

MANAGERS REPORT FOR 7/21,2009

On July 10th 2009 we received our new classifications for the operation of our new treatment facility for Salton City . These requirements are exactly in what was anticipated for the treatment upgrade required by the State for treating an increase above the original 200 thousand gallons per day with percolation/ evaporation only. This is what was used by Holly Energy on a temporary basis until the 493 acre site would be developed as build out increased. This worked good and when that building spurt suddenly stopped as it has today. When this happened Holly just shut down their Salton City operation and handled their operation from their Dallas Texas headquarters.

When I first became Manager and went through old records to learn the basic structure of the District I found this information and began negotiating with holly for the 493 acre site so as to have ample area to take care of future growth. It will take a while but it will come and the District must be able to handle that growth.

In developing the new system we have diligently work with the State Regional Board to accomplish what we now have in place.

The new plant requires a grade 3 operator to be in charge of the operation of that facility with a grade 2 assistant.

For the last 3 years I have worked hard to upgrade the classifications of our in house employees to get them all certified as they have to be to work at the new facility and we now have a grade 2 taking the grade 3 test in October 2009. We also have 2 grade 1 operators that will take the grade 2 test in October 2009.

We also have a new grade 1 and two taking the operator in training course required by the State.

This past month maintenance has been fairly good without any major problems. Thus keeping the overtime fairly under control.


Tom Cannell General Manager