



CAYUCOS SANITARY DISTRICT

200 Ash Avenue / PO Box 333
Cayucos, CA 93430
(805) 995-3290
www.cayucossd.org

GOVERNING BOARD
R. Enns, President
S. Lyon, Vice-President
J. Curti, Director
J. Smith, Director
J. Clark, Director

**BOARD OF DIRECTORS
REGULAR MEETING AGENDA
THURSDAY, JULY 17, 2025 AT 5:00PM
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430**

1. ESTABLISH QUORUM AND CALL TO ORDER

2. PUBLIC COMMENT

At this time the public may address the Board on items other than those scheduled on this agenda that are within the jurisdiction of the Board (persons wishing to speak on any item scheduled on this agenda will be given the opportunity at the time that agenda item is being considered). When recognized by the Board President, please state your name for the record (though not required). While the Board encourages public comment, in the interest of time and to facilitate orderly conduct of the meeting, the Board reserves the right to limit individual comments to three minutes. By conditions of the Brown Act, the Board is prohibited from discussing issues not posted on this agenda, but may set items for future agendas.

3. CLOSED SESSION

Public Employment Pursuant to Government Code Section 54957(b)

Position: Interim District Manager/District Manager

Conference with Labor Negotiator Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Robert Enns and John Curti

Unrepresented Employee: Interim District Manager/District Manager

4. CONSENT CALENDAR: Recommended to Approve

Consent Calendar items are considered routine and therefore do not require separate discussion, however, any item may be removed from the Consent Calendar by a member of the Board of Directors for separate consideration. Individual items on the Consent Calendar are approved by the same vote that approves the Consent Calendar, unless an item is pulled for separate consideration.

A. Meeting Minutes

1. Approval of minutes for the June 19, 2025 Board of Directors Regular Meeting [Pg. 1](#)
2. Approval of minutes for the July 9, 2025 Board of Directors Special Meeting [Pg. 5](#)
3. Approval of minutes for the May 8, 2025 Board of Directors Special Meeting [Pg. 6](#)
4. Approval of minutes for the May 15, 2025 Board of Directors Regular Meeting [Pg. 8](#)

B. Financial Reports: June 2025

1. Cash, Savings, and Investment Report [Pg. 13](#)
2. Check Registers – Wells Fargo (General & CIP Checking Accounts) [Pg. 14](#)
3. Budget vs. Actual Status Report [Pg. 17](#)
4. Capital Improvement Projects Report [Pg. 18](#)

5. STAFF COMMUNICATIONS AND INFORMATIONAL ITEMS: No Action Required

A. District Manager's Report: June 2025 [Pg. 19](#)

B. Will-Serve Activity: June 2025

1. New Will-Serves

- 3512 Gilbert Ave. / O'Shea / 064-407-017 / ADU New

2. Extended Will-Serves:

- 3194 Studio Dr. / Rosen / 064-417-009 / SFR New

3. Finald Will-Serves:

- 3176 Shearer Ave. / Lema / 064-411-019 / SFR Addition

6. DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH SPICE INTEGRATION CORP. IN THE AMOUNT OF \$2,880.00 FOR MONTHLY SERVICES Pg. 21

7. DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH SPICE INTEGRATION CORP. IN THE AMOUNT OF \$10,299.21 FOR SECURITY UPGRADES AT THE WATER RESOURCE RECOVERY FACILITY Pg. 44

8. DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH SPICE INTEGRATION CORP. IN THE AMOUNT OF \$19,494.16 FOR SECURITY UPGRADES AT THE DISTRICT OFFICE Pg. 61

9. DISCUSSION AND CONSIDERATION OF REQUEST FROM THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOMINATE AN ALTERNATE SPECIAL DISTRICT MEMBER Pg. 78

10. DISCUSSION AND CONSIDERATION TO NOMINATE CANDIDATES FOR THE ELECTION OF DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) BOARD Pg. 81

11. DISCUSSION AND CONSIDERATION OF ADOPTION OF RESOLUTION 2025-05 APPOINTING WILL CLEMENS AS INTERIM DISTRICT MANAGER AND APPROVING AN EMPLOYMENT AGREEMENT Pg. 95

12. BOARD MEMBER COMMENTS

This item provides the opportunity for Board members to make brief announcements and/or briefly report on their own activities related to District business.

13. FUTURE SCHEDULED MEETINGS

- August 21, 2025 – Regular Board Meeting
- September 18, 2025 – Regular Board Meeting
- October 16, 2025 – Regular Board Meeting

14. ADJOURNMENT

This agenda was prepared and posted pursuant to Government Code Section 54954.2. The agenda, staff reports or other documentation relating to each item of business referred to on the agenda can be accessed and downloaded from the District's website at <https://www.cayucossd.org/meetings>

All staff reports or other documentation relating to each item of business referred to on the agenda are also on file at the District office, available for public inspection or reproduction at cost. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by the Americans with Disability Act. To make a request for disability-related modification or accommodation, contact the District at (805) 995-3290 as soon as possible and at least 48 hours prior to the meeting date.



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GOVERNING BOARD

R. Enns, President

S. Lyon, Vice-President

J. Curti, Director

J. Smith, Director

J. Clark, Director

**BOARD OF DIRECTORS
REGULAR MEETING MINUTES
THURSDAY, JUNE 19, 2025 AT 5:00 P.M.
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430**

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:00 p.m.

Directors Present: President Robert Enns, Director John Curti, Director Justin Smith, and Director Joe Clark

Directors Absent: Vice-President Shirley Lyon

Staff Present: Acting District Manager Gayle Good and Chief Plant Operator Sarah Hooper

2. PUBLIC COMMENT

None

3. CLOSED SESSION

Public Employment Pursuant to Government Code Section 54957(b)

Position: Interim District Manager/District Manager

Conference with Labor Negotiator Pursuant to Government Code Section 54957.6

Agency Designated Representatives: Robert Enns and John Curti

Unrepresented Employee: Interim District Manager/District Manager

Public Comment: Chief Plant Operator Sarah Hooper stated that she supports the current Acting District Manager.

At 5:20 p.m., President Enns announced that the Board would transition to closed session.

Directors Present During Closed Session: President Enns, Director Curti, Director Smith, Director Clark

Staff Present During Closed Session: None

Open Session reconvened at 6:06 p.m.

Items to report from Closed Session: None

4. CONSENT CALENDAR: Recommended to Approve

A. Meeting Minutes

1. Approval of minutes for the May 8, 2025 Board of Directors Special Meeting
2. Approval of minutes for the May 15, 2025 Board of Directors Regular Meeting

B. Financial Reports: May 2025

1. Cash, Savings, and Investment Report
2. Check Registers – Wells Fargo (General & CIP Checking Accounts)
3. Budget vs. Actual Status Report FY
4. Capital Improvement Projects Report

Public Comment: None

No action was taken on this item.

5. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required

A. District Manager's Report: May 2025

B. Will-Serve Activity: May 2025

1. New Will-Serves

- 2788 Richard Ave. / Day / 064-204-032 / SFR New
- 1685 Cass Ave. / Hall / 064-172-016 / SFR New
- 37 17th St. / Jones / 064-226-028 / SFR Remodel

2. Extended Will-Serves: None

3. Finalized Will-Serves:

- 51 Pacific Ave. / Danneberg / 064-122-019 / SFR Remodel
- 159 H St. / Khankhanian / 064-126-007 / SFR Remodel
- 183 H St. / Webb / 064-126-016 / SFR New

Chief Plant Operator Sarah Hooper provided a summary of the WRRF's previous month's activities. Acting District Manager Good reviewed the previous month's activities.

Public Comment: None

Items 5.A – B were received and accepted.

6. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2025-02 ESTABLISHING CAYUCOS SANITARY DISTRICT'S FISCAL YEAR 2025/2026 APPROPRIATIONS LIMIT

Public Comment: None

Motion: By Director Smith to adopt Resolution 2025-02 establishing Cayucos Sanitary District's Fiscal Year 2025/2026 Appropriations Limit

second: By Director Clark

Vote: 4-0 Motion passed

7. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2025-03 CONFIRMING THE ITEMIZED REPORT TO COLLECT DELINQUENT SEWER SERVICE CHARGES ON THE FISCAL YEAR 2025/2026 COUNTY TAX ROLL

Acting District Manager Good explained the tax lien process.

Public Comment: None

Motion: By Director Curti to adopt Resolution 2025-03 confirming the itemized report to collect delinquent sewer service charges on the Fiscal Year 2025/2026 County Tax Roll

Second: By Director Smith

Vote: 4-0 Motion passed

8. DISCUSSION AND CONSIDERATION TO ADOPT RESOLUTION 2025-04 CONFIRMING THE ITEMIZED REPORT TO COLLECT DELINQUENT SOLID WASTE COLLECTION AND DISPOSAL CHARGES ON THE FISCAL YEAR 2025/2026 COUNTY TAX ROLL

Public Comment: None

Motion: By Director Clark to adopt Resolution 2025-04 confirming the itemized report to collect delinquent solid waste collection and disposal charges on the Fiscal Year 2025/2026 County Tax Roll

Second: By Director Curti
Vote: 4-0 Motion passed

9. DISCUSSION AND CONSIDERATION TO COMPENSATE THE ADMINISTRATIVE ACCOUNTING MANAGER FOR INCREASED DUTIES AND RESPONSIBILITIES WHILE SERVING AS ACTING DISTRICT MANAGER

Since the previously authorized stipend was of limited duration, it was recommended that the \$1,000 per week stipend be continued from the May 15, 2025 meeting until Acting District Manager Gayle Good is no longer Acting District Manager.

Public Comment: None

Motion: By Director Smith to compensate the Administrative Accounting Manager \$1,000 per week for increased duties and responsibilities while serving as Acting District Manager, until she is no longer Acting District Manager

Second: By Director Clark
Vote: 4-0 Motion passed

10. DISCUSSION AND CONSIDERATION OF DISTRICT MANAGER RECRUITMENT

The Board and Acting District Manager Good discussed possible advertising venues for placing of the ad for recruitment. The Board determined that the ad should be placed in GovernmentJobs.com, CSDA, Cal Poly Handshake, Cuesta College Jobspeaker, CWEA, and posted onto the CSD website. The final day to accept applications should be August 29th, 2025. Staff requested additional guidance as to what the job posting should entail. The Board assigned the District Manager Recruitment Ad Hoc Committee to review the listing and authorized staff to post the final version to the sites discussed.

Public Comment: None

Motion: By Director Smith to assign the review of the District Manager job listing to the District Manager Recruitment Ad Hoc Committee, and to authorize staff to post the listing once complete

Second: By Director Clark
Vote: 4-0 Motion passed

11. DISCUSSION AND CONSIDERATION OF ADOPTION OF DISTRICT TUITION REIMBURSEMENT PROGRAM

Public Comment: None

Motion: By Director Smith to adopt the Tuition Reimbursement Program

Second: By Director Clark
Vote: 4-0 Motion passed

12. BOARD MEMBER COMMENTS

None

13. FUTURE SCHEDULED MEETINGS

- July 17, 2025 – Regular Board Meeting
- August 21, 2025 – Regular Board Meeting
- September 18, 2025 – Regular Board Meeting

14. ADJOURNMENT

The meeting adjourned at 7:31 p.m.

Minutes Respectfully Submitted By:

X *Gayle Good*

Gayle Good
Acting District Manager

DRAFT



CAYUCOS SANITARY DISTRICT

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AGENDA ITEM:

4.A.2

GOVERNING BOARD
R. Enns, President
S. Lyon, Vice-President
J. Curti, Director
J. Smith, Director
J. Clark, Director

**BOARD OF DIRECTORS
SPECIAL MEETING MINUTES
WEDNESDAY, JULY 9, 2025 AT 3:30PM
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430**

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 3:30 p.m.

Directors Present: President Robert Enns, Director John Curti (via teleconference), Director Justin Smith, and Director Joe Clark

Directors Absent: Vice-President Shirley Lyon

Staff Present: Administrative Services Manager Amy Lessi

Guests Present: Will Clemens, Interim District Manager candidate

2. PUBLIC COMMENT ON AGENDA ITEM(S)

None

3. INTRODUCTION TO AND DISCUSSION WITH INTERIM DISTRICT MANAGER CANDIDATE, WILL CLEMENS

The Board interviewed Interim District Manager candidate, Will Clemens, questioning his previous experience, management style, familiarity with upcoming District projects/requirements, etc.

No action was taken.

4. ADJOURNMENT

The meeting adjourned at 4:16 p.m.

Minutes Respectfully Submitted By:

X 

Amy Lessi
Administrative Services Manager



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GOVERNING BOARD

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S. Lyon, Vice-President

J. Curti, Director

J. Smith, Director

Vacant, Director

**BOARD OF DIRECTORS
SPECIAL MEETING MINUTES
THURSDAY, MAY 8, 2025 AT 4:00 P.M.
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430**

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 4:00 p.m.

Directors Present: President Robert Enns, Vice-President Shirley Lyon, Director John Curti (via teleconference), and Director Justin Smith

Staff Present: Acting District Manager Gayle Good and Administrative Services Manager Amy Lessi

2. PUBLIC COMMENT ON AGENDA ITEM(S)

None

3. DISCUSSION AND CONSIDERATION TO APPOINT A DIRECTOR TO FILL THE VACANCY FOR DISTRICT 3 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

President Enns offered each of the three applicants the opportunity to expand upon their applications and explain their interest in serving on the District Board. Directors Curti and Smith asked follow up questions. President Enns stated that an applicant would be selected at the next regular meeting (May 15th) to fill the vacancy.

No action was taken.

4. CLOSED SESSION

Public Employment Pursuant to Government Code Section 54957(b)

Position: Acting District Manager/District Manager

Public Comment: None

President Enns announced that the Board would transition to Closed Session at 4:30 p.m.

Directors Present During Closed Session: President Enns, Vice-President Lyon, Director Curti, and Director Smith

Staff Members Present During Closed Session: None

Open session reconvened at 5:37 p.m.

Items to Report from Closed Session: None

5. ADJOURNMENT

The meeting adjourned at 5:37 p.m.

