the term of this Lease, the Premises are injured or destroyed by fire or other cause, so as to render the Premises, in County's judgment, unfit for occupancy, or so as to substantially prevent or impair, in County's judgment, County's use of the Premises for intended purposes, then this Lease shall terminate at the option of either party hereto; provided that if the Premises can be repaired to the satisfaction of County under the laws and regulations of any governmental agency thereunto applicable, using the same type of construction, within thirty (30) days or such reasonable time per circumstance up to one hundred twenty (120) days from date of occurrence with abatement of rent thereof, then OCSD may forthwith repair the same, in which event such injury or destruction shall in no way annul or void this Lease. The County shall be entitled to a proportionate reduction in the rent herein reserved corresponding to the time during which, and to the portion of the Premises of which, County shall be deprived of possession. In the event OCSD elects not to make such repairs, or in the event repairs cannot be made to the satisfaction of the County, using the same type of construction, within thirty (30) days under the laws and regulations of any governmental agency thereunto applicable, the Lease shall then terminate at the option of either party hereto. County has no right of termination if any destruction was caused by their sole negligence or willful misconduct.

**23. Condemnation:**

A. Total Taking: If the whole of the Premises shall be taken or condemned by any competent authority under power of eminent domain for a public or a quasi-public use or purpose, then the leasehold estate hereby created shall cease and terminate as of the date that actual physical

possession of the leased Premises is taken by the condemnor, or on the date County is required to vacate the Premises in order to continue its business operations with minimum interruption, whichever is earlier. Compensation and damages awarded for such total taking shall belong to OCSD, except that County shall be entitled to receive any award for the taking of or damage to County's equipment, fixtures, or any improvements made by County to the leased Premises for which County would have had, the right to remove on expiration or sooner termination of this Lease, but for the condemnation. Further, County shall be entitled to that portion of the award granted for disruption to business, business relocation costs, and similar awards to offset County's Lease with appropriate offsets on rents.

B. Partial Taking: In the event that there shall be partial taking of the leased Premises during the Lease term under the power of eminent domain, this Lease shall terminate as to the portion of the leased Premises so taken on the date when actual physical possession of said portion is taken by the condemnor. However, this Lease shall, at County's option, continue in force and effect as to the remainder of the leased Premises, provided that the rental payable by County for the balance of the term where County elects to continue this Lease shall be abated in the proportion that the square footage of floor area of the leased Premises taken bears to the total floor space of the leased Premises at the time of such taking. In the event of such partial taking, compensation and damages for the taking shall belong to OCSD, except that County shall be entitled to receive any award for the taking of, or damage to, County's equipment, fixtures, and any improvements made by County to the leased Premises which County would have had, but for the condemnation, the right to remove on expiration or sooner termination of this Lease, and, in the event that this Lease is continued as to the portion of the leased Premises not taken in a suitable condition for the continuance of County's tenancy. Further, County shall be entitled to that portion of the award granted for disruption to business, business relocation costs, and similar awards to offset County's Lease with appropriate offsets on rents.

**24. Environmental Matters / Covenants Regarding Hazardous Materials:** OCSD and County shall at all times and in all respects comply with all federal, state and local laws, ordinances and regulations ("Hazardous Materials Laws") relating to industrial hygiene, environmental

protection or the use, analysis, generation, manufacture, storage, disposal or transportation of any oil, flammable explosives, asbestos, urea formaldehyde, radioactive materials or waste, or other hazardous, toxic, contaminated or polluting materials, substances or wastes, including, without limitation, any "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under such laws, ordinance or regulations (collectively, "Hazardous Materials").

OCSD and County shall further indemnify, defend, protect, and hold each other free and harmless from and against any and all claims, liabilities, penalties, forfeitures, losses or expenses (including attorneys' fees) or death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by:

(A) the presence in, on, under or about the Premises or discharge in or from the Premises of any Hazardous Materials or OCSD's use, analysis, storage, transportation, disposal, release, threatened release, discharge or generation of Hazardous Materials to, in, on, under, about or from the Premises, or

(B) OCSD's or County's failure to comply with any Hazardous Materials Law. OCSD's and County's obligations hereunder shall include, without limitation, and whether foreseeable or unforeseeable, all costs of any required or necessary repair, cleanup or detoxification or decontamination of the Premises, and the preparation and implementation of any closure, remedial action or other required plans in connection therewith, and shall survive the expiration or earlier termination of the term of this lease. For purposes of the release and indemnity provisions hereof, any acts or omissions of OCSD or County, or by employees, agents, assignees, contractors or subcontractors of OCSD or others acting for or on behalf of OCSD or County (whether or not they are negligent, intentional, willful or unlawful) shall be strictly attributable to OCSD or County.

**25. Holding Over:** In the event that County shall hold over after expiration of the Lease term or any extension or renewal thereof, with the consent, express or implied, of OCSD, such holding over shall be deemed merely a tenancy from month-to-month on the terms, covenants, and conditions, so far as applicable, and subject to the same exceptions and reservations, as herein contained, until such tenancy is terminated in manner prescribed by law.

**26. Notices:** Any notices, demands, or communication, under or in connection with this Lease, may be served by regular mail, personal delivery, or electronic transmission (“e-mail”). Such e-mail notice, and all attachments thereto, shall for all purposes be deemed received and effective upon receipt at the e-mail address provided, and that such notice is effective irrespective of whether the addressee shall actually open or read the e-mail notice and/or attachments. If by regular mail, such mail must be deposited in the United States Post Office, postage prepaid, and if addressed to the County at:

County of San Luis Obispo  
Central Services Department  
Real Property Services Division  
1087 Santa Rosa Street  
San Luis Obispo, CA 93408  
Attention: County Real Property Manager  
Direct: (805) 781-5200 Email: [central\\_rps@co.slo.ca.us](mailto:central_rps@co.slo.ca.us)

and may likewise be served on OCSD at:

Oceano Community Services District  
c/o General Manager  
1655 Front Street  
Oceano, CA 93445  
[ocsdgm@oceanocsdl.org](mailto:ocsdgm@oceanocsdl.org)

Either County or OCSD may change such address by notifying the other party in writing as to such new address as OCSD or County may desire used and which address shall continue as the address until further written notice.

**27. Successors:** The agreements herein made shall apply to, bind and inure to the benefit of the successors and assigns of OCSD, and the successors and permitted assigns of County.

**28. Provisions Deemed Covenants and Conditions:** The parties hereto agree that all the provisions in this Lease are to be construed as covenants and conditions as though the words

importing such covenants and conditions are used in each instance, and that all of the provisions hereof shall bind and inure to the benefit of the parties hereto and their respective heirs, legal representative, successors and assigns.

**29. Estoppel:** Each party, within ten (10) days after notice from the other party, shall execute and deliver to the other party, in recordable form, a certificate stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modifications. The certificate also shall state the amount of monthly rent, the dates to which the rent has been paid in advance, and the amount of any prepaid rent.

**30. Governing Law and Venue :** This Lease shall be governed by the laws of the State in which the Premises are located and any litigation concerning this Lease between the parties hereto shall be initiated in the County of San Luis Obispo.

**31. Subordination Agreement:** The County's rights under this Lease may be subordinate to any ground lease or mortgage, deed of trust or any other hypothecation or security entered after or placed upon the Premises and to any and all advances made on the security thereof and to all renewals, modifications, consolidations, replacements and extensions thereof. County's right to quiet possession of the Premises shall not be disturbed if County is not in default and so long as County shall pay the rent and observe and perform all of the provisions of this Lease, unless this Lease is otherwise terminated pursuant to its terms. If any mortgage, trustee, or ground lessor shall elect to have this Lease prior to the lien on its mortgage, deed of trust or ground lease, and shall give written notice thereof to County, this Lease shall be deemed prior to such mortgage, deed of trust or ground lease, whether this Lease is dated prior or subsequent to the date of said mortgage, deed of trust or ground lease or the date of recording thereof. County agrees to and shall attorn to any purchaser in good faith and for value or any successor in interest of the Lessor herein.

**32. Waivers:** No waiver by OCSD of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by County of the same or any other provision. OCSD's consent to or approval of, any act shall not be deemed to render unnecessary the obtaining of OCSD's consent to or approval of any subsequent act by County. The acceptance of rent hereunder by OCSD shall not be a waiver of any preceding breach by County of any provisions

hereof, other than the failure of County to pay the particular rent so accepted, regardless of OCSD's knowledge of such preceding breach at the time of acceptance of such rent.

**33. Americans With Disabilities Act:** OCSD shall be responsible for alterations necessary to comply with the Americans With Disabilities Act of 1990, 42 U.S.C. sect. 12101 et seq., as currently enacted and in accordance with applicable laws subject to paragraph **15. Repairs and Maintenance.** In accordance with Civil Code Section 1938, OCSD represents that the property:

- has not undergone inspection by a Certified Access Specialist (CASp); or
- has undergone inspection by a Certified Access Specialist (CASp), and has been determined to meet all applicable construction-related accessibility standards pursuant to Section 55.53.

**34. Smoking:** Entire Premises occupied by County and County clients shall be a non-smoking building and no smoking shall be allowed in or on the Premises, including but not limited to all balconies, courtyards, walkways and parking areas leased by the County.

**35. Severability:** The invalidity of any provision of this Lease shall not affect the validity, enforceability of any other provision of this Lease.

**36. Public Records:** Any and all written information submitted to and/or obtained by County from OCSD or any other person or entity having to do with or related to this Lease and/or the Premises, either pursuant to this Lease or otherwise, at the option of County, may be treated as a public record open to inspection by the public pursuant to the California Records Act (Government Code Section 7920.000 et seq.), as now in force or hereafter amended, or any Act in substitution thereof, or otherwise made available to the public and OCSD hereby waives, for itself, its agents, employees, subtenants, and any person claiming by, through or under OCSD, any right or claim that any such information is not public record or that the same is trade secret or confidential information and hereby agrees to indemnify and hold harmless from any and all claims, demands, liabilities, and/or obligations arising out of or resulting from a claim by OCSD or any third party that such information is a trade secret, or confidential, or not subject to inspection by the public, including without limitation reasonable attorneys' fees and costs. OCSD acknowledges that the County will not treat this Lease as containing confidential information and may post this Lease on the transparency

County Board of Supervisor's website portal. Use by the public of the information contained in this Lease shall not be considered an act of the County.

**37. Authority of Central Services Director:** The Board of Supervisors has delegated to the County's Director of Central Services or the Director's designee the right to exercise all rights and obligations of the County under this Lease or any Lease amendment, unless specifically provided herein, or required by law or Board resolution. Any amendment made pursuant to a delegation of authority will only be effective if the amendment is memorialized in writing, is approved by County Counsel, and is signed by the Director and OCSD. The Board expressly delegates to the Director the authority to renew this Lease contingent on prior funding approval.

**38. Counterparts; Electronic Signatures:** This Lease may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Faxed, photocopied, or electronically transmitted signatures have the same effect as ink originals.

**39. Entire Lease Agreement and Modifications:** This Lease superseded all previous contracts between the parties related to the Premises, specifically the Sheriff Substation Ground Lease Agreement, dated April 17, 2001, which is terminated upon the effective date of this Lease. It constitutes the entire Lease between the parties hereto as it pertains to the subject real property, and there are no promised terms, conditions, or obligations referring to the subject matter hereof, other than as contained herein. Lessor shall not be entitled to any other benefits than specified herein. Any alterations, changes or modifications to this Lease must be in writing and executed by both OCSD and County. Except as otherwise stated in this Lease, County hereby acknowledges that neither the broker (if applicable) acting as agent for OCSD, nor any cooperating agent on this transaction, nor the OCSD or any employee or agents of any said persons, has made any oral or written warranties or representations to County relative to the condition or use by County of the Premises.

**40. Drug Free Workplace:** County and its employees, agents, assignees and sub-lessees will comply with all laws related to a drug free workplace. Neither County nor its employees will unlawfully manufacture, distribute, dispense, possess, or use controlled substances, including but

not limited to marijuana, heroin, cocaine, methamphetamine, or amphetamines at any of OCSD's facilities or County's facilities or worksites.

**41. Surrender of Possession:** Any alteration, addition, or improvement made in or on the Premises by County shall remain the property of the County upon the expiration or other sooner termination of this Lease. County shall have the right but not the obligation to remove any personal property, fixtures, machinery, and equipment affixed to, installed in or on the Premises by County.

**42. Headings:** The headings of the paragraphs and sections of this Lease are inserted only as matter of convenience and for reference and do not define or limit the scope or intent of any provisions of this Lease and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

**43. Authority:** Each person executing this Lease on behalf of a Party represents and warrants that such person is duly and validly authorized to do so on behalf of the entity it purports to bind.

////////////////////////////////////NOTHING FURTHER PAST THIS POINT////////////////////////////////////



**IN WITNESS WHEREOF**, County and OCSD have executed this Lease this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

**COUNTY OF SAN LUIS OBISPO**, a political subdivision of the State of California

By: \_\_\_\_\_  
Chairperson of the Board of Supervisors

APPROVED BY THE BOARD OF SUPERVISORS

This \_\_\_ day of \_\_\_\_\_, 2024

**ATTEST:**  
**Matthew Pontes**,  
County Administrative Officer and Ex-Officio Clerk of the Board of Supervisors

By: \_\_\_\_\_

**APPROVED AS TO FORM AND LEGAL EFFECT:**

**RITA L. NEAL**  
County Counsel

By: \_\_\_\_\_  
Deputy County Counsel

Date: \_\_\_\_\_

**OCSD:**

Oceano Community Services District

By: \_\_\_\_\_  
\_\_\_\_\_, General Manager

Date: \_\_\_\_\_

# Exhibit "A"



**Exhibit B  
INSURANCE**

**MINIMUM INSURANCE REQUIREMENTS**

**Without limiting any other obligation or liability under this Lease, the Lessee at its sole cost and expense, shall secure and keep in force during the entire term of the Lease or longer, as may be specified below, the following insurance coverage, limits and endorsements:**

Lessee shall obtain and maintain for the entire term of the Agreement and Lessee shall not perform any work under this Contract until after Lessee has obtained insurance complying with the provisions of this paragraph. Said policies shall be issued by companies authorized to do business in the State of California. Lessee shall maintain said insurance in force at all times. The following coverage with the following features shall be provided:

A. Property Insurance

OCSD is presently self-insured.

Tenant/Lessee shall maintain not less than \$1,000,000 Property Coverage on all real property being leased, including improvements and betterments owned by OCSD, and shall name OCSD as a loss payee. Tenant/Lessee shall also provide property insurance on all personal property and betterments and improvements contained within or on the leased premises. The policy must be written on an "all risks" replacement cost basis, excluding earthquake and flood, with no more than a ninety (90) percent co-insurance requirement, and Tenant/Lessee shall name Entity as a loss payee for its interest in the property.

B. Liability Insurance. OCSD is presently self-insured. County agrees to maintain in force throughout the term hereof, at County's sole cost and expense, commercial general liability insurance with a broad form general liability endorsement insuring against any liability to the public for any claim for damages due to death, bodily injury or property damage related to County's occupancy of the Premises, with single limit coverage of not less than \$2,000,000 per occurrence. Lessor shall be named as an additional insured in such policy. County shall provide Lessor with at least (30) days notice of cancellation of insurance.

C. Workers' Compensation Insurance: In accordance with the provisions of sections 3700 of the California Labor Code, et seq., if Lessee has any employees, Lessee is required to be insured against liability for workers' compensation or to undertake self insurance. Lessee agrees to comply with such provisions before commencing the performance of this Lease.

D. Waiver of Subrogation. Lessee hereby grants to OCSD a waiver of any right to subrogation which any insurer of said Lessee may acquire against the County by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

C. Primary Coverage. For any claims related to this contract, Lessee's insurance coverage shall be primary insurance as respect to the OCSD, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, agents, and employees shall be excess of the Lessee's insurance and shall not contribute with it.

D. Notice of Cancellation. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the OCSD.

E. Waiver of Subrogation. Lessee hereby grants to OCSD a waiver of any right to subrogation which any insurer of said Lessee may acquire against the OCSD by virtue of the payment of any loss under such insurance. Lessee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the OCSD has received a waiver of subrogation endorsement from the insurer.

F. Additional Insureds to be Covered: The commercial general liability policies shall name "County of San Luis Obispo, its officers and employees" as additional insureds. The policy shall provide that the Lessee's insurance will operate as primary insurance and that no other insurance maintained by the OCSD, or additional insureds will be called upon to contribute to a loss hereunder.

G. Certification of Coverage: Within fifteen (15) calendar days of the first day of the Commencement Date of this Lease, Lessee shall furnish OCSD with the following for each insurance policy required to be maintained by this Lease, and annually thereafter:

- (1) A copy of the Certificate of Insurance shall be provided. The certificate of insurance must include a certification that the policy will not be canceled or reduced in coverage or changed in any other material aspect without thirty (30) days prior written notice to the County.
- (2) A Workers' Compensation certificate of insurance must be provided.
- (3) Approval of Insurance by County shall not relieve or decrease the extent to which the Lessee may be held responsible for payment of damages resulting from Lessee's services or operations pursuant to

this Contract. Further, County's act of acceptance of an insurance policy does not waive or relieve Lessee's obligations to provide the insurance coverage required by the specific written provisions of this Contract.

- H. Effect of Failure or Refusal:** If Lessee fails or refuses to procure or maintain the insurance required by this Lease, or fails or refuses to furnish OCSD with the certifications required by *Subparagraph G.* above, OCSD shall have the right, at its option, to forthwith terminate the Contract for cause.

**Exhibit "C"**

County of San Luis Obispo  
Standard for Data and Voice Cabling



**County of San Luis Obispo  
Standard for Data and Voice Cabling**

**Version 4.0  
July 2021**

**Information Technology Department  
Networking Team**

Table of Contents

- 1. PURPOSE OF THE STANDARD ..... 2
- 2. RESPONSIBILITIES ..... 2
- 3. DETAILS OF CABLING STANDARD ..... 2
  - 3.1. General Standards..... 2
  - 3.2. Horizontal Cabling ..... 5
  - 3.3. Telecommunication Closet (IDF/MDF)..... 5
  - 3.4. Telecommunications Cabling Rack Layout ..... 9
  - 3.5. Cabling for IP-Based Video Cameras ..... 12
  - 3.6. Data & Voice Wall Outlets ..... 12
  - 3.7. SRST (Survivable Remote Site Telephony) ..... 13
  - 3.8. VoIP (Voice over Internet Protocol) ..... 14
  - 3.9. Fiber Optic Building Backbone Cable ..... 16
  - 3.10. Underground and Aerial Fiber Installation ..... 16
  - 3.11. Fiber Optic Terminations ..... 18
  - 3.12. Wireless Access Point Cabling Requirement ..... 19
- 4. LABELING AND LOCATING ..... 20
  - 4.1. Data Cable Labeling and Identification ..... 20
  - 4.2. Optical Fiber Labeling and Locating ..... 21
- 5. TESTING OF CABLING ..... 21
  - 5.1. General Testing ..... 21
  - 5.2. Fiber Optic Cables ..... 22
  - 5.3. Data Horizontal Cabling System (Category 6a) ..... 23
- 6. GROUNDING ..... 23
  - 6.1. Master Ground Bar ..... 23
  - 6.2. Equipment Grounding ..... 28

## 1. PURPOSE OF THE STANDARD

This document defines the structured communications cabling system standards that enable the transmission of voice and data at County of San Luis Obispo facilities. This cabling standard provides a document to be used with construction of all voice and data cabling; either new projects, upgrades, or maintenance undertaken by the County of San Luis Obispo. The goal is to ensure that the County is provided with a cabling solution that optimize value by minimizing down time and maintenance requirements, while providing a scalable solution for migration and expansion in the future.

## 2. RESPONSIBILITIES

The Information Technology Department (IT) is responsible for the maintenance and management of all data and voice communication cabling at each County owned and leased facility.

This responsibility includes:

- Management of the County's Network Infrastructure
- Coordination of all cable installation, maintenance, and plant records
- Ensure compliance for new cable installations at County owned and leased facilities.

IT will work with the project coordinator to ensure appropriate data and voice cabling for each new project, upgrade, or maintenance effort.

## 3. DETAILS OF CABLING STANDARD

### 3.1. General Standards

3.1.1. New Industry Standard Materials

3.1.2. All parts will be those listed below or IT-approved equivalents.

3.1.3. Materials and equipment shall be installed and tested as specified in the applicable publications, standards, rulings, and determinations of the following:

3.1.3.1. The ANSI/TIA-568.2-D

This Standard specifies the mechanical and transmission requirements of category 3, 5e, 6, 6A, and 8 balanced twisted-pair copper cabling and components.