Minutes Respectfully Submitted By:

X Amy Lessi

Amy Lessi
Administrative Services Manager

DRAFT



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AGENDA ITEM:

4.A.4

GOVERNING BOARD
R. Enns, President
S. Lyon, Vice-President
J. Curti, Director
J. Smith, Director
Vacant, Director

**BOARD OF DIRECTORS
REGULAR MEETING MINUTES
THURSDAY, MAY 15, 2025 AT 5:00 P.M.
200 ASH AVENUE, CAYUCOS, CALIFORNIA 93430**

1. ESTABLISH QUORUM AND CALL TO ORDER

President Enns called the meeting to order at 5:00 p.m.

Directors Present: President Robert Enns, Vice-President Shirley Lyon, Director John Curti, and Director Justin Smith

Staff Present: Acting District Manager Gayle Good and Chief Plant Operator Sarah Hooper

Visitors Present: Dylan Wade of Water Systems Consulting (WSC) and Board vacancy candidates Michael Taylor and Robert Tennent

2. PUBLIC COMMENT

None

3. CONSENT CALENDAR: Recommended to Approve

A. Meeting Minutes

1. Approval of minutes for the March 20, 2025 Board of Directors Regular Meeting
2. Approval of minutes for the March 27, 2025 Operations & Maintenance Committee Meeting
3. Approval of minutes for the March 28, 2025 Board of Directors Special Meeting
4. Approval of minutes for the April 4, 2025 Board of Directors Special Meeting
5. Approval of minutes for the April 28, 2025 Budget Committee Meeting

B. Financial Reports: March 2025

1. Cash, Savings, and Investment Report
2. Check Registers – Wells Fargo (General & CIP Checking Accounts)
3. Budget vs. Actual Status Report FY
4. Capital Improvement Projects Report

C. Financial Reports: April 2025

1. Cash, Savings, and Investment Report
2. Check Registers – Wells Fargo (General & CIP Checking Accounts)
3. Budget vs. Actual Status Report
4. Capital Improvement Projects Report

Public Comment: None

Motion: By Director Curti to approve items on the Consent Calendar as prepared

Second: By Director Smith

Vote: 4-0 Motion passed

4. STAFF COMMUNICATIONS AND INFORMATION ITEMS: No Action Required

A. District Manager's Report: March & April 2025

B. Will-Serve Activity: March & April 2025

1. New Will-Serves

- 31 7th St. / Rice / 064-145-031 / SFR Remodel
- 3525 Gilbert Ave. / Stanley / 064-405-010 / SFR New
- 196 G St. / Rogers / 064-126-012 / ADU New
- 79 Bakersfield Ave. / Gaeta / 064-043-041 / SFR Remodel
- 897 Park Ave. / Russell / 064-081-009 / SFR Remodel
- 30 12th St. / Luallen / 064-222-012 / SFR New
- 799 Saint Mary Ave. / Del Papa / 064-133-009 / SFR Remodel & ADU New
- 314 Cayucos Creek Rd. / Alvord / 064-024-026 / SFR New

2. Extended Will-Serves:

- 2790 Richard Ave. / Hall / 064-204-063 / SFR New
- 1775 Cass Ave. / Noland / 064-172-021 / SFR Remodel
- 3165 Ocean Blvd / Herman / 064-411-005 / SFR Remodel
- 1859 Cass Ave. / Goodman / 064-172-042 / SFR Remodel
- 46 19th St. / Fishman / 064-233-026 / SFR Addition
- 3369 Shearer Ave. / McKinley / 064-427-004 / SFR Remodel

3. Finaled Will-Serves:

- 980 Park Ave. / Brosi / 064-157-025 / Deck New & SFR Remodel
- 957 Saint Mary Ave. / Moens / 064-157-007 / ADU New

Administrative: Acting Manager Good summarized the District's activities over the last two months. Director Smith provided an overview of both the Operations & Maintenance Committee and the Recycled Water Ad Hoc Committee meetings. President Enns shared information from the JPA Ad Hoc Committee meeting, explaining that all parties seem agreeable to coming up with an amicable resolution. Dylan Wade of WSC provided additional details about the Recycled Water Ad Hoc Committee meeting as well as the meeting with the staff of the RWQCB regarding our permit renewal.

CIP: The Board expressed approval of the Big Belly wrap artwork samples provided. Dylan Wade provided additional detail regarding the Toro to Chaney Main Replacement Project, explaining that it will be a challenging project to complete due to depth and proximity to the highway, but there are options that are workable. Mr. Wade has also met with the Coastal Commission and they are exploring having CalTrans remove the existing sea wall at the Hwy 1 Toro Creek Bridge crossing. It protects both the bluff and our outfall line from erosion in winter run-off events and we would like it to remain in place.

O&M/WRRF: Chief Plant Operator Sarah Hooper described the influent/effluent discrepancy and explained that we believe it was corrected this week and has been due to improper coding by our original tech supplier. She is waiting for the data to populate, but believes this is the fix we have been looking for.

Public Comment: None

Items 4.A – B were received and accepted.

5. DISCUSSION AND CONSIDERATION TO APPOINT A DIRECTOR TO FILL THE VACANCY FOR DISTRICT 3 OF THE CAYUCOS SANITARY DISTRICT BOARD OF DIRECTORS

The sitting Board members reviewed the candidates that have applied and both candidate Taylor and candidate Tennent reiterated their positions as provided at the May 8, 2025 Special Meeting. Candidate Clark was unable to attend due to a prior commitment. The Board thanked the candidates for their interest and unanimously decided to appoint Joe Clark to the vacant position. A rollcall vote was taken.

Public Comment: None

Motion: By Director Curti to appoint Joe Clark to fill the vacancy for District 3 of the Cayucos Sanitary District Board of Directors

Second: By Director Smith

Roll Call Vote: Curti-yes, Smith-yes, Lyon-yes, Enns-yes; **4-0** Motion passed

6. DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH WATER SYSTEMS CONSULTING, INC. (WSC) IN THE AMOUNT OF \$40,760 FOR THE PREPARATION OF PHASE II OF THE RECYCLED WATER MANAGEMENT PLAN

Dylan Wade of WSC explained that this contract will enable him to complete the Recycled Water Management Plan and be ready for submission with the other facets of our WRRF permit renewal package.

Public Comment: None

Motion: By Director Smith to approve a contract with WSC in the amount of \$40,760 for the preparation of phase II of the Recycled Water Management Plan

Second: By Director Curti

Vote: **4-0** Motion passed

7. DISCUSSION AND CONSIDERATION TO APPROVE THE FISCAL YEAR 2025/2026 CAYUCOS SANITARY DISTRICT BUDGET
A. OPERATING BUDGET

Acting District Manager Good presented the budget and answered questions. Of particular note was the added category for Tuition Reimbursement along with a new line item for Reserves for Long-Term Planning. The Board also discussed and approved a \$2.00 per hour Cost of Living Adjustment (COLA) for each employee effective July 1, 2025.

Public Comment: None

Motion: By Director Smith to approve the Fiscal Year 2025/2026 Cayucos Sanitary District Operating Budget as prepared, with a \$2.00 per hour COLA

Second: By Director Curti

Vote: **4-0** Motion passed

B. CIP BUDGET

Acting District Manager Good reviewed the proposed CIP budget line by line, explaining each of the items. Additional details were provided by Chief Plant Operator Sarah Hooper, who explained how critical it is to have a backup permeate pump with repairs/replacements taking up to 22 weeks in case of breakdown.

Public Comment: None

Motion: By Director Curti to approve the Fiscal Year 2025/2026 Cayucos Sanitary District CIP Budget as prepared.

Second: By Director Smith

Vote: **4-0** Motion passed

8. DISCUSSION AND CONSIDERATION TO APPROVE AN AMENDMENT TO AGREEMENT FOR CONSULTANT SERVICES WITH RICHARD L. KOON

Public Comment: None

Motion: By Director Lyon to approve an amendment to Agreement for Consultant Services with Richard L. Koon

Second: By Director Smith

Vote: 4-0 Motion passed

9. DISCUSSION AND CONSIDERATION TO: A) APPOINT THE ADMINISTRATIVE SERVICES MANAGER AS BOARD SECRETARY; B) AMEND THE JOB DESCRIPTION FOR THE ADMINISTRATIVE SERVICES MANAGER TO INCLUDE THE TITLE AND DUTIES OF BOARD SECRETARY (ADMINISTRATIVE SERVICES MANAGER/BOARD SECRETARY); AND C) AMEND THE DISTRICT SALARY SCHEDULE

Public Comment: None

Motion: By Director Smith to: a) appoint the Administrative Services Manager as Board Secretary; b) amend the job description for the Administrative Services Manager to include the title and duties of Board Secretary (Administrative Services Manager/Board Secretary); and c) amend the District salary schedule

Second: By Director Curti

Vote: 4-0 Motion passed

10. DISCUSSION AND CONSIDERATION TO AUTHORIZE THE DEMOLITION OF THE WATER WELL LOCATED ON THE JOINTLY OWNED MORRO BAY-CAYUCOS SANITARY DISTRICT PROPERTY AT 180 ATASCADERO RD., MORRO BAY, CA (PERMIT # CDP24-041)

The Board discussed both options at length and agreed that Martin Marietta should be allowed to demolish the well along with the cleanup of the former concrete yard.

Public Comment: None

Motion: By Director Smith to authorize the demolition of the water well located on the jointly owned Morro Bay-Cayucos Sanitary District property at 180 Atascadero Rd., Morro Bay, CA

Second: By Director Lyon

Vote: 4-0 Motion passed

11. CLOSED SESSION

Public Employment Pursuant to Government Code Section 54957(b)

Position: Acting and Interim District Manager/District Manager

Conference with Labor Negotiator Pursuant to Government Code Section 54957.6

Agency Designated Representative: Robert Enns, Board President

Unrepresented Employee: Acting and Interim District Manager/District Manager

Public Comment: None

Directors Present During Closed Session: President Enns, Vice-President Lyon, Director Curti and Director Smith

Staff Present During Closed Session: None

Items to report from Closed Session: None

12. DISCUSSION AND CONSIDERATION TO COMPENSATE THE ADMINISTRATIVE ACCOUNTING MANAGER FOR INCREASED DUTIES AND RESPONSIBILITIES WHILE SERVING AS ACTING DISTRICT MANAGER

After much discussion, the Board decided to compensate Acting District Manager Good by \$1,000.00 per week for the time period dating back to the last Board meeting on March 20, 2025 through this evening's meeting.

Public Comment: None

Motion: By Director Smith to compensate the Administrative Accounting Manager in the amount of \$1,000.00 per week for a period of 8 weeks (from March 20th through May 15th) for increased duties and responsibilities while serving as Acting District Manager

Second: By Director Enns

Vote: 4-0 Motion passed

13. DISCUSSION AND CONSIDERATION TO APPOINT AN AD HOC COMMITTEE FOR DISTRICT MANAGER RECRUITMENT

The Board selected President Enns and Director Curti to form the Recruitment Ad Hoc Committee.

14. BOARD MEMBER COMMENTS

None

15. FUTURE SCHEDULED MEETINGS

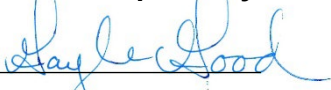
- June 19, 2025 – Regular Board Meeting
- July 17, 2025 – Regular Board Meeting
- August 21, 2025 – Regular Board Meeting

16. ADJOURNMENT

The meeting adjourned at 8:52 p.m.

Minutes Respectfully Submitted By:

X



Gayle Good
Acting District Manager



CAYUCOS SANITARY DISTRICT

Monthly Financial Report

FY 2024/2025

Cash, Savings and Investments

June 2025

Bank Accounts	Current Balance
Wells Fargo - General Checking	\$669,000
Wells Fargo - Capital Projects	\$766,314
Wells Fargo - Standby	\$265,769
Wells Fargo - USDA	\$910,809
Petty Cash	\$175
LAIF	\$0
Total	\$2,612,067
Investment Accounts	
CalTrust	\$1,770,391
Cetera Cash/MM	\$37,064
Cetera Treasury/Securities	\$35,397 *
Total	\$1,842,852
Grand Total	\$4,454,919
MCD Wells Fargo Deposit CD	\$25,000 **

* Fixed Income

** Franchise Deposit on Hold

Check Registers - Checks Issued June 2025

Date	Num	Name	Amount
06/04/2025	24839	ARIAS, MANUEL - mileage reimbursement	-29.26
06/04/2025	24840	HOOPER, SARAH L - mileage reimbursement	-28.98
06/04/2025	24841	COASTAL ROLL OFF SERVICE	-1,641.15
06/04/2025	24842	CULLIGAN OF MORRO BAY	-82.50
06/04/2025	24843	ENDRESS+HAUSER, INC.	-1,465.64
06/04/2025	24844	MINER'S ACE HARDWARE	-399.70
06/04/2025	24845	MISSION COUNTRY DISPOSAL - WRRF	-434.07
06/04/2025	24846	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-66.34
06/04/2025	24847	SPEEDY COASTAL MESSENGER, INC.	-690.00
06/04/2025	24848	STREAMLINE	-4,200.00
06/04/2025	24849	MISSION UNIFORM SERVICE	-445.85
06/04/2025	24850	AUTOZONE, INC.	-158.34
06/04/2025	24851	MISSION COUNTRY DISPOSAL	-1,017.70
06/10/2025	24852	AMAZON	-110.28
06/10/2025	24853	CALNET3	-495.31
06/10/2025	24854	FIIX (ROCKWELL)	-566.76
06/10/2025	24855	FIRSTNET (AT&T)	-601.35
06/10/2025	24856	SPICE INTEGRATION CORP.	-3,588.50
06/11/2025	24857	PATHIAN ADMINISTRATORS	-205.72
06/19/2025	11618-CIP	BIGBELLY	-33,432.10
06/19/2025	11619-CIP	WATER SYSTEMS CONSULTING, INC.	-20,553.00
06/19/2025	24858	BRENNTAG PACIFIC, INC.	-2,516.21
06/19/2025	24859	BREZDEN PEST CONTROL	-252.00
06/19/2025	24860	CARMEL & NACCASHA, LLP	-4,099.22
06/19/2025	24861	CAYUCOS BEACH MUTUAL WATER CO. Jet	-13.36
06/19/2025	24862	CSA 10A SLO CO PW LS#3	-217.79
06/19/2025	24863	CSA 10A SLO CO PW LS#4	-217.79
06/19/2025	24864	FARM SUPPLY COMPANY	-630.00
06/19/2025	24865	MORRO ROCK MUTUAL WATER CO.	-100.87
06/19/2025	24866	MOSS, LEVY & HARTZHEIM LLP	-3,000.00
06/19/2025	24867	QUINN COMPANY - skid steer service	-999.51
06/19/2025	24868	SLO AIR POLLUTION CONTROL DISTRICT	-297.15
06/19/2025	24869	TECHNICAL SYSTEMS, INC.	-4,410.35
06/19/2025	24870	USA BLUE BOOK	-1,219.12
06/25/2025	11622-CIP	AMAZON-batteries for backup CIP project	-9,435.86
06/25/2025	11623-CIP	WATER SYSTEMS CONSULTING, INC.	-2,067.50
06/25/2025	24871	BUSINESS CARD - crane extension, hook, water	-600.56
06/25/2025	24872	BUSINESS CARD - notary bond & stamp	-112.80
06/25/2025	24873	BUSINESS CARD - equipment shipping for service	-351.34
06/25/2025	24874	COASTAL COPY, INC	-46.52
06/25/2025	24875	COUNTY OF SLO - PUBLIC WORKS DEPT.	-900.00

Date	Num	Name	Amount
06/25/2025	24876	ENDRESS+HAUSER, INC.	-553.91
06/25/2025	24877	EXXONMOBIL	-568.49
06/25/2025	24878	SOCAL GAS	-42.39
06/25/2025	24879	GOOD, GAYLE - mileage reimbursement	-333.60
06/27/2025	11625-CIP	ALPHA ELECTRICAL SERVICE, INC.	-4,596.00
06/30/2025	24881	AMAZON - flashlight & small tools	-120.45
06/30/2025	24882	AUTOZONE, INC.	-323.20
06/30/2025	24883	ENDRESS+HAUSER, INC.	-102.30
06/30/2025	24884	GRAINGER	-349.20
06/30/2025	24885	HACH	-1,939.88
06/30/2025	24886	MINER'S ACE HARDWARE	-485.05
06/30/2025	24887	MISSION UNIFORM SERVICE	-602.40
06/30/2025	24888	MORRO ROCK MUTUAL WATER CO. UTILITY 782	-66.34
06/30/2025	24889	SPEEDY COASTAL MESSENGER, INC.	-690.00
06/30/2025	24890	USA BLUE BOOK	-97.14
06/30/2025	24891	WATER SYSTEMS CONSULTING, INC.	-1,976.80
Total Issued Checks			-\$114,547.65

Check Registers - ACH/EFT Payments June 2025

Date	Num	Name	Amount
06/05/2025	HLTH060525	CALPERS (HEALTH)	-15,618.67
06/05/2025		QuickBooks Payroll Service	-19,701.88
06/05/2025	60294825150	ALLIED ADMINISTRATORS FOR DELTA DENTAL	-823.54
06/05/2025		Standby Acct Tfr	-1,431.00
06/06/2025	EDD060625	EDD	-1,417.97
06/06/2025	FED060625	US TREASURY	-6,812.00
06/06/2025	DEF060625	CALPERS (RETIREMENT)	-1,225.00
06/06/2025	PERS060625	CALPERS (RETIREMENT)	-4,986.33
06/10/2025		USDA Acct Tfr	-77,907.72
06/18/2025		QuickBooks Payroll Service	-19,682.22
06/20/2025	PERS062025	CALPERS (RETIREMENT)	-4,986.33
06/20/2025	DEF062025	CALPERS (RETIREMENT)	-1,225.00
06/20/2025	EDD062025	EDD	-1,429.99
06/20/2025	FED062025	US TREASURY	-6,822.26
06/25/2025	6861501	ABALONE COAST ANALYTICAL, INC.	-2,898.40
06/25/2025	8681502	CHARTER INTERNET	-950.41
06/25/2025	6861503	EXECUTIVE JANITORIAL	-225.00
06/25/2025	8681504	REC SOLAR	-15,138.26
06/25/2025	18254207	WELLS FARGO VENDOR FIN SERV	-350.96
06/25/2025		CIP Acct Tfr	-400,000.00
06/26/2025		QuickBooks Payroll Service	-1,261.43
06/27/2025	EDD062725	EDD	-19.57
06/27/2025	FED062725	US TREASURY	-474.50
06/27/2025	7161411	PG&E WRRF	-6,864.37
06/27/2025	7164761	PG&E OFFICE	-271.82
06/27/2025	7165221	PG&E LS#2	-1,211.73
06/27/2025	7165581	PG&E LS#3	-274.58
06/27/2025	7165951	PG&E LS#5	-2,840.84
06/27/2025	7166291	PG&E LS#4	-561.26
06/27/2025	7166581	PG&E LS#1	-709.80
06/28/2025	3430804625	COLONIAL LIFE INSURANCE PREMIUMS	-52.58
Total Issued ACH			-\$598,175.42

**Budget vs. Actual
June 2025**

AGENDA ITEM:
4.B.3

	Current Month	YTD Actual Rev/Exp	Approved Budget 24/25	% of Budget
Ordinary Income/Expense				
Income				
Sewer Income	262,424	3,224,878	3,187,400	101%
Will Serve Income	16,650	14,290	88,200	16%
Rental Income	-	30,532	52,200	58%
Solid Waste Income	23,073	154,536	141,500	109%
SLOCO Tax Assessments	9,012	1,282,264	1,257,000	102%
Banking Interest Income	832	16,026	9,900	162%
Investment Interest	6,273	102,097	90,000	113%
Other Income	-	4,534	4,600	99%
Total Income	318,265	4,829,157	4,830,800	100%
Expenses				
Payroll Expenses				
Administrative Payroll	15,138	384,795	447,400	86%
Collections Payroll	14,575	209,354	234,700	89%
WRRF Payroll	31,304	372,782	365,000	102%
Director Payroll	-	7,250	8,000	91%
Vested Benefits	316	3,780	4,000	95%
Admin Payroll Taxes & Benefits	6,347	131,872	144,900	91%
Collections Payroll Taxes & Benefits	8,658	126,812	126,300	100%
WRRF Payroll Taxes & Benefits	10,263	147,545	159,900	92%
Director Payroll Taxes & Benefits	-	555	600	92%
Total Payroll & Benefits	86,602	1,384,745	1,490,800	93%
Operating Expenses				
Special Projects	-	-	13,000	0%
Administrative Operating Expenses	11,283	768,175	846,900	91%
Collections Operating Expenses	8,886	144,416	265,950	54%
Treatment Operating Expenses	121,858	1,496,575	1,733,100	86%
Total Operating Expenses	142,026	2,409,166	2,858,950	84%
Total Expenses	228,628	3,793,912	4,349,750	87%
Net Income	89,637	1,035,246	481,050	

Month 12 of 12; Target 100% of Budget

Capital Improvement Projects Budget June 2025

(amended September 19, 2024 & January 16, 2025)

AGENDA ITEM:

4.B.4

	Current Month	YTD Actual Rev/Exp	Approved Budget 24/25	% of Budget
Collection Improvements				
Sewer Main Repairs	0.00	0.00	50,000.00	0%
Chaney to Lift Station 5 Main Replacement	0.00	78,853.75	75,000.00	105%
Main Admin				
Backup Electrical System	14,031.86	14,031.86	35,000.00	40%
BigBelly Trash & Recycling Containers	34,732.10	46,500.85	46,600.00	100%
RWQCB Recycled Water Program				
	0.00	13,693.60	20,000.00	68%
WRRF Improvements				
Benthic Sediment and Community Testing of Outfall	0.00	54,620.50	60,000.00	91%
SCADA and Network Upgrade Project	0.00	31,982.60	45,000.00	71%
Automated Influent Valves	0.00	37,256.14	40,000.00	93%
Total Capital Improvements	\$48,763.96	\$276,939.30	\$371,600.00	75%



CAYUCOS SANITARY DISTRICT STAFF REPORT

AGENDA ITEM:

5

TO: BOARD OF DIRECTORS

FROM: GAYLE GOOD, ACTING DISTRICT MANAGER

DATE: JULY 3, 2025

SUBJECT: MONTHLY MANAGER'S REPORT: JUNE 2025

ADMINISTRATIVE

- The office computer system suffered a catastrophic server failure. We were able to retain most information, but Gayle lost a couple days of work. We are currently operating with a loaner server, pending approval of the contract on July's agenda.
- The posting for the vacant District Manager position is active. 6 applications have been received to date.

CAPITAL PROJECTS

- The installation of the back-up battery system for the main office is complete.
- The final BigBelly cans finally arrived on June 30; unfortunately, there wasn't enough time to get them installed prior to the 4th of July. Artwork will be added in the next couple of weeks and staff will arrange for a photo opportunity.

OPERATIONS & MAINTENANCE: JUNE 2025

CIP: None

Daily Operations of Note:

- Pump down, scrape, and bleach wet wells; clean probes and test generators
- Conduct weekly alarm testing at all lift stations
- Jet 4,573 feet of main lines
- Participate in Vector Training Solutions for SDRMA
- Respond to 24 USAs
- Clean check valves line #1 and #2 at Lift Station 2
- Clean check valves Line #1 and #2 at Lift Station 4
- Landscaping at lift stations
- Landscaping at the shop, including the addition of black mulch in planters
- Schedule upgrade to Lift Station 1 discharge pipe with all parties involved
- Replaced all the "No Parking" signs at the lift stations for better visibility
- Received BigBelly delivery and stored the other 15 trash/recycle bins to go downtown after wrapping
- Replaced battery for Lift Station 1 generator and both batteries for the Lift Station 2 generator
- Contacted AT&T and helped facilitate the fixing of the dial tone issue
- Helped facilitate installation of new back up battery system for the office

Call Outs:

- 6/15/25: TH- Low/low alarm call outs throughout the day. The float had somehow come unhooked and was therefore allowed to float freely and cause false alarms. Now resolved.

WATER RESOURCE RECOVERY FACILITY: JUNE 2025**Daily Operations of Note:**

- Completed all quarterly, monthly, weekly, and daily maintenance tasks
- Exercised generator and fire pump
- Calibrated on-line meters
- Checked eyewash stations and fire extinguishers
- Completed all daily and weekly lab tests
- Completed all Monthly Reports
- Continued weed abatement activities throughout the month
- June 2: Attempted to run Ag Well, but has PG&E power issue
- June 3: Cleaned both UV Vessels with citric acid
- June 5: Started HCIP on MOS 3
- June 9: Drop off Ford F-350 to garage for continuing electrical issue
- June 9: Sent Hach spectrophotometer back to manufacturer for yearly service
- June 9: Installed part in MOS tank 2 flowmeter that had failed
- June 12: Force Main Flush
- June 17: 700 gallons of sodium hypochlorite delivered
- June 23: Replaced cap and electrolyte in residual chlorine analyzer for 3 water system
- June 24: Replaced desiccant cartridge in MOS 2 turbidimeter
- June 24: Replaced transformer at Ag Well
- June 26: Force Main Flush
- June 26: Ag Well back online
- June 27: Ag Well flushed for 4 hours
- June 30: Cleaned UV vessels with citric acid

Call Outs:

- 6/20/24: Sludge Feed Flow Low Alarm, 6:37 PM-MA

WRRF Influent

- Highest flow day June 28: **241,028 gallons**
- Average influent for June: **200,788 gallons per day**
- Total influent for June: **6.02 million gallons**

WRRF Effluent

- Highest flow day June 30: **271,382 gallons**
- Average effluent for June: **221,505 gallons per day**
- Total effluent for June: **6.65 million gallons**
- Average recycled water use (in-plant): **58,100 gallons per day**



CAYUCOS SANITARY DISTRICT STAFF REPORT

AGENDA ITEM:

6

TO: BOARD OF DIRECTORS

FROM: GAYLE GOOD, ACTING DISTRICT MANAGER

DATE: JULY 3, 2025

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH SPICE INTEGRATION CORP. IN THE AMOUNT OF \$2,880.00 FOR MONTHLY SERVICES

DISCUSSION

The District is currently under three contracts with SPICE Integration for the monitoring of its IT systems, including computers and servers at the Operations & Maintenance shop, the main office, and the WRRF (Water Resource Recovery Facility), plus the District-wide SCADA system. SPICE proposes to consolidate the three contracts into one, and at the same time add significant security improvements via services/licensing for endpoint detection, response and ransomware protection. The new agreement also includes unlimited phone/remote support, an Incident Response Plan, a Disaster Recovery Plan and a Business Continuity Plan.

RECOMMENDATION

Staff recommends that the Board of Directors approve the contract with SPICE Integration Corp. in the amount of \$2,880.00 for monthly services.

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is effective as of **July 1, 2025**, between **SPICE Integration Corp.**, a California corporation (“Consultant”), and the **CAYUCOS SANITARY DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on **July 1, 2025** and shall remain and continue in effect for a period of one year or until earlier termination pursuant to the provisions hereof.

2. **SERVICES**

Consultant shall perform the tasks described in Consultant’s undated proposal entitled “**IT Managed Services Proposal**” (“Proposal”), attached hereto as Exhibit A and incorporated herein by this reference.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of their ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The District Manager shall represent District in all matters pertaining to the administration of this Agreement. **Chief Technical Officer, Chad Crawford**, shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

The District agrees to pay the Consultant the not to exceed amount of **\$2,880.00** per month, in accordance with the payment rates set forth in the Proposal, attached hereto and previously incorporated herein, in monthly payments.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise.

If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. TERMINATION ON OCCURRENCE OF STATED EVENTS

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business;
- (c) Assignment of this Agreement by Consultant without the consent of District; or
- (d) End of the Agreement term specified in Section 1.

8. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. LAWS TO BE OBSERVED. Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by

law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney’s fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B, attached hereto and incorporated herein as though set forth in full.

13. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Cayucos Sanitary District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Cayucos Sanitary District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the District Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at

depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. NOTICES

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: Cayucos Sanitary District
PO Box 333
Cayucos, CA 93430

Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
694 Santa Rosa Street
San Luis Obispo, CA 93401

To Consultant: Chad Crawford
Chief Technical Officer
SPICE Integration Corp
2483 Beach Street
Oceano, CA 93445

18. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. GOVERNING LAW

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Cayucos Sanitary District.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. TIME

District and Consultant agree that time is of the essence in this Agreement.

22. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the Proposal submitted by the Consultant, attached hereto and previously incorporated herein. Should there be a conflict between the terms of this Agreement and the terms of Consultant's Proposal, the terms of this Agreement shall prevail. Additionally, any and all limitations on Consultant's liability contained in the Proposal are void and of no force and effect.

23. CONSTRUCTION

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only and are not intended to be construed to define or limit the provisions to which they relate.

24. AMENDMENTS

Amendments to this Agreement shall be in writing and shall be made only with the

mutual written consent of all of the parties to this Agreement.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that they have the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CAYUCOS SANITARY DISTRICT

SPICE Integration Corp.

By: _____
Gayle Good, Acting District Manager

By: _____
Chad Crawford, Chief Technical Officer

Approved As to Form:

By: _____
Timothy J. Carmel, District Counsel

EXHIBIT A

PROPOSAL & FEE ESTIMATE FOR SERVICES



S.P.I.C.E.

INTEGRATION

IT Managed Services Proposal

Cayucos Sanitary District

Prepared by:

Chad Crawford
Spice Integration Corp

Prepared For:

Gayle Good
Cayucos Sanitary District

Itemised Services

Cayucos Sanitary District Office	Quantity	Extended
Managed Endpoints	6	\$600.00
Managed Tablets	4	\$200.00
Managed Servers	1	\$120.00
	Total	\$920.00

Cayucos Sanitary Plant (Business)	Quantity	Extended
Managed Endpoints	8	\$800.00
Managed Servers	2	\$240.00
	Total	\$1040.00

Cayucos Sanitary Plant (SCADA)	Quantity	Extended
Managed Endpoints	8	\$800.00
Managed Servers	1	\$120.00
	Total	\$920.00

	Monthly Total	\$2,880.00
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Scope Of Service

Integrated IT Solutions Agreement

Endpoint Maintenance

1. **Weekly Patch Management**
2. **Critical System Updates**
3. **Real-Time Health Monitoring & Reporting**
4. **Quarterly Physical Hardware Maintenance**
5. **Group & User Account Management**
6. **End-User Support Portal**
7. **Configuration Management & Documentation**
8. **Automated Performance Optimization**
9. **Software License Management**

Endpoint Protection

1. **Managed Antivirus/Antimalware**
2. **24/7 Web Protection**
3. **Scheduled Full System Scans & Real-Time Protection**
4. **Protection Against Ransomware & Phishing**
5. **Advanced Threat Protection (ATP)**
6. **Zero-Day Exploit Protection**
7. **Behavioral Threat Detection**

Exclusions from Coverage

Unless specifically stated otherwise in this Agreement, the following services are not included under the scope of this IT Agreement. If any of these services are requested or required, they will be billed separately at SPICE Integration's current labor rates as outlined in the Billing Policy, or at a mutually agreed-upon rate or project fee at the time of service. No excluded services will be performed without prior written approval from the Client.

Excluded services include, but are not limited to:

- Major system upgrades or changes, such as server replacements
- Operating system upgrades or replacements
- Expansion to include remote office locations
- Email system upgrades or migrations
- Installation of new workstations, software applications, or printers

In the event of equipment failure, SPICE Integration reserves the right to recommend rebuilding or replacing the affected systems instead of continuing troubleshooting efforts. Any such work will also be subject to separate billing at the applicable rate or agreed project fee.

SPICE Integration Endpoint Management Included Services

1. **Unlimited Helpdesk Phone/Remote Support**
2. **DNS Filtering**
3. **XDR Real-Time Endpoint Protection**
4. **Cloud Backup Management (Per User)** if applicable**
5. **Performance Monitoring & Quarterly Reports**
6. **Network Monitoring**
7. **Quarterly Security Reports**
8. **Quarterly Device Health Reports**
9. **Automated Patch Deployment & Rollbacks**
10. **Multi-Factor Authentication (MFA) Integration**
11. **Security Awareness Training (for users)**
12. **Incident Response & Dedicated SOC Team**

Additional Offerings to Enhance Services Upon Request

1. **Backup & Disaster Recovery Planning**
2. **Cloud-Based Data Loss Prevention (DLP)**
3. **IT Infrastructure Design & Consultation**
4. **Cloud Migration & Optimization**
5. **VPN & Secure Remote Access Solutions**
6. **Compliance & Auditing Services (GDPR, HIPAA, etc.)**
7. **Mobile App Security & Management**
8. **Penetration Testing & Vulnerability Scanning**
9. **Software Deployment & Configuration**
10. **Data Encryption (At Rest & In Transit)**
11. **Email Filtering & Phish Protection**
12. **Mobile Device Management (MDM)**

Terms of Contract

1. Services

a. General Information:

SPICE Integration agrees to provide a dedicated Consultant who will collaborate with client management to determine a suitable technology strategy.

b. Managed Services:

The term “Managed Services” refers to the IT services that SPICE Integration will provide, as further outlined in the Managed Services Proposal.

c. Escalation Policy:

Unless it is immediately clear that on-site support is required, SPICE Integration will treat service requests as remote calls. If SPICE Integration cannot resolve the issue remotely within a reasonable period, an on-site technician will be dispatched according to the response times outlined in the Proposal.

d. Time Limits:

The client is responsible for providing written time limits before services are performed. These limits cannot be applied retroactively. SPICE Integration will make best efforts to comply with written time limits, though no guarantees are made.

e. Hours of Service:

SPICE Integration will provide services Monday through Friday, from 8:00 AM to 5:00 PM PST, excluding the following holidays: Memorial Day, Independence Day, Thanksgiving Day, Christmas Day, and New Year's Day. Emergency support outside these hours is available at a 30% premium on contracted hourly rates, if applicable. SPICE Integration will make commercially reasonable efforts to respond to emergency requests outside normal business hours; however, specific response times cannot be guaranteed.

2. Payment for Services

a. Service Charges:

The client agrees to pay SPICE Integration fees in accordance with this agreement and the schedule and pricing set forth in the Proposal. Any changes in the scope of services will be billed on a time-and-materials basis. Fees do not include the cost of new or replacement hardware, software, cabling, or other equipment. Client will be quoted for new or replacement equipment prior to installation, and such charges will be billed separately.

b. Payment:

The client agrees to accept automatic payments or to pay invoices on the day they are due. Notices of changes in services provided must be received at least seven days prior to the billing cycle to be incorporated into the next billing cycle.

c. Billing Cycles:

Any applicable setup fees listed in the Proposal, as well as the first month of services, are due upon receipt of the invoice. All future invoices are due and payable within 15 days of the invoice date. Any charges not disputed within 15 days of the invoice receipt will be deemed accepted by the client. Any unpaid amounts after 15 days will be subject to an interest charge of 1.5% per month or the maximum permissible under applicable law.

d. Rate Changes:

SPICE Integration reserves the right to increase fees and hourly rates annually. Rate changes will take effect without prior notice. SPICE Integration also reserves the right to modify fees for services that change in scope.

e. Travel Time:

Travel time to and from the client's office will be billed at the applicable hourly rates for the technician.

f. Record Keeping:

It is the client's responsibility to ensure that billing information on record is accurate and up to date, including correct billing addresses, credit card numbers, and bank account details, where applicable.

g. Late Payments:

Unless agreed otherwise by both parties in writing, late payments by the client may result in suspension or termination of services. Reactivation of services will incur a reactivation fee equal to one month of services. Additionally, frequent late payments may result in the client being moved to a prepayment billing status, where all hardware, software, and services must be paid for in advance.

3. Term and Termination

a. Term: Unless otherwise stated in this Section, this IT Agreement shall remain in effect for an initial term of one (1) year, beginning on the date services are first activated between SPICE Integration and the Client.

b. Early Termination: Either party may terminate this agreement upon 30 days' written notice if the other party breaches any provision and fails to cure the breach within this period. The notice of breach must include reasonable details regarding the alleged breach.

c. Effect of Termination: Upon termination, SPICE Integration will assist the client in transitioning to another vendor for up to 30 days after written notice of the termination date. SPICE Integration will remove any hosted servers in use by the client, along with any backups of hosted servers. Managed Services will no longer be provided, and SPICE Integration has no further obligations beyond the termination date. The client must transition the stated services to a new solution provider by the termination date.

4. Service Level Objectives (SLO)

When a support request is received by the SPICE Integration Help Desk, our team will perform initial troubleshooting. If the issue cannot be resolved immediately, it will be assigned a priority level based on its impact on overall business operations. Our priority system is designed to ensure timely, efficient, and fair response to all client needs.

a. Emergency: Issues classified as "Emergency" involve severe disruptions to critical business functions—such as a failure of key systems like revenue-generating web servers, core network infrastructure, email servers, or major hardware. SPICE Integration will make every commercially reasonable effort to have an engineer begin addressing the issue within **two (2) hours**, continuing work until resolution. Emergency support can be available **24/7**.

b. High Priority: This level covers issues with significant business or individual impact, such as non-functioning email services or failure of a primary workstation. An engineer will begin addressing these issues within **four (4) business hours**, with continuous effort until the problem is resolved.

c. Medium Priority: "Medium Priority" issues involve moderate impact—such as unstable applications or printing problems. These issues will be assigned to a technician within **eight (8) business hours**, who will either begin resolution or schedule a time to complete it promptly.

d. Low Priority: Issues with minimal business impact, such as software installations, user account creation, or minor peripheral issues, are classified as Low Priority. These will be scheduled and resolved at a time deemed appropriate by SPICE Integration, with consideration for efficiency and convenience.

e. On Hold: Requests may be placed in a "Hold" status if action cannot proceed due to missing information from the client or pending delivery of hardware or resources from a third party. Once the required information or materials are received, work will resume promptly.

5. Client Responsibilities

If Managed Services are provided to the Client under this IT Agreement, the Client agrees to fulfill the following responsibilities to ensure effective delivery of services by SPICE Integration:

a. Permit the installation of SPICE Integration's managed service software on the Client's network, as needed, to support the performance of the services defined in this Agreement.

b. Maintain, or allow the installation of, any backup hardware or software required for SPICE Integration to support and manage the backup environment, where applicable.

c. Maintain, or allow the installation of, antivirus software that is supported and managed by SPICE Integration.

d. Provide accurate configuration details and proper ownership documentation for all applicable hardware and software assets.

e. Consult with SPICE Integration prior to the purchase of any computer hardware intended to be managed under this Agreement.

- f. Promptly notify SPICE Integration of any third-party activity involving the Client's network or systems, including the installation or modification of hardware or software by any third party.
- g. SPICE provides Acceptable Use (AUP) and, if applicable, BYOD policies to ensure client security and accurate documentation. These must be shared with all personnel, who are expected to understand and comply with them.

6. Disaster Recovery Coverage for Servers

1. Scope of Coverage

If backup services are included as part of this IT Agreement, SPICE Integration ("Provider") shall provide Disaster Recovery Coverage for supported servers. This coverage includes restoration of the server(s) to the state of the most recent successful backup, and any additional commercially reasonable actions required to return the system to normal operating condition. Recovery services may be requested during standard business hours, after hours, or on weekends.

2. Eligibility Requirements

Disaster Recovery Coverage is contingent upon the Client meeting the following conditions:

- a. Server hardware must be under active warranty with the original equipment manufacturer and must meet SPICE Integration's minimum system specifications;
- b. The server must be actively administered and managed by SPICE Integration personnel;
- c. Backups must be conducted using hardware and software that are both supported and managed by SPICE Integration;
- d. The integrity and accessibility of at least one backup layer—whether via local snapshot or offsite media—must be maintained;
- e. The Client network must be secured by a firewall approved and supported by SPICE Integration;
- f. All server file systems and applicable email systems must be protected by antivirus software supported by SPICE Integration;
- g. The server must be connected to a functional Uninterruptible Power Supply (UPS); and
- h. SPICE Integration must have access to, or be provided with, all required installation media and valid software license keys necessary for full system restoration.

3. Exclusions and Limitations

SPICE Integration shall not be held liable for failure to complete a successful disaster recovery if any of the following circumstances apply:

- i. The Client does not fulfill one or more of the eligibility requirements listed in Section 2;
- ii. Server hardware is rendered inoperable due to an environmental incident or physical damage;
- iii. The failure arises from a Force Majeure event outside the reasonable control of SPICE Integration, including but not limited to natural disasters, acts of government, labor disputes, or national emergencies; or
- iv. The issue originates from an act or omission of a third party not under the control or direction of SPICE Integration.

7. Additional Terms

- a. Force Majeure:** Neither party will be held liable for failure or delay in the performance of obligations due to circumstances beyond their reasonable control, including but not limited to natural disasters, pandemics, war, or government actions.
- b. Indemnification:** Each party agrees to indemnify, defend, and hold the other party harmless from any claims, damages, or expenses arising from the other party's actions or omissions under this Agreement, except for cases of negligence or willful misconduct.
- c. Confidentiality:** Both parties agree to maintain the confidentiality of any proprietary or sensitive information disclosed during the term of this Agreement and for a period of one year after termination. This includes but is not limited to technical data, business strategies, and client-specific information.
- d. Limitation of Liability:** SPICE Integration's liability is strictly limited to the remedies expressly stated in this Agreement. Under no circumstances shall SPICE Integration be held liable for service unavailability, loss or corruption of data or software or any failure to provide services or support. SPICE Integration shall not be liable for any indirect, incidental, special, punitive, or consequential damages including, but not limited to, loss of profits, business interruption, or claims from third parties, even if advised of the possibility of such damages, unless otherwise explicitly stated in this Agreement. The Client agrees that, to the fullest extent permitted by law, SPICE Integration's total cumulative liability for any and all claims related to the purchase of products or services under this IT Agreement shall not exceed the total amount paid by the Client for services pursuant to this contract in the thirty (30) days preceding the event giving rise to the claim.
- e. No Waiver.** The failure of either party to enforce any provision of this Agreement, whether temporarily or over a period of time, shall not be deemed a waiver of that provision or of the right to enforce it at a later date.
- f. Severability.** If any provision of this Agreement or its exhibits is determined to be invalid or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions, which shall remain in full force and effect

Acceptance

This Proposal Acceptance Sheet is part of the Agreement between SPICE Integration (“Provider”) and Cayucos Sanitary District (“Client”) for the provision of IT services as detailed above. By signing this document, both parties agree to the terms outlined in the Proposal and subsequent coverage at \$2,880.00 Per Month For One Year.