28 AWG patch cords, which have become popular at high-density patching areas due to their smaller diameter that helps reduce congestion, improves airflow and enables a decreased bend radius, are also now recognized in a normative annex to TIA-568.2-D

Also includes Guidelines for Supporting Power Delivery Over Balanced Twisted-Pair Cabling. This provides recommendations for cables that will support DC power, which is important in terms of supporting 4-pair PoE. DC resistance unbalance testing within and between pairs is also now specified in 568.2-D.

#### 3.1.3.2. The ISO/IEC 11801

The ISO/IEC is the international standard for information technology systems. As the name suggests, it standardizes and regulates cabling systems within an IT network. The ISO standards are reviewed every five years, with the last major review and revision taking place in 2017.

Section 11801 deals with the general standards for cabling in a commercial building. The section covers data, voice, and video services for cabling, along with specifications for both copper cabling and fiber-optic cabling.

#### 3.1.3.3. ANSI/TIA/EIA 569-A

Commercial building Standard for Telecommunication Pathways and Spaces / CABLE TRAYS AND WIREWAYS.

#### 3.1.3.4. ANSI-TIA-EIA-569-B

Commercial Building Standard for Telecommunications Pathways and Spaces standardizes specific pathway and space design and construction practices in support of telecommunications media and equipment within buildings.

#### 3.1.3.5. ANSI/TIA/EIA 606-A

Standard specifies administration for a generic telecommunications cabling system that will support a multi-product, multi-vendor environment.

#### 3.1.3.6. ANSI/EIA/TIA-607

Standard defines a telecommunications grounding and bonding system and the interconnections to the building electrical grounding system.

3.1.3.7. ANSI/TIA-526-7

Measurement of Optical Power Loss of Installed Single-mode Fiber Cable Plant

3.1.3.8. FCC–Federal Communications Commission

3.1.3.9. IEEE–Institute of Electrical and Electronic Engineers

3.1.3.10. NEMA–National Electrical Manufacturers Association

3.1.3.11. UL–Underwriters Laboratories

3.1.3.12. ANSI T1.313-2003

Electrical Protection for Telecommunications Central Offices and Similar Type Facilities

3.1.3.13. ANSI T1.333-2001

Grounding and Bonding of Telecommunications Equipment

3.1.3.14. ANSI T1.334-2002

Electrical Protection of Communications Towers and Associated Structures

3.1.3.15. IEEE Std 1100-2005

Recommended design, installation, and maintenance practices for electrical power and grounding (including both power-related and signal-related noise control) of sensitive electronic processing equipment used in commercial and industrial applications are presented.

3.1.3.16. NFPA 70

National Electric Code

- 3.1.4. All work shall be continuously coordinated with the County's Project Coordinator, Maintenance Staff, and/or Information Technology Staff.

### 3.2. Horizontal Cabling

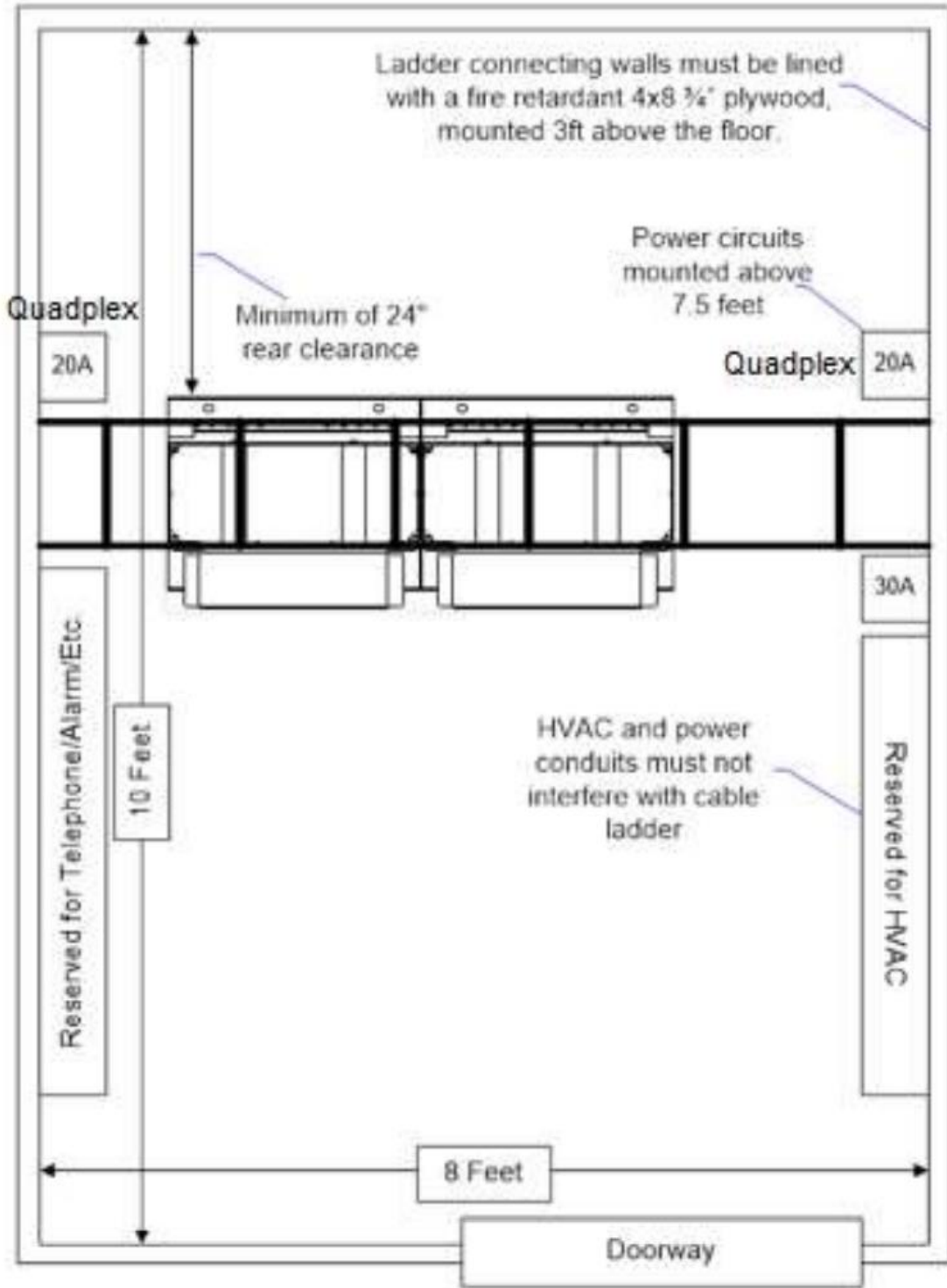
- 3.2.1. The horizontal cable used for the distribution of data and voice shall be 4 pair, 24 AWG, Category 6A, plenum rated, LANmark-10G2 Category 6A UTP Plenum Rated Part Number 10130484 (Blue) or IT-approved equivalent.
- 3.2.2. Where horizontal pathways are not noted as plenum space, riser rated (CM) cable may be utilized. LANmark-10G2 Augmented Category 6a Riser Part Number 10137700 (Blue) or approved equivalent.
- 3.2.3. All cable runs must not exceed 90m/297ft.
- 3.2.4. Horizontal cabling will be run in ceiling space unless approved by the project coordinator.
- 3.2.5. Cabling must be appropriately supported along the entire path, using J-hooks, cable trays, or conduit and must not be attached to any other building wiring or conduit; and installed with sufficient bending radius so as not to kink, shear, or damage the cable.
- 3.2.6. Cable management straps shall be D-Ring style, hook and loop closure.
- 3.2.7. Horizontal Cabling Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
- (OR-70700107) – Ortronics D-Ring Cable Management Straps
  - (10130484) – Berk-Tek LanMark 10-G2 plenum rated CAT 6A cable
  - (10137700) – Berk-Tek LanMark 10-G2 riser rated CAT 6A cable
  - (10032090) - Berk-Tek LANMark 6, CAT6 Cable, Plenum, Yellow (CCTV ONLY)

### 3.3. Telecommunication Closet (IDF/MDF)

The telecommunication closet, sometimes referred as the Intermediate Distribution Facility (IDF), aggregates data/voice cabling from wall outlets to a

single location. In larger buildings, multiple IDFs are connected to a Main Distribution Facility (MDF) using fiber optic cabling. For smaller, single floor buildings there may be only one telecommunications closet making it the MDF. Telecommunication closets should not be used to house server/computer equipment. A standard IDF/MDF is shown in Figure 1.

**Figure 1: Typical SLO County IDF Design**



- 3.3.1. Each floor in buildings with multiple floors should have at least one IDF.
- 3.3.2. For new construction the IDF and/or MDF must be a minimum of 8' X 10' and 8' in height. For a building being remodeled the IDF/MDF should be 8' x 10' but existing building constraints may not make that possible, so IT-Network will work with the appropriate staff to find an acceptable solution.
- 3.3.3. IDF walls must be covered with fire resistant ¾" plywood as appropriate to accommodate mounting of equipment, racks, ladders, power, etc. A minimum of two 4' x 8' backboards will be installed in each IDF.
- 3.3.4. Must have minimum two (2) Quadplex independent 20A 120V on separate circuit breakers, on opposite sides of the IDF, and one (1) 30A 120V electrical circuits.
- 3.3.5. Power circuits must be wall mounted 7.5 feet above the flooring.
- 3.3.6. Wall mounted power conduit and HVAC units must not interfere with cable ladder wall mounting.
- 3.3.7. Racks must be anchored to the overhead cable ladder and the floor.
- 3.3.8. The cable ladder will attach at a minimum of two points to the walls.
- 3.3.9. Wood or concrete flooring must be epoxy painted. Due to static electricity caused by carpeting carpeted flooring will not be used.
- 3.3.10. Ceilings shall be "hard" with appropriate access hatches.
- 3.3.11. All racks shall be installed side by side
- 3.3.12. Maximum of 432 copper cable terminations (144 drops for three cables each) per rack, additional cabling will require a second rack. Figure 3 below shows the rack layout.
- 3.3.13. A suitable telecommunications ground for equipment as required per ANSI/TIA/EIA-607 (telecommunications grounding), IEEE Emerald Green book and NEC requirements will be provided in each IDF. All

cable tray, ladders, equipment racks IDF/MDF shall be appropriately grounded/bonded to the telecommunications grounding.

3.3.14. IDF Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.

3.3.14.1. Telecommunications Rack

- (OR-MM6706) – Ortronics Mighty Mo cable management rack.
- (OR-MM107SVR)– Ortronics Mighty Mo server rack (four-post).
- (OR-MM6CRB06) – Ortronics cable runway mounting bracket.
- (DA-500)- Drop-In Anchor, Anchor Size 1/2-13, Drill Size 5/8 in, Length 2”- Concrete Floor
- (40604-001) – Chatsworth concrete floor anchor kit
- (40607-001) – Chatsworth wood floor anchor kit

3.3.14.2. Cable Management

- (OR-60400129) – Ortronics feed-through management panels
- (OR-60400017) – Ortronics cable management rings

3.3.14.3. Patch Panel

- (OR-PHD610U24) – Ortronics clarity 24-port T568B.2-10.  
Depending on the nature of the cabling, higher density patch panels may be used with prior County approval.

3.3.14.4. Blanks

- (OR-401004788) – Ortronics 1RU blank filler panel
- (OR-401004789) – Ortronics 2RU blank filler panel
- (OR-401004791) – Ortronics 4RU blank filler panel

3.3.14.5. Cable Runway

- (10250-712) – Chatsworth black universal 12”
- (11308-001) – Chatsworth runway j-bolt Kit
- (11420-701) – Chatsworth runway wall mount
- (11301-701) – Chatsworth runway splice kit
- (10488-701) – Chatsworth runway junction kit
- 

3.4. Telecommunications Cabling Rack Layout

3.4.1. The typical data cabling rack layout is shown in Figure 2.

Figure 2: SLO County Cabling Rack Layout  
A-B-C System Rack Standard

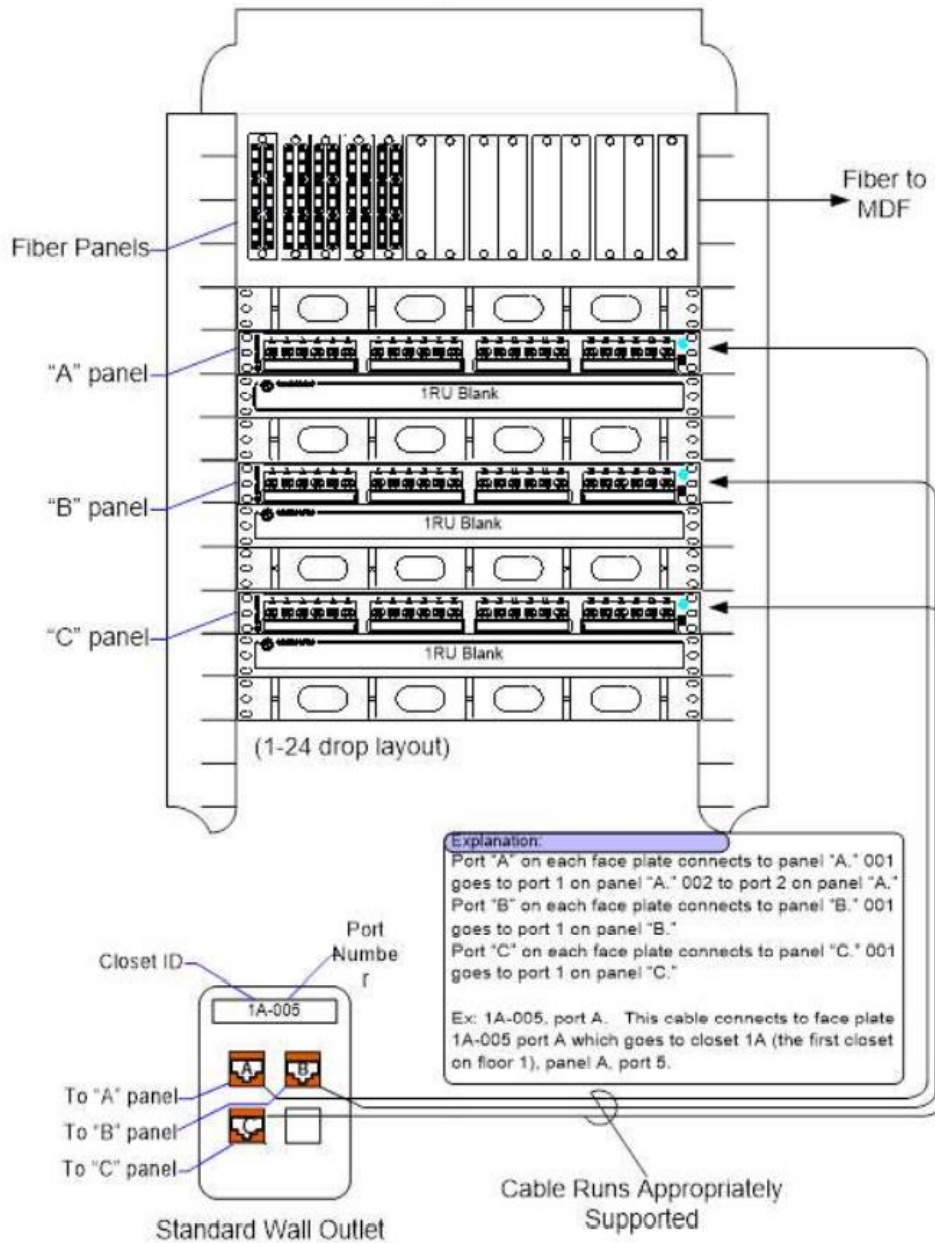
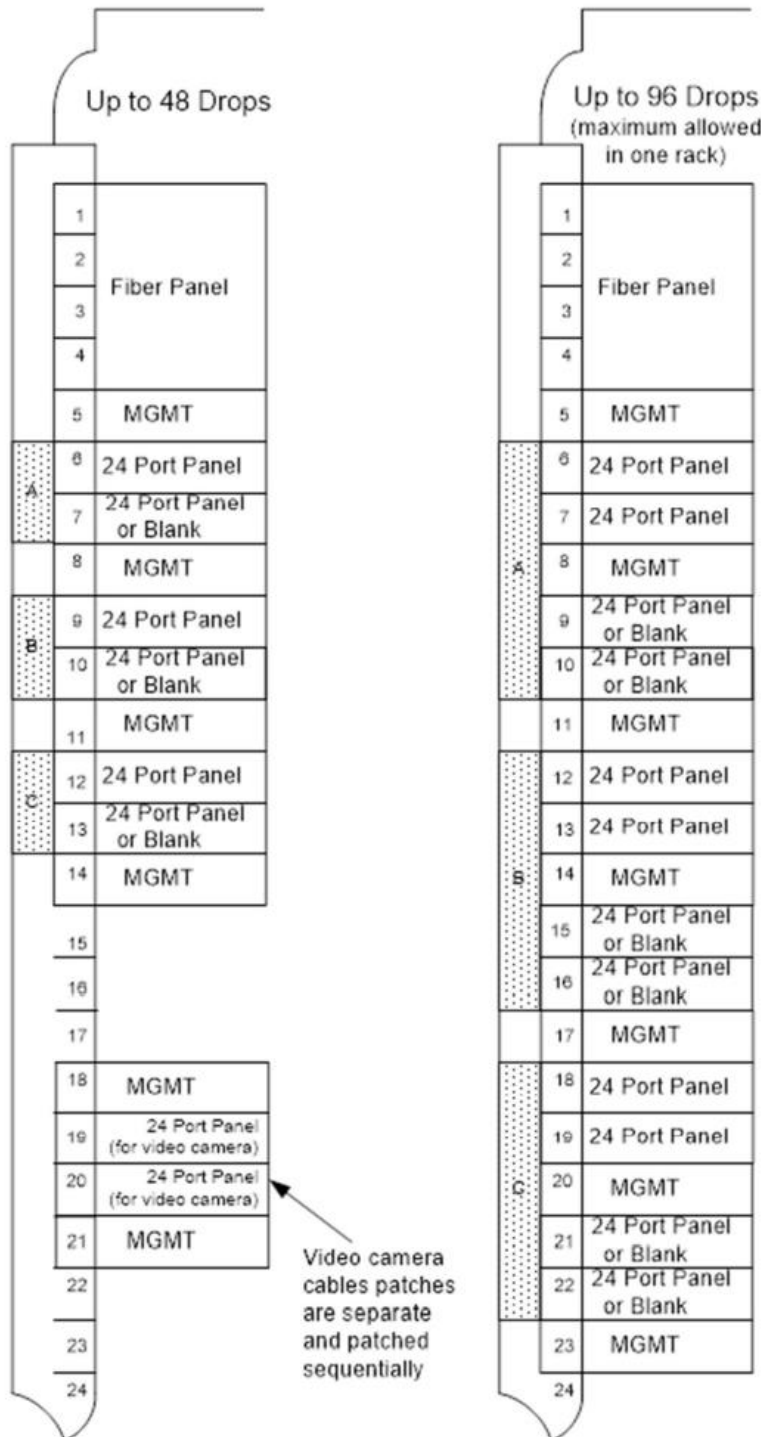




Figure 3: Typical SLO County Cabling Rack Layout for Different Number of 3 Cable Drops using Standard A-B-C Rack Layout and Sequential Video Cable Layout



### 3.5. Cabling for IP-Based Video Cameras

- 3.5.1. Only one CAT 6 cable will be run to each IP based camera.
- 3.5.2. Cables for each IP based camera will run to patch panels that are separate from the A, B, C system. They will be patched on separate 24-port patch panels sequentially located below the data cable patch panels (see Figure 3 above)
- 3.5.3. Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - 3.5.3.1. CCTV installations shall use a BERK-TEK UTP Cable, Plenum, 24 AWG, Cat 6, 4-Pair, 2-Conductor, 0.22" Cable Diameter, 1000' Length, Bare Copper Conductor, FEP Insulation, Flame Retardant PVC Jacket, Yellow, Indoor (Part number 10136749) or its equivalent
  - 3.5.3.2. Indoor locations for IP Cameras shall use a BERK-TEK LANmark-6™ Plenum 4-Pair UTP Cable (Yellow) (Part Number 10032090) or its equivalent
  - 3.5.3.3. Outdoor locations for IP Cameras shall use a BERK-TEK UTP Cable, Non-Plenum, 23 AWG, Solid, CAT 6, 4-Pair, 2-Conductor, 0.25 in Cable Diameter, 1000' Length, Bare Copper Conductor, UV Resistant Polyethylene Jacket, Black, Outdoor (Part number 10139885) , or its equivalent
- 3.5.4. All building penetrations must be sealed. All cables must be supported by a screw zip or J-hook

### 3.6. Data & Voice Wall Outlets

- 3.6.1. Wall outlets shall have 4 ports. A layout is shown in Figure 2 and Figure 4. Data ports #1, #2 and #3 shall be orange. Port #4 shall be a blank.
- 3.6.2. Should the building require a voice wall outlet, the copper line coming from outside shall be terminated to a block on the backboard of the network room or Minimum Point Of Entry (MPOE). Then from the block, a copper cable is used to terminate on Data Port #3 of the corresponding location. As shown in Figure #4 below.