Signed as accepted by client:

Gayle Good
Cayucos Sanitary District

Signed as accepted by service provider:

Chad Crawford

SPICE Integration

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District

of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or

terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: GAYLE GOOD, ACTING DISTRICT MANAGER

DATE: JULY 3, 2025

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH SPICE INTEGRATION CORP. IN THE AMOUNT OF \$10,299.21 FOR SECURITY UPGRADES AT THE WATER RESOURCE RECOVERY FACILITY

DISCUSSION

Security hardware updates are recommended at the WRRF (Water Resource Recovery Facility), as the current tech equipment is aging and has some security issues. In addition to a necessary update to Windows 11, several devices need to be upgraded. In order to make these adjustments, SPICE is recommending the improvements listed in their attached proposal. This situation was foreseen and was accounted for in the FY 2025/2026 CIP Budget.

RECOMMENDATION

Staff recommends that the Board of Directors approve the contract with SPICE Integration Corp. in the amount of \$10,299.21 for security upgrades at the Water Resource Recovery Facility.

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is made and effective as of **July 17, 2025**, between **SPICE Integration Corp.**, a California corporation (“Consultant”), and the **CAYUCOS SANITARY DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on **July 17, 2025** and shall remain and continue in effect until terminated pursuant to the provisions hereof.

2. **SERVICES**

Consultant shall perform the tasks described in Consultant’s undated proposal entitled “**Cayucos Plant Security Upgrade Project**” (“Proposal”), attached hereto as Exhibit A and incorporated herein by this reference.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of their ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The District Manager shall represent District in all matters pertaining to the administration of this Agreement. **Chief Technical Officer, Chad Crawford**, shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

The District agrees to pay the Consultant the not to exceed amount of **\$10,299.21** in accordance with the payment rates set forth in the Proposal, attached hereto and previously incorporated herein, in monthly payments.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise.

If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. TERMINATION ON OCCURRENCE OF STATED EVENTS

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business;
- (c) Assignment of this Agreement by Consultant without the consent of District; or
- (d) End of the Agreement term specified in Section 1.

8. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. LAWS TO BE OBSERVED. Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by

law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney’s fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached hereto and incorporated herein as though set forth in full.

13. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Cayucos Sanitary District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Cayucos Sanitary District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the District Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at

depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. NOTICES

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: Cayucos Sanitary District
PO Box 333
Cayucos, CA 93430

Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
694 Santa Rosa Street
San Luis Obispo, CA 93401

To Consultant: Chad Crawford
Chief Technical Officer
SPICE Integration
2483 Beach Street
Oceano, CA 93445

18. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. GOVERNING LAW

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Cayucos Sanitary District.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. TIME

District and Consultant agree that time is of the essence in this Agreement.

22. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the Proposal submitted by the Consultant, attached hereto and previously incorporated herein. Should there be a conflict between the terms of this Agreement and the terms of Consultant's Proposal, the terms of this Agreement shall prevail. Additionally, any and all limitations on Consultant's liability contained in the Proposal are void and of no force and effect.

23. CONSTRUCTION

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only and are not intended to be construed to define or limit the provisions to which they relate.

24. AMENDMENTS

Amendments to this Agreement shall be in writing and shall be made only with the

mutual written consent of all of the parties to this Agreement.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that they have the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CAYUCOS SANITARY DISTRICT

SPICE Integration Corp.

By: _____
Gayle Good, Acting District Manager

By: _____
Chad Crawford, Chief Technical Officer

Approved As to Form:

By: _____
Timothy J. Carmel, District Counsel

EXHIBIT A

PROPOSAL & FEE ESTIMATE FOR SERVICES



S.P.I.C.E.

INTEGRATION

Cayucos Plant Security Upgrade Project

Cayucos Sanitary District

Prepared by:

Chad Crawford
Spice Integration Corp

Prepared For:

Acting District Manager
Cayucos Sanitary District

Itemised Services

Materials	Quantity	Total
UDM Pro Firewall (With 1 year IPS/IDS Active Network Protection)	1	560.00
USW 48 Port Poe Switch (For Office)	1	750.00
Unifi UK-Ultra Outdoor Wifi Antenna (To Replace TP-Link)	1	224.00
Server Hard Drives For Recommission	4	450.00
Tripp Lite UPS Unit	1	600.00
Synology NAS Unit	1	1200.00
	Tax	285.21
	Total	\$4,219.21

Project Labor	Quantity	Extended
Offsite Configuration of Networking Equipment, NAS, Wire	20	1,600.00
Onsite Installation & Testing Of Networking Hardware & Machines	16	4,160.00
Recommission of Current Server, Desktops and Tablets	4	320.00
	Total	\$6,080.00
Grand Total		\$10,299.21

Acceptance

This Proposal Acceptance Sheet is part of the Agreement between SPICE Integration (“Provider”) and Cayucos Sanitary District (“Client”) for the provision of IT services as detailed in the Proposal. By signing this document, both parties agree to the Pricing & Terms outlined in the Proposal (\$10,299.21).

Signed as accepted by client:

**Acting District Manager
Cayucos Sanitary District**

Signed as accepted by service provider:

**Chad Crawford
Chief Technical Officer
SPICE Integration**

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District

of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or

terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: GAYLE GOOD, ACTING DISTRICT MANAGER

DATE: JULY 3, 2025

SUBJECT: DISCUSSION AND CONSIDERATION TO APPROVE A CONTRACT WITH SPICE INTEGRATION CORP. IN THE AMOUNT OF \$19,494.16 FOR SECURITY UPGRADES AT THE DISTRICT OFFICE

DISCUSSION

The main office/Operations & Maintenance shop tech equipment is aging and the main server suffered a catastrophic failure in June 2025. Additionally, an update from Windows 10 to Windows 11 is required to occur no later than October 2025. In order to make these adjustments, SPICE is recommending the improvements listed in their attached proposal. This situation was foreseen and was accounted for in the FY 2025/2026 CIP Budget.

RECOMMENDATION

Staff recommends that the Board of Directors approve the contract with SPICE Integration Corp. in the amount of \$19,494.16 for security upgrades at the District office.

AGREEMENT FOR CONSULTANT SERVICES

This AGREEMENT FOR CONSULTANT SERVICES (“Agreement”) is made and effective as of **July 17, 2025**, between **SPICE Integration Corp.**, a California corporation (“Consultant”), and the **CAYUCOS SANITARY DISTRICT**, a political subdivision of the State of California (“District”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. **TERM**

This Agreement shall commence on **July 17, 2025** and shall remain and continue in effect until terminated pursuant to the provisions hereof.

2. **SERVICES**

Consultant shall perform the tasks described in Consultant’s undated proposal entitled “**Cayucos Office Security Upgrade Project**” (“Proposal”), attached hereto as Exhibit A and incorporated herein by this reference.

3. **PERFORMANCE**

Consultant shall at all times faithfully, competently and to the best of their ability, experience and talent, perform all tasks described herein. Consultant shall employ, at a minimum generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Consultant hereunder in meeting its obligations under this Agreement.

4. **AGREEMENT ADMINISTRATION**

The District Manager shall represent District in all matters pertaining to the administration of this Agreement. **Chief Technical Officer, Chad Crawford**, shall represent Consultant in all matters pertaining to the administration of this Agreement.

5. **PAYMENT**

The District agrees to pay the Consultant the not to exceed amount of **\$19,494.16** in accordance with the payment rates set forth in the Proposal, attached hereto and previously incorporated herein, in monthly payments.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE**

(a) The District may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least thirty (30) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise.

If the District suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the District shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the District. Upon termination of the Agreement pursuant to this Section, the Consultant will submit an invoice to the District pursuant to Section 5.

7. TERMINATION ON OCCURRENCE OF STATED EVENTS

This Agreement shall terminate automatically on the occurrence of any of the following events:

- (a) Bankruptcy or insolvency of any party;
- (b) Sale of Consultant's business;
- (c) Assignment of this Agreement by Consultant without the consent of District; or
- (d) End of the Agreement term specified in Section 1.

8. DEFAULT OF CONSULTANT

(a) The Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, District shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Consultant. If such failure by the Consultant to make progress in the performance of work hereunder arises out of causes beyond the Consultant's control, and without fault or negligence of the Consultant, it shall not be considered a default.

(b) If the District Manager or his/her delegate determines that the Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the Consultant a written notice of the default. The Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the District shall have the right, notwithstanding any other provision of this Agreement to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. LAWS TO BE OBSERVED. Consultant shall:

(a) Procure all permits and licenses, pay all charges and fees, and give all notices which may be necessary and incidental to the due and lawful prosecution of the services to be performed by Consultant under this Agreement;

(b) Keep itself fully informed of all existing and proposed federal, state and local laws, ordinances, regulations, orders, and decrees which may affect those engaged or employed under this Agreement, any materials used in Consultant's performance under this Agreement, or the conduct of the services under this Agreement;

(c) At all times observe and comply with, and cause all of its employees to observe and comply with all of said laws, ordinances, regulations, orders, and decrees mentioned above;

(d) Immediately report to the District Manager in writing any discrepancy or inconsistency it discovers in said laws, ordinances, regulations, orders, and decrees mentioned above in relation to any plans, drawings, specifications, or provisions of this Agreement; and

(e) The District, and its officers, agents and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

10. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by District that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of District or its designees at reasonable times to such books and records; shall give District the right to examine and audit said books and records; shall permit District to make transcripts therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the District and may be used, reused, or otherwise disposed of by the District without the permission of the Consultant. With respect to computer files, Consultant shall make available to the District, at the Consultant's office and upon reasonable written request by the District, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

11. INDEMNIFICATION

(a) Indemnification for Professional Liability. When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by

law, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this agreement.

(b) Indemnification for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless District, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including attorney’s fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) General Indemnification Provisions. Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this agreement. In the event Consultant fails to obtain such indemnity obligations from others as required here, Consultant agrees to be fully responsible according to the terms of this section. Failure of District to monitor compliance with these requirements imposes no additional obligations on District and will in no way act as a waiver of any rights hereunder. This obligation to indemnify and defend District as set forth here is binding on the successors, assigns or heirs of Consultant and shall survive the termination of this agreement or this section.

(d) Indemnification for Design Professional Services. Notwithstanding anything herein to the contrary, to the fullest extent permitted by law for all design professional services arising under this Agreement, Consultant shall indemnify, protect, defend and hold harmless District and any and all of its officials, employees and agents (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs and expenses, including attorney’s fees and costs which arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

12. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit B attached hereto and incorporated herein as though set forth in full.

13. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the District a wholly independent Consultant. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Neither District nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the District. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against District, or bind District in any manner.

(b) No employee benefits shall be available to Consultant in connection with performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, District shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for District. District shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

14. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was or is used against or in concert with any officer or employee of the Cayucos Sanitary District in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the Cayucos Sanitary District will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the District to any and all remedies at law or in equity.

15. NO BENEFIT TO ARISE TO LOCAL EMPLOYEES

No member, officer, or employee of District, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the project performed under this Agreement.

16. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without District's prior written authorization. Consultant, its officers, employees, agents, or subcontractors, shall not without written authorization from the District Manager or unless requested by the District Counsel, voluntarily provide declarations, letters of support, testimony at

depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the District. Response to a subpoena or court order shall not be considered "voluntary" provided Consultant gives District notice of such court order or subpoena.

(b) Consultant shall promptly notify District should Consultant, its officers, employees, agents, or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any person or party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the District. District retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding. Consultant agrees to cooperate fully with District and to provide the opportunity to review any response to discovery requests provided by Consultant. However, District's right to review any such response does not imply or mean the right by District to control, direct, or rewrite said response.

17. NOTICES

Any notice which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To District: Cayucos Sanitary District
PO Box 333
Cayucos, CA 93430

Copy to: Timothy J. Carmel
Carmel & Naccasha, LLP
694 Santa Rosa Street
San Luis Obispo, CA 93401

To Consultant: Chad Crawford
Chief Technical Officer
SPICE Integration
2483 Beach Street
Oceano, CA 93445

18. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, without the prior written consent of the District.

19. GOVERNING LAW

The District and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the superior or federal district court with jurisdiction over the Cayucos Sanitary District.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. TIME

District and Consultant agree that time is of the essence in this Agreement.

22. CONTENTS OF PROPOSAL

Consultant is bound by the contents of the Proposal submitted by the Consultant, attached hereto and previously incorporated herein. Should there be a conflict between the terms of this Agreement and the terms of Consultant's Proposal, the terms of this Agreement shall prevail. Additionally, any and all limitations on Consultant's liability contained in the Proposal are void and of no force and effect.

23. CONSTRUCTION

The parties agree that each has had an opportunity to have their counsel review this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only and are not intended to be construed to define or limit the provisions to which they relate.

24. AMENDMENTS

Amendments to this Agreement shall be in writing and shall be made only with the

mutual written consent of all of the parties to this Agreement.

25. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Consultant warrants and represents that they have the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CAYUCOS SANITARY DISTRICT

SPICE Integration Corp.

By: _____
Gayle Good, Acting District Manager

By: _____
Chad Crawford, Chief Technical Officer

Approved As to Form:

By: _____
Timothy J. Carmel, District Counsel

EXHIBIT A

PROPOSAL & FEE ESTIMATE FOR SERVICES



S.P.I.C.E.