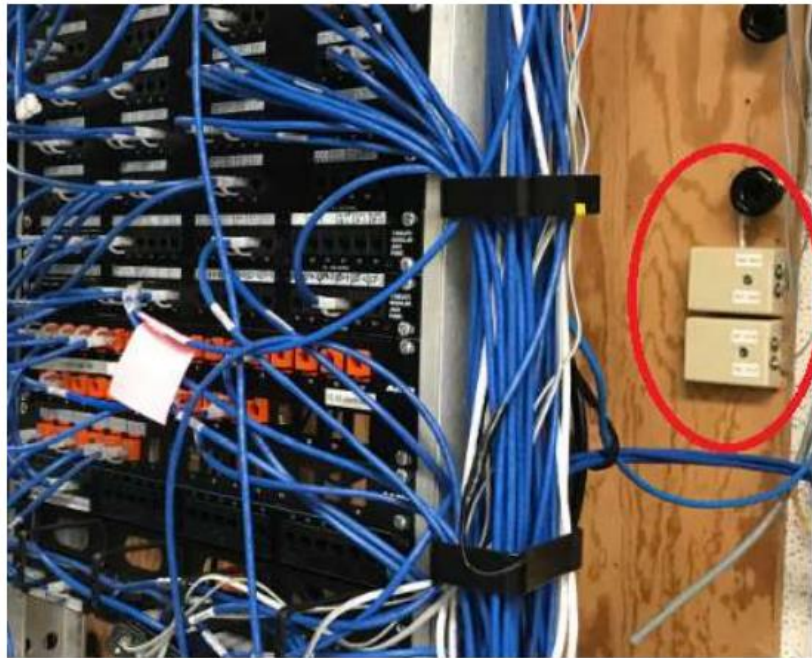


Figure #4

3.6.3. Wall Outlet Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.

- (OR-40300546) – Ortronics 4 port faceplate or (OR-40400055) Ortronics 4 port surface mount box.
- (OR-TJ610-43) – Ortronics Orange modular insert
- (OR-42100002) – Ortronics modular blank (package of ten)
- (300-66FF-WH) - White Phone Surface Mount Jack, RJ11/RJ12, Data/Voice

### 3.7. SRST (Survivable Remote Site Telephony)

A Modular Telephone Surface Mount Jack shall be terminated to a back board for every copper line as shown below. If back board is not available, the jack can be mounted to a rack closest to the SRST Router as shown in Figure #5.



Figure #5

### 3.8. VoIP (Voice over Internet Protocol)

Each location requiring the installation of a VoIP phone or computer requires a standard data and voice wall outlet. The Cisco VoIP Phone should use the black cable that came from the factory to connect to a computer. If the computer is too far from the phone, then a blue CAT6 ethernet cable can be used to connect from computer to the phone. See Figure #6 and Figure #7 below.



Figure # 6



1	DC adaptor port (DC48V).	5	Access port (10/100/1000 PC) connection.
2	AC-to-DC power supply (optional).	6	Auxiliary port.
3	AC power wall plug (optional).	7	Handset connection.
4	Network port (10/100/1000 SW) connection. IEEE 802.3at power enabled.	8	Analog headset connection (optional).

Figure #7

### 3.9. Fiber Optic Building Backbone Cable

- 3.9.1. Fiber optic cabling used to connect IDFs to the MDF, Building to Building will be 24 strands of single-mode fiber optic cable, black jacket, using Berk-Tek Adventum plenum rated cable or approved equivalent.
- 3.9.2. Where pathways are not noted as plenum space, riser rated cable may be used.
- 3.9.3. The single-mode fiber must be 9/125micron OFNR terminated with LC pigtails.
- 3.9.4. All fiber optic building backbone cabling will be run inside using plenum rated 1 ¼" orange inner duct with a 900 lb pull tape. Couplings shall not be used to join shorter sections of inner duct in the middle of a run.
- 3.9.5. Fiber termination shall be with pigtails that plug into adapter panels within the fiber patch cabinet. All pigtails will be fusion spliced. All splices shall utilize appropriate splice trays and shall use heat shrink sleeves or splice protection covers.
- 3.9.6. Fiber Optic Backbone Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - (OR-FC02U-C) – Ortronics rack mount (2U) fiber patch and splice cabinets for up to 36 fibers. For use in the IDF.
  - (OR-FC04U-C) – Ortronics rack mount (4U) fiber patch and splice cabinets for up to 144 fibers. For use in the MDF.
  - (OR-OFP-LCD12AC) – Ortronics LC duplex (12-fibers) single mode adapter panel (blue)
  - (OR-P3TF4ZRGZZZ002M) – Ortronics LC connector pigtail, 12 fiber, 50micron MMF, 2 meters.
  - (OR-P1TC4ZRSZZZ002M) – Ortronics LC connector pigtail, 12 fiber, OFNR SMF, 2 meters.
  - (OR-FST2-F012) – Ortronics fusion splice tray for 12 fibers
  - (OR-20500043) – Ortronics heat shrink sleeves pkg 50

### 3.10. Underground and Aerial Fiber Installation

This section address fiber optic cables that reside underground in conduit installed by trenching or directional bore, as well as aerial cabling installed on utility poles. Fiber counts to be determined in the project scope

3.10.1. Single Mode Fiber Optic Cable Specifications

- 3.10.1.1. Cable must meet Corning SMF-28 performance specifications or better.
- 3.10.1.2. Cable jacket color shall be black with white print labeling.
- 3.10.1.3. Cable must be pulled by hand with no mechanical assistance. Alternative means of pulling fiber must be approved by the County prior to installation.
- 3.10.1.4. Underground and Aerial over-lashed cable shall be Corning Altos Loose Tube Gel-Free, p/n xxxEW4-T4100D20.

3.10.2. Conduit Specifications

- 3.10.2.1. Conduit minimum is 2" HDPE, color orange, SDR 11, 10 or less.
- 3.10.2.2. Conduit depth shall be a minimum 24".
- 3.10.2.3. Conduit shall be joined in accordance with Manufacturer's recommendations, and all joints shall be watertight.
- 3.10.2.4. All conduits shall be cleaned and tested prior to cable installation.
- 3.10.2.5. Conduits entering pull boxes shall be sealed appropriately after cable installation is complete.
- 3.10.2.6. The conduit shall gradually and smoothly slope up to the elevation of the pull box entrance. Bends, if required shall be no more than 25 degrees.

3.10.3. Pull Box Specifications

- 3.10.3.1. Pull boxes will be used to facilitate the pulling of underground cable in ducts, as well as splice enclosure and slack storage.

- 3.10.3.2. Boxes shall be installed following Manufacturer Recommendations.
- 3.10.3.3. Boxes shall be concrete Old Castle (Christy) P48, p/n N48PBOX with 2 piece concrete lid, p/n N48D2.
- 3.10.3.4. Lid shall be marked "CoSLO Fiber Optic"
- 3.10.3.5. Boxes shall rest on 6" of compacted gravel as a base. An additional 3" of "Drain Rock" must added after the box is set
- 3.10.3.6. Boxes shall be leveled and flush to grade.
- 3.10.3.7. Maximum distance between pull boxes is 1500'
- 3.10.3.8. All cable slack within any pull box shall be a minimum of 60' of coiled cable.

#### 3.10.4. Splicing and Enclosures

- 3.10.4.1. All fibers shall be fusion spliced.
- 3.10.4.2. Splice enclosures shall be located within pull boxes, installed flush to grade.
- 3.10.4.3. Underground splice locations shall have a minimum of 60' of coiled cable for slack.
- 3.10.4.4. Aerial splice enclosures must be attached appropriately to messenger with a minimum of 100' aurally managed slack.
- 3.10.4.5. Splice enclosures shall be chosen from the following list, enclosure type and trays shall be sized appropriately to project scope.
  - Preformed Coyote Runt
  - Preformed Coyote Pup
  - Preformed 6.5" Coyote
  - Preformed 8.5" Coyote

#### 3.11. Fiber Optic Terminations



- 3.11.1. All fiber optic strands shall be terminated with LC pigtails.
- 3.11.2. All fiber optic cables will be landed within a 19" rack mountable fiber splice cabinet. See section 3.9 for details on fiber optic cabling installed within buildings.
- 3.11.3. Fiber termination shall be with pigtails that plug into adapter panels within the fiber splice cabinet. All pigtails will be fusion spliced. All splices shall utilize appropriate splice trays and shall use heat shrink sleeves or splice protection covers.
- 3.11.4. Termination Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - (OR-FC04U-C) – Ortronics rack mount (4RU) fiber patch and splice cabinets for up to 144 fibers.
  - (OR-OFP-LCD12AC) – Ortronics LC duplex (12-fibers) single mode adapters (blue)
  - (OR-626TC4ZR-RZ002M) – Ortronics connector pigtail, 12 fiber, OFNR SMF, 2 meters.
  - (OR-FST2-F012) – Ortronics fusion splice tray for 12 fibers
  - (OR-20500043) – Ortronics heat shrink sleeves pkg 50

### 3.12. Wireless Access Point Cabling Requirement

- 3.12.1. Any new Wireless Access Point Cabling in new building construction will require two blue category 6a cables to be run from the mounting location point back to the MDF/IDF for the area. (Reference section 3.3)
  - 3.12.1.1. Two cables will be required for each wireless access point in preparation for future Wi-Fi technologies like Wi-Fi 7
- 3.12.2. Termination Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.
  - 3.12.2.1. (KSSMB2) – ORTRONICS Surface Mount Box, 2.59" W x 1.14" D x 2.27" H, 2-Port, High Impact Thermoplastic ABS 94V-0, Fog White, Plastic Keystone Jack Surface Box
  - 3.12.2.2. (KS6A-36) – ORTRONICS Category 6 Keystone Jack, Blue

- 3.12.2.3. (10130484) – Berk-Tek LanMark 10-G2 plenum rated CAT 6A cable (Blue)

#### 4. LABELING AND LOCATING

##### 4.1. Data Cable Labeling and Identification

- 4.1.1. All patch panel and wall outlet (station) designators shall be laser-printed black print on white background, no hand printing. The font shall be approximately 1/8 inches in height, block characters and clearly legible.
- 4.1.2. All labels shall be securely attached to faceplates and patch panels.
- 4.1.3. All copper and fiber optic cables shall be clearly labeled at both ends.
- 4.1.4. All patch panel and wall outlets will be labeled in sequential order as follows:

All IDFs and MDFs within a building shall follow a format of fs, where:

f = numeric character(s) identifying the building floor occupied by the IDF or MDF and s = alpha character(s) uniquely identifying the IDF/MDF on floor f,

Example: 1A is the first IDF on the first floor

Example: 3B is the second IDF on the third floor

All wall outlets (stations) shall follow a format of fs-n, where:

fs = IDF/MDF designation described above; and n = three numeric characters designating the port on the patch panels on which each of the three cables are terminated in the IDF/MDF.

Example: 1A-011 is port 11 on patch panels A, B, C in the first (or A) IDF/MDF on the first floor

Example: 2C-27 is port 27 on patch panels A, B, C in the third (or C) IDF/MDF on the second floor. See Example in Figure 8: Standard Wall Outlet below.

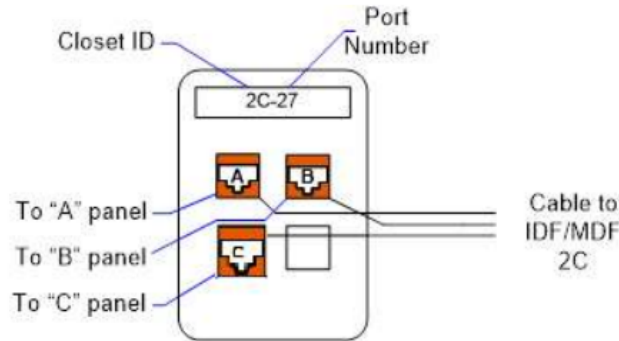


Figure #8

4.1.5. Labeling Standard Hardware. Parts other than those listed in this section shall not be used without prior County approval.

- (OR-70700408) – Ortronics patch panel designator, white
- (OR-70700411) – Ortronics wall outlet designator, white

#### 4.2. Optical Fiber Labeling and Locating

- 4.2.1. Conduits shall have an appropriately sized pull rope installed with integrated locator wire, such as Neptco Detectable MULETAPE with foot indicator.
- 4.2.2. Where applicable, buried pull boxes shall have an electronic ball locator installed, such as 3M™ iD Ball Marker 1421-XR/iD for Telecommunications industry.
- 4.2.3. Coiled cable in pull boxes and buildings will be tagged "CoSLO Fiber Optic – 805-788-2800".
- 4.2.4. Aerial cable will be tagged at each utility pole attachment "CoSLO Fiber Optic – 805-788-2800".
- 4.2.5. Cable terminations will be labeled with cable number, location, and fiber number.

### 5. TESTING OF CABLING

#### 5.1. General Testing

- 5.1.1. All testing shall be performed after all telecommunication outlets have been secured and all fibers have been terminated in their final

position and properly labeled. The building must be operational (i.e. building lighting and power must be energized during testing).

- 5.1.2. All original test results will be submitted in soft copy using the test equipment's native file format to the County's project coordinator – see 3.1.4
- 5.1.3. Submit one or more binders containing the following documentation and test results for all cables to the County of San Luis Obispo, General Services Agency-Information Technology department. Binders shall be indexed with tabs denoting Main Distribution Facility (MDF) and Intermediate Distribution Facilities (IDF). All original test results shall have been uploaded directly from the cable test equipment and printed directly. Testing and documentation shall include, but not be limited to:

## 5.2. Fiber Optic Cables

- 5.2.1. Using an Optical Power Meter with memory and adapter measure and record end-to-end insertion loss for all installed cables, including: all connectors, cables, and patch cords. All fiber optic insertion loss (attenuation). The total loss shall be measured and reported for each cable at the appropriate operating wave lengths: 1310 nm and 1550 nm for single mode fiber. Optical attenuation tests shall be conducted in both directions, end-to-end. The length of each fiber shall also be documented.
- 5.2.2. Using an Optical Time Domain Reflectometer (OTDR), all single mode cables shall be tested and record all fiber optic insertion loss (attenuation) and attenuation coefficient at the appropriate operating wave lengths: 1310 nm and 1550 nm for single mode. The length of each fiber shall be documented as well as the distance to all splices and connections.
- 5.2.3. All cables additionally certified according to the (ANSI/TIA 568.3-D) standard
  - 5.2.3.1. Single mode:
    - 100GBASE-LR - links <=10KM (IEEE 802.3cu)
    - 100GBASE-ER4 - links <=40KM (IEEE 802.3ba)
    - 100GBASE-ZR - links >40KM (IEEE 802.3ct)

### 5.3. Data Horizontal Cabling System (Category 6a)

5.3.1. All horizontal data (Category 6A) permanent link testing shall be performed using a Level IV accuracy cable tester, updated with the most recent firmware and using the correct link adapters. And record:

- Length
- Line map continuity
- Pass or Fail on a CAT 6A connectivity test

5.3.2. Tests shall be performed on finished cables (patch cords, patch panel, horizontal cable, station connectors) end to end.

## 6. GROUNDING

### 6.1. Master Ground Bar

The purpose of the master ground bus bar (MGB) (see Figure # 9) is to provide a convenient internal grounding (earthing) termination point for the communication system and to serve as a dedicated extension of the site's common grounding electrode system. The MGB functions as the primary internal earth reference point for all equipment ground bus conductors, grounding conductors and communications equipment within the facility. Typically, there should only be a single MGB per building (ANSI-J-STD-607-A- 2002 and ANSI T1.334-2002).

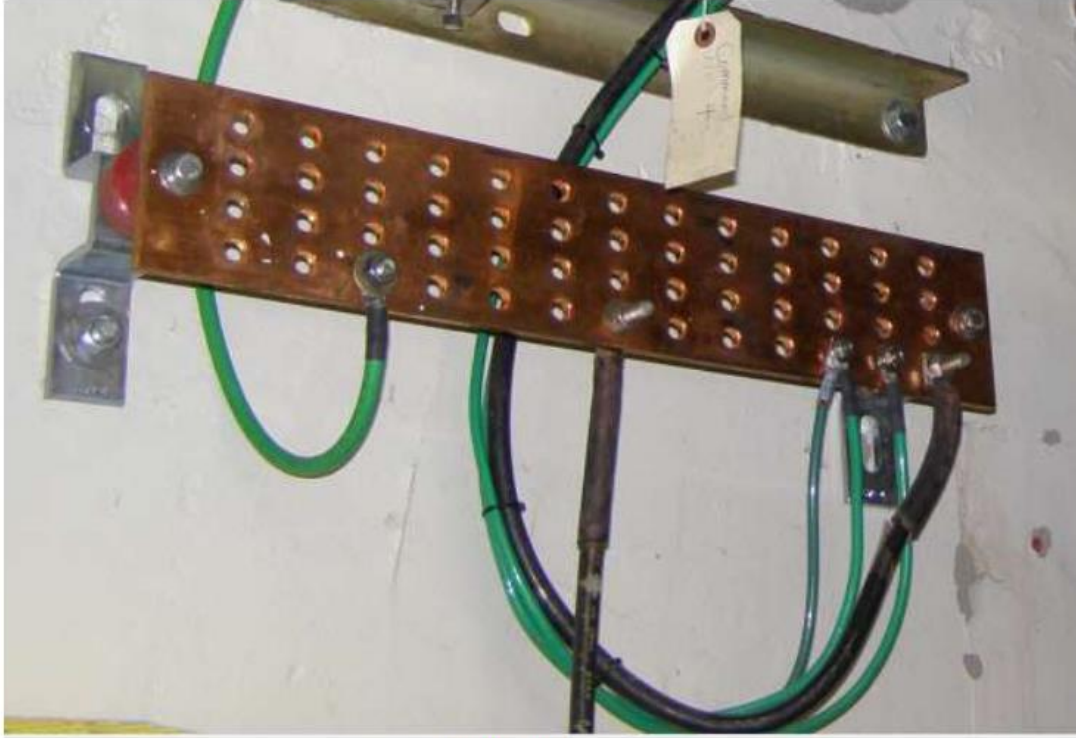


Figure # 9

All applicable general bonding requirements shall apply when attaching ground (earth) bus extension conductors and equipment grounding conductors to a ground bus conductor. The following requirements also apply:

- 6.1.1. All ground bus conductors should be installed without splices. Where splices are necessary, the number of splices should be kept to a minimum and they shall be accessible and only located in telecommunication spaces. The joined segments shall be connected using exothermic welding or listed irreversible compression-type connectors. All bonding joints shall be adequately supported and protected from damage (ANSI-J-STD-607-A-2002).
- 6.1.2. Ground bus extension conductors shall always be routed toward the MGB at the point of connection to the ground bus conductor. Ground bus extension conductors shall be connected to the ground bus conductor using exothermic welding or listed irreversible compression-type connectors. Connection points shall be taped with a suitable green tape or otherwise isolated from contact with the cable tray or other metallic surfaces.

- 6.1.3. Equipment grounding conductors shall always be routed toward the MGB at the point of connection to the ground bus conductor. Equipment grounding conductors shall be connected to the ground bus conductor using exothermic welding, listed compression-type connections, or listed split bolt connections. Connection points shall be taped with a suitable green tape or otherwise isolated from contact with the cable tray or other metallic surfaces. See Figure #10 and Figure #11

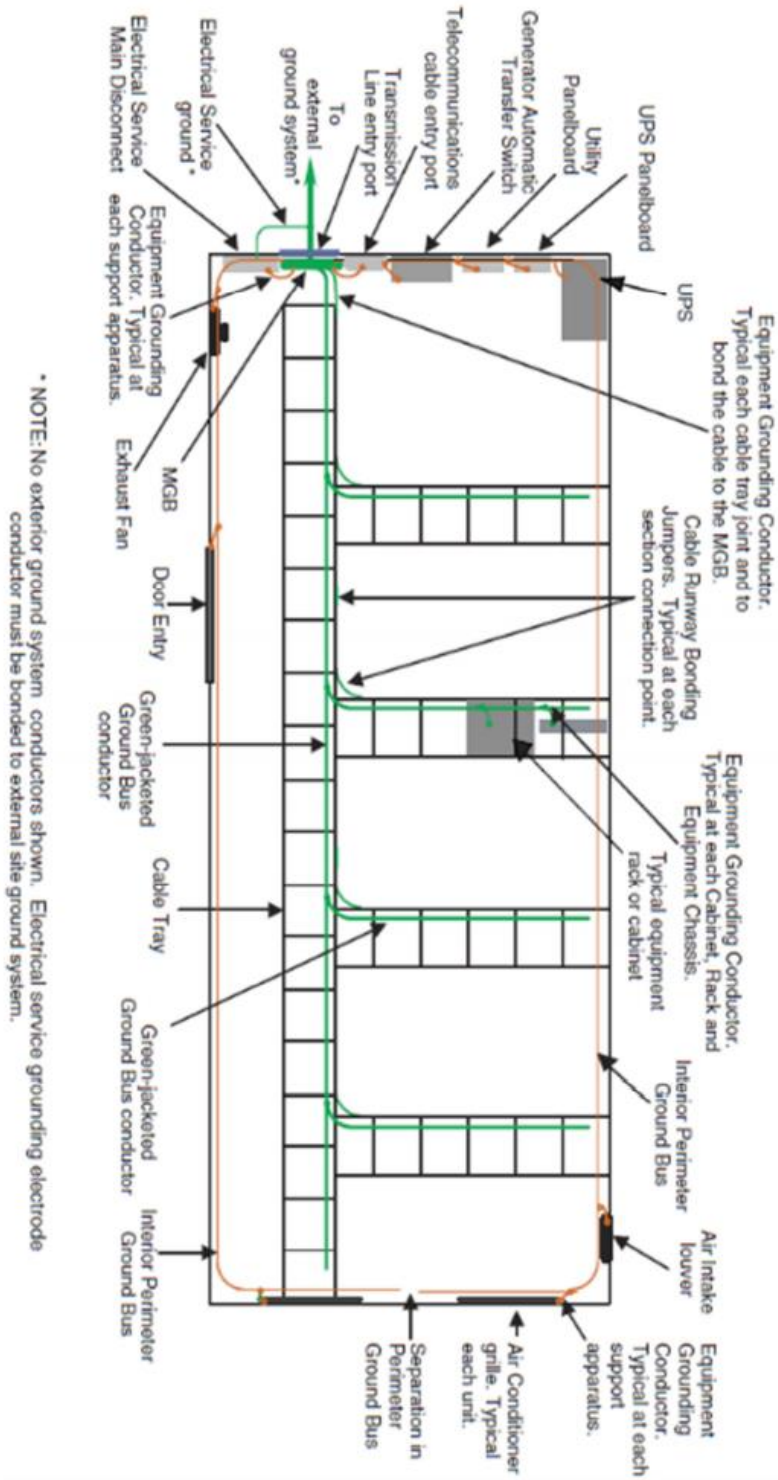


Figure #10



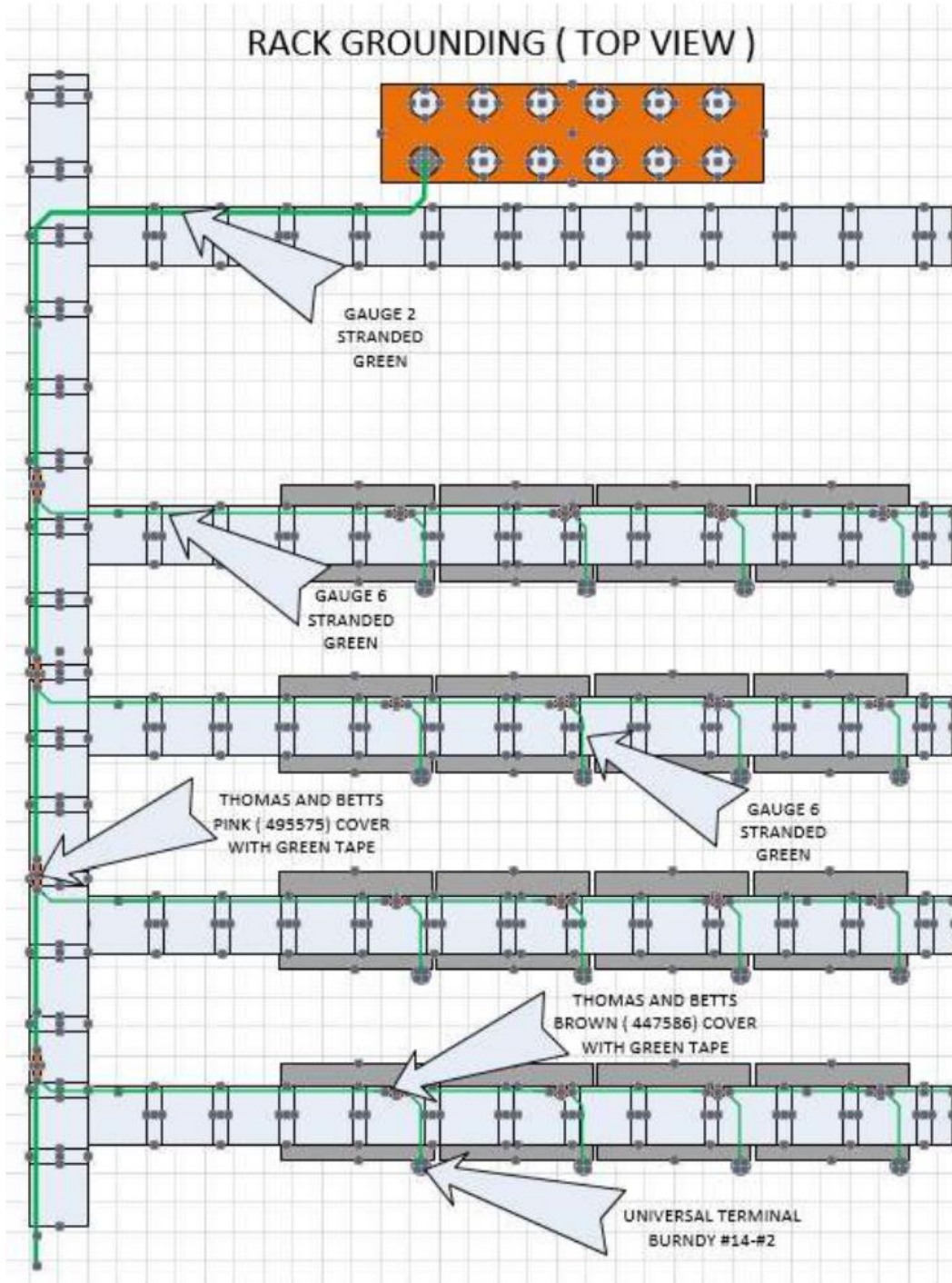


Figure # 11

- 6.1.4. Equipment grounding conductors shall be connected so that the removal of a connection will not break the ground path to any other piece of equipment or ancillary support device that may have electrical power applied.
- 6.1.5. Multiple connections shall not be made to one attachment point on the ground bus conductor unless this connection is made using exothermic welding, irreversible compression-type connector.

## 6.2. Equipment Grounding

An equipment grounding (earthing) conductor bonds equipment chassis or frames, and metallic ancillary support apparatus to the internal grounding system. An equipment grounding conductor from each piece of electronic equipment shall be bonded to the MGB, SSGB, RGB, ground bus conductor or ground bus extension using suitable methods. In this case, chassis are connected to the Rack. See Figure #12.

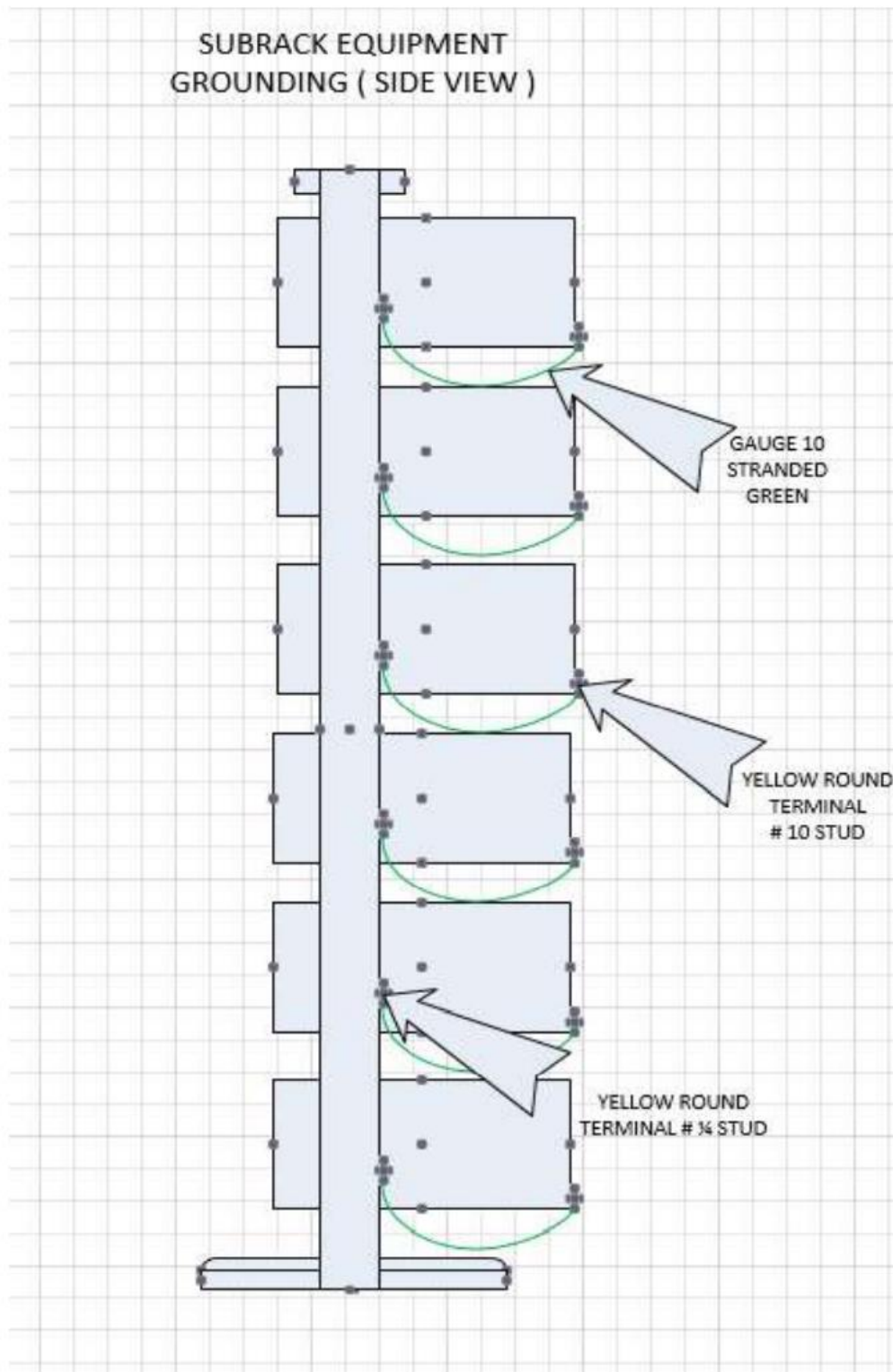


Figure #12

**Contact Details:**

**County-IT Network**

**Address:**

**976 Osos St Rm 400, San Luis Obispo, CA 93401**

**Phone # 805-781-4399**

Filename: County Of SLO Cabling Standard - Rev 4  
Directory: C:\Users\jprichard\OneDrive - County of San Luis Obispo\Documents  
Template: C:\Users\jprichard\AppData\Roaming\Microsoft\Templates\Normal.dot  
m  
Title:  
Subject:  
Author: Richard Macabulos  
Keywords:  
Comments:  
Creation Date: 7/8/2021 11:23:00 AM  
Change Number: 221  
Last Saved On: 8/6/2021 4:14:00 PM  
Last Saved By: Jarrett Prichard  
Total Editing Time: 4,573 Minutes  
Last Printed On: 8/6/2021 4:14:00 PM  
As of Last Complete Printing  
Number of Pages: 31  
Number of Words: 4,265 (approx.)  
Number of Characters: 24,311 (approx.)



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

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**Date:** December 11, 2024

**To:** Board of Directors

**From:** Peter Brown, General Manager

**Subject:** **Agenda Item # 9(B): Approval of a resolution Designating the General Manager as the authorized representative to execute agreements for the Ken Mar Gardens, Halcyon Water System, Halcyon Estates, and Grand Mobile Manor Consolidation Projects Improvements Project through the State Revolving Fund Financing Program**

## Recommendation

That the Board of Directors adopt a resolution Designating the General Manager as the authorized representative execute agreements for the Ken Mar Gardens, Halcyon Water System, Halcyon Estates, and Grand Mobile Manor Consolidation Projects for accepting grants funds of \$8,000,000 through the Expedited Drinking Water Grant Program of the State Water Board.

## Discussion

Over the past few years, the Rural Community Assistance Corporation (RCAC) has been assisting the District with the development of the Ken Mar Gardens and Halcyon Water System Improvements Project. The goal of this project is to consolidate two small water systems into the District's larger system to ensure safe and sustainable drinking water. The program will be funded by the Drinking Water State Revolving Fund (DWSRF), which is a financial assistance program to help water systems finance the cost of drinking water infrastructure projects needed to achieve or maintain compliance with the Safe Drinking Water Act.

Both Halcyon and Ken Mar Gardens mobile parks use groundwater wells located inside the District's boundaries to provide water for their customers. In recent years, their wells have tested high in selenium and manganese, moving this consolidation project to a priority project in the State Water Board's funding plan since consolidation is the lowest cost, most feasible alternative to making the required corrections to the two water systems.

Since the item last came to the Board in February of this year, the scope of the consolidation project has been expanded to include two small mobile home parks adjacent to Ken Mar Gardens; Halcyon Estates and Grand Mobile Manor. Both fall into similar categories of failing well water quality and the state has agreed to consider all four water systems eligible for consolidation and grant funding, as outlined in the preliminary funding award notification letter from the State dated November 18, 2024 (Attachment 1). Halcyon Estates and Grand Mobile Manor have been receiving OCSD water via a temporary wheeling agreement with the City of Arroyo Grande for about the last 20 years.



## Oceano Community Services District

Board of Directors Meeting

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The State is requiring a series of compliance documents as outlined in the attached letter, including the attached resolution of authorized representative to be returned within 30 days (by December 18, 2024). Other forms required are the Financial Security Package which includes three years of audits, two years of budgets, the District's 2020 water rate increase documentation in accordance with Prop 218, and the District's debt issued in 2021 related to the CalPER's UAL, the CEQA Planning Exemption Certification Form, and the Project Proposal Form.

RCAC and OCSD staff have communicated with the State and are exploring the potential for more funding. The funding cap described in the letter for these projects is \$8 million and could be adjusted to accommodate the addition of the two mobile home parks (Grand Mobile Manor and Halcyon Estates) to the consolidation project. The recent inclusion of two additional mobile home parks (MHP) to the projects, Grand Mobile Manor (35 service connections) and Halcyon Estates (26 service connections), increases the total number of total service connections from 95 to 156. However, total costs for construction, construction support, planning and environmental review have only been calculated for Ken Mar Gardens and Halcyon Water System. So while it is possible to add the two additional MHPs within the existing budget, it is not certain.

OCSD staff is asking the State to consider these key points and revise the EDWG program letter to include the most appropriate additional funding cap. Staff is also working with MKN engineers to finalize cost estimates, include fire flow requirements and determine if the additional MHPs can be included and funded given the current \$8 million dollar funding cap.

### **Other Agency Involvement**

The California State Water Board is the funding agency. MKN & Associates has prepared the preliminary engineering report and 60% design plans. The Justice Clinic at the University of California at Davis is preparing the consolidation and water service agreements.

### **Other Financial Considerations**

Based on the Median Household Income and number of connections for each system, there would be no matching fund required for this project. OCSD staff and legal counsel are working to ensure that costs are contained and the state-required consolidation are paid for entirely using state grants.

### **Results**

Pursuing financing and project implementation supports a well-governed, healthy, and livable community and expands water service to include customers already within the OCSD service area.

Attachments:

1. State Water Resources Control Board Letter of Preliminary Funding from November 18, 2024
2. Authorized Representative Resolution



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## State Water Resources Control Board

November 18, 2024

Peter Brown  
General Manager  
Oceano Community Services District  
P.O. Box 599  
Oceano, CA 93475

PRELIMINARY FUNDING AWARD NOTIFICATION; OCEANO COMMUNITY SERVICES DISTRICT; KEN MAR GARDENS, HALCYON WATER SYSTEM, HALCYON ESTATES, AND GRANDE MOBILE MANOR CONSOLIDATION PROJECT (PROJECT); EXPEDITED DRINKING WATER GRANT (EDWG) FUNDING PROGRAM – ROUND 4; PROJECT NO. EDWG-4010005-002C

Dear Mr. Brown:

Your request for funding from the Division of Financial Assistance (Division) for the Project has been given preliminary approval. The Project has been reviewed by Division staff and determined to be eligible for funding per the Expedited Drinking Water Grant Program Guidelines ([EDWG Guidelines](#)), as adopted by the State Water Board on March 8, 2023. Therefore, the Division has transferred the application to the EDWG Program. Funding is contingent upon submittal of the requested information and the development and execution of a grant agreement. The purpose of this funding is to consolidate Ken Mar Gardens and Halcyon Water System with Oceano Community Services District (OCSD) to address nitrate and selenium maximum contaminant level (MCL) violations. The consolidation will also include two (2) additional mobile home parks (MHPs), Halcyon Estates and Grande Mobile Manor, which are located directly north of Ken Mar Gardens, and are already customers of OCSD, but use distribution pipelines owned by the City of Arroyo Grande, which has a water wheeling agreement with OCSD. The Project has an overall cost estimate of approximately \$8,000,000.

Fabian Ramos has been assigned as the Project Manager for this Project. You will be contacted by your assigned Project Manager to ensure that all conditions and requirements are addressed prior to execution of the grant agreement. We encourage your prompt response to any requests from our staff because unreasonable delays or failure to respond could result in withdrawal of this preliminary funding award.

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E. JOAQUIN ESQUIVEL, CHAIR | ERIC OPPENHEIMER, EXECUTIVE DIRECTOR

1001 I Street, Sacramento, CA 95814 | Mailing Address: P.O. Box 100, Sacramento, CA 95812-0100 | [www.waterboards.ca.gov](http://www.waterboards.ca.gov)



The Division understands the importance of the Project and wants to ensure its successful and timely completion. To proceed with the process of developing a grant agreement, please provide the following documents within thirty (30) calendar days of this letter:

- Adopted Authorized Representative Resolution (applicants are encouraged to provide a draft resolution in accordance with [the template](#) prior to adoption to ensure it is acceptable)
- Draft Technical, Managerial, and Financial (TMF) Assessment Form (see [TMF Assessment Form](#))
- [Environmental Application Package for the Expedited Drinking Water Grant Funding Program](#) (if the California Environmental Quality Act [CEQA] process is complete) or the [CEQA Planning Exemption Certification Form](#) (if the CEQA process is not yet complete)
- [Scope of Work](#)
- [Self-Certification Form](#) (Please note that Section 2 of this form requires review and input from your legal counsel regarding the Grant Agreement and Legal Opinion Templates)
- Final Engineering Report, Technical Memo, or similar document (see [Engineering Document Guidance](#))
- [Fi\\$Cal Government Agency Taxpayer ID Form](#)

Additional information and forms are available on the [EDWG Program Page](#). The OCSD must provide the requested documents within thirty (30) calendar days following the date of this letter. Failure to provide the requested documents within this timeframe may jeopardize funding under the current round or result in removal from the EDWG Program.

Once the aforementioned documents are received in a form satisfactory to the Division, a grant agreement will be prepared for the Project. No reimbursement of eligible project-related costs will be issued until the grant agreement is executed, subject to the terms and conditions of the grant agreement.

The grant agreement will require that certain conditions be met prior to proceeding with bid solicitation and construction activities. Proceeding with the bid solicitation and/or construction prior to receiving authorization from the Project Manager may jeopardize funding for the Project. Any costs incurred are at your own risk until the grant agreement is executed and the Division has provided the necessary approvals to proceed.

The provision of a grant agreement is contingent upon your timely submission of the documents listed above and on the Division's approval upon completion of review.

Mr. Brown

- 3 -

We look forward to working with you on this Project. Please contact the assigned Project Manager, Fabian Ramos, with any questions at (916) 449-5985 or [Fabian.Ramos@waterboards.ca.gov](mailto:Fabian.Ramos@waterboards.ca.gov).