INTEGRATION

Cayucos Office Security Upgrade Project

Cayucos Sanitary District

Prepared by:

Chad Crawford
Spice Integration Corp

Prepared For:

Acting District Manager
Cayucos Sanitary District

Itemised Services

Materials	Quantity	Total
UDM Pro Firewall (With 1 year IPS/IDS Active Network Protection)	1	560.00
USW 24 Port Poe Switch (For Office)	1	350.00
Unifi 8 Port Switch (For Shop)	1	75.00
U6 Pro Access Point (For Shop and Office)	2	300.00
Server Unit Dell 2TB 32GB Ram octa core (To Replace 6 year old unit)	1	8,500.00
APC UPS Unit	1	500.00
Synology NAS Unit	1	600.00
	Tax	\$789.16
	Total	\$11,674.16

Project Labor	Quantity	Extended
Offsite Configuration of Networking Equipment, Server, NAS, Desktops, Tablets, Domain, Hypervisor	42	3,360.00
Onsite Installation & Testing Of Networking Hardware & Machines	16	3,900.00
Decommission of Server Unit	1	80.00
Recommission of Desktops & Tablets (Upgrade & Transfer to windows 11)	6	\$480.00
	Total	7,820.00
	Grand Total	\$19,494.16

Acceptance

This Proposal Acceptance Sheet is part of the Agreement between SPICE Integration (“Provider”) and Cayucos Sanitary District (“Client”) for the provision of IT services as detailed in the Proposal. By signing this document, both parties agree to the Pricing & Terms outlined in the Proposal (\$19,494.16).

Signed as accepted by client:

**Acting District Manager
Cayucos Sanitary District**

Signed as accepted by service provider:

**Chad Crawford
Chief Technical Officer
SPICE Integration**

EXHIBIT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to District in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to District.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office "Commercial General Liability" policy from CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross-liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

Business Auto Coverage on ISO Business Auto Coverage from CA 00 01 including symbol 1 (Any Auto) or the equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Consultant owns no vehicles, this requirement may be satisfied by a non-owned auto endorsement to the general liability policy described above. If Consultant or Consultant's employees will use personal autos in any way on this project, Consultant shall provide evidence of personal auto liability coverage for each such person.

Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designated to protect against acts, errors or omissions of the Consultant and "Covered Professional Services" as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend the insured. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurer that are admitted carriers in the state California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and District agree to the following with respect to insurance provided by Consultant:

1. Consultant agrees to have its insurer endorse the third party general liability coverage required herein to include as additional insureds District, its officials employees and agents, using standard ISO endorsement No. CG 2010 with an edition prior to 1992 or current equivalent. Consultant also agrees to require all consultants, and subcontractors to do likewise.

2. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant's employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against District regardless of the applicability of any insurance proceeds, and to require all Consultants and subcontractors to do likewise.

3. All insurance coverage and limits provided by Consultant and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement or any other agreement relating to the District or its operations limits the application of such insurance coverage.

4. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to District and approved of in writing.

5. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any Consultant or subcontractor.

6. All coverage types and limits required are subject to approval, modification and additional requirements by the District, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect District's protection without District's prior written consent.

7. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to District at or prior to the execution of this Agreement. In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled at any time and no replacement coverage is provided, District has the right, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by District shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at District option.

8. Certificate(s) are to reflect that the insurer will provide 30 days notice to District of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will “endeavor” (as opposed to being required) to comply with the requirements of the certificate.

9. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, noncontributing basis in relation to any other insurance or self-insurance available to District.

10. Consultant agrees to ensure that subcontractors, and any other party involved with the project that is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to District for review.

11. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any Consultant, subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to District. If Consultant’s existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the District. At the time the District shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

12. The District reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the District will negotiate additional compensation proportional to the increase benefit to District.

13. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.

14. Consultant acknowledges and agrees that any actual or alleged failure on the part of District to inform Consultant of non-compliance with any insurance requirements in no way imposes any additional obligations on District nor does it waive any rights hereunder in this or any other regard.

15. Consultant will renew the required coverage annually as long as District, or its employees or agents face an exposure from operations of any type pursuant to this

agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until District executes a written statement to that effect.

16. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to District within five days of the expiration of the coverages.

17. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to District, its employees, officials and agents.

18. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

19. These insurance requirements are intended to be separate and distinct from any other provision in this Agreement and are intended by the parties here to be interpreted as such.

20. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.

21. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge District or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to District. It is not the intent of District to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against District for payment of premiums or other amounts with respect thereto.

22. Consultant agrees to provide immediate notice to District of any claim or loss against Consultant arising out of the work performed under this agreement. District assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve District.



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: AMY LESSI, ADMINISTRATIVE SERVICES MANAGER

DATE: JULY 11, 2025

SUBJECT: DISCUSSION AND CONSIDERATION OF REQUEST FROM THE LOCAL AGENCY FORMATION COMMISSION (LAFCO) TO NOMINATE AN ALTERNATE SPECIAL DISTRICT MEMBER

DISCUSSION

LAFCO (Local Agency Formation Commission) has requested a candidate nomination from each Special District in SLO County for the vacant Alternate Special District seat on their Board. The CSD Board may nominate one candidate for the LAFCO seat, and the nominated candidate must be a member of the CSD Board.

RECOMMENDATION

Staff recommends that the Board of Directors consider nominating a candidate to fill the Alternate Special District seat on the LAFCO Board.



LAFCO - San Luis Obispo - Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

TO: INDEPENDENT SPECIAL DISTRICT SELECTION COMMITTEE

FROM: ROB FITZROY, EXECUTIVE OFFICER

DATE: JUNE 23, 2025

RE: REQUEST FOR NOMINATIONS FOR LAFCO SEATS

Background. A new nomination period will commence for the Alternate Special District seat on LAFCO. Recently, Commissioner Ed Eby was voted into the Regular Special District seat, thereby creating a vacancy in the Alternate Special District Seat. The term for this Alternate Special District seat is four years and will commence January 1, 2026, to December 31, 2030.

Instructions. Each Special District may nominate one candidate for the seat. The nominated candidate must be an elected Board of Director of your respective District. If your District wishes to nominate a candidate, please schedule this request for nominations on an agenda for a meeting of your Board of Directors as soon as possible, or if you have already been delegated by your Board as the representative of your District, you may submit a nomination on behalf of your District. Nomination forms are required to be submitted by the end of the nomination period. **The nomination period is 60 days and begins on June 23, 2025, and ends on August 22, 2025, at 5:00 p.m.** The completed nomination form may be submitted to the LAFCO office via mail or [e-mail: mmorris@slo.lafco.ca.gov](mailto:mmorris@slo.lafco.ca.gov). Please make sure the form is signed by the Board President or General Manager and the Nominee.

If more than one nomination for the open position is received, it is required by law to hold an election. The Executive Officer shall prepare a ballot election and send it by email to each Special District with voting instructions at the conclusion of the nomination period. If an election is required, the governing body of each Special District will have the opportunity to cast a vote for any of the nominees. Further communications will be provided based on the results of the nomination period if an election is required. If only one nomination is received, that person will automatically be appointed to the seat.

A nomination form is attached to assist your District in the nomination process. Also, please view the LAFCO website (slo.lafco.ca.gov) for additional information about LAFCO. Please call 805-781-5795 if you have any questions.

cc: Members of the Commission
 Holly Whatley, LAFCO Legal Counsel

COMMISSIONERS

Chairperson
 STEVE GREGORY
 City Member

Vice-Chair
 HEATHER MORENO
 County Member

DAWN ORTIZ-LEGG
 County Member

ED WAAGE
 City Member

ED EBY
 Special District Member

NAVID FARDANESH
 Special District Member

DAVID WATSON
 Public Member

ALTERNATES
 BRUCE GIBSON
 County Member

CARLA WIXOM
 City Member

VACANT
 Special District Member

MICHAEL DRAZE
 Public Member

STAFF
 ROB FITZROY
 Executive Officer

IMELDA MARQUEZ-VAWTER
 Analyst

MORGAN BING
 Analyst

MELISSA MORRIS
 Commission Clerk

HOLLY WHATLEY
 Legal Counsel



San Luis Obispo Local Agency Formation Commission
SLO LAFCO - Serving the Area of San Luis Obispo County

NOMINATION FOR LAFCO

SPECIAL DISTRICT ALTERNATE MEMBER

The _____
(Insert Name of Special District)

Hereby nominates _____ as a nominee to serve as the
(Insert Name of Nominee)

Special District Alternate Member on the San Luis Obispo Local Agency Formation Commission
(SLOLAFCO).

The Board of Director's action was taken on an agenda item on:

(Insert Date of Board Agenda and Action)

(General Manager or Chairman/President)

(Email address)

(Signature-Nominee)



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: AMY LESSI, ADMINISTRATIVE SERVICES MANAGER

DATE: JULY 11, 2025

SUBJECT: DISCUSSION AND CONSIDERATION TO NOMINATE
CANDIDATES FOR THE ELECTION OF DIRECTORS TO THE
SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY
(SDRMA) BOARD

DISCUSSION

The District's insurance carrier, SDRMA, has requested from its members the nomination of 4 candidates to fill seats on their Board. SDRMA received applications from 5 qualified candidates, which are attached, and whose names are listed below (in no particular order):

- 1.) Thomas B Wright
- 2.) Mike Scheafer
- 3.) Virginia Chang Kiraly
- 4.) Robert Housley
- 5.) Steven Ruetters

RECOMMENDATION

Staff recommends that the Board of Directors nominate 4 candidates to the SDRMA Board.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – **no attachments will be accepted.** No statements are endorsed by SDRMA.

Candidate* **Thomas B. Wright**

District/Agency **Clovis Veterans Memorial District**

Work Address **808 4th St. Clovis, CA 93612**

Work Phone **559-299-0473**

Cell Phone **559-341-2857**

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I was honored to be elected to the SDRMA Board for the first time four years ago. During my time on the Board I have come to appreciate the role of this organization and its extreme importance to Special Districts throughout the state. I believe SDRMA to be the finest example of "government" doing its job in the best possible manner. I would be honored to continue serving with this organization.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have been active in California Special Districts for decades. I am currently serving as Chairman of the Clovis Veterans Memorial District. Four years ago I was elected to the SDRMA Board of Directors, and subsequently appointed to the Special Districts Leadership Foundation board.

I have been involved in community and regional leadership activities all of my adult life; ranging from service clubs like Rotary and Lions Clubs, Chambers of Commerce, city and school district bond and tax elections, and local service organizations like the Clovis Rodeo Association. During my term with the SDRMA Board I have come to understand and appreciate the professionalism, extremely high standards, and effectiveness of the SDRMA in serving Special Districts.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I have served in leadership positions for many community organizations, local governments, educational boards and committees at all levels, and grassroots movements to assist with emergencies and special needs. Beyond local and state matters, I've been privileged to work with national and even international services in which people working together for the betterment of communities in need and make amazing things happen.

What is your overall vision for SDRMA? (Response Required)

My vision for the SDRMA is to continue to build upon the services it offers its members, always with an eye upon the quality of what we offer and to keep its costs at fair and minimal levels. We have endured some excruciating challenges at SDRMA over the past four years, from wildfires to the abandonment of California by many of its traditional insurance companies. The sound financial condition of SDRMA and its determination to maintain its high standards has served our membership well.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature James B Wylet Date MARCH 24, 2025

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* MIKE SCHEAFER

District/Agency COSTA MESA SANITARY DISTRICT

Work Address 290 PAULARINO AVE, COSTA MESA, CA92626

Work Phone 949-645-8400

Cell Phone 714-552-9858

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

As an incumbent of the SDRMA Board I wish to continue providing my expertise, decision making and ability to help Special Districts manage their insurance and risk management challenges and programs. I have dedicated many hours towards those efforts and feel I continue being a valuable asset to the member agencies.

I am uniquely qualified to continue serving on the SDRMA Board as I have over 50 years of experience in the private insurance field.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I have served on the the SDRMA Board since 2014, with 3+ years as Board President. I have continued to work for policies that provide exceptional protection at rates that are reasonable. I am always mindful that public agencies need to protect their constituents at the most affordable rates.

I have been an insurance professional in my private career for over 50 years. I have been awarded numerous insurance industry awards and recognitions for service and dedication to my customers.

I currently hold a Community College teaching credential in insurance education. Additionally I have provided training course instruction for new insurance professionals.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I am the current Board President for the Costa Mesa Sanitary District, serving on that Board for 16 years. I am a former City Councilmember for the City of Costa Mesa, a former Parks and Recreation Commissioner and past President of the Costa Mesa Senior Center.

I have been a dedicated member of the Lions Club, serving as District Governor in 1997-1998.

I founded the Costa Mesa Little League, served as President and coached. I served as a Little League Assistant District Administrator. Served as President of the local Boys and Girls Club Board of Directors.

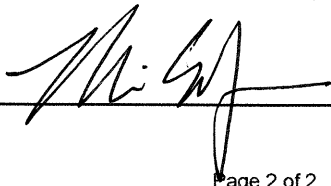
What is your overall vision for SDRMA? (Response Required)

My vision is to continue helping Special Districts have the very best, most comprehensive risk protection at the most affordable rates. To continue helping Districts and agencies with outstanding, innovative, and comprehensive programs that give them peace of mind knowing that unforeseen contingencies will not disrupt or destroy the services they provide.

Insurance can be very difficult, especially now with the state of issues in California. Districts need the experienced hand that I will continue to provide. I will work to make it less difficult and more affordable.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature _____



Date _____

5/12/25

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate*

Virginia Chang Kiraly

District/Agency San Mateo County Harbor District
Work Address P.O. Box 1449, El Granada Ca, 94018
Work Phone 650-583-4400 Cell Phone 650-868-8515

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I believe in SDRMA's mission to provide financially-sound pool resources for risk management, and risk financing for public agencies. Special districts throughout California provide services to tens of millions of Californians, and risk management becomes more crucial every year to safeguard against significant risk exposure.