Sincerely,

**Kristyn Abhold**  Digitally signed by Kristyn Abhold  
Date: 2024.11.18 13:21:55 -08'00'

Kristyn Abhold, Assistant Deputy Director  
Division of Financial Assistance

cc: Jason Cunningham  
Santa Barbara District Engineer  
Division of Drinking Water

**OCEANO COMMUNITY SERVICES DISTRICT  
RESOLUTION NO: 2024 -**

**WHEREAS**, we agree to apply to the State Water Resource Control Board for Expedited Drinking Water Grant Funding Program for the Ken Mar Gardens, Halcyon Water System, Halcyon Estates, & Grande Mobile Manor Consolidation Project resolved by the Board of Directors of the Oceano Community Services District (the “Entity”), as follows

**WHEREAS**, The General Manager (the “Authorized Representative”) or designee is hereby authorized and directed to sign and file, for on behalf of the Entity, a financial assistance application for a financial assistance agreement from the State Water Resources Control Board for the planning, design, and construction of Ken Mar Gardens, Halcyon Water System, Halcyon Estates, & Grande Mobile Manor Consolidation Project (the “Project”); and

**WHEREAS**, This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto; and

**WHEREAS**, The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity’s responsibilities under the financial assistance agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

**CERTIFICATOIN**

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Oceano Community Services District held on December 11, 2024

**PASSED AND ADOPTED** by the Board of Directors of the Oceano Community Services District on December 11, 2024, by the following vote:

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

\_\_\_\_\_  
President, Board of Directors  
of the Oceano Community Services District

**ATTEST:**

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Board Secretary of the  
Oceano Community Services

**APPROVED AS TO FORM:**

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Robert Schultz, District Counsel



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

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**Date:** December 11, 2024

**To:** Board of Directors

**From:** Peter Brown, General Manager

**Subject:** **Agenda Item #9(C): Approve a Budget Adjustment of \$58,818 from Water Fund reserves for design services, construction management and quality assurance services with Advantage Technical Services for the rehabilitation of the 1-million-gallon water storage tank and authorize the General Manager to execute an agreement with Advantage Technical Services.**

## Recommendation

It is recommended that the Oceano Community Services District Board Review and consider the proposal for design services for the rehabilitation of the 1-million-gallon water storage tank and:

1. Authorize the General Manager to execute an agreement with Advantage Technical Services (ATS) to prepare the final project design in the amount of \$30,382 for design and engineering support services and \$28,436 for construction management or a total amount not to exceed \$58,818.
2. Approve a budget adjustment in the amount of \$58,818 from Water Fund reserves.

## Discussion

At the August 28, 2024 meeting the Board reviewed District's sanitary survey by the Division of Drinking Water (DDW) which included recommendations from DDW as well as a requirement to repair and re-coat the exterior of the 1-million-gallon tank. The attached proposal by ATS provides for an internal and external inspection of the tank, preliminary engineering, final design and construction management for the State-required rehabilitation of the tank.

## Other Agency Involvement

The State Water Resources Control Board and the County of San Luis Obispo.

## Other Financial Considerations

The cost for design services will be funded through Water Fund reserves with a budget adjustment of \$58,818, lowering estimated reserves from \$2,387,796 to \$2,328,978.



# Oceano Community Services District

Board of Directors Meeting

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## Results

Pursuing financing and implementing capital improvement projects protects public health and the District's water system.

### Attachments:

- A. Proposal from ATS for design services.



**Oceano Community Services District's 1 MG Water Tank  
Estimate for: Corrosion Repair & Exterior Re-Coating with Tank In-Service  
Engineering Services - Design, Bid and Construction Phases**

Based on conditions documented during 11/17/2022 dive inspection.	Personnel Hours					Fee
	Sr. Eng. Principal	NACEIII or API 653 or ASNT III	CAD Design	Clerical or Eng. I	Misc./Mat'l Non-Labor	
<b>Phase 1</b> <b>Project Meetings and Coordination</b> Initial meeting & site visit	2	0				\$ 480
<b>Phase 2</b> <b>Research, Data Collection and Field Investigation</b> Internal Inspection by Engineer Diver External Inspection Certified Tank Inspector /NACE III Coating Inspector Detailed evaluation of interior roof Corrosion (inspection from floating pltfm)	4	2				N/A \$ 1,250  N/A N/A
Review previous inspection reports	1	1				\$ 385
<b>Phase 3</b> <b>Preliminary Design Report for Development of Construction Scope</b> Preliminary engineering						\$ -
- Coating system options	2	2				\$ - \$ 770
- Tank/Appurtenance conditions		2		2		\$ - \$ 640
- Preliminary Engineer's estimate for work scope options	3					\$ 720
Evaluation of existing coatings/conditions	2	2		5		\$ 1,645
- Adhesion, dry film thickness		2				\$ 290
- Presence of heavy metals		2			1200	\$ 1,490
- Presence of chalking		1				\$ 145
- Weld roughness & edges		1				\$ 145
- OSHA regulatory compliance	2					\$ 480
- State Health requirements	2					\$ 480
- Coating materials		1				\$ 145
- Risks to project longevity	2					\$ 480
- Safety equipment/fall protection	4					\$ 960
Cost opinion for recommended alternative	4	1				\$ - \$ 1,105
Consult with owner on AWWA info. for bid	1					\$ 240
Continued next page						

Continued from previous page	Personnel Hours					Fee
	Sr. Eng.	NACEIII or API 653	CAD Design	Clerical or Eng. I	Misc./Mat'l Non-Labor	
<b>Phase 4</b>						
<b>Final Design</b>						
<b>Technical Specifications and Engineer's Estimate</b>						
(assumed scope based on tank age & construction details)						
90% Specifications:						
Specification Sections:						
- Scope and control of work	5					\$ 1,200
- Bid Items & bid schedule	5					\$ 1,200
- Coating specification	5	2				\$ 1,490
- Dust/mist containment	4					\$ 960
- Appurtenances						\$ -
Vent, hatch, guardrail	4		4			\$ 1,660
<u>vent replacement in service</u>	3					\$ 720
- Measurement & payment	4					\$ 960
- Photo description of existing	3					\$ 720
Final (for bid) specifications	8			2		\$ 2,150
Final Engineer's estimate	2			1		\$ 595
<b>Phase 5</b>						
<b>Bid Phase Support</b>						
- Pre-bid conference	4					\$ 960
- Addenda preparation	3	1				\$ 865
- Advertising and opening						N/A
<b>Phase 6</b>						
<b>Engineering Support During Construction</b>						
Engineering Consulting	4					\$ 960
RFI/RFC response	3					\$ 720
Review submittals (2 rounds)	7	2		2		\$ 2,200
Review testing, materials, plans	4					\$ 960
<b>Travel</b>	Miles	Rate(\$/mi)				
Preliminary travel	40	1				\$ 40
Round trip miles (pre-bid conf.)	20	1				\$ 20
<b>Other Costs</b>	Miscellaneous consumables & materials: 0.5%					\$ 152
	Per diem: n/a					
<b>Total Estimated Fee</b>						<b>\$ 30,382</b>

Rates	Assumptions
Sr. Engineer, Tank Specialist: <b>240</b> \$/hr.	- <u>Lead and heavy metals are expected</u>
Sr. Construction Engineer: <b>240</b> \$/hr.	- Legal council review of bid documents, contract & other to be provided by District
NACE III Certified Coatings Insp: <b>145</b> \$/hr.	- Advertising and opening by District
CAD designer: <b>175</b> \$/hr.	- No survey or permitting required
Clerical: <b>115</b> \$/hr.	
Mileage: <b>1</b> \$/mi	



Oceano Community Services District's 1 MG Water Tank



Rev. 9/19/24 to add welding shop inspection and reduce field coating days.

www.ats-slo.com | 805-595-2282

<b>Estimate for: Corrosion Repair &amp; Exterior Re-Coating with Tank In-Service</b>			Construction Mgr./Principal Eng.: 240 \$/hr.		
Construction Management & Quality Assurance Svc.s			Coatings NACE III/AWS CWI: 145 \$/hr.		
Based on Estimated Construction Schedule:			NACE LI Coating Insp./NDEII: 135 \$/hr.		
Shop fabrication and coating: 2 days			Cert. Tank Insp/CWI/NDEIII: 145 \$/hr.		
Field erection: 3 days, Field coating: 22 DAYS			Administration: 115 \$/hr.		
<b>Pre-Job</b>	<b>Project Days*</b>	<b>% Coverage</b>	<b>Personnel Hours</b>	<b>Estimated Cost</b>	<b>Std Day: 8 hr.</b>
Submittal review	n/a	n/a		\$ -	Included in Engineering Estimate
Document site conditions	n/a	n/a	3	\$ 720	Photo and video prior to construction
Contract Documents	n/a	n/a			
					<b>Pre-Job Subtotal \$ 720</b>
<b>Quality Assurance</b>					
<b>Replacement Roof Appurtenances</b>					
<b>Shop Fabrication &amp; Coating</b>					
Welding Inspector CWI	1	100%	8	\$ 1,160	
ATS I Coating Inspector/NDEII	0	0%	0	\$ -	
NACE LIII Coating Insp/CWI	1	100%	8	\$ 1,160	
<b>Tank Erection</b>					
Tank Welding Inspector	3	70%	16.8	\$ 2,436	CWI/NDEIII
<b>Tank Coating</b>					
ATS I Coating Inspector	0	0%	0	\$ -	
NACE LIII Coating Insp/CWI	22	70%	123.2	\$ 17,864	
					<b>Subtotal: \$ 22,620</b>
<b>Construction Management</b>					
Pre-construction meeting			3	\$ 1,125	CM & Inspector
Schedule Management			2	\$ 480	CM/PE
Coordinate and log RFI			2	\$ 480	CM/PE
Manage change orders			2	\$ 480	CM/PE
Progress pay estimates			2	\$ 480	CM/PE
					<b>Subtotal: \$ 3,045</b>
<b>Administration</b>					
Final walk and punch list			2	\$ 290	NACE Coating Inspector
Internal Project Mgmt./P.E.			2	\$ 480	PM/PE
Certified Payroll Monitoring			3	\$ 345	Admin. Rate
Document control			2	\$ 230	Admin. Rate
					<b>Subtotal: \$ 1,345</b>
<b>Travel</b>					
Job site	Trips 27	Rate (\$/mi 1)	Miles 20	\$ 540	
Per-diem	0		0	\$ -	N/A Local Project
					<b>Subtotal: \$ 540</b>

\*This estimate is provided to show forecasted costs based on an estimated project schedule, normal level of quality assurance required and estimated contractor productivity. All work will be provided on a "time and materials" basis.

Contingency:	0%	\$ -
Warranty Dive:	N/A	
Misc. Materials:	0.60%	\$ 166
Per diem:		\$ -
CM & QA Estimate:		\$ 28,436
Engineering Services Estimate:		\$ 30,382

**Total Combined Engineering & Technical Services Estimate: \$ 58,818**

August 26, 2024

Mr. Peter Brown  
General Manager  
Oceano Community Services District

**RE: Engineering, Construction Management and Quality Assurance Services Proposal for the Recoating of Oceano Community Services District's 1-Million Gallon Water Storage Tank**

Dear Mr. Brown:

I am writing to provide you with the pertinent information pursuant to your recent request for proposal regarding professional and technical services for the recoating of your 1 MG water tank. Please find the attached background on ATS, sample of specific projects, key personnel and scope/estimate.

ATS has specialized in water tank rehabilitations for over 20 years. We have experience in the design and construction of over 300 water or wastewater coating projects including many corrosion rehabilitation and prevention projects. We understand what leads to early failures in coatings and our specifications incorporate solutions to help reduce maintenance costs.

It is our understanding that the primary goals of this project are the following:

- Repair the existing corrosion damage
- Upgrade appurtenances to improve both worker safety and the protection of the drinking water
- Provide coatings to control future corrosion.

Within the framework of the items above, ATS will complete our evaluation of the existing conditions and provide the District with a "menu" of scope options and associated preliminary cost estimates. Our personnel have extensive engineering and field experience so we are well prepared to foresee, describe and prepare for the challenges of the project. This proposal is based on our early estimate of what would be a more conservative approach to the work. This assumes a longer project but with the goal of a longer service life and lower risk of change orders. While it may be a better marketing strategy to propose a lower cost based on less conservative assumptions, we prefer to avoid price escalations during the work. Ultimately, the District will have opportunity to select the scope that seems most appropriate.

Our proposal is based on a "Time and Materials" pay method with a "Not to Exceed" limit. Thank you for the consideration of our firm for this project. We look forward to continuing to assist the District in their efforts to maintain good quality water storage in an efficient manner.

Please call if you have any questions regarding the services that we are offering.

Sincerely,  
Advantage Technical Services, Inc.



William D. Bellis, P.E.  
Principal

OCEANO COMMUNITY SERVICES DISTRICT

**PROJECT EXPERIENCE**

**Oceano Community Services District, Water Storage Tank Rehabilitation**

The project included removal and replacement of the corroded roof on a 300,000-gallon potable water tank, upgrade of appurtenances and re-coating. The new roof design eliminated inaccessible areas that are notoriously difficult to maintain in the challenging wet interior environment and coastal exterior environment. A spiral stairway was added to the exterior to facilitate regular inspection and maintenance. ATS provided inspection, structural design, specification development and quality assurance services.



**Shell Beach Tank #1 Replacement and Miscellaneous Tank Upgrades**

The project included removal and replacement of the Shell Beach #1, million-gallon potable water storage tank and safety related upgrades to five other existing potable water tanks on various sites. Replacement was chosen for the Shell Beach Tank #1 tank as the most cost-effective solution to issues associated with lead based exterior coatings, severe corrosion damage and outdated seismic design details. ATS, Inc. provided field investigations, recommended solutions, scope options, project specifications and construction management. The project was completed with no significant change orders. Good relations with the surrounding neighborhood were maintained as a result of thorough project planning and open communications during the course of the work.



**San Luis Obispo County - New Water Tanks for Cayucos CSA 10**



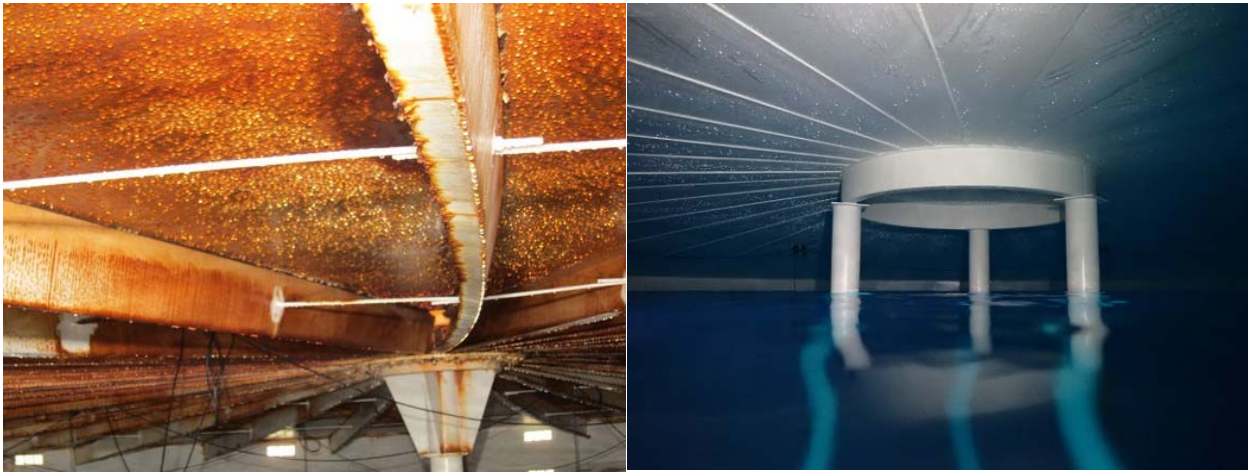
The tanks at this location provide potable water for the public and fire suppression including post-earthquake service. The old tank had serious corrosion and was in poor condition to resist damage during a seismic event. The County chose ATS to assist with scope development, provide construction quality assurance and engineering consulting. The two new 220,000-gallon tanks include mechanical anchorage, flexible pipe connections and seal welded roofs.

## PROPOSAL FOR ENGINEERING & TECHNICAL SERVICES

### OCEANO COMMUNITY SERVICES DISTRICT

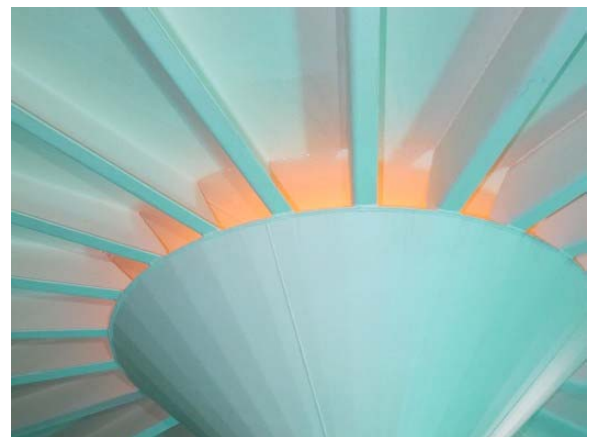
#### **Twain Harte Community Services District, Water Tank Roof Replacement**

The project included removal and replacement of the damaged roof on a 1,000,000-gallon potable water tank, upgrade of appurtenances and re-coating. The new roof structure was designed for a much higher snow load to meet new requirements and improve resistance to rafter overloading. The increased design load necessitated a multi-column center support to accommodate existing soil conditions. The new roof interior is seal welded and free of complex shapes that create corrosion prevention challenges. ATS provided inspection, structural design, specification development and quality assurance services.



#### **Cambria Community Services District, Fiscalini Water Tank Replacement Project**

ATS provided structural evaluation of the corroded tank and worked with District staff to design a project that avoided the complex Coastal Commission permitting process while replacing the existing tank with one designed for long lasting low maintenance performance in the challenging coastal environment. ATS provided all aspects of engineering, bid administration, management and special inspection. The specification encouraged contractor creativity and responsibility for work within an extremely small site surrounded by environmentally sensitive area. The design incorporated an innovative seal-welded roof to reduce interior corrosion (photo).



## PROPOSAL FOR ENGINEERING & TECHNICAL SERVICES

### OCEANO COMMUNITY SERVICES DISTRICT

#### **City of Pismo Beach Pier Rehabilitation Project**

ATS acted as Consulting Engineer and provided quality assurance oversight. ATS worked with the Project Engineer to develop and specify coating systems and structural details. During the construction phase, ATS provided review of contractor submittals and construction quality assurance for welding and coating.



#### **City of Paso Robles, 4 Million Gallon Tank Coating and Roof Rehabilitation Project**

The Golden Hills Tank #2 had serious corrosion and detrimental metal loss on the interior roof structure and the coatings were over 20 years old. ATS provided services including structural evaluation, project engineering, construction management and quality assurance oversight. Dive inspections by our engineering dive team helped develop an understanding of the corrosion damage. A variety of scope options for rehabilitation were provided to the City and a project scope was developed. Corroded rafters were replaced and other components of the structure were rehabilitated in place. Additional venting and safety equipment upgrades were also included. New coatings were applied on the interior and exterior using procedures that helped the City save the cost of unnecessary work. The project was completed on time and under budget during the Covid 19 pandemic.

#### **The City of Paso Robles, Rehabilitation of Golden Hills #1 and Merryhill Tanks**

ATS provided engineering, construction management and quality assurance services for this project. The project scope included development of coating rehabilitation specifications, excavation, concrete foundation for anchoring of the existing Merryhill Tank, interior and exterior coatings and rehabilitation of the existing roof structure on the Golden Hill Tank. Unique project challenges associated with existing lead-based coatings and very limited project site area were identified early and addressed during scope development. ATS provided project development, special inspection, detailed specifications of tank appurtenances and review of Contractor's submittals during the project that helped control change order costs.



## PROPOSAL FOR ENGINEERING & TECHNICAL SERVICES

### OCEANO COMMUNITY SERVICES DISTRICT

#### **City of Santa Maria, Rehabilitation of Wastewater Clarifier #1 and Grit Chamber**

ATS worked with the City to inspect the corrosion of the existing concrete and steel. As the Project Engineer, ATS developed the technical documents and contracting strategy to address the severe corrosion damage, operational constraints and budget limitations. Construction specifications incorporated both the latest state-of-the-art coatings, “old school” coatings with a long performance history and a simple innovative cathodic protection system for redundant protection from corrosion that has proven effective on our previous projects.



#### **Los Osos Community Services District, Maintenance Coating Spot Repairs for the 16th St. Water Tanks**

This project with the Los Osos Community Services District included all aspects of engineering, bid administration and management. The project was designed to extend the life of the existing tanks with minimal cost. Specific challenges included working in a neighborhood, on a tight site, lead based coatings and the coastal corrosion environment. The specification encouraged contractor creativity and responsible bidding. When the contractor found through thickness corrosion in the roof, a change order was avoided by ATS design and application of a rapid repair system with NSF61 approved materials.