I have personally seen the value that SDRMA has added for the San Mateo County Harbor District during the ten years I have been an elected Commissioner. Special districts like the Harbor District's commonly face challenges caused by specious claims or lawsuits, captious board governance, or providing affordable medical coverage for employees. SDRMA has been there for the Harbor District and the 780,000 San Mateo County residents to mitigate risk exposure and curb financial liability. I've seen firsthand the value SDRMA provided to the Harbor District, and want to ensure their services remain available.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

My extensive board experience on elected and appointed boards/committees and on nonprofit boards/committees have given me knowledge about board governance, parliamentary procedure, the public process, organizational integrity and ethical standards, transparency, and accountability.

Public Service & Elected Office

For more than two decades, I have served on various nonprofit boards and currently serve on two independent special district elected boards: the Menlo Park Fire Protection District Board of Directors (Fire Board) and the San Mateo County Harbor District Board of Commissioners (Harbor Board).

I also served for seven years as a Commissioner on the California Commission for Economic Development, appointed by Governor Schwarzenegger. On the California Commission for Economic Development, I was appointed by then-Lt. Governor Garamendi to chair the Biotech Advisory Committee and serve on the Goods Movement Committee and the Agriculture Committee. In 2014, the Commission for Economic Development became Go Biz, which is the California Governor's Office of Business and Economic Development created by Governor Brown.

I have served as President, Vice President, Treasurer, and Secretary on both the Harbor and Fire Boards, as well as chairing and serving on various Brown Act committees, such as finance and human resources. Overseeing tens of millions of tax dollars, my experience in finance and budgeting have greatly contributed to the fact that both the Harbor Board and Fire Board are debt-free, have consistently paid down unfunded pension liabilities, hired an investment advisor for cash management, capitalized on macroeconomic factors to earn interest income, and

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

improved the readability of both budgets so that the public can understand how their tax dollars are spent.

For the Harbor Board, I have also served, and currently serve, on the Oyster Point Marina Liaison Committee, which works with two South San Francisco councilmembers and meets at least once a year, to ensure that the terms of the Memorandum of Understanding are being honored as the manager of the marina, and that any updates are discussed for the benefit of the public, Oyster Point Marina tenants, and the Water Emergency Transportation Authority (WETA) that is San Mateo County's only public ferry transportation provider.

In San Mateo County, I have served on the San Mateo County Civil Grand Jury as a juror and foreperson. I currently serve on the San Mateo County LAFCO Board as one of two special district representatives, and on the San Mateo County Treasury Oversight Committee, which was established after the county pool lost \$155 million from the Lehman Brothers bankruptcy. These two committees are important for good government, transparency, and accountability.

Serving as a public servant on elected and appointed boards carries a responsibility to ensure the public's work is done on policymaking, fiscal oversight, making recommendations for the benefit of all Californians, and ensuring that public services and revenue generation continue so that essential services are provided and local economies thrives.

Nonprofit Board Service

While I have served on various nonprofit boards locally, some of my more notable board service statewide and regionally include:

- Silicon Valley Chapter of the American Red Cross
- California State Parks Foundation
- The Tech Museum of Innovation in San Jose
- Cultural Initiatives Silicon Valley

For traditional nonprofits, I have primarily served on fundraising committees, finance committees, and nominating committees. From my community service, I have had the honor of being recognized by the Silicon Valley Business Journal as a "Woman of Influence" in 2015.

Currently, I serve on the board of the California Association of Local Agency Formation Commissions (CALAFCO). For CALAFCO's board, I was elected to represent special districts for the Coastal Region, which is comprised of 15 counties from Ventura County to Sonoma County and going as far east as Alameda County and Contra Costa County. As part of CALAFCO's Legislative Committee, I research state legislation and bills and discuss how they affect LAFCOs in California's 58 counties.

What special skills, talents, or experience (including volunteer experience) do you have? (Response Required)

I have an extensive background in financial research, planning, investments, and the capital markets. I have been involved with stock compensation plans, cash management, and retirement planning, as well as selling insurance products when I had a Series 6 license to do so. Further, I traded options for hedging purposes and also traded stocks and bonds for middle-markets institutional investors and high-net worth retail investors. My experience with risk management and mitigation has afforded me critical skills to help my agencies plan for future capital projects, pay down unfunded pension liabilities, and invest tax dollars to capitalize on the current economic

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

conditions and fluctuations in the capital markets.

I have a BA in Government and a minor Economics from the University of Texas at Austin and a Masters of Public Administration from the University of Southern California's Sol Price School of Public Policy. With my educational background and experience in elected offices, I understand how government and public agencies work from the elected officials' and public administrators' perspectives.

I have been able to use my professional experience by developing investment policies for both the Harbor District and Fire District and followed these policies to ensure principle preservation and meeting cash-flow needs. Further, since being elected to both the Harbor Board and Fire Board, I am proud that both agencies are debt-free, have consistently paid down unfunded pension liabilities, hired an investment advisor for cash management, capitalized on macroeconomic factors to earn interest income, and improved the readability of both budgets so that the public can understand how their tax dollars are spent. I have also served on the Audit Committee of both districts, which have consistently had clean audits.

As a member of the San Mateo County Treasury Oversight Committee, overseeing approximately \$4 billion, my financial expertise and background have been put to use to navigate market uncertainties and an inverted-yield curve environment that required more short-term investments to capture higher yields over the last couple of years. Also, having served on San Mateo County's Measure G Parcel Tax Committee for the San Mateo County Community College District, I understand the importance of the role of oversight of tax dollars. Financial transparency and accountability are crucial for public agencies to keep the public's trust as fiduciaries of tax dollars, and I will bring this experience to the SDRMA Board.

Working on nonprofit boards has given me an opportunity to advocate for organizations whose work I believe in. I have primarily been an advocate for disaster preparedness, state parks, mental health, senior services, and education. I have served on various boards and committees that have allowed me to plan an author's salon to raise money for senior services and San Mateo County's Meals on Wheels program, to lobby the state legislators to protect California state parks during Park Advocacy Day, to provide mental-health services for first responders and the Asian community after the farmworker shooting in Half Moon Bay, and to raise money for my local public schools, among many other causes. Because of my background in business development, advocacy, and sales, I have generally been involved with fundraising committees for the nonprofits, which has allowed me to build partnerships with corporate sponsors and donors and work well with board colleagues and staff.

What is your overall vision for SDRMA? (Response Required)

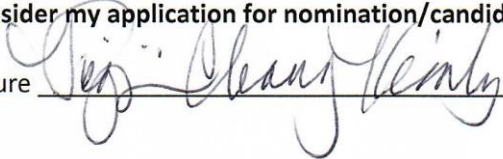
My overall vision for SDRMA is to increase its membership and educate prospective members about how SDRMA's pool is important for special districts' risk management and why being an SDRMA member is a great investment for special districts. California has approximately 3,400 special districts, so there is a tremendous opportunity to increase membership. There is also an opportunity to provide members with more education about SDRG and the benefits of reinsurance for customized coverage and long-term stability for risk management. In the end, a special district's bottom line could benefit with more members, and these benefits should be part of the communication narrative to the public as an excellent way of protecting public services and public assets.

My professional background in finance and the capital markets and my role in elected office and oversight committees give me a great understanding of risk management for special districts, which provide essential

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

services funded by tax dollars. I would be honored to have your vote to serve on the SDRMA Board of Directors. Thank you for your consideration.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature  Date 5/13/2025

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Robert Housley, CSDM

District/Agency Midway City Sanitary District

Work Address 14451 Cedarwood Street, Westminster, CA 92683

Work Phone 714-893-3553

Cell Phone 562-239-7557

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

I am seeking to continue my service on the SDRMA Board of Directors, to share my experience and insights, stay actively engaged, and continue learning from others in the industry. With 25 years of experience working in a variety of special districts, including those with very limited financial resources, I understand the challenges many agencies face in balancing fiscal responsibility with providing essential services.

Serving in this capacity would allow me to give back to other agencies by sharing my perspective, helping to shape policies, and supporting collaborative solutions that benefit members. I see this as an opportunity to strengthen risk management practices, advocate for special districts, and ensure that all agencies, regardless of size or resources, have access to the support they need to succeed and serve their communities.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

I currently serve on the SDRMA Board of Directors and have additional board and committee experience as a member of the Alliance Executive Council (AEC), the CSDA Professional Development Committee, and, as a staff member at Midway City Sanitary District, I actively participate in the Legislative & Public Affairs Outreach Committee and the Franchise Committee.

With 26 years of experience in special districts, as a General Manager and previously as a Director of Finance & Human Resources, I have regularly collaborated with many governing bodies at many different levels and statewide associations, gaining practical experience in policy development, risk management, and member services, all of which directly support the responsibilities of an effective SDRMA Board Member.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

I have an MBA from the University of La Verne with an emphasis in accounting and I am also a Certified Special District Manager (CSDM).

My other special skills and experience include being a forward-thinking, community-focused leader and a problem solver with more than 26 years of experience working in various special districts. I value collaboration, active listening, and service to others.

I have volunteered as an assistant coach for both Up & Running Again at the Orange County Rescue Mission and as a coach for Back on My Feet at the Long Beach Rescue Mission, both are programs that support individuals experiencing homelessness through community and goal setting. I have also volunteered with the food pantry at church, and I have coached and refereed for many years in AYSO soccer. These experiences reflect my long-standing commitment to public service and community involvement.

What is your overall vision for SDRMA? (Response Required)

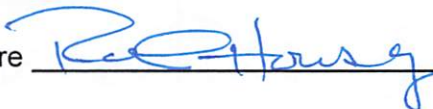
I am eager to help advance the outstanding work currently being done by SDRMA. As a General Manager, I understand the critical importance of effective risk management for all Special Districts, as well as the fiscal constraints and limited access to resources that many districts face, particularly those with smaller operations or minimal staffing.

It is my vision to continue building on SDRMA's solid foundation by broadening awareness of its services and ensuring that all Special Districts recognize and benefit from the valuable support it provides. I believe SDRMA should serve as both a partner and an extension of every member district, delivering not only services but also the dependable support districts need to operate safely, efficiently, and confidently in service to their communities.

I am also committed to identifying and pursuing value-added services and new opportunities that enhance the benefits of membership while keeping costs manageable for all members. By expanding outreach and engagement, we can grow SDRMA's reach and deepen its impact across the state.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature



Date

5/1/2025

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

This information will be distributed to the membership with the ballot, "exactly as submitted" by the candidates – no attachments will be accepted. No statements are endorsed by SDRMA.

Candidate* Steven Ruetters

District/Agency Kern Mosquito & Vector Control District

Work Address 4705 Allen Road, Bakersfield, CA 93314

Work Phone (661) 589-2744

Cell Phone (661) 332-8287

*The name or nickname and any designations (i.e. CPA, SDA, etc.) you enter here will be printed on the official ballot, exactly as submitted.

Why do you want to serve on the SDRMA Board of Directors? (Response Required)

To serve the needs of the SDRMA members consistent with SDRMA's mission statement: to provide excellent risk financing and risk management services through a financially sound pool to California public agencies, delivered in a timely and responsive cost-efficient manner.

I recently retired from the Kern County Water Agency, and desire to continue to contribute to the needs of special districts as I have in the past. This opportunity matches well with my experience, education, and dedication.

What Board or committee experience do you have that would help you to be an effective Board Member? (SDRMA or any other organization) (Response Required)

Served 22 years on the Audit-Finance Committee of the ACWA JPIA* (see below), which provided financial oversight to the organization and its programs (Liability, Property, Workers Compensation, Health Insurance, and pass through insurance).

Served 1 year on the Property Committee of the ACWA JPIA* (see below) before I was asked to serve on the Audit-Finance Committee.

Kern Mosquito & Vector Control District (current Board Member)

North of the River Sanitary District (current Board Member with 17 years experience)

North of the River Recreation & Park District (past Board Member with 22 years experience)

* ACWA JPIA (Association of California Water Agencies Joint Powers Insurance Authority) is a collection of risk pools similar to SDRMA serving nearly 400 California water districts, which has similar member services available and a captive insurance entity.

**Special District Risk Management Authority
Board of Directors
Candidate's Statement of Qualifications**

**What special skills, talents, or experience (including volunteer experience) do you have?
(Response Required)**

Oregon State University, BS Finance, Minor Economics
California State University, Bakersfield, MBA
Business Manager, Kern County Water Agency, 33 years

What is your overall vision for SDRMA? (Response Required)

To remain consistent with the vision of the SDRMA as outlined in its mission statement. The goals of cost-effectiveness, stability, and reliability in the current insurance/risk market is difficult, though worth pursuing in earnest for all SDRMA members.

I certify that I meet the candidate qualifications as outlined in the SDRMA election policy. I further certify that I am willing to serve as a director on SDRMA's Board of Directors. I will commit the time and effort necessary to serve. Please consider my application for nomination/candidacy to the Board of Directors.

Candidate Signature Shannon Ferguson Date May 14, 2025



CAYUCOS SANITARY DISTRICT STAFF REPORT

TO: BOARD OF DIRECTORS

FROM: TIM CARMEL, DISTRICT LEGAL COUNSEL

DATE: JULY 11, 2025

SUBJECT: DISCUSSION AND CONSIDERATION OF ADOPTION OF
RESOLUTION 2025-05 APPOINTING WILL CLEMENS AS INTERIM
DISTRICT MANAGER AND APPROVING AN EMPLOYMENT
AGREEMENT

DISCUSSION

Mr. Clemens previously served as the General Manager of the Oceano Community Services District and is qualified to ensure the District runs smoothly until a permanent District Manager is hired. Because Mr. Clemens is a current retiree of the California Public Retirement System (CalPERS), there are specific limitations to his employment which are outlined in the attached resolution. The most significant is a limitation of 960 hours of work per fiscal year and a statutory minimum and maximum salary based on the posted salary range for the District Manager position.

Fiscal Impacts:

State law requires that compensation for a CalPERS retiree be no lower or higher than the posted salary range for the District Manager. For this reason, Mr. Clemens's compensation must be \$128.19 per hour. The District will still realize significant cost savings because it is not a full-time position and no additional compensation or fringe benefits are paid.

RECOMMENDATION

Adopt Resolution 2025-05 appointing Will Clemens as Interim District Manager and approving an Employment Agreement.