#### **Kelly Slater Surf Ranch**

The Kelly Slater Wave Ranch uses cutting edge science and design to create the longest rideable open-barrel wave in the world. ATS provided structural evaluation and underwater repair of the safety barrier and wave producing systems. We provided engineering consulting to the operations group and assisted with the development of rehabilitation and inspection plans. ATS successfully developed procedures and completed novel underwater repairs to the wave generating foil. Repairs used composite materials and underwater application techniques. These techniques were associated with our patented underwater coating system which was originally designed to protect potable water during curing.



## PROPOSAL FOR ENGINEERING & TECHNICAL SERVICES

### OCEANO COMMUNITY SERVICES DISTRICT

#### **City of Paso Robles, Sherwood Pressure Vessels Rehabilitation**

ATS provided inspection, engineering, quality assurance and construction management services. The project included welded repair, re-coating and testing of two 4,000-gallon ASME pressure vessels that are part of the City's water treatment system for arsenic removal. The vessels were transported to an off-site facility for the work to allow economical completion with low impact to the neighboring community. The technical specifications addressed regulatory compliance for welded repair of pressure vessels and special linings for abrasion resistance in potable water submersion. Cost control strategies where the full scope of welded repairs was unknown prior to abrasive blast cleaning. Dramatic cost savings was gained by the City when compared to replacement of the vessels. The vessels were successfully repaired, tested and certified for 150 psi operating pressure.



#### **City of San Luis Obispo, Stenner Canyon Waterline Coating Project**



ATS provided engineering consulting, Construction Management and quality assurance oversight. Project development included construction feasibility, environmental and safety hazard recognition. Lead-based coatings, difficult access and proximity to a creek with cold spawn migratory species demanded thoughtful and thorough project development to minimize impact. ATS evaluated the existing conditions, worked with operations personnel and delivered a project which is providing lasting corrosion prevention with minimal environmental impact. ATS wrote the technical specifications and used the City's standard special provisions for the "front end", lead pre-bid conference, pre-construction conference, processed progress payment requests and responded to formal requests for information.

#### **SLO County, Tank Recoating for CSA 10 Cayucos Water Treatment Plant**

ATS provided project engineering for the rehabilitation and safety upgrades for this tank. ATS' scope included structural evaluation of the exterior roof, project development and technical specifications. ATS was called in to provide consulting for change order avoidance during construction after the contractor and quality assurance provider stopped construction based on claims regarding lack of structural integrity. ATS quickly conducted an evaluation of the corroded structure including determination of the section modulus of roof rafters in their "as corroded" condition. The structure was shown to be structurally adequate. The contractor and project inspector returned to work without change order.

## **KEY PERSONNEL**

### **Senior Engineer**

William Bellis, P.E. has provided engineering, management and technical services to the construction industry for over 35 years with nearly three hundred tank and corrosion rehabilitation projects completed. Will's experience and certified qualifications put him among a handful of tank experts in the country. A mix of engineering, quality assurance and management experience give Will a balanced perspective on the needs of the project and project team. Will has a B.S. in Engineering from Cal Poly San Luis Obispo. He is certified as an API 653 tank inspector which is the primary industry standard for tank rehabilitation. Will is an American Society of Nondestructive Testing Level III which is the highest certification level for qualification of nondestructive testing personnel. Will has been certified by ICBO as a Concrete Inspector and Structural Steel Inspector, by the National Association of Corrosion Engineers as a Coating Inspector and is an AWS Certified Welding Inspector.

Will was the Project Engineer for a tank contractor for 8 years where he developed an in-depth understanding of the design, estimating and construction of water and wastewater tank structures. Will has participated in the writing and editing of the National Standard for Welded Steel Tanks for Water Storage (AWWA D100). The use of protective coatings for corrosion prevention was also an important part of this work. Later in his career, Will moved to Alaska to work as a Project Manager for several large, complex construction projects in some of the world's most challenging conditions. Will was the Project Manager for the Badami Pipelines Project in the winter of 1998 which was a \$27 million dollar project extending above ground cross country pipelines far east of Prudhoe Bay. This project included the first winter pipeline crossings of major arctic rivers designed to reduce impact on sensitive habitat. Will managed an office staff of nearly 30, and over 300 union craft personnel who completed the work on schedule and within budget. About 90% of the work was completed in four months between January and April of 1998. Will worked as Project Manager for several smaller projects then successfully culminated his career in Alaska as Arctic Slope Regional Corporation's Project Manager for the Northstar Project. The Northstar Project was the first offshore oil pipeline in Arctic Alaska and pipelines were constructed on floating sea ice. The \$41 million dollar project was extremely complex and regulatory oversight was intense but the project was completed within budget and a very tight schedule. Will has returned to Alaska to work as a consultant for ASRC several times in the last ten years to manage projects and write over \$1 million worth of change orders for various construction projects.

In 2000 Will returned to the Central Coast where he and Judy started ATS. During the last 22 years, Will has developed specifications for many tank and corrosion rehabilitation projects. Will's unique blend of education, credentials and experience make him well qualified for the Project Engineer/Project Engineer position on the ATS team.



### **Structural Engineer (Subconsultant)**

John Bradley is one of the most experienced tank specialists in the nation. John has completed structural engineering on over 750 tank and vessel projects and has worked with ATS on Pismo Beach's Shell Beach #1 tank replacement project, the Cambria CSD's Fiscalini Welded Steel Tank replacement project and several other minor projects. John is registered as a Structural Engineer in seven states and as a Civil Engineer in thirty-eight states and Canada. John has a B.S. in Civil Engineering from Cal Poly and graduated Magna Cum Laude. John has extensive experience with steel and concrete structures and has developed computer-based design programs to optimize quality and efficiency in the design of tanks, vessels and other structures. John is proficient in AutoCad and RISA-3D. John's extensive structural engineering experience aligns perfectly with ATS's specialty areas and make him a valuable asset to the team.

### **Coatings and Corrosion Prevention Specialist**

Judy Bellis has been helping our clients prevent corrosion with coatings for over ten years. Judy has extensive experience in the field that is an important foundation for development of projects that are to provide long lasting service at optimal value. Judy has been working in the construction industry since her graduation from Cal Poly San Luis Obispo in 1985.

Judy is the Qualifying Individual for ATS' general engineering license. Judy is an AWS Certified Welding Inspector and holds the highest Coatings Inspector certification, NACE Level III. These credentials and her field experience provide Judy with valuable insight that she has uses when developing coating specifications for water, wastewater and coastal environments. Judy has experience on many public works jobs including specification development for Los Osos CSD's 16<sup>th</sup> St. Reservoir Repair, Cambria CSD's Fiscalini Tank Replacement Project and Pismo Beach's Pine Knolls Reservoirs, City of San Luis Obispo Bishop St. Tank, Clearwells 1 and 2 and wastewater maintenance projects. She is experienced with regulatory requirements for certified payroll, insurance and environmental health. Judy has worked with the City's recently updated special provisions and front-end documents.

### **Electrical Engineer**

Kent Burnett, P.E., M.S. has a diverse set of electrical engineering skills including public works projects and over five years with PG&E as a transmission protection engineer. Kent recently worked on Pismo Beach Shell Beach 1 electrical and control system. He understands the public utility interface and provided electrical engineering support on the Cambria CSD Fiscalini electrical and control systems development. Kent also has significant field experience where he performed troubleshooting, repair, and new construction for commercial and public utilities including Big Bear Area Regional Wastewater Agency (BBARWA), Big Bear City CSD, Valley Community Hospital, and Bear Mountain ski resorts. The resort infrastructure includes 12 MW of diesel generation, medium voltage distribution, motor drives and starters, chair lift control circuits, snowmaking equipment, computer network cabling, alarm systems, and others. Kent has a B.S. and M.S. in Electrical Engineering from California Polytechnic State University, San Luis Obispo.

## **Resident Inspector**

Jack Allen has been active with inspection of various construction and rehabilitation projects with ATS for 10 years. Jack's significant "hands on" experience with ATS includes work as an Inspector/Diver/Engineering Technician on multiple projects including Paso Robles 4 MG Tank Coating and Rehabilitation, San Luis Obispo County's new 10A Water Tanks, Golden State Water's new Tanglewood tank, Kelly Slater Surf Ranch man-made wave pool in Lemoore, the new Pismo Beach Pier, Space-X steel structures and the Paso Robles Wastewater Treatment Plant. He has experience and advanced training in many aspects of quality assurance including inspection of coatings, welding and non-destructive testing (PT, MT, UT & VT). Jack is an AWS Certified Welding Inspector, NACE trained coating inspector, Certified Welder, Certified Master Diver and Certified Commercial Diver. Jack is observant, thoughtful, innovative and a good communicator. ATS is proud to have him as a part of the inspection and management team.

## **Quality Assurance Inspector**

Hugh McCaffrey has worked in public works construction and private industry providing quality assurance services on projects for over 25 years. His experience spans from water and wastewater facilities to the Arctic Slope of Alaska. Hugh's experience in welding technology provides him with an understanding of the importance of quality workmanship. His experience as a welder allows him to know what it takes to achieve fitness for purpose.

Hugh is an AWS Certified Welding Inspector, a Certified Level II Magnetic Particle Testing Technician and an ACI Certified Concrete Field-Testing Technician. He is well-versed in industry codes and standards including American Water Works Association D100- Welded Steel Tanks for Water Storage, Welding Pipeline and Related Facilities Standard (API 1104) and the Structural Steel Welding Code (AWS D1.1).

## **Quality Assurance Inspector/Dive Supervisor**

Chuck Rawlinson has extensive experience with tank coatings with over 30 years as an Inspector Diver, Coating Inspector and Under Water Coating Applicator. Chuck has been a valuable consultant employee with ATS for over 10 years. Chuck's extensive experience as a tank inspector gives him a depth of understanding of the problems associated with corrosion on tanks and the impacts of poor workmanship. ATS is fortunate to have access to Chuck's wealth of experience as a team member.





# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

---

**Date:** December 11, 2024

**To:** Board of Directors

**From:** Nicole Miller, Account Administrator III  
Peter Brown, General Manager

**Subject:** **Agenda Item #9(D): Request to Approve a Purchase Order for a WillScot office trailer for the utility yard in the amount of \$56,180, with a corresponding Budget Adjustment, including the use of \$33,708 from Water Fund reserves, \$16,854 from Wastewater Fund reserves, and \$5,618 from Solid Waste Fund reserves.**

## Recommendation

It is recommended that your Board approve:

- 1) The attached quote from WillScot in the amount of \$56,180 and direct staff to issue a purchase order.
- 2) A corresponding budget adjustment in the from the following funds:
  - a. From Water Fund reserves in the amount of \$33,708.
  - b. From Sewer Fund reserves in the amount of \$16,854.
  - c. From Garbage Fund reserves in the amount of \$5,618.

## Discussion

The current office structure at the District water yard is a converted tool shed which lacks HVAC, proper ventilation, insulation and sufficient workspace for the four full-time utility staff members. The work area serves as the office for the utility staff and houses an alarm panel for the boosters and lift station, was manually built in sections over time and suffers from termite damage in addition to excessive wear and tear. The design and layout are not conducive to proper workspaces for staff. Due to its small size, age, and structural/ventilation concerns, staff is proposing the Board consider upgrading the outdated alarm panel and providing a new, safe office space for staff via a modular building provided by WillScot.

Staff researched options, considering fiscal responsibility, available space at the water yard, and the reengineering of utilities and the alarm panel, and determined that the attached WillScot floor plan and quote was the best option (Quote 1). Staff also considered Atlas Performance Industries (API) and while the modular building would work at the utility yard, it was a cost-prohibitive proposal at \$126,534.

As approved in Resolution 2016-01, the District's purchase policies provide guidance on obtaining informal bidding under the Uniform Public Construction Cost Accounting Act. Under the Cost Accounting Act Alternative Procedures, the District can sole source a contract under \$60,000. California Public Contract Code § 22032 (a) "Public projects of sixty thousand dollars (\$60,000) or less may be performed by the employees of a public



## Oceano Community Services District

Board of Directors Meeting

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agency by force account, by negotiated contract, or by purchase order.” Not only is the WilScot option affordable and convenient, it also is better priced than several other competitors.

### **Other Agency Involvement:**

The County of San Luis Obispo Planning Department for permitting requirements.

### **Other Financial Considerations:**

The cost for the modular are allocated similar to the administration allocation with the use of 60% (\$33,708) from Water Fund reserves, 30% (\$16,854) from Wastewater Fund reserves, and 10% (\$5,618) from Solid Waste Fund reserves.

Other financial considerations include connecting the modular unit to electrical, water, and sewer utilities and relocating and upgrading the alarm panel. There may be additional fees for demolishing the existing building and alarm panel. Staff proposes to save district resources by doing as much work in-house as possible, including demolition of the existing structure, water and sewer connections, and all other work within staff capacity.

The Board’s review of purchase orders is an integral component of the District’s system of internal controls and promotes a well-governed community.

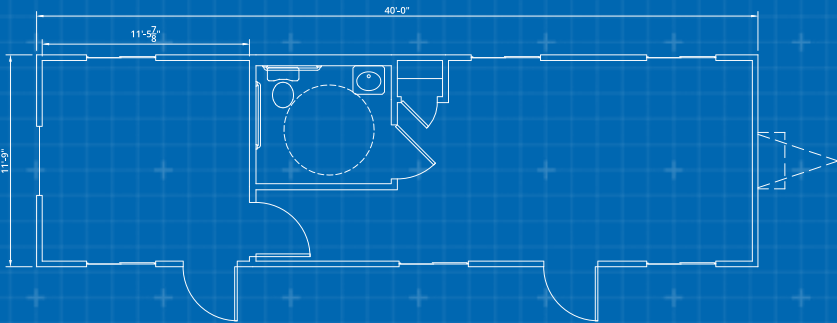
### Attachments:

1. Quote 1 – WilScot
2. Quote 2 - API
3. Purchase Order
4. Resolution

# 44' x 12' OFFICE TRAILER



In addition to your office solution, we can provide additional products and services that complete your space- creating a more productive, comfortable, and safe work environment.



## CUSTOMIZATION

- Steps & Ramps
- Furniture & Appliances
- Technology
- Site Services
- Loss Protection

### Dimensions

44' Long (including hitch)  
40' Box size  
12' Wide  
8' Ceiling height

### Exterior Finish

Aluminum or wood siding  
I-Beam Frame  
Standard drip rail gutters

### Interior Finish

Paneled walls  
Carpet or vinyl tile floor  
Gypsum or T-grid suspended ceiling

### Electric

Fluorescent ceiling lights  
Breaker panel

### Heating/Cooling

Central HVAC or thru-wall AC

### Windows/Doors

Horizontal slider windows  
(2) Vision panel doors with standard locks or (2) steel doors with dead bolt lock

### Other

Private office(s)  
Optional restroom

\* Photos are representational; actual products vary. Additional floor plans and specifications may vary from those shown and are subject to in-stock availability





**Your Sales Representative**  
 Daniel Young  
 daniel.young@willscot.com

**Agreement Number:** Q-1851860  
**Revision:** 3  
**Date:** 12/3/2024  
**Expiration Date:** 1/2/2025

**Sale Agreement For Used Equipment Without Warranty**

<b>Buyer:</b> Oceano Community Services District 1931 Wilmar Avenue Oceano, CA 93445	<b>Contact:</b> Nicole Miller 1931 Wilmar Avenue Oceano, CA 93445, US Phone: +1 805 481 6730 Email: nicole@oceanocsd.org	<b>Ship To Address:</b> 1931 Wilmar Avenue OCEANO, CA 93445, US <b>Estimated Delivery Date: 02/03/25</b>
---	---	---

Unit Description and Pricing	Quantity	Price	Extended
44x12 Mobile Office or Similar Unit Number: SMC- With restroom 00120242	1	\$ 40,800.00	\$ 40,800.00
Delivery - 12' wide	1	\$ 1,670.00	\$ 1,670.00
Prev Wage Wood Skirting	1	\$ 4,324.00	\$ 4,324.00
Fuel Surcharge Delivery	1	\$ 384.10	\$ 384.10
OSHA Aluminum Steps	2	\$ 1,000.00	\$ 2,000.00
CA Transport Delivery Fee	1	\$ 100.00	\$ 100.00
License fee	1	\$ 1.00	\$ 1.00
Prev Wage Setup and Anchor	1	\$ 3,103.00	\$ 3,103.00
<b>Total Purchase Price Including Delivery And Installation (If Applicable)*:</b>			\$ 52,382.10
<b>Total Purchase Price Including Delivery And Installation (If Applicable)* Including Estimated Taxes:</b>			\$ 56,179.80

**Summary of Charges**

Model: 44x12 Mobile Office or Similar	QUANTITY: 1	Total Charges for(1) Building(s): \$ 52,382.10
		Total Charges for (1) Building(s) Including Estimated Tax: \$ 56,179.80



Your Sales Representative  
 Daniel Young  
 daniel.young@willscot.com

Agreement Number: Q-1851860  
 Revision: 3  
 Date: 12/3/2024  
 Expiration Date: 1/2/2025

**Payment Terms**

Credit Terms: 100% due upon signing, 0% due upon unit delivery and remaining, 0% due upon substantial completion.

**Acknowledgement**

This Sales Agreement (the "Agreement") is made on December, 3, 2024, by and between William Scotsman Inc., a Maryland corporation, doing business at 34948 Gazelle Court, Bakersfield, CA 93308-9618 ("Seller") and Oceano Community Services District ("Buyer"), doing business at the address noted above.

Buyer agrees to purchase from Seller one or more trailer(s) and/or relocatable modular and/or pre-fabricated structures, including stairs, railings, furniture, and other items attached or appurtenant thereto, as noted above and detailed on any Addenda to this Agreement (hereinafter collectively referred to as the "Equipment"), for the purchase price and payment terms shown above and subject to the terms and conditions set forth herein and on the following pages of this Agreement and as detailed on the Addenda to this Agreement. The Agreement and the Addenda together form the "Contract Documents". The Addenda are as follows and are an integral part of this Agreement.

Addenda: No Addenda attached.

\*All prices exclude applicable taxes.

By its signature below, Buyer hereby acknowledges that it has read and agrees to be bound by the Seller's Sales Agreement Additional Terms and Conditions (7-26-13) located on Seller's internet site (<https://www.willscot.com/About/terms-conditions>) in their entirety, which are incorporated herein by reference and agrees to lease the Equipment from Seller subject to the terms therein.

**EXCLUSIONS OF ALL WARRANTIES:**

AS ACKNOWLEDGED AND AGREED BY THE UNDERSIGNED BUYER, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE EXCLUDED FROM THIS TRANSACTION AND THAT THE SALE IS "AS IS" AND "WITH ALL FAULTS." FURTHERMORE, WILLIAMS SCOTSMAN IS PROVIDING NO WARRANTIES AND MAKES NO REPRESENTATIONS WITH REGARD TO THE CONDITION OF THE SUBJECT MODULAR BUILDING.

Buyer's Initials \_\_\_\_\_

**Signatures**

BUYER (Name): Oceano Community Services District	SELLER: Williams Scotsman inc
Signature:	
Print Name:	
Title:	
Date:	
PO#:	

Williams Scotsman now issues paperless invoices via email, an efficient, convenient & environmentally friendly process. Go green and provide us with the proper email address for your invoices.

AP Email:

No thanks. Please mail my invoices to:  
 1931 Wilmar Avenue  
 Oceano, CA 93445, US



**Atlas Performance Industries, Inc.**  
 PO Box 5754  
 Santa Maria, CA 93456  
 Phone No.: 800-394-9217  
 Fax No.: 805-928-9190  
 Home Page: www.apitrailers.com

**QUOTE**

Order Number: SM189170  
 Document Date: 08/22/24  
 Page: 1  
 Salesperson: Ryan Epps  
 Email: sales@apitrailers.com  
 Exp. Date: 09/21/24

**Customer Bill To Address**

**Customer Ship To Address**

**Order Contact Information**

**Oceano Community Services District**

1655 Front Street  
 Oceano, CA 93445  
 Ph: 805.481.6730  
 e-mail: nicole@oceanocsd.org

Oceano Community Services District

1931 Wilmar Ave  
 1931 Wilmar Ave  
 Oceano, CA 93445  
 Site Contact: Nicole Miller  
 Phone No.: 805.481.6730  
 e-mail: nicole@oceanocsd.org

Phone No.: 805.481.6730  
 e-mail: nicole@oceanocsd.org

**Customer ID**

Unless otherwise stated, Equipment rental prices listed below are the "total costs" per month. There will be no extra charge for tax, license or steps, these items are included in the lease price.