CAYUCOS SANITARY DISTRICT**RESOLUTION NO. 2025-05****A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CAYUCOS SANITARY DISTRICT APPOINTING WILL CLEMENS AS INTERIM DISTRICT MANAGER AND APPROVING AN EMPLOYMENT AGREEMENT**

WHEREAS, Government (Gov.) Code section 21221(h) permits the governing body of a contracting agency to appoint a CalPERS retiree to a vacant position deemed by the governing body to require special skills, during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, the Board of Directors desires to appoint Will Clemens as an interim appointment retired annuitant to the vacant position of District Manager for the Cayucos Sanitary District under Gov. Code section 21221(h), effective _____; and

WHEREAS, the Board of Directors, the Cayucos Sanitary District, and Will Clemens certify that Will Clemens has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, the Board of Directors authorized the search for a permanent appointment on June 19, 2025; and

WHEREAS, this Gov. Code section 21221(h) appointment shall only be made once and therefore will end prior to the effective date when the permanent appointment of District Manager is made; and

WHEREAS, the entire employment agreement, contract or appointment document between Will Clemens and the Cayucos Sanitary District has been reviewed by this body and is attached herein; and

WHEREAS, the compensation paid for the interim appointment cannot exceed the maximum monthly base salary paid to other employees performing comparable duties as listed on a publicly available pay schedule for the vacant position, divided by 173.333 to equal an hourly rate; and

WHEREAS, the maximum base salary for this position is \$10,255.20 per biweekly pay period and the hourly equivalent is \$128.19; and

WHEREAS, the hourly rate paid to Will Clemens will be \$128.19; and

WHEREAS, Will Clemens has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors hereby certifies the nature of the employment of Will Clemens as described herein and detailed in the attached

employment agreement and that this appointment is necessary to immediately fill the critically needed position of Interim District Manager for the Cayucos Sanitary District.

BE IT FURTHER RESOLVED that said Employment Agreement is hereby approved.

PASSED AND ADOPTED by the Board of Directors of the Cayucos Sanitary District on July 17, 2025, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAIN:

ATTEST:

Robert B. Enns, President

Amy Lessi, Board Secretary

APPROVED AS TO FORM:

Timothy J. Carmel, District Counsel

EMPLOYMENT AGREEMENT

This Employment Agreement (“Agreement”) is made by and between the Cayucos Sanitary District (“District”) and Will Clemens (“Interim District Manager”).

In consideration of the mutual promises and covenants contained in this Agreement and with the intent to be legally bound, the parties agree as follows:

1. TERM OF EMPLOYMENT

1.1 Title. Will Clemens (“Mr. Clemens”) shall act as the District’s District Manager under the title of “Interim District Manager.”

1.2 Term. The Interim District Manager’s employment shall be for a term uncertain beginning on _____, and continuing until a permanent District Manager is appointed and employed or Mr. Clemens is otherwise terminated pursuant to the terms of this Agreement.

1.3 Status. The Interim District Manager shall be an at-will employee serving at the pleasure of the Board of Directors of the District. The Interim District Manager shall have no so-called *Skelly* rights. This position is designated as a retired annuitant position.

2. EMPLOYMENT RESPONSIBILITIES

2.1 Scope of Services. Pursuant to this Agreement, the Interim District Manager shall perform all functions and duties as may be reasonably necessary to fulfill the duties described in Exhibit A attached hereto and incorporated by reference herein, and such other legally permissible duties and functions as may be assigned by the District Board of Directors (the “Board”). The Interim District Manager, with direction from the Board of Directors, may set his own working hours in a manner that meets the needs of the District. The Interim District Manager shall work a minimum of twenty (20) hours per week.

2.2 Duties and Authority. Performance of the Interim District Manager’s duties shall at all times be subject to the policies set by the Board, and with the consent of the Board, when required by this Agreement, or by applicable District regulations and State law. Such duties shall include, without limitation, those set forth in the attached Exhibit A. The Interim District Manager shall be available to attend all meetings of the Board and shall be available to attend any committee meetings of the Board when directed to do so by the Board.

3. COMPENSATION

3.1 Salary. Interim District Manager shall be paid a biweekly salary of \$5,127.60 (or an hourly rate of \$128.19, calculated in accordance with the requirements of paragraph (2) of Government Code section 7522.56 and paragraph (h) of Government Code section 21221), payable consistent with the District’s payroll practices for exempt employees. Should the Interim District Manager work less than twenty (20) hours per week, the Interim District Manager shall notify the District’s Administrative Accounting Manager or their designee, and compensation for that pay period shall be pro-rated at the hourly rate. In no event shall the Interim District Manager work more than 960 hours for the District in a given fiscal year.

3.2. No Other Compensation. The Interim District Manager shall not receive any additional compensation or benefits of any kind other than as required by law.

3.3. Time Off. The Interim District Manager shall not accrue or receive any paid time off or credit, including vacation, sick time, and holidays, other than as required by law. Interim District Manager shall be allowed to take unpaid time off, subject to the approval of the Board President.

4. EXPENSE REIMBURSEMENT

The District shall reimburse the Interim District Manager for all reasonable expenses incurred by Interim District Manager, approved in advance by the Board of Directors, in the performance of the Interim District Manager's duties under this Agreement and in accordance with the budget policies established by the District, including mileage reimbursement at the rate established by the IRS. No reimbursement for mileage shall be allowed for travel within San Luis Obispo County.

5. EVALUATION

At least one time in each six-month period that this Agreement is in effect, the District shall evaluate and assess the performance of the Interim District Manager. Such evaluation shall relate to the duties and responsibilities of the Interim District Manager under this Agreement and the Interim District Manager's progress toward established goals.

6. BINDING EFFECT OF AGREEMENT

This Agreement shall be binding upon the parties and the respective heirs, executors, administrators, successors, and assigns.

7. AMENDMENT AND TERMINATION

7.1. Mutual Agreement. This Agreement may be altered, amended, or terminated at any time by the mutual written agreement of the Interim District Manager and the Board.

7.2. At-Will Employment. The Interim District Manager understands that his employment shall at all times remain "at-will", and Interim District Manager may resign or the District may terminate the Interim District Manager's employment with or without cause by delivering written notice to the other party.

7.3. Termination Compensation. In the event of termination of this Agreement by resignation, death, termination by the Board, or for any other reason, the Interim District Manager shall be entitled only to compensation for salary through the termination date and any other amounts due under this Agreement or pursuant to State law.

7.4. Requirement of Writing. Any alteration, amendment, or termination of Interim District Manager's employment by either party must be made in writing.

8. GENERAL PROVISIONS

8.1. Waiver. Waiver by either party of any term or condition in this Agreement or any breach shall not constitute a waiver of any other term or condition or breach of this Agreement.

8.2. Notices. Any notice or communication permitted or required by this Agreement shall be in writing and may be made by personal delivery to the Interim District Manager or to the Board President; or, if delivered by mail, shall become effective two (2) days after mailing by certified mail, return receipt requested, postage prepaid addressed as follows:

8.2.1. If to the District, to: Board President, Cayucos Sanitary District, PO Box 333, Cayucos, CA 93430.

8.2.2. If to Interim District Manager, at the address then of record on the District's personnel and payroll records for the Interim District Manager.

8.3. Entire Agreement. This Agreement contains all of the terms agreed upon by all parties with respect to the subject matter of this Agreement and supersedes all prior agreements, arrangements, and communications between the parties concerning such subject matter, whether oral or written. This Agreement may only be amended by a written instrument signed and dated by both parties and approved by resolution of the Board. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Interim District Manager.

8.4. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

8.5. Governing Law and Venue. This Agreement shall be governed by the laws of the State of California. Interim District Manager and the District agree that venue for any dispute shall be in San Luis Obispo County, California.

8.6. Construction. The parties acknowledge that they understand the significance and consequences of this Agreement. The parties also acknowledge that they have been given full opportunity to review and negotiate this Agreement and execute it only after full reflection and analysis, and that they have had an opportunity to review this document and its application and meaning with their respective attorneys and advisors. This Agreement shall not be interpreted against the party who prepared the initial draft because all parties participated in the drafting of this Agreement by having ample opportunity to review and submit suggested changes or corrections for incorporation into the final version of this Agreement. This Agreement shall be interpreted as if it had been drafted by both parties concurrently and equally and shall not be interpreted against either party by virtue of that party having primarily drafted the Agreement.

8.7. Assignment. Interim District Manager may not assign this Agreement in whole or in part.

8.8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Interim District Manager and District have signed and executed this Agreement, both in duplicate, the day and year first above written.

INTERIM DISTRICT MANAGER

CAYUCOS SANITARY DISTRICT

Will Clemens

Dated: _____

Robert Enns, Board President

Dated: _____

Approved as to form:

Timothy Carmel, District Counsel

EXHIBIT A
DISTRICT MANAGER POSITION DESCRIPTION



CAYUCOS SANITARY DISTRICT

200 Ash Avenue
P.O. Box 333, Cayucos, California 93430-0333
www.cayucossd.org
805-995-3290

DISTRICT MANAGER JOB DESCRIPTION

GENERAL STATEMENT OF DUTIES:

Subject to the determination of policy and action of the Governing Board of Cayucos Sanitary District, plans, organizes, directs and supervises through subordinates, the operations and maintenance activities of the District, including accounting, fiscal and budgetary, personnel and organization, wastewater collection and conveyance, solid waste and joint wastewater treatment plant administration (under Joint Powers Agreement).

SUPERVISION RECEIVED:

The District Manager works under the policy direction and action of the Cayucos Sanitary District Board.

SUPERVISION EXERCISED:

Exercises direct supervision of Operations and Maintenance Supervisor and Administrative Office Manager. The District Manager is accountable for planning and administering the work of professional, technical, operational, maintenance and support staff, normally through subordinate levels of supervision.

EXAMPLES OF DUTIES:

Any one position may not include all of the duties listed nor do all the listed examples include all tasks which may be found in positions of this class.

- Plans, organizes, coordinates and administers the work of the District through subordinate levels of supervision.
- Formulates and assists in the development and administration of goals, objectives, policies and procedures.
- Formulates and assists in the development of the annual operating budget and capital improvements plan with plans for financing, when necessary.

- Researches, reviews, develops, implements, and evaluates policies and procedures designed to provide effective and efficient public and organizational service levels.
- Directs or monitors the preparation of a variety of studies and reports relating to District operations and develops specific proposals to address problems or issues.
- Conducts and directs the preparation of operational studies and special projects; including the gathering of information, evaluation of alternatives, preparation and presentation of reports and recommendations.
- Ensures that all collections system operational activities conform to regulatory agency standards.
- Ensures that staff follows appropriate safety policies, procedures and regulations.
- Interprets, analyzes, explains and enforces all resolutions, ordinances, regulations, policies and procedures to protect the District's interest and ensure compliance.
- Prepares and directs the preparation of a variety of written correspondence, reports, procedures, resolutions, ordinances and other materials.
- Selects, supervises, directs, trains and evaluates the work of subordinate supervisory personnel. Serves as the Employee Relations Officer.
- Monitors changes in laws, regulations and technology that may affect District operations; implements policy and procedural changes.
- Prepares and presents clear and concise verbal and written reports and recommendations; maintains accurate records.
- Directs the maintenance of working and official District automated and manual files.
- Performs related duties similar to the above in scope and function as required and as may be prescribed by District Board direction and action.

EMPLOYMENT STANDARDS:

KNOWLEDGE OF:

Principles and practices of wastewater collection, including:

- Equipment, materials, supplies, mechanical and electrical control systems related to wastewater collection
- Federal, State and local laws and regulations, ordinances and programs regarding wastewater collection and District operations
- Safety practices and equipment related to the work
- Principles of public and business administration including governmental accounting, financing and budgeting
- Principles and practices of employee supervision, including work planning, assignment, review and evaluation and the training of staff.
- Recent developments, current technology and informational resources regarding wastewater collection.
- Principles of effective public relations and interrelationships with community groups and agencies, private businesses and other levels of government.
- Standard office practices and procedures, including the use of standard office equipment and computer applications related to the work.

- Techniques for providing a high level of computer service to the public, in person and over the telephone.

SKILL IN:

- Planning, organizing, administering, coordinating, reviewing, evaluating and personally participating in the functions and activities of a wastewater collection system.
- Developing and directing the implementation of goals, objectives, policies and procedures and in developing standards for program evaluation.
- Planning, organizing, assigning and coordinating the work of subordinate staff.
- Speaking and writing clearly and concisely when making oral presentations and providing written reports including ordinances, resolutions, correspondence, policies, procedures and other written materials.
- Interpreting, applying and explaining laws, codes, regulations and ordinances.
- Using tact, initiative, prudence and independent judgment within general policy and legal guidelines.
- Representing the District in various public meetings.
- Establishing and maintaining cooperative and effective working relations with staff, peers, the public and those contacted in the course of work.
- Providing effective leadership and coordination of the activities of a local special district.
- Analyzing, interpreting, summarizing and presenting administrative and technical information and data in an effective manner.
- Selecting, supervising, training and evaluating staff.
- Analyzing administrative management problems with the ability to present viable alternatives, solutions and recommendations.

EDUCATION AND EXPERIENCE:

- Graduation from an accredited four-year college or university with major coursework in civil or environmental engineering, public health, chemistry, biology, public or business administration.
- Five years of experience in the administration, operation or maintenance of wastewater pretreatment, treatment, reclamation, collection and disposal (or a closely related field), including three years of administrative or management level experience.

LICENSE AND CERTIFICATION:

- A valid California Class “C” driver’s license
- Satisfactory driving record (DMV printout) to satisfy District insurer

WORKING CONDITIONS:

Attendance at evening or off-hours meetings will be required.

PHYSICAL DEMANDS:

Must possess mobility to work in a standard office setting and in a field environment, to use standard office equipment and to move between office and various field locations; strength to lift and carry office materials weighing up to fifty (50) pounds; vision to read printed materials and a computer screen; hearing and speech to communicate in person and over the telephone; manual dexterity to operate a computer keyboard, calculator, phone and standard office equipment such as a copier and fax machine.