**Items Sold** (One Time Charges)

Item / Description	Quantity	Unit Price	Total Price
12x43 Office Trailer (124300003) - Used	1.00 Ea	91,000.00	91,000.00
License and Transfer Charge (Estimate)	1.00 Ea	250.00	250.00
Foundation- Steel Pier/PT Wood Pad/Screw Jac	18.00 Ea	43.59	784.62
Metal Steps - Over 30" Design	1.00 Ea	2,500.00	2,500.00
Delivery Charge	1.00 Ea	650.00	650.00
Installation	1.00 Ea	700.00	700.00
ADA Ramp - Over 30" Straight Design	1.00 Ea	19,500.00	19,500.00
Install Ramp-Over 30" Straight Design	1.00 Ea	3,500.00	3,500.00
Foundation Plans -Wet Stamp	1.00 Ea	850.00	850.00
Tie Down Install Labor (Estimate)	16.00 Ea	150.00	2,400.00
Skirting-Vinyl ( Install)	108.00 LF	25.00	2,700.00

- \*Unit(s) Sold in "LEASE READY" Condition.
- All Sales Final. No Warranty Included.
- \*Ramp pricing and design subject to change based on measurements taken after the building is delivered and installed.
- \*The number of tie downs are subject to change based on Site Specific Foundation Plan provided by 3rd party engineer.
- \*All underground utilities must be marked prior

As stated in the "Terms and Conditions of Lease", Compliance with all Codes including, but not limited to, federal, state, and/or local codes or zoning ordinances shall be the sole responsibility of the Customer. Customer is solely responsible for locating and adequately marking any underground structures and/or utility services including but not limited to, gas, water, sewer, telephone, cable etc. prior to the unit delivery. Customer agrees to lease the Equipment from api and api hereby agrees to lease the Equipment to the Customer, on the terms and conditions set forth in this document and those in the Conditions of Lease Agreement located at <http://www.apitrailers.com> which are incorporated herein by reference. API Must be provided with an accessible site and level pad. Lessee/Purchaser will be held responsible & agrees to compensate API for any time delay resulting from Lessee/Purchaser or the site being unprepared, unlevel and restricted or difficult to access. Utility hook-ups, ADA Ramps, Custom steps, & permits are not included in this bid. If steps are required, Lessee/Purchaser is responsible to bring grade to first riser of step into compliance. If ADA Access ramp is required Lessee/Purchaser is responsible for the transition from end of ramp to grade. Lessee must provide API with a certificate of insurance naming API as additionally insured or purchase our "Insurance Surcharge" at 10% of the monthly rental cost. Lessee will be held responsible for all damage, vandalism & neglect in the use of this unit. Equipment quoted above is subject to availability. Price quote is valid for 30 days. Delivery, setup, take down & return are billed at the beginning of the lease.

Subtotal: 124,834.62  
 Tax: 1,699.01  
 Total: 126,533.63

Signature \_\_\_\_\_ Date: \_\_\_\_\_





**Atlas Performance Industries, Inc.**  
 PO Box 5754  
 Santa Maria, CA 93456  
 Phone No.: 800-394-9217  
 Fax No.: 805-928-9190  
 Home Page: www.apitrailers.com

**QUOTE**

Order Number: SM189170  
 Document Date: 08/22/24  
 Page: 2  
 Salesperson: Ryan Epps  
 Email: sales@apitrailers.com  
 Exp. Date: 09/21/24

**Customer Bill To Address**

**Customer Ship To Address**

**Order Contact Information**

**Oceano Community Services District**

1655 Front Street  
 Oceano, CA 93445  
 Ph: 805.481.6730  
 e-mail: nicole@oceanocsd.org

Oceano Community Services District

1931 Wilmar Ave  
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**Items Sold** (One Time Charges)

Item / Description	Quantity	Unit Price	Total Price
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to installation of tie downs.

\*Pricing based on State Prevailing Wages.

\*\*\*\*\*

\*Excludes: Site Work, Site Utilities, Utility Connections, Permits, Crane, Translift (Tink), Roller System, Window/Door Security, Fire Sprinklers, Holding Tanks, Low Voltage, LCP Tracker, PLA Agreements, OCIP, Data/Communication Lines, Fire Alarms, Gutters & Downspouts, Air Balancing, Solar Electric Components, Furniture, Appliances.

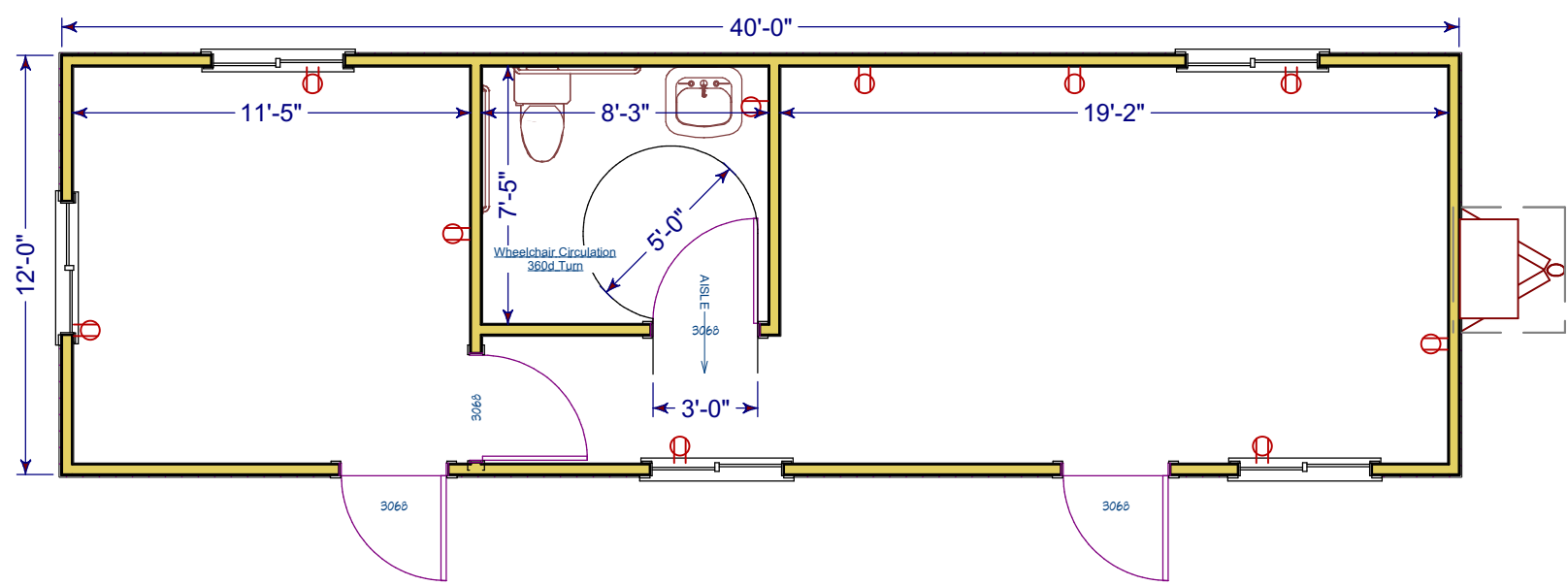
As stated in the "Terms and Conditions of Lease", Compliance with all Codes including, but not limited to, federal, state, and/or local codes or zoning ordinances shall be the sole responsibility of the Customer. Customer is solely responsible for locating and adequately marking any underground structures and/or utility services including but not limited to, gas, water, sewer, telephone, cable etc. prior to the unit delivery. Customer agrees to lease the Equipment from api and api hereby agrees to lease the Equipment to the Customer, on the terms and conditions set forth in this document and those in the Conditions of Lease Agreement located at <http://www.apitrailers.com> which are incorporated herein by reference. API Must be provided with an accessible site and level pad. Lessee/Purchaser will be held responsible & agrees to compensate API for any time delay resulting from Lessee/Purchaser or the site being unprepared, unlevel and restricted or difficult to access. Utility hook-ups, ADA Ramps, Custom steps, & permits are not included in this bid. If steps are required, Lessee/Purchaser is responsible to bring grade to first riser of step into compliance. If ADA Access ramp is required Lessee/Purchaser is responsible for the transition from end of ramp to grade. Lessee must provide API with a certificate of insurance naming API as additionally insured or purchase our "Insurance Surcharge" at 10% of the monthly rental cost. Lessee will be held responsible for all damage, vandalism & neglect in the use of this unit. Equipment quoted above is subject to availability. Price quote is valid for 30 days. Delivery, setup, take down & return are billed at the beginning of the lease.

Subtotal: 124,834.62  
 Tax: 1,699.01  
 Total: 126,533.63

Signature \_\_\_\_\_ Date: \_\_\_\_\_



Attachment:  
 Scale: 3/16"=1' @ 11x17  
 Last Revision Date: 11/6/2020  
 e-mail: sales@apitrailers.com  
 Web Site: www.apitrailers.com  
 Phone: 800 394-9217  
 Fax: 805 928-9190



**API Inv#: 124300003**

**Notes**

All DOOR LOCATIONS, WINDOW LOCATIONS, & MEASUREMENTS ARE APPROXIMATE.

THESE DRAWINGS ARE THE PROPRIETARY WORK PRODUCT AND PROPERTY OF ATLAS PERFORMANCE INDUSTRIES, INC., DEVELOPED FOR THE EXCLUSIVE USE OF ATLAS PERFORMANCE INDUSTRIES, INC. USE OF THESE DRAWINGS AND CONCEPTS CONTAINED THEREIN WITHOUT THE WRITTEN PERMISSION OF ATLAS PERFORMANCE INDUSTRIES, INC. IS PROHIBITED AND MAY SUBJECT YOU TO A CLAIM FOR DAMAGES FROM ATLAS PERFORMANCE INDUSTRIES, INC.

Attachment #2 - API

Modular Building size: 12x40	Floor Cover: Sheet Vinyl	Occupancy Type: B	
Electrical: Single Phase, 100-125 amp sub-panel, 110-220 Volt	Base Cove: 4" Vinyl Charcoal Gray	Body Paint: Sherwin Williams Gloss Latex, Color: Taupe	
Interior wall Finish: Hampton Gray VWG	Windows: Dual Pane White Vinyl or Bronze Aluminum	Trim Paint: Sherwin Williams Gloss Latex, Color: Charcoal	
Roofing: White EPDM over Densdeck. Class A.	Ceiling: T-Bar 2x4 suspended		
Siding: Smart Panel	Lighting: 2x4 Recessed Fluorescent		
Exterior Doors: 3'-0" x 6'-8" Metal	HVAC: 3 Ton		



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

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## PURCHASE ORDER # 2024-25-09

<b>VENDOR:</b> Willscot (Williams Scotsman, Inc.) 4646 East Van Buren St., Ste. 400 Phoenix, AZ 85005 Daniel Young 661-201-7681 Daniel.young@willscott.com 34948 Gazelle Ct. Bakersfield, CA 93308	<b>PURCHASE ORDER:</b> 44x12 Mobile Office  Code to: \$33,708 water \$16,854 wastewater \$5,618 solid waste
<b>SHIPPING ADDRESS:</b> OCEANO COMMUNITY SERVICES DISTRICT C/O Carey Casciola, Business & Accounting Manager (805) 481-6730 1655 Front Street Oceano, CA 93445	<b>BILLING ADDRESS:</b> OCEANO COMMUNITY SERVICES DISTRICT P O BOX 599 OCEANO, CA 93475-0599 (805) 481-6730

**DATE OF ISSUANCE:**

December 11, 2024

**SCOPE OF WORK:** See attached Agreement Number: Q-1851860 dated 12/3/2024

**COMPLETION REQUIREMENTS:** N/A

**AMOUNT NTE:** \$56,179.60

This purchase order is subject to the Terms and Conditions incorporated herein by reference to the attached documents.

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Signature

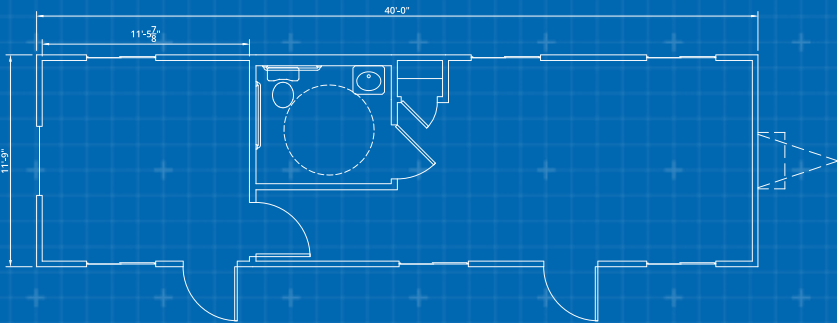
Date

# 44' x 12' OFFICE TRAILER



+ —

In addition to your office solution, we can provide additional products and services that complete your space- creating a more productive, comfortable, and safe work environment.



## CUSTOMIZATION

- Steps & Ramps
- Furniture & Appliances
- Technology
- Site Services
- Loss Protection

### Dimensions

44' Long (including hitch)  
 40' Box size  
 12' Wide  
 8' Ceiling height

### Exterior Finish

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 I-Beam Frame  
 Standard drip rail gutters

### Interior Finish

Paneled walls  
 Carpet or vinyl tile floor  
 Gypsum or T-grid suspended ceiling

### Electric

Fluorescent ceiling lights  
 Breaker panel

### Heating/Cooling

Central HVAC or thru-wall AC

### Windows/Doors

Horizontal slider windows  
 (2) Vision panel doors with standard locks or (2) steel doors with dead bolt lock

### Other

Private office(s)  
 Optional restroom

\* Photos are representational; actual products vary. Additional floor plans and specifications may vary from those shown and are subject to in-stock availability



Your Sales Representative  
 Daniel Young  
 daniel.young@willscot.com

Agreement Number: Q-1851860  
 Revision: 3  
 Date: 12/3/2024  
 Expiration Date: 1/2/2025

**Sale Agreement For Used Equipment Without Warranty**

<b>Buyer:</b> Oceano Community Services District 1931 Wilmar Avenue Oceano, CA 93445	<b>Contact:</b> Nicole Miller 1931 Wilmar Avenue Oceano, CA 93445, US Phone: +1 805 481 6730 Email: nicole@oceanocsd.org	<b>Ship To Address:</b> 1931 Wilmar Avenue OCEANO, CA 93445, US <b>Estimated Delivery Date:02/03/25</b>
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Unit Description and Pricing	Quantity	Price	Extended
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Fuel Surcharge Delivery	1	\$ 384.10	\$ 384.10
OSHA Aluminum Steps	2	\$ 1,000.00	\$ 2,000.00
CA Transport Delivery Fee	1	\$ 100.00	\$ 100.00
License fee	1	\$ 1.00	\$ 1.00
Prev Wage Setup and Anchor	1	\$ 3,103.00	\$ 3,103.00
<b>Total Purchase Price Including Delivery And Installation (If Applicable)*:</b>			\$ 52,382.10
<b>Total Purchase Price Including Delivery And Installation (If Applicable)* Including Estimated Taxes:</b>			\$ 56,179.80

**Summary of Charges**

Model: 44x12 Mobile Office or Similar	QUANTITY: 1	Total Charges for(1) Building(s): \$ 52,382.10
		Total Charges for (1) Building(s) Including Estimated Tax: \$ 56,179.80



Your Sales Representative  
 Daniel Young  
 daniel.young@willscot.com

Agreement Number: Q-1851860  
 Revision: 3  
 Date: 12/3/2024  
 Expiration Date: 1/2/2025

**Payment Terms**

Credit Terms: 100% due upon signing, 0% due upon unit delivery and remaining, 0% due upon substantial completion.

**Acknowledgement**

This Sales Agreement (the "Agreement") is made on December, 3, 2024, by and between William Scotsman Inc., a Maryland corporation, doing business at 34948 Gazelle Court, Bakersfield, CA 93308-9618 ("Seller") and Oceano Community Services District ("Buyer"), doing business at the address noted above.

Buyer agrees to purchase from Seller one or more trailer(s) and/or relocatable modular and/or pre-fabricated structures, including stairs, railings, furniture, and other items attached or appurtenant thereto, as noted above and detailed on any Addenda to this Agreement (hereinafter collectively referred to as the "Equipment"), for the purchase price and payment terms shown above and subject to the terms and conditions set forth herein and on the following pages of this Agreement and as detailed on the Addenda to this Agreement. The Agreement and the Addenda together form the "Contract Documents". The Addenda are as follows and are an integral part of this Agreement.

Addenda: No Addenda attached.

\*All prices exclude applicable taxes.

By its signature below, Buyer hereby acknowledges that it has read and agrees to be bound by the Seller's Sales Agreement Additional Terms and Conditions (7-26-13) located on Seller's internet site (<https://www.willscot.com/About/terms-conditions>) in their entirety, which are incorporated herein by reference and agrees to lease the Equipment from Seller subject to the terms therein.

**EXCLUSIONS OF ALL WARRANTIES:**

AS ACKNOWLEDGED AND AGREED BY THE UNDERSIGNED BUYER, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE EXCLUDED FROM THIS TRANSACTION AND THAT THE SALE IS "AS IS" AND "WITH ALL FAULTS." FURTHERMORE, WILLIAMS SCOTSMAN IS PROVIDING NO WARRANTIES AND MAKES NO REPRESENTATIONS WITH REGARD TO THE CONDITION OF THE SUBJECT MODULAR BUILDING.

Buyer's Initials \_\_\_\_\_

**Signatures**

BUYER (Name): Oceano Community Services District	SELLER: Williams Scotsman inc
Signature:	
Print Name:	
Title:	
Date:	
PO#:	

Williams Scotsman now issues paperless invoices via email, an efficient, convenient & environmentally friendly process. Go green and provide us with the proper email address for your invoices.

AP Email:

No thanks. Please mail my invoices to:  
 1931 Wilmar Avenue  
 Oceano, CA 93445, US

## Conditions of Purchase

1. The only terms that will be honored are those issued by the Oceano Community Services District (District).
2. No acknowledgment of this order is required. If this purchase order is the result of a written bid or quotation, the purchase order shall serve as acceptance thereof. If this purchase order is the result of an informal oral or written quote, acceptance will be assumed unless otherwise advised within (10) days of the date of the order. Unless otherwise specified, the U.S. Mail shall be the accepted means of communication.
3. Purchase order numbers shall appear on all invoices, packages, crates, boxes, etc.
4. Invoices must include only items shown on this order. In the event any item included on this order is not delivered, please notify the District at once as to the reason for the delay and the date we can expect delivery. Do not include any item which is back ordered on your invoice. Any invoice or claim on this contract must be presented within 1 year from delivery of goods or services.
5. Changes of any kind are not authorized without permission from the District.
6. The District reserves the right to cancel any or all items not shipped within the time specified on the order.
7. No charges for transportation, containers, packing, etc. will be allowed unless specified on the order.
8. All material furnished must be as specified and will be subject to inspection and approval of the District after delivery. The right is reserved to reject and return at the risk and expense of the supplier such portion of any shipment which may be defective or fail to comply with specifications without invalidating the remainder of the order. Rejected material will be held for disposition at the expense and risk of the seller. Manufacturer's warranty shall apply to all materials incorporated into work.
9. This order is subject to sales tax, exempt from federal tax. Certificate of exemption will be provided upon request.
10. All goods and/or services shall be in compliance with all federal, state and local law including but not limited to OSHA and CAL OSHA.
11. The seller shall provide the District with a Material Safety Data Sheet for each product containing substances on the List of Hazardous Substances published by the California Administrative Code, Title S, Section 5194. These sheets must be sent to Oceano Community Services District at P O Box 599, Oceano, CA 93475-0599. Please reference the above purchase order number.

# **INSURANCE REQUIREMENTS**

## **INDEMNIFICATION**

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend and hold harmless the District and its officers, agents, employees, and volunteers from and against all claims, demands, damages, liabilities, loss, costs, and expense (including attorney's fees and costs of litigation) of every nature arising out of or in connection with Contractor's performance or attempted performance of work hereunder or its failure to comply with any of its obligations contained in the agreement, except such loss or damage which was caused by sole negligence or willful misconduct of the District.

## **LIMITATION OF LIABILITY**

Notwithstanding anything to contrary in the Agreement, and to the extent permitted by applicable law, the maximum liability, if any, of either Party for any damages, including without limitation, agreement damages and damages of property, whether arising from breach of agreement, breach of warranty, negligence, strict liability, or other tort, is limited to an amount not to exceed the aggregate of TWO TIMES THE FACE VALUE OF THE AGREEMENT, which shall be the sole and exclusive remedy under the Agreement. In no event shall either Party be liable for indirect, incidental, special, punitive, or consequential damages of any kind (including without limitation downtime, property damage, loss of profit or revenue, loss of data, damage to goodwill) howsoever caused or arising from the Agreement or the breach of the Agreement, whether in indemnity, tort, contract, or otherwise. Nothing in the Agreement excludes or limits liability for death or personal injury caused by a party's gross negligence or willful misconduct.

## **INSURANCE COVERAGE**

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

## **MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL); Insurance Services Office (ISO) Form CG 0001 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed, operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.



2. Automobile Liability: ISO Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damages.
3. Worker Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. If Contractor will provide leased employees, or is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage shall also include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 O1 A) naming the District as the Alternate Employer, and the endorsement form shall be modified to provide that District will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.  
*(Not required if Contractor provides written verification it has no employees)*

If the contractor maintains higher limits than the minimums shown above, the District requires and shall be entitled to coverage for the higher limits maintained by the contractor.

### **OTHER INSURANCE PROVISIONS**

The insurance policies are to contain, or be endorsed to contain, the following provisions:

#### *Additional Insured Status:*

The District, its officers, officials, employees, and volunteers are to be covered as insureds on the auto policy with respect to liability arising out of automobiles owned, leased, hired or borrowed by, or on behalf of the Contractor; and on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10, 11 85 or both CG 20 10 and CG 23 37 forms if later revisions used).

#### *Primary Coverage*

For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance as respects the District, its officers, officials, employees, and volunteers. Any insurance of self-insurance maintained by the District, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

#### *Notice of Cancellation*

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days prior written notice (10 days for non-payment) has been given to the District.

#### *Failure to Maintain Insurance*

Contractor's failure to maintain or to provide acceptable evidence that it maintains the required insurance shall constitute a material breach of the Contract upon which the District immediately

may withhold payments due to Contractor, and/or suspend or terminate this Contract. The District, at its sole discretion, may obtain damages from Contractor resulting from said breach.

#### *Waiver of Subrogation*

Contractor hereby grants to District a waiver of any right to subrogation which any insurer of said Contractor may acquire against the District by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

#### *Deductibles and Self-Insured Retentions*

Any deductibles or self-insured retentions must be declared to and approved by the District. The District may require the Contractor to provide proof of ability to pay losses and related investigation, claim administration, and defense expenses within the retention.

#### *Acceptability of Insurers*

Insurance is to be placed with insurers with a current A.A. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

#### *Claims Made Policies*

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work;
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work;
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years.

#### *Separation of Insured's*

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separate of insured's provision with no insured versus insured exclusions or limitation.

#### *Verification of Coverage*

Contractor shall furnish the District with original certificates and mandatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor's obligation to provide them. The District reserves the right to required complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Certificates and copies of any required endorsements shall be sent to:

Oceano Community Services District  
P.O. Box 599  
Oceano, CA 93475-0599

*Subcontractors*

Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein.

*Special Risks or Circumstances*

District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

ORDINANCE NO. 2016-01

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE OCEANO COMMUNITY SERVICES DISTRICT TO PROVIDE INFORMAL BIDDING PROCEDURES UNDER THE UNIFORM PUBLIC CONSTRUCTION COST ACCOUNTING ACT (Section 22000, et seq. of the Public Contract Code)

The Board of Directors of the Oceano Community Services District ordains as follows:

**SECTION 1**

Informal Bid Procedures.

Public projects, as defined by the Act and in accordance with the limits listed in Section 22032 of the Public Contract Code, may be let to contract by informal procedures as set forth in Section 22032, et seq., of the Public Contract Code.

Contractors List.

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

Notice Inviting Informal Bids.

Where a public project is to be performed which is subject to the provisions of this Ordinance, a notice inviting informal bids may be mailed to all contractors for the category of work to be bid, as shown on the list developed in accordance with Section 22034 of the Public Contract Code, and shall be mailed to all construction trade journals as specified by the California Uniform Construction Cost Accounting Commission in accordance with Section 22036 of the Public Contract Code.

Additional contractors and/or construction trade journals may be notified at the discretion of the General Manager, provided however:

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

Award of Contracts

The General Manager may be authorized to award informal contracts pursuant to this Section if approved by the Board of Directors for the specific project being awarded.

**SECTION 2**

This Ordinance shall take effect and be in force thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days after its passage, it or a summary of it, shall be published once, with the names of the members of the Board of Directors voting for and against the same in a newspaper of general circulation published in the boundaries of the Oceano Community Services District.

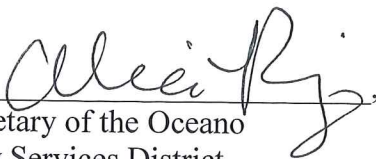
**PASSED, APPROVED and ADOPTED** by the Board of Directors of the Oceano Community Services District, State of California, this 14 day of December, 2016, by the following vote:

AYES: Director Coalwell, Director Angello, Director Brunet,  
Vice President Austin, President White

NOES: None

ABSENT: None

ABSTAINING: None

ATTEST:   
Board Secretary of the Oceano  
Community Services District

APPROVED AS TO FORM: 

District Counsel



# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

**Date:** December 11, 2024

**To:** Board of Directors

**From:** Carey Casciola, Business and Accounting Manager

**Via:** Peter Brown, General Manager

**Subject:** **Agenda Item #9(E):** Discuss and Approve the District’s Board Meeting calendar for 2025

## Recommendation

It is recommended that the Oceano Community Services District Board of Directors approve the District’s Board Meeting calendar for 2025 with one meeting per month reoccurring on the second Wednesday.

## Discussion

The [Bylaws](#) adopted by the Board of Directors set the Regular Board Meetings each calendar year. Section 2.1 of the bylaws currently provides for Regular Meetings every second and fourth Wednesday of the month. At the July 24, 2024, Board Meeting, the Board adopted a one-meeting-per-month trial period for the remainder of the 2024 year. Staff is recommending the following schedule for the 2025 calendar year:

<b>Scheduled Meetings:</b>	<b>Canceled Meetings:</b>
January 8, 2025	January 22, 2025
February 12, 2025	February 26, 2025
March 12, 2025	March 26, 2025
April 9, 2025	April 23, 2025
May 14, 2025	May 28, 2025
June 11, 2025	June 25, 2025
July 9, 2025	July 23, 2025
August 13, 2025	August 27, 2025
September 10, 2025	September 24, 2025
October 8, 2025	October 22, 2025
November 12, 2025	November 26, 2025 (Thanksgiving 27 <sup>th</sup> )
December 10, 2025	December 24, 2025 (District Holiday)



## **Other Agency Involvement**

The County Sheriff's South Station Commander attends meetings to provide reports to the Board of Directors.

## **Other Financial Considerations**

The District has traditionally held two meetings a month, which dedicates significant staff time to the preparation of agendas, minutes, and Board stipend disbursements. The District contracts with AGP Video to record and stream the Regular Meetings to SLO-SPAN for \$785 per meeting. If a Board Meeting adjourns after 9 PM, the District is charged overtime by AGP at \$120 per hour in 15-minute increments.

Broadly speaking, since compiling agendas, writing staff reports, performing required research, and coordinating with other staff and partner agencies to prepare agendas require a great deal of staff time, efficiencies and workload management benefits exist in moving toward one meeting per month. Additionally, the trial period at the end of 2024 provided an opportunity to see how it works in practice, and it was successful. This saved the District about \$7,020 in legal costs and \$2,355 in AGP costs. Staff workload management and efficiency were improved, with no measurable loss to public participation.

If a special meeting is required or needed, one can always be scheduled to conduct time-sensitive District business. Lastly, one meeting per month allows staff time to prepare well in advance to meet key grant, report filing, or audit deadlines well in advance of statutory or partner agency requirements.

For comparison's sake, see the table below showing San Luis Obispo County CSD's and how often they meet:



# Oceano Community Services District

Board of Directors Meeting

CSD	Active Powers	Frequency of Meetings				Compensation
		2 Per Month	1 Per Month	Every Other Month	Quarterly	
Avila Beach	Water, sewer, solid waste, street lighting and fire protection		X			None
California Valley	Solid waste, recycling and road maintenance		X			\$100 Regular meeting \$25 Committee \$50 other training
Cambria	Water, sewer, solid waste, street lighting, fire protection, parks & recreation, transit and Veteran's Memorial Administration	X				\$100 per meeting Not to exceed \$600/mo
Ground Squirrel Hollow	Road maintenance and solid waste		X			
Heritage Ranch	Water, sewer, solid waste, parks & recreation and gas station operation (non-operational)		X			\$100 first meeting \$100 additional meeting Not to exceed \$600
Independence Ranch	Road maintenance			X		None
Linne	Road maintenance				X	None. Volunteer only.
Los Osos	Water, drainage, parks and recreation, solid waste, street lighting for Vista De Oro and Bayridge Estates, fire emergency and rescue response		X			\$100 per meeting Not to exceed \$100 per day and \$600 per moth
Nipomo	Water, sewer, street lighting, drainage, landscape maintenance and solid waste	X				\$100 per meeting \$100 Standard Committee meeting \$75 Ad hoc committee meeting Not to exceed \$100/day and \$600/mo
Oceano	Water, sewer (collection - transmission), fire protection, parks & recreation, solid waste and street lighting	X				\$100 per regular or special meeting \$50 committee meeting Not to exceed \$600/mo
San Miguel	Water, sewer, fire protection, street lighting and solid waste		X			\$100 per meeting Not to exceed \$600/mo
San Simeon	Road maintenance, water, sewer, street lighting and weed abatement		X			\$92.35 per meeting, no max
Squire Canyon	Road maintenance				X	None
Templeton	Water, sewer, drainage, solid waste, street lighting, parks & recreation, and fire protection	X				\$150 per meeting Not to exceed 1 per day and \$600/mo
<b>OTHER SPECIAL DISTRICTS</b>						
SSLOCS (Sanitation District)	Wastewater treatment		X			\$100 per meeting Not to exceed 1 per day and \$600/mo
Port SLO Harbor District	Harbor		X			\$450/mo per Commissioner \$500/mo per Commission President
<b>Agencies meeting 2 times per month</b>		<b>4</b>				
<b>Agencies meeting 1 time per month or less</b>		<b>12</b>				

## Results

Reviewing the 2025 Board Meeting schedule helps staff and the Board strategically plan for the upcoming year.





# Oceano Community Services District

1655 Front Street, P.O. Box 599, Oceano, CA 93475

(805) 481-6730 FAX (805) 481-6836

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**Date:** December 11, 2024

**To:** Board of Directors

**From:** Carey Casciola, Business & Accounting Manager

**Subject:** **Agenda Item #10(A): A public hearing on an appeal by Laura Gaisie regarding a water bill and provide staff direction as deemed appropriate**

## Recommendation

It is recommended that the Board review and consider Laura Gaisie appeal of a water bill and provide staff direction to deny the appeal since the leak adjustment policy has been applied to the customers account.

## Discussion

Laura Gaise resides at the service address 2453 Beach and has requested (see Attachment A) that an adjustment be made to her account since the September bill totaled \$1,739.87. The customer applied for a leak adjustment and was granted a \$769.85 credit based on the District's code [6.08.040](#) leaving \$970.02 remaining for the September billing cycle. The property's average seasonal usage in September is 15 units, and it increased to 193 units during the billing cycle. The cycle before the September bill increased to 70 units when the average seasonal usage in July is normally 13 units, nevertheless the District's code related to leak adjustments only allows for this policy to be used once in any consecutive 24 month period. The customer is requesting that the Board waive late fees (\$173.99), door hanger fees (\$25) and that she be granted a second leak adjustment within the 24 month period (\$245.39 for July) for a total of \$453.38.

In the past, the Board has approved applying the leak adjustment formula to credit a customer's account with high usage if the owner agreed to install a [Flume Smart Home Water Monitor](#) device (or similar device) at the property, which will monitor water as it goes through the meter to ensure this doesn't recur at the property.

Board action may include only approving a credit of \$198.98 for the late fee and door hanger, or only apply another leak adjustment credit of \$245.39 for the July billing cycle if the customer installs a Flume device, or both. However, to be consistent with Board-adopted policy and to be fair to other customers who have asked for a second leak adjustment credit within a 24 month period and been turned down, denial of the appeal may be the fairest course of action. Since staff has applied the leak adjustment credit to the largest bill during this leak (credit already granted of \$769.85), staff recommendation is to deny the appeal.



# Oceano Community Services District

Board of Directors Meeting

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## Other Agency Involvement

N/A

## Other Financial Considerations

If the Board is inclined to grant an adjustment based on the customer's request, this would result in a revenue loss.

## Results

The Board's consideration of the request provides a full review of the situation and transparency and supports a well-governed community.

Attachments:   A - Correspondence from Laura Gaisie  
                      B - Billing and Payment History  
                      C – Leak Adjustment Calculation for the July 2024 Billing Cycle

## Carey Casciola

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**From:** Laura Gaisie [REDACTED]  
**Sent:** Friday, November 8, 2024 5:07 PM  
**To:** Carey Casciola  
**Subject:** Additional lead adjustment for water bill

Good evening, Carey

My husband and I reside at 2453 Beach St. Oceano. We received a one-time leak adjustment after submitting a form on 9/18/2024. This problem started sometime in April of 2024, which was no fault of ours however, we did notify our landlord as soon as the problem became known, who sent out Nate's Plumbing. The leak was due to old/worn toilet tank flappers in both our upstairs and downstairs bathroom toilets and was repaired on 9/4/2024 (proof of repair on submitted 9/18/2024).

We still owe a huge water bill of \$1,456.76. I am currently on leave from work, and as we approach the holiday season, this is a hardship for us. With respect to these circumstances, I am requesting another leak adjustment and to have late charges and door-hanger fees waived. After making a recent payment on this bill, one of your representatives in the OCSD office suggested we email our hardship for the next board meeting, this Wednesday.

Thank you for your time and consideration, this would mean a lot to our household.

Laura Gaisie  
[REDACTED]

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
11/25/2024	<a href="#">010158</a>	Bill		9/18-11/18 01/02	139.62		1,596.38
11/08/2024	<a href="#">010154</a>	Payment	<a href="#">152268</a>	EMMANUEL		200.00	1,456.76
10/22/2024	<a href="#">010109</a>	Late Charge			173.99		1,656.76
10/17/2024	<a href="#">010090</a>	Adjustment		WATER LEAK ADJ		769.85	1,482.77
10/15/2024	<a href="#">010081</a>	Cutoff		DOOR HANGER FEE	25.00		2,252.62
10/14/2024	<a href="#">010078</a>	Payment	<a href="#">151134</a>	304		250.00	2,227.62
09/30/2024	<a href="#">010055</a>	Bill		7/18- 9/18 10/21	1,739.87		2,477.62
08/21/2024	<a href="#">010005</a>	Late Charge			67.07		737.75
07/31/2024	<a href="#">009971</a>	Bill		5/18- 7/18 08/20	670.68		670.68
07/12/2024	<a href="#">009966</a>	Payment	<a href="#">148598</a>	295		294.61	0.00
06/21/2024	<a href="#">009929</a>	Late Charge			26.60		294.61
06/07/2024	<a href="#">009906</a>	Payment	<a href="#">147045</a>	294		300.08	268.01
05/31/2024	<a href="#">009899</a>	Bill		3/18- 5/18 06/20	266.01		568.09
04/23/2024	<a href="#">009850</a>	Late Charge			27.46		302.08
04/08/2024	<a href="#">009829</a>	Payment	<a href="#">145311</a>	292		283.14	274.62
03/31/2024	<a href="#">009812</a>	Bill		1/18- 3/18 04/22	274.62		557.76
02/21/2024	<a href="#">009760</a>	Late Charge			25.74		283.14
01/31/2024	<a href="#">009727</a>	Bill		11/18- 1/18 02/20	257.40		257.40
01/24/2024	<a href="#">009725</a>	Payment	<a href="#">143199</a>	286		302.09	0.00
01/24/2024	<a href="#">000000</a>	Memo	<a href="#">143199</a>	Ex CUT-PMT 302.09CR			302.09
12/21/2023	<a href="#">009681</a>	Late Charge			27.46		302.09
11/30/2023	<a href="#">009645</a>	Adjustment		APPLY CREDITS			274.63
11/30/2023	<a href="#">009645</a>	Bill		9/18-11/18 12/20	274.62		274.63
10/23/2023	<a href="#">009594</a>	Payment	<a href="#">140999</a>	282		264.19	0.01
10/21/2023	<a href="#">009592</a>	Late Charge			24.02		264.20
09/29/2023	<a href="#">009546</a>	Bill		7/18- 9/18 10/20	240.18		240.18
08/14/2023	<a href="#">009479</a>	Payment	<a href="#">138222</a>	278		216.15	0.00
07/31/2023	<a href="#">009461</a>	Bill		5/18- 7/18 08/21	197.72		216.15
06/22/2023	<a href="#">009422</a>	Payment	<a href="#">137358</a>	272		184.24	18.43
06/21/2023	<a href="#">009418</a>	Late Charge			18.43		202.67
05/31/2023	<a href="#">009377</a>	Bill		3/18- 5/18 06/20	184.24		184.24
05/02/2023	<a href="#">009349</a>	Payment	<a href="#">135728</a>	269		180.42	0.00
04/24/2023	<a href="#">009315</a>	Late Charge			16.40		180.42
03/30/2023	<a href="#">009273</a>	Bill		1/18- 3/18 04/20	164.02		164.02
03/13/2023	<a href="#">009263</a>	Payment	<a href="#">133974</a>	265		217.49	0.00
03/13/2023	<a href="#">000000</a>	Memo	<a href="#">133974</a>	Ex CUT-PMT 217.49CR			217.49
02/23/2023	<a href="#">009231</a>	Late Charge			19.77		217.49
01/31/2023	<a href="#">009196</a>	Payment	<a href="#">132236</a>	260		210.08	197.72
01/31/2023	<a href="#">009191</a>	Bill		11/18- 1/18 02/21	197.72		407.80
01/31/2023	<a href="#">000000</a>	Memo	<a href="#">132236</a>	Ex CUT-PMT 210.08CR			210.08
12/21/2022	<a href="#">009134</a>	Late Charge			19.10		210.08
11/29/2022	<a href="#">009086</a>	Bill		9/18-11/18 12/20	190.98		190.98
11/10/2022	<a href="#">009062</a>	Payment	<a href="#">130279</a>	254		178.28	0.00
11/10/2022	<a href="#">000000</a>	Memo	<a href="#">130279</a>	Ex CUT-PMT 178.28CR			178.28
10/21/2022	<a href="#">009042</a>	Late Charge			17.75		178.28
09/30/2022	<a href="#">009012</a>	Adjustment		APPLY CREDITS			160.53
09/30/2022	<a href="#">009012</a>	Bill		7/18- 9/18 10/20	177.50		160.53
09/21/2022	<a href="#">008998</a>	Payment	<a href="#">128612</a>	248		186.65	16.97CR
07/29/2022	<a href="#">008939</a>	Bill		5/18- 7/18 08/22	169.68		169.68
07/08/2022	<a href="#">008937</a>	Payment	<a href="#">126724</a>	243		186.65	0.00
07/08/2022	<a href="#">000000</a>	Memo	<a href="#">126724</a>	Ex CUT-PMT 186.65CR			186.65
06/21/2022	<a href="#">008903</a>	Late Charge			16.97		186.65
05/31/2022	<a href="#">008872</a>	Bill		3/18- 5/18 06/20	169.68		169.68
05/12/2022	<a href="#">008857</a>	Payment	<a href="#">124849</a>	239		216.26	0.00
05/12/2022	<a href="#">000000</a>	Memo	<a href="#">124849</a>	Ex CUT-PMT 216.26CR			216.26
04/21/2022	<a href="#">008834</a>	Late Charge			19.66		216.26
03/31/2022	<a href="#">008801</a>	Bill		1/18- 3/18 04/20	196.60		196.60
03/25/2022	<a href="#">008788</a>	Payment	<a href="#">123185</a>	236		158.24	0.00

ADJUSTMENT CALCULATION

			Units	Rate	Extended Cost
Water Usage	Billed 70 Cons	\$ 651.19		\$ 75.43	\$ 75.43
	* Average 13 Cons	<b>\$ 160.42</b>	6	\$ 4.12	\$ 24.72
			7	\$ 8.61	\$ 60.27
	Difference	\$ 490.77			
			13		<b>\$ 160.42</b>

Sewer	Billed	\$ 19.49
	Average	\$ 19.49
	Difference	\$ -

Water Diference	\$ 490.77
Sewer Difference	\$ -
Total Difference	\$ 490.77

OCSD Amount	\$ 245.39
Customer Amount	\$ 245.39
Total Difference	\$ 490.77

**TOTAL \$ 245.39**

Approved By:

Utility System  
Supervisor:

Account  
Administrator:

General  
Manager: