



**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

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**AGENDA  
BOARD OF DIRECTORS MEETING**

OCSD Board Room  
1655 Front Street  
Oceano, California 93445

**Wednesday, October 5, 2016 at 6:00 p.m.**

**Board Members**

John Shoals, Chair  
Mary Lucey, Director  
Jim Hill, Director

**Agencies**

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

**Alternate Board Members**

Matthew Guerrero, Director  
Tim Brown, Director  
Barbara Nicolls, Director

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

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

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

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

Please adhere to the following procedures when addressing the Board:

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

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for

public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability-related modification or accommodation, including auxiliary aids or services, may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

**5. CONSENT AGENDA:**

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

**5A. Approval of Minutes of Meeting of September 21, 2016**

**5B. Approval of Warrants**

**6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Staff recommends the Board receive and file this report.

**7. ACTION ITEMS:**

**7A. REQUEST FOR AUTHORIZATION TO PROCEED WITH CONTRACT WITH BARTLE WELLS ASSOCIATES, TO ASSIST WITH FINANCIAL PORTION OF STATE REVOLVING FUND CONSTRUCTION LOAN APPLICATION AND TO PROVIDE ADDITIONAL FINANCIAL ALTERNATIVES FOR FUNDING THE DISTRICT'S REDUNDANCY PROJECT**

Staff recommends the Board authorize the District Administrator to proceed to execute a contract with Bartle Wells Associates (BWA) for professional consultant services to complete the financing portion for a State Revolving Fund loan construction application package.

**7B. NEWLY INSTALLED SCADA SYSTEM PROJECT**

Staff recommends the Board receive and file this report.

**8. CORRESPONDENCE RECEIVED**

Letter received from Special District Risk Management Authority (SDRMA) Re: No Paid Property/Liability Claims in 2015-16

**9. CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one case).

**10. ADJOURN MEETING**

**The next regularly scheduled Board meeting on October 19, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California**

## **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

OCSD Board Room  
1655 Front Street  
Oceano, California 93445

Minutes of the Meeting of Wednesday September 21, 2016  
6:00 P.M.

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

Present: Chairman John Shoals, City of Grover Beach; Director Mary Lucey, Oceano Community Services District; Director Jim Hill, City of Arroyo Grande

District Staff in Attendance: Gerhardt Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel; Amy Simpson, Bookkeeper/Secretary

### **2. FLAG SALUTE**

### **3. AGENDA REVIEW**

Chairman Shoals exercised the prerogative of the Chair to discuss items 7B and 7C. He stated that the Directors are elected to represent the District in a respectful and professional manner and that if a Director were to make a motion to table these two items, he would second that motion. Hearing no second, he moved forward with the Agenda as presented.

### **4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA**

Chairman Shoals opened the public comment period.

Julie Tacker was called by an Investigator. She voiced the following concerns: Mr. Clemons is not in attendance tonight, a rogue Board member, incomplete agenda packet, Staff and Board members filing complaints, unpermitted buildings, and no Closed Sessions on the Agendas.

Patricia Price was also called by the investigator. She is concerned Mr. Clemons is not in attendance

Debbie Peterson read the 1<sup>st</sup> Amendment. She has concerns about the \$1.1 million-dollar fine settlement.

Beatrice Spencer has concerns about Mr. Clemons not attending meetings.

Chairman Shoals closed the public comment.

Director Hill is very concerned hearing that an investigator had contacted members of the public when he as a Board member has not been informed from the District of what is going on.

District Administrator Hubner responded that the reason Mr. Clemons is not at the meeting today is because he is at a paid District training conference in Las Vegas with another Operator.

Chairman Shoals responded to Ms. Petersons comment. He said "there was a settlement

negotiated. There was an agreement to pay the full amount. The original plan that was put forward gave no assurances that the money would be spent in this District. The factors lined up when Mr. Hubner was hired given his relationships with folks at the Water Board and his experience identifying projects they would accept. And that is what led the District to reach settlement now rather than previously.”

## **5. CONSENT AGENDA**

**5A. Approval of Minutes of Meeting of September 07, 2016**

**5B. Approval of Warrants**

**5C. Financial Review at August 31, 2016**

Director Hill requested Item 5B, Warrant Register be pulled from the Consent Agenda.

Chairman Shoals opened the public comment period for Items 5A and 5C.

Julie Tacker spoke to the minutes.

**Motion:** Director Hill made a motion to accept Items 5A and 5C.

**Second:** Director Lucey

**Action:** Approved unanimously by roll call vote.

**5B. Approval of Warrants**

Director Hill is concerned with the amount of the legal bill.

Director Lucey feels the legal billing is within reason.

Chairman Shoals opened the public comment period for Item 5B.

Julie Tacker commented on the legal bills, the Rickenbach bill, bathroom repair bill, and the warrants related to the Redundancy Project.

**Motion:** Director Lucey moved to approve Item 5B

**Second:** Director Shoals

Director Hill stated that he could not support this item absence separation of the legal bill for further review.

**Action:** Approved by roll call vote.

Yes: Director Lucey

Yes: Chairman Shoals

No: Director Hill

## **6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

District Administrator Hubner presented this report giving updates on the RWQCB and District Settlement of 2010 spill, Cherry Ave Bridge Project, Grit Removal System, Mechanical Bar Screen, Secondary Process Redundancy Project, District Control Building and Office, and the Water Reuse meeting.

Chairman Shoals recommended the Board get a thorough inventory of what is located at the District facility and identify a course of corrective action that can be taken.

Director Lucey asked for an update on SCADA and that the Reclaimed Water/Scalping

Project be brought back at the next meeting.

Director Hill clarified for Ms. Lucey that the Scalping Plant grant has been repurposed to a General Waste Water Recycling Study throughout the area.

Ms. Lucey responded that she understood the purpose of the grant and study.

Chairman Shoals opened the public comment period.

Julie Tacker commented on this item.

Chairman Shoals closed the public comment period.

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

## **7. ACTION ITEMS:**

### **7A. UPDATE ON DISTRICT'S PUBLIC OUTREACH INITIATIVE, INCLUDING NEWSLETTER AND WEBSITE OVERHAUL**

District Administrator Hubner presented this item in power point and asked for direction to finalize and distribute the Fall 2016 Newsletter. He also gave background on the new website. He expects the website to go live by the end of October 2016.

Director Hill asked what are the District's cost to mail the newsletter without the help of the member agencies.

District Administrator Hubner said it would cost roughly a couple of thousand dollars.

Chairman Shoals opened the public comment period.

Julie Tacker, Patricia Price, and Debbie Peterson gave input on this item.

Chairman Shoals closed the public comment period.

Chairman Shoals asked the public to forward any changes or recommendations to the District Administrator.

Administrator Hubner has noted the public input and will include the changes. He hopes to have the newsletter distributed in the next two weeks. His recommendation would be to have the District print the newsletter and ask the member agency's to include the letter in their utility billing.

**Motion:** Director Hill moved to adopt staff recommendation to investigate with the three jurisdictions on distribution of the newsletter.

**Second:** Director Lucey

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

The Board took a five-minute break.

### **7B. REQUEST BY DIRECTOR HILL TO CENSURE DIRECTOR LUCEY**

Chairman Shoals asked legal counsel to respond to why there were no staff reports attached to the agenda and any other matters that he believes to be pertinent information for this body and the community.

Legal Counsel Trujillo responded that this request was by individual Board members pursuant to their authority under the bylaws. Legal Counsel made a few remarks about censure in general.

Director Hill highlighted the Chairs request that we conduct ourselves in a respectful and professional manner and the District provide residents, customers, and public information that is factual.

He read a portion of a public posting Ms. Lucey wrote on social media (Attachment No. 1). "He hopes the Board would repudiate the false information here. He is disturbed Director Lucey takes issue with staff. We had to sit why Mr. Clemons has been attacked, his personal life has been commented on and he is tired of it."

Director Lucey read from an Opinion piece written by Director Hill for Cal Coast News (Attachment No. 2), an email from Director Hill to former District Administrator Rick Sweet (Attachment No. 3) and an email from Julie Tacker to John Clemons and Andrew Brunet (Attachment No. 4). She feels that Director Hill has attacked the Manager of the OCSD. She also has concern with Director Hill meeting with the Water Board chair while there was legal litigation with no legal representation. She believes it was done without the Board's blessing.

Chairman Shoals opened the item to public comment.

Julie Tacker, Julie London, Pat Dempsey, Debbie Peterson, Ron Arnoldson, Carol Henson, Patty Welsh, Ron Holt, Andrew Brunet, April McLaughlin, Beatrice Spencer, and LeAnn Akens all spoke in favor of Director Hills' motion that the Board formally repudiate Director Lucey comments.

Julie London distributed handouts. (Attachment No. 5)

Nancy McNeil does not believe the charges warrant censure of Director Lucey.

Chairman Shoals closed the public comment period.

**Motion:** Director Hill made a motion that the Board formally repudiate Ms. Lucey's remarks.

Director Shoals asked Director Hill to clarify his motion.

Director Hill clarified by saying "Ms. Lucey has made completely inaccurate statements being represented as fact relating to Mr. Clemons and he believes it is time the Board repudiate those comments because they are inaccurate and damaging."

Director Lucey responded that she believes holding Director Hill to the same standards he holds her too. She discussed plant numbers. She believes the damage occurred when Director Hill put Mr. Clemons in an Administrative position.

**Action:** The motion died by lack of a second.

Chairman Shoals directed staff to investigate and report back at a future date about how the plant operates, plant data, the condition of the ocean and anything else that has been captured.

## **7C. REQUEST BY DIRECTOR LUCEY TO CENSURE DIRECTOR HILL**

Director Lucey made a motion to withdraw her censure of Director Hill. Chairman Shoals seconded the motion.

Chairman Shoals opened the item to public comment.

Julie London, Carol Henson, Debbie Peterson, Julie Tacker, and Beatrice Spencer all commented on this item.

Nancy McNeil also gave public comment.

Chairman Shoals closed the public comment period and called for a roll call vote.

**Motion:** Director Lucey

**Second:** Chairman Shoals

**Action:** Approved by roll call vote.

**Yes:** Director Lucey

**Yes:** Chairman Shoals

**Abstain:** Director Hill

## **8. ADJOURN MEETING**

**This meeting adjourned at 8:10 pm.**

**The next regularly scheduled Board meeting on October 05, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California**

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



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
10/05/2016 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ADVANTAGE TECHNICAL SERVICE	CHERRY AVE BRIDGE PROJECT	3709	100516-1631	26-8065	11,415.00	11,415.00
API, INC	ADMIN. OFFICE SPACE	09/17/16-10/16/16	1632	7040	450.00	450.00
ARAMARK	UNIFORMS	09/23/16	1633	7025	178.04	178.04
BRENNTAG	PLANT CHEMICALS	BPI659428	1634	8050	5,853.60	5,853.60
CALPERS MEDICAL	EMPLOYEE HEALTH	OCTOBER	1635	6010	16,561.54	16,561.54
CENTRAL COAST TECH CONSULT.	COMPUTER SUPPORT	SEPTEMBER	1636	7082	493.43	493.43
CHARTER	COMMUNICATIONS	09/29/16-10/28/16	1637	7013	373.85	373.85
DOWNEY BRAND	OUTSIDE LEGAL	AUGUST	1638	7070	874.50	874.50
EMPLOY. DEV. DEPT.	UNEMPLOYMENT REIMBURSE	FY 15/16	1639	6095	363.11	363.11
GERHARDT HUBNER	MEDICAL REIMBURSE	FY 16/17	1640	6075	481.00	481.00
HILTI	TOOLS	4608004548	1641	8055	45.33	45.33
I.I. SUPPLY	SAFETY SUPPLY'S	41190	1642	8056	7.80	216.97
	EQUIPMENT MAINTENANCE	41190		8030	209.17	
JB DEWAR	FUEL	826066	1643	8020	87.11	87.11
JIM HILL	BOARD SERVICE	SEPTEMBER	1644	7075	200.00	200.00
JOHN SHOALS	BOARD SERVICE	SEPTEMBER	1645	7075	200.00	200.00
KEMIRA	PLANT CHEMICALS	9017515520	1646	8050	6,932.72	6,932.72
KNECHT'S	STRUCTURE MAINTENANCE	DUCTWORK IN ADMIN BUILDING	1647	8061	18,591.00	18,591.00
LARA HR SERVICES	HUMAN RESOURCES	OPEB	1648	7076	320.00	6,430.00
	HUMAN RESOURCES	PERSONNEL MATTER		7076	6,110.00	
LIEBERT CASSIDY WHITMORE	OUTSIDE LEGAL	AUGUST	1649	7070	4,670.00	4,670.00
MARY LUCEY	BOARD SERVICE	SEPTEMBER	1650	7075	200.00	200.00
MKN	GRIT REMOVAL	2622	1651	20-8015	5,175.95	17,971.06
	HEADWORKS IMPROVEMENT	2626		26-8065	660.00	
	REDUNDANCY PROJ. MNGMNT	2668		20-7080	1,112.61	
	WWTP SITE ALTERNATIVES	2669		7077	11,022.50	
NBS	OCSD BILLING	OCT 2016-DEC 2016	1652	7074	2,501.12	2,501.12
OEC	CHEMICAL ANALYSIS	1603363	1653	7078	45.00	228.00
	BRINE EXPENSE	DONATI VINEYARDS		7086	183.00	
POLYDYNE	PLANT CHEMICALS	1078344	1654	8050	5,835.10	5,835.10
PRAXAIR	EQUIPMENT RENTAL	SEPTEMBER	1655	7032	29.42	29.42
STATE FUND	WORK COMP PREMIUM	OCTOBER	1656	6080	4,109.17	4,109.17
USA BLUEBOOK	EQUIPMENT MAINTENANCE	059867	1657	8030	179.91	179.91
VWR	LAB SUPPLIES	2016-889	1658	8040	147.92	147.92
WATER SYSTEMS CONSULTING	SATELLITE WATER FACILITY STUDY	AUGUST	1659	20-7090	14,965.00	14,965.00
WEST COAST ROTOR	EQUIPMENT MAINTENANCE	MOYNO SLUDGE PUMPS	1660	8030	1,713.75	1,713.75
<b>SUB TOTAL</b>					<b>\$ 122,297.65</b>	<b>\$ 122,297.65</b>
SSLOCSD	PETTY CASH	FUEL	1661	8020	<b>\$ 23.76</b>	<b>\$ 23.76</b>
	PAYROLL 09/16/16	\$30,999.33				
<b>GRAND TOTAL</b>					<b>\$ 122,321.41</b>	<b>\$ 122,321.41</b>

We hereby certify that the demands numbered serially from 100516-1631 to 100516-1161 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: \_\_\_\_\_

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Secretary



## **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**

1600 Aloha Oceano, California 93445-9735  
Telephone (805) 489-6666 FAX (805) 489-2765

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Date: September 21, 2016  
To: Board of Directors  
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent  
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Today's report presents ongoing information on latest District staff activities of possible interest to the Board and members of the public, project updates, regional efforts, our regular Superintendent report, and operation and maintenance activities. *Updates since the last report are provided in italics below:*

### **RWQCB and District Settlement of 2010 Spill**

As announced at the August 3<sup>rd</sup> Board Meeting, the RWQCB and the District has agreed to settle their litigation over the Administrative Civil Liability (ACL) penalty issued to the District regarding the 2010 Spill at the District's facility. Both parties agreed to resolve this matter without further litigation and without an admission of liability for the \$1,109,812.80 ACL penalty amount, with approximately 50% of the total penalty amount going towards regional and local projects, including two supplemental environmental, and one enhanced.

*A draft Order, signed by both parties, has been posted and noticed on the RWQCB's website for comment. The comment period ends October 6<sup>th</sup>.*

*In addition, District Special Counsel and the State Department of Justice attorneys have jointly filed the necessary action with the Superior Court to extend the Stipulated Stay to November 30<sup>th</sup>.*

### **Project Updates:**

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – The purpose of this project is to perform regular maintenance on the existing structure, remove paint and debris and replace its anti-corrosion coating. At the Board's September 7<sup>th</sup> Board meeting the Board approved the Mitigated Negative Declaration for this project. *Staff this week completed filing the Notice of Determination with the County of San Luis Obispo, and submitting the necessary permit applications to the CA Department of Fish and Wildlife, and Regional Water Quality Control Board.*

- **Grit Removal System** – On April 28, 2016, the Board approved a contract with Spiess Construction Company for \$492,100. Construction continues on this project, most recently to prepare the foundation. *Most of the equipment has now been delivered. A change order in the amount of \$17,822.47 has been received and approved. This change order reflects work and additional expenses incurred this past August, from the unanticipated depth of pipe (2.5 feet deeper than indicated on project documents), and the resulting dewatering and water treatment operations encountered during the sewer lateral connection to the foundation of the project. The next step in the project is finishing the foundation for the project, including placement of engineered fill.*
- **Mechanical Bar Screen** – At the September 7<sup>th</sup> Board meeting, the Board approved an award of contract for this project. *Currently, we are awaiting notice that the proper insurance and bond requirements have been met prior issuing a Notice to Proceed.*
- **Secondary Process Redundancy Project** – On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. On August 5, 2016, a cover letter outlining our response(s) to the Coastal Commission staff's April 15<sup>th</sup> letter to our Coastal Development Permit application was sent to Coastal Commission staff, including five attachments (which included site plans, biological surveys, sea level rise analysis, flood risk mitigation strategy, and site photos). Subsequently on August 16<sup>th</sup>, upon receipt by us, a one-page form from the County of San Luis Obispo on its permitting determination was transmitted to Coastal Commission staff.

At the September 7<sup>th</sup> Board meeting, the Board approved an Addendum to the 2010 Mitigation Negative Declaration. This action updated the Redundancy Project's CEQA status. Subsequently, on September 9, 2016, we transmitted this Addendum, and supplemental information requested by Coastal Commission staff, via a cover letter.

State Revolving Funding (SRF) Loan Program - On August 30<sup>th</sup>, District staff participated in three meetings in Sacramento with SWRCB Division of Financial Assistance staff. *As noted, previously the SRF loan program may not have sufficient funds for future projects. Today we are following up on this effort, and including an item for consideration, to assist in evaluating various options for funding the Redundancy Project.*

- **Satellite Water Resource Recovery Facilities Grant** – The Board approved a re-scoping of this grant funded project at its March 30, 2016. Regular monthly meetings are held with the consultant and City of Arroyo Grande staff, where project schedule, milestone and progress on report components are discussed. District staff met face to face in Sacramento in late August with the SWRCB's grant project manager to discuss the re-scoping of this study, its deliverable schedule, and overall purpose of the study in conjunction with ongoing regional recycling efforts in south San Luis Obispo County. *The next meeting to discuss progress on the study/grant is set for October 4<sup>th</sup>.*
- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – Staff continue to work with representatives of PG&E, MKN and Enviser on the feasibility of a co-generation system at the District's facility. Significant benefits of a co-generation system may include future saving on facility electricity costs, and a reduced carbon footprint (eliminated flare)/greenhouse gases. On August 30<sup>th</sup>, the District's Plant Superintendent attended and was provided a tour of a similar PG&E co-generation project recently constructed and operating at the City of San Luis Obispo WWTP.

- ***District Control Building and Office*** – Significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.

At the July 6<sup>th</sup> Board meeting, the Board approved work to repair the Building's HVAC Ductwork and Bathroom. Work on the bathroom reconstruction and HVAC is now complete.

On August 11th, a temporary construction trailer for administrative staff was delivered to the plant site, adjacent to the C-Train (containing a majority of the District's files). *Staff last week completed and submitted a CDP application to Coastal Commission staff in compliance with local and state requirements. Staff continues to research and meet with individuals that can shed light on historical permitting (or exemptions or waivers) of past projects at the District WWTP site from either the County of San Luis Obispo or Coastal Commission.*

### **Regional Efforts**

- Arroyo Grande Watershed MOU Group – In 2006, various parties, including the District entered into a Memorandum of Understanding. The purpose of this watershed group is to develop programs and policies for the maintenance, protection, and enhancement of Arroyo Grande Watershed and creeks within the Watershed. *Unfortunately, staff was not able to attend the most recent meeting held on September 28<sup>th</sup>.*
- Zone 1-1A Flood Control Advisory Committee – The Committee is focused on the goal to provide input and coordination on proposed improvement and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. At the June 15<sup>th</sup> Board meeting, the Board approved District staff participation. On August 16<sup>th</sup>, the District's Plant Superintendent attended this Committee meeting, with topics including an update to the Arroyo Grande Creek annual channel maintenance, Waterway Management Program projects, and annual budget.
- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:
  - Crosses jurisdictional, watershed, and political boundaries
  - Involves multiple agencies, stakeholders, individuals, and groups
  - Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
  - Develops multi-benefit solutions

At the July 6<sup>th</sup> Board meeting the Board approved the District's participation in the IRWM program through adoption of a Resolution and becoming signatory under the existing Memorandum of Understanding. *The next meeting of the Water Resource Advisory Committee is October 5<sup>th</sup>. The next meeting of the IRWM group is scheduled for November 2, 2016.*

- Water Reuse, Central Coast Chapter - The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. The Water Reuse Association provides a comprehensive and complementary approach to increasing water reuse in California. The next meeting of the location chapter was to be September 23<sup>rd</sup> in San Luis Obispo, with an update on the State's progress to draft regulations for direct potable reuse. *This meeting was cancelled due to webcast difficulties, with an update on the regulations to be provided at a future date.*
- North Cities Management Area Technical Group - The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication. This group is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. At the meetings, group members share hydrologic and water resources data and information, and water conservation efforts. *Recent efforts have been concentrated on how to coordinate efforts on a comprehensive groundwater model for the Santa Maria groundwater basin between various parties, and how best to leverage the District's supplemental environmental project funds associated with this effort. Several meetings (one teleconference) have been held to discuss the best approach for moving forward.*
- Regional South SLO County Recycling and Countywide Water Action Team/Water Management Efforts: Staff participates in meeting with the City of Pismo Beach, and discusses their efforts with a potential regional recycling project and how might the District participate. In addition, a Countywide Water Action Team has formed, with water managers throughout San Luis Obispo County convening to discuss and collaborate on water supply management solutions, especially in light of the severe drought. *The next meeting is scheduled for December 16<sup>th</sup>.*
- Outreach Initiative – The District Administrator provided a formal presentation on the District and its initiatives to the Arroyo Grande City Council on July 26<sup>th</sup>, the Oceano CSD on July 27<sup>th</sup>, and the Regional Water Quality Control Board on July 28<sup>th</sup>. *At the September 21, 2016 Board meeting the Board approved moving forward with distribution of our Fall 2016 Newsletter. Staff will be approaching our member agencies with how best to include this newsletter with their utility bills. The website overhaul continues, with news that programming has been completed, and content migration has begun. The end of October is still the target date for going live.*
- Record's Management Initiative – As a first step, staff have recently compiled several other agencies' Record's Retention Policies. We intend to evaluate them and compare them to the District's existing Record Retention Policy, and at some future date, come to the Board with an updated Policy for consideration.
- Wastewater Plant Data Analysis and Operations - Staff will be providing a verbal report on the plant's historic and current effluent, and other water quality data, provide context and analyses and comparisons to permit limitations and other water quality standards. Other plant performance and operations metrics will also be discussed.

## Superintendent's Report

During this reporting period (September 1<sup>st</sup> through September 28th) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. *All process values (lab test results) were within permit limits. Also included with this report are **ocean testing results** for **Total Coliform** and **E.coli bacteria**. These samples were collected along the beach adjacent to our ocean outfall. They were collected on September 9, 2016.*

### Plant Data (Data as Available September 28), 2016

September 2016	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coliform	Cl2 lbs/day	BOD REM Eff. %
Average	2.27	3.58	470	28	453	40	146	235	94
High	2.56	4.5	492	34	470	46	1600	375	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2015 Monthly									
Average	2.17	3.42	415	29	438	36	67	194	93
High	2.42	4.8	495	43	494	47	255	402	

\*\*Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous value for plant effluent BOD and TSS.

### Operation and Maintenance Projects

- *Drained and cleaned CCT.*
- *Flushed FFR.*
- *Repaired broken fitting at Sec. Clarifier scum hopper.*
- *De-ragged primary clarifier pump #1.*
- *Unclogged scum hopper at primary #1.*
- *Reassembled moyno sludge pump.*
- *Troubleshoot variable frequency drive at FFR pump #2.*
- *Began preparation for wet weather season.*
- *Work orders.*
- *Marked underground service alerts.*

### Training

- *Staff attended a chlorine control system training session conducted by representatives from Endress-Hauser.*
- *Superintendent Clemons and OIT M. DeLeon attended the Annual CWEA Tri-State Training Conference in Las Vegas, Nevada.*

# Abalone Coast Analytical, Inc.

141 Suburban Road, Suite C-1 San Luis Obispo CA, 93401  
Phone: 595-1080 Fax: 595-1080

Order #: 16-5156

Date/Time Rec'd: 9/9/16 1328

## City of Pismo Beach

760 Mattie Road

Pismo Beach, CA 93449

Contact: Carrie Chase

Phone: 773-7067

Sampler: Carrie Chase

Project: Beach

Sample #	Sample Description	Date / Time	Analysis	Method	Result	Units	RL	Completed
-1	A. 1000 ft S of Outfall	9/9/16 1100	MPN Total Coliform	SM 9223 B.	12.	MPN /100ml	1	09/10/16
			MPN E.coli	IDEX	<10.	MPN /100ml	1	09/10/16
-2	B. Adjacent to Outfall	9/9/16 1055	MPN Total Coliform	SM 9223 B.	27.	MPN /100ml	1	09/10/16
			MPN E.coli	IDEX	<10.	MPN /100ml	1	09/10/16
-3	C. 1000 ft N of Outfall	9/9/16 1050	MPN Total Coliform	SM 9223 B.	35.	MPN /100ml	1	09/10/16
			MPN E.coli	IDEX	4.	MPN /100ml	1	09/10/16
-4	D. Arroyo Grande Creek	9/9/16 1110	MPN Total Coliform	SM 9223 B.	>2420.	MPN /100ml	1	09/10/16
			MPN E.coli	IDEX	1733.	MPN /100ml	1	09/10/16
-5	E. Grand Ave Ramp	9/9/16 1045	MPN Total Coliform	SM 9223 B.	41.	MPN /100ml	1	09/10/16
			MPN E.coli	IDEX	1.	MPN /100ml	1	09/10/16

Report Completion Date:

9/12/16

Reviewed By:



Amanda Smith, Lab Director

## Definitions:

MPN = Most Probable Number

RL = Reporting Limit

ND = Analyte NOT DETECTED at or above MDL

State of California CDPH ELAP 2661



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

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## STAFF REPORT

**Date:** October 05, 2016

**To:** Board of Directors

**From:** Gerhard Hubner, District Administrator

**Subject:** **REQUEST FOR AUTHORIZATION TO PROCEED WITH CONTRACT WITH BARTLE WELLS ASSOCIATES, TO ASSIST WITH FINANCIAL PORTION OF STATE REVOLVING FUND CONSTRUCTION LOAN APPLICATION AND TO PROVIDE ADDITIONAL FINANCIAL ALTERNATIVES FOR FUNDING THE DISTRICT'S REDUNDANCY PROJECT**

### RECOMMENDATION

Staff recommends the Board authorize the District Administrator to proceed to execute a contract with Bartle Wells Associates (BWA) for professional consultant services to complete the financing portion for a State Revolving Fund loan construction application package.

### BACKGROUND

The District completed a Wastewater Financial Plan and Rate Study in 2016, and passed a rate increase that included debt service for a future State Revolving Fund (SRF) loan. The loan would provide funding for the District's Wastewater Treatment Plant Redundancy Project. SRF loans are a low cost approach for public agencies from the State Water Resources Control Board (SWRCB) to fund major water and wastewater projects. The interest rates fluctuate based on roughly half of the most recent State of California's General Obligation Bond Rate. Currently, 20 - to 30-year financing is offered for interest rates below 2%. The 2016 Rate Study included the assumption of a 30-year loan with 3% annual interest rate.

The SRF program offers both project planning/design and construction loans. Repayment does not begin until one year after project completion.

At the April 18, 2016, Board meeting, the Board considered but postponed a staff request to proceed with contracting with Bartle Wells Associates for consultant services to assist with the financial portion of the SRF loan application. Concern was raised that submittal of the SRF application package was premature, since permitting of the Redundancy Project at that time had not proceeded very far with the Coastal Commission. The Board directed staff to return at a



future date.

At the June 15, 2016 Board meeting, the Board approved a Resolution authorizing staff to proceed with submitting a SRF loan planning application to help fund the permitting and design for the Redundancy Project. The planning loan application is pending before the SWRCB.

At the August 17, 2016, Board meeting, in the District Administrator's Report, meetings with SWRCB SRF staff were described. This report detailed some of the current issues and potential over commitments within the SRF loan program. Staff indicated it would be coming back at a future Board meeting with options to consider for financing the Redundancy Project. Today's item is the initial start of looking at various funding options.

Staff could have proceeded with this contract under existing professional service contract procedures, but felt this item should return for Board formal consideration as it is a continuance of one of the April 18<sup>th</sup> agenda items.

## **DISCUSSION**

A SRF construction loan application consists of four packages: financial, environmental, technical, and general information. District and consultant staff intend to complete the general, environmental and technical packages using information from previous studies and work efforts.

Recently, District staff requested and received an updated proposal from BWA (Attachment No. 1),

Their proposal includes preparation of the financial package and supporting documents, as well as technical support on an as-needed basis during the SRWCB review process. The total contract amount is \$18,500 on a time and materials basis (including \$18,000 fee plus direct expenses, not to exceed \$500).

Task A of the proposal involves financial assistance for SRF construction loan financing. Specifically, the deliverables will include a completed SRF financial assistance application, assistance with adoption of required District Resolutions, updated financial projections, and availability to respond to questions and information requests.

Task B of the proposal is to Identify and evaluate financing alternatives. Specifically, under this task, the consultant will identify a range of potential financing alternatives for the District's Redundancy Project, including pros and cons of different approaches with the goal of finding the most flexible financing option(s) possible. Furthermore, the District's financial projections will be updated, and debt service options including phasing over a number of years will be evaluated. Deliverables will include a draft and final report summarizing findings and recommendations. The consultant will also be available to present their findings and recommendations to the Board, and answer any questions.

Both tasks would be completed by the end of January 2017 under the BWA proposal.

District staff believe their proposal is cost-effective since BWA completed the District's Rate Study, are well-qualified in municipal financing including preparation of SRF applications, and have an in-depth understanding of the District's finances.

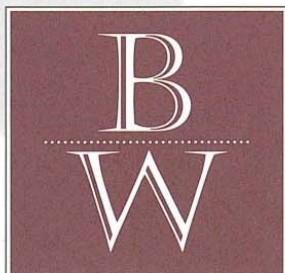
**ATTACHMENTS:**

1. Proposal for Assistance with State Revolving Fund Loan Application & Financing Alternatives, dated September 28, 2016.

# South San Luis Obispo County Sanitation District

## Proposal for Assistance with State Revolving Fund Loan Application & Financing Alternatives

September 28, 2016



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS



**BARTLE WELLS ASSOCIATES**  
INDEPENDENT PUBLIC FINANCE ADVISORS

1889 Alcatraz Avenue  
Berkeley, CA 94703  
T: 510-653-3399  
[www.bartlewells.com](http://www.bartlewells.com)

September 28, 2016

South San Luis Obispo County Sanitation District  
1600 Aloha Place/PO Box 339  
Oceano, CA 93475-0339

Attention: Gerhardt Hubner, SSLOCSD  
Michael Nunley, MKN Associates

Re: Proposal for State Revolving Fund Loan Application & Financing Assistance

Bartle Wells Associates is pleased to submit this proposal to assist the South San Luis Obispo County Sanitation District with a) an application for low-rate financing from the Clean Water State Revolving Fund Loan (SRF) Financing Program and b) assistance identifying and evaluating other financing alternatives. BWA specializes in providing independent financial advisory services to California public agencies. We have served over 500 public agencies throughout California and the Western United States and have helped agencies secure over \$5 billion of financing for public works projects. For this assignment, BWA will assist the District with a) completion of the Financial Assistance Application for SRF financing and associated required documentation, and b) identification and evaluation of financing alternatives and their impacts.

Bartle Wells Associates is an independent public finance advisory firm that is registered as a Municipal Advisor with the Securities and Exchange Commission (SEC Registration No. 867-00740) and the Municipal Securities Rulemaking Board (MSRB ID K0414).

I have enjoyed working with the District in recent years and appreciate the opportunity to assist the District with financing its Redundancy Project. Please contact me if you have any questions or would like any additional information.

Sincerely,

BARTLE WELLS ASSOCIATES

Alex Handlers, CIPMA  
Principal/Vice-President

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    Billing Rate Schedule 2016

    Schedule of Insurance

## Firm Overview



### **BARTLE WELLS ASSOCIATES**

*Leaders in California Utility Finance*

Bartle Wells Associates is an independent financial advisory firm with industry-leading expertise in the areas of utility rates and finance. BWA was founded in 1964 and has over 50 years of experience advising local governments on the complexities and challenges in public finance. To date, BWA has served over 500 public agency clients throughout California and the Western United States. BWA has a diversity of abilities and experience to evaluate all types of financial issues faced by local governments and to recommend effective and practical solutions.

BWA specializes in three professional services: utility rate and fee studies, strategic financial plans, and project financing. We are the only independent financial advisor providing *all three* of these interrelated services to public agencies.

Bartle Wells Associates has a well-qualified professional team with education and backgrounds in finance, civil engineering, public administration, public policy, and economics.

#### BWA Services

- ❖ *Financial Plans*
- ❖ *Rate & Fee Studies*
- ❖ *Project Financing*

**RATE AND FEE STUDIES** Our rate studies employ a cost-of-service approach designed to maintain the long-term financial health of a utility enterprise while being fair to all customers. We often phase in rate adjustments over time to minimize the impact on ratepayers. We also have extensive experience developing development impact fees that equitably recover the costs of infrastructure required to serve growth. We have completed over 2,000 utility rate and fee studies and are knowledgeable about the legal requirements governing rates and impact fees. We develop clear, effective presentations and have represented public agencies at hundreds of public hearings to build consensus and public acceptance for our recommendations.



Our offices are located in Berkeley, California  
in a circa 1900 Victorian Building.

**FINANCIAL PLANS** Our financial plans provide agencies with a flexible roadmap for funding revenue requirements and achieving financial objectives. We evaluate financing alternatives for capital projects and help agencies develop prudent financial policies, such as fund reserve targets, to support sound financial management. BWA has developed hundreds of financial plans to help public agencies fund their operating and capital programs, meet debt service requirements, and maintain long-term financial stability.

**PROJECT FINANCING** BWA has served as independent financial advisor on over 300 bond sales and numerous bank loans, lines of credit, and various state and federal grant and loan programs. To date, we have helped California agencies obtain over \$5 billion of bond financing, over \$500 million in low-rate State Revolving Fund (SRF) loans and other state and federal funding programs, and hundreds of millions in private placements, bank loans and revolving lines of credit. We work only for public agencies; we are independent financial advisors and do not buy, trade, or resell bonds. Our work is concentrated on providing independent advice that enables our clients to finance their projects on the most favorable terms—lowest interest rates, smallest issue size, and greatest flexibility.

Bartle Wells Associates is a charter member of the ***National Association of Municipal Advisors*** (NAMA), which establishes strict criteria for independent financial advisory firms. All of our lead consultants are *Certified Independent Professional Municipal Advisors*.



Bartle Wells Associates is committed to providing independent and practical advice to our clients. Our strength is *quality*—the quality of advice, service, and work we do for all our clients.

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### **Business Information**

Bartle Wells Associates  
1889 Alcatraz Avenue  
Berkeley, CA 94703  
Tel: 510.653.3399  
Fax: 510.653.3769

### **BWA Project Staffing**

#### Principal in Charge / Project Manager

Alex Handlers, MPA, CIPMA  
Tel: 510.653.3399 (x109)  
E-mail: alex@bartlewells.com

#### Senior Financial Analyst

Alison Lechowicz, CIPMA  
Tel: 510.653.3399 (x115)  
E-mail: alison@bartlewells.com

Other BWA consultants are available to assist this project team if ever needed.

## Scope of Services

Our overall objective will be to assist the South San Luis Obispo County Sanitation District with two related tasks including: A) completion of the Financial Assistance Application for SRF financing for the District's Redundancy Project, and B) Potential assistance identifying and evaluating other financial alternatives that may be required should SRF financing not be secured. Key tasks include:

### Task A: Financial Assistance Application for SRF Financing

**Project Team Orientation** - To initiate our work, hold a conference call with District staff, engineering consultants, and others as appropriate, to identify objectives and financing needs, establish a project schedule, and identify project team roles and responsibilities. BWA can also assist the District with retaining a qualified bond counsel if needed.

**Complete SRF Financial Assistance Application** – Complete the Financial Assistance Application along with required Tax Questionnaire and any other required application forms. Put together an application package that includes the completed application and required attachments and submit to SRF. Coordinate with the District's SRF Project Manager to ensure all required information is submitted to SRF's approval.

**Assist District with Adoption of Required Resolutions** - The SRF Financing Program requires the District's Board of Directors to adopt and submit a number of resolutions as part of the Financial Assistance Application. Work with District Council to obtain Board adoption of required resolutions.

**Update Financial Projections** – As needed, update the District's financial projections with any updated project cost, debt service, or other information, and submit to SRF to demonstrate compliance with SRF debt service covenants.

**Remain Available to Respond to Questions and Info Requests** – Remain available to address any questions or information requests from SRF related to completing the SRF Financial Assistance Application.

### Task B: Identify & Evaluate Financing Alternatives

**Identify & Evaluate Financing Alternatives** – Identify a range of potential financing alternatives for the District's Redundancy project with the goal of helping the District obtain the lowest cost and most flexible financing possible. Identify pros and cons of different approaches and develop preliminary recommendations.

**Develop Preliminary Debt Service Estimates & Identify Legal Covenants** – Develop preliminary debt service estimates for key financing alternatives and identify key legal covenants that will likely be included in the legal agreements securing financing under different approaches.



**Incorporate Financing Estimates into Updated Financial Projections** – Update the District’s financial projections incorporating debt financing estimates. Identify key impacts of alternative financing approaches on District finances. Debt service may need to be phased in over a few years depending on the level of annual funding available in future years.

**Prepare a Draft & Final Report Summarizing Findings & Recommendations** – Prepare and submit a draft report summarizing key financing alternatives, pros and cons of different approaches, debt service estimates, preliminary recommendations, and impacts on District finances. Receive input and incorporate into a final report.

**Present Findings & Preliminary Recommendations** – As needed, present findings and preliminary recommendations to the District and remain available to answer questions.

**Additional Services** – BWA will remain available to provide additional financial advisory and consulting services as directed by the District.

## Preliminary Schedule

The following is a preliminary schedule for this project. A revised schedule can be developed with input from the District to ensure key milestones are achieved as needed.

PROJECT TASK	OCT				NOV				DEC				JAN			
<b>TASK A - SRF Application Assistance</b>																
Project Initiation & Data Collection																
SRF Financial Assistance Application																
Required Board Resolutions																
Update Financial Projections																
Remain Available to Assist with SRF																>>>
<b>TASK B - Financing Alternatives</b>																
Identify & Evaluate Financing Options																
Develop Preliminary Debt Estimates																
Incorporate into Updated Projections																
Prepare Draft & Final Summary Reports																
Present Findings & Recommendations																

## Availability & Fees

1. Bartle Wells Associates is prepared to begin work upon authorization to proceed.
2. During the project development period, we will be available at all reasonable times and on reasonable notice for meetings and for consultation with District staff, attorneys, consulting engineers, and others as necessary.
3. All work will be performed by Bartle Wells Associates. Alex Handlers, Vice President and Principal Consultant, will be assigned as project leader from BWA and will devote time and effort to successfully complete the project.
4. For the services described in this proposal, the fee for professional services will not exceed \$18,000 plus direct expenses (estimated not to exceed \$500).
5. Progress payments and direct expenses are payable monthly on a time and materials basis as the work proceeds as provided in our Billing Rate Schedule 2016, which will remain in effect for this project.
6. In addition to the services provided under this proposal, the District may authorize BWA to perform additional services for which the District will compensate BWA based on consultants' hourly rates at the time the work is performed, plus direct expenses. Additional services may include, but are not limited to:
  - Changes in project scope
  - Any other services not specified
7. Bartle Wells Associates and any of its employees will not engage in any activities that would produce a direct or indirect financial gain for the firm other than the agreed-upon compensation.
8. Bartle Wells Associates is an independent public finance advisory firm that is registered as a Municipal Advisor with the Securities and Exchange Commission (SEC Registration No. 867-00740) and the Municipal Securities Rulemaking Board (MSRB ID K0414).
9. Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance as provided in the Certificate of Insurance attached.
10. If the project is terminated for any reason, Bartle Wells Associates is to be reimbursed for professional services and direct expenses incurred up to the time notification of such termination is received.
11. This proposal may be withdrawn or amended if not accepted within 90 days.

## **Attachments**

Resume for Alex Handlers, Project Manager  
Billing Rate Schedule 2016  
Schedule of Insurance

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## ALEX HANDLERS, MPA, CIPMA

Alex Handlers is a principal and vice president of Bartle Wells Associates with expertise in the areas of utility rates and finance. He specializes in evaluating financing alternatives for capital improvement programs and securing project financing. He is a Certified Independent Professional Municipal Advisor who has helped California agencies obtain over \$2 billion in financing via bonds, COPs, bank loans, lines of credit, State Revolving Fund loans, and various other state and federal grant and loan programs. He also has expertise in strategic financial planning and utility rate consulting and helped numerous California agencies adopt utility rates and development impact fees designed to recover the costs of service while being fair and equitable to all customers. He has managed projects for a wide range of California cities, counties, and special districts and completed over 150 consulting assignments.

### Education

M.P.A. - University of Washington

B.A. - Lehigh University

### Certifications

CIPMA – Certified Independent Professional Municipal Advisor

Member – National Association of Municipal Advisors

### Representative Financing Projects

- **Ironhouse Sanitary District:** Assisted District with obtaining a low-rate State Revolving Fund Loan to fund a new wastewater treatment plant. Developed a long-term financial plan, sewer rates, and connection fees supporting construction of a new \$65 million wastewater treatment plant.
- **Silicon Valley Clean Water:** Developed 10-year financial plan supporting over \$500 million of capital improvements to a regional JPA that provides sewer treatment to Belmont, Redwood City, San Carlos, and the West Bay Sanitary District (Menlo Park). Served as financial advisor on three bond issues totaling over \$120 million of financing via a bonds, over \$50 million of State Revolving Fund (SRF) loans, and a \$30 million revolving line of credit.
- **Monterey Regional Water Pollution Control Agency:** Served as financial advisor on an expandable revolving line of credit to help financing Pure Water Monterey recycled water facilities. The line of credit will initially help fund project design costs, but will subsequently provide up to \$10 million of interim financing for construction costs that will ultimately be funded by a State Revolving Fund loan.
- **City of Tulare:** Served as financial advisor on the seven separate debt issues including over \$200 million of wastewater revenue bonds, \$7 million of short term notes, and \$6 million of lease revenue bonds for City street and library improvements. Currently assisting City with an issuance of approximately \$20 million of Water Revenue Bonds and \$22 million of Tax Allocation Refunding Bonds.
- **Soquel Creek Water District:** Developed long-term financial plan and water rate recommendations supporting a) funding of a potential regional seawater desalination plant, and b) an aggressive conservation program. Recommended rate modifications designed to increase conservation incentive and developed emergency rates for various levels of required water cutbacks. Served as independent financial advisor on over \$40 million of water revenue bonds, COPs and a bank loan.
- **City of Vacaville:** Served as financial advisor on a \$20 million line of credit issued via a competitive sale process. The line of credit was used to provide interim financing for wastewater system capital improvements that ultimately were funded by long-term State Revolving Fund Loans.

## Alex T. Handlers, continued

- **Montara Water & Sanitary District:** Developed water financial and rate projections. Served as financial advisor on the competitive sale of \$15.6 million of General Obligation Bonds to refund prior debt and generate funding for water system improvements. Assisted District with renegotiation of terms for an outstanding loan in order to reduce the interest rate and achieve savings.
- **Arvin-Edison Water Storage District:** Served as financial advisor on the issuance of four bank loans including \$7.5 million loan in 2008, and both a \$19.9 million loan and an \$8.3 million refunding loan in 2010, and a \$6.1 million refunding loan in 2014. Based on evaluation of financing alternatives, the loans provided a lower cost of funds than bonds.
- **South Tahoe Public Utility District:** Financial analysis of District's long-term MTBE mitigation program. Coordinated competitive sale of bonds and bank loans including \$15 million Sewer Revenue Certificates of Participation, \$10 million bank loan to fund water system improvements and refund prior debt for savings, and an \$8.4 million bank loan to refunding an outstanding sewer loan for savings.
- **San Francisco Public Utilities Commission:** Developed financial projections supporting over \$1 billion of bonds issued to help fund a 10-year, \$4.3 billion upgrade to the Hetch-Hetchy regional water system.
- **City of Ukiah:** Served as financial advisor on \$75 million competitive bond sale to fund a new wastewater treatment facility and \$15 million bond sale for water system improvements.

## Representative Utility Rate & Fee Studies

- **City of San Carlos:** Developed sewer enterprise financial plan and rate study designed to support over \$10 million of sewer collection system capacity improvements and over \$60 million for the City's share of costs for rebuilding the regional wastewater treatment plant. Evaluate residential sewer rate alternatives.
- **City of Redwood City:** Developed long-term water/recycled water enterprise financing plan supporting a \$73 million recycled water project with a series of gradual rate adjustments. Recommended adoption of a new Water Supply Capacity Fee to recover recycled water facility costs. Developed sewer enterprise financial plan and rate study resulting in modifications to sewer rates designed to improve rate equity. Provide City with periodic updates to water and wastewater financial and rate projections.
- **City of Morro Bay:** Developed water and sewer financial plans, rate studies, and development impact fees. Incorporated input from the City's Public Works Advisory Board and City Council.
- **City of Fresno:** Developed wastewater financial plan and Excel-based financial model used by City staff to update projections and evaluate financial scenarios. Developed water connection fees designed to recover costs of existing facilities and supplemental water supply projects benefiting new development.
- **City of San Mateo:** Developed a sewer rate study and long-term sewer enterprise financial plan designed to support a \$500 million Integrated Wastewater Capital Improvement Program. Assisted City in efforts to secure financing via State Revolving Fund Loans and bonds.
- **Cambria Community Services District:** Developed water and sewer capacity charges and updated the District's miscellaneous fees and charges.
- **Joshua Basin Water District:** Long-term financial plan and water rate study recommending a gradual increase in water rates coupled with rate structure modifications to provide additional conservation incentive. Worked closely with a community advisory committee throughout process.
- **Mid-Peninsula Water District:** Developed 10-year financial plan and water rate study with a gradual phase in of rate increases and modifications to rate structure to improve equity. Updated the District's water capacity charges and recommended a new water demand offset charge.
- **City of Mountain View:** Developed 10-year water and wastewater financial plans and rate studies. Evaluated water and sewer rate structures and recommended modifications to improve rate equity and compliance with Prop. 218. Updated the City's water and wastewater connection fees.

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**BARTLE WELLS ASSOCIATES**  
**BILLING RATE SCHEDULE 2016**  
Rates Effective 1/1/2016

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**Professional Services**

Financial Analyst I .....	\$105 per hour
Financial Analyst II .....	\$125 per hour
Financial Analyst III .....	\$145 per hour
Senior Financial Analyst.....	\$175 per hour
Senior Consultant .....	\$205 per hour
Principal Consultant.....	\$245 per hour

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The professional time rates include all overhead and indirect costs. Bartle Wells Associates does not charge for secretarial support services and internal computer time. Expert witness, legal testimony or other special limited assignment will be billed at one and one-half times the consultant's hourly rate.

The above rates will be in effect through December 31, 2016 at which time they will be subject to change.

**Direct Expenses**

Subconsultants will be billed at cost plus ten percent. Word processing and computer-assisted services related to official statement production are charged as direct expenses at \$60 per hour. Other reimbursable direct expenses incurred on behalf of the agency will be billed at cost plus ten percent. These reimbursable costs include, but are not limited to:

- |                                   |  |
|-----------------------------------|--|
| ■ Travel, meals, lodging          | ■ Automobile mileage                   |
| ■ Long distance telephone and fax | ■ Messenger services and mailing costs |
| ■ Printing and report binding     | ■ Photocopying                         |
| ■ Special statistical analysis    | ■ Graphic design and photography       |
| ■ Outside computer services       | ■ Special legal services               |
| ■ Bond ratings                    | ■ Legal advertisements                 |

**Insurance**

Bartle Wells Associates maintains insurance in the amounts and coverage as provided in the attached schedule of insurance. Additional or special insurance, licensing, or permit requirements beyond what is shown on the schedule of insurance are billed in addition to the contract amount.

**Payment**

Fees will be billed monthly for the preceding month, and will be payable within 30 days of the date of the invoice. A late charge of 1.0 percent per month may be applied to balances unpaid after 60 days.

## SCHEDULE OF INSURANCE

Insured: BARTLE WELLS ASSOCIATES

*Bartle Wells Associates will maintain in force, during the full term of the assignment, insurance in the amounts and coverage as provided in this schedule. If additional insurance is required, and the insurer increases the premium as a result, then the amount of the increase will be added to the contract price.*

TYPE OF INSURANCE	COMPANY POLICY NUMBER	COVERAGES AND LIMITS	EXP. DATE
Commercial General Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> <li>■ \$2,000,000 General Aggregate</li> <li>■ \$2,000,000 Products Comp/Op Aggregate</li> <li>■ \$2,000,000 Personal &amp; Advertising Injury</li> <li>■ \$1,000,000 Each Occurrence</li> </ul>	6/1/17
Excess/Umbrella Liability	Hartford Insurance Company Policy #35-SBA PA6857	<ul style="list-style-type: none"> <li>■ \$1,000,000 Aggregate</li> <li>■ \$1,000,000 Each Occurrence</li> </ul>	6/1/17
Automobile Liability	Hartford Insurance Company Policy #35-UEC VU2842	<ul style="list-style-type: none"> <li>■ \$1,000,000 Combined Single Limit</li> </ul>	6/1/17
Workers Compensation & Employers' Liability	Hartford Underwriters Insurance Company Policy #35-WEC FG7858	<p>Workers' Compensation: Statutory Limits for the State of California. Employers' Liability:</p> <ul style="list-style-type: none"> <li>■ Bodily Injury by Accident - \$1,000,000 each accident</li> <li>■ Bodily Injury by Disease - \$1,000,000 each employee</li> <li>■ Bodily Injury by Disease - \$1,000,000 policy limit</li> </ul>	6/1/17
Professional Liability	Chubb & Son, Inc. BINDO94045	<p>Solely in the performance of services as municipal financing consultants for others for a fee.</p> <p>Limit: \$2,000,000 Per Occurrence &amp; Aggregate (including defense costs, charges, and expenses)</p>	6/1/17



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

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## STAFF REPORT

**Date:** October 05, 2016  
**To:** Board of Directors  
**From:** John Clemons, Plant Superintendent  
**Subject:** **NEWLY INSTALLED SCADA SYSTEM PROJECT**

### RECOMMENDATION

Staff recommends that the Board receive and file this report.

### BACKGROUND

The South San Luis Obispo County Sanitation District's (District) attempt to implement a Supervisory Control and Data Acquisition (SCADA) seems to have begun in the year 1999 as a "Data Acquisition" project. Phase 1 involved purchasing the hardware, software and implementing the dialer functionality. In the year 2005 the project was named "SCADA System – Phase 2" (Attachment 1). The project was budgeted in Capital Equipment Account 8010. Between the year 1999 and the year 2013, the District worked on design, installation, and implementation of the SCADA system with limited success.

At the January 24, 2013 Board of Directors meeting, Staff requested that the Board approve a contract with FM Controls to evaluate and make recommendations for full use of the SCADA system. The staff report documented that there was, at that time, \$110,000 budgeted in fund 20-8010 for "SCADA Completion" (also called "SCADA System Phase 3" in the FY 2011-12 budget (Attachment 2)). During the discussion the Plant Superintendent stated that the SCADA system had not been fully operational for about 3 years. Shift Supervisor commented that the SCADA alarm system was operational at that time. (Attachment 3)

At the June 19, 2013 Board of Directors meeting, the board received a SCADA Analysis report from the District Manager (Attachment 4). The analysis included information from the evaluation done by FM Controls. Staff's conclusion (Next Steps) at that time was that the District should issue an RFP "that focuses on key components necessary for system completion..." The conclusion went on to say " *Once the contractor's work is complete, staff would then be capable of creating screens to view the data, establishing alarm setpoints and trending data to meet its monitoring and trending needs.*".

In July of 2013 the District issued an RFP for SCADA Technology Assistance. The District received two responses to the RFP. The responses indicated that the contractors could not perform the work as stated in the RFP due to liability concerns.



Staff then opted to manage the project internally with the help of an integrator. This meant that staff would perform the bulk of the installation work under the direction of the integrator. The integrator would advise staff on design of the control network and the required components.

## DISCUSSION

Since that time staff has worked with a local integrator AutoSys Inc. and with Rockwell Automation Representatives to develop a SCADA System. During calendar year 2014 staff attended a one week training class for Wonderware Controls software products. During Calendar years 2015 and 2016 staff attended several training seminars for Rockwell Automation control systems. Staff has participated in the following controls system training events:

Wonderware Training – April 2014 - John Clemons

Rockwell Automation Training – John Clemons - November 2014, June 2015, August 2016

Rockwell Automation Training – Michael Arias - April, June, and October 2015, August 2016

Programmable Logic Controller Training – John Clemons, Michael Arias – March 2016

The District has purchased the following components for the SCADA Completion Project:

- New Server
- New Software
- 4 New Programmable Logic Controllers(PLC)
- 4 Custom built PLC Cabinets
- 3 New Statix Switches (Ethernet)
- 4 New MOXA wireless switches
- 1 New Digital highway to Ethernet signal converter
- 5 Antennae for wireless communications installed
- 1 New laptop for communicating with PLCs.

Staff completed the following tasks for this project:

- Constructed and installed PLC panels at H/W, MCC building, Main Operations building and at FFR.
- Installed wireless antennae at H/W, MCC and FFR.
- Ran wire from headworks components to PLC.
- Installed HMI in MCC
- Ran wiring from antenna on MCC to PLC in building.
- Ran wiring from PLC to antenna on MCC building.
- Built 10 screens for system display

Staff has now met the original goals set forth in the June 19, 2013 staff report (***Once the contractor's work is complete, staff would then be capable of creating screens to view the data, establishing alarm setpoints and trending data to meet its monitoring and trending needs.***), and as described in the original project description, "11 MBI 11 – SCADA SYSTEM PHASE 3" in the FY 11-12 budget(***"Phase 3 will be the biggest slice of the implementation which will bring signals from the rest of the Plant to the SCADA software...Budgeted funds include screen development, but mostly infrastructure: deployment of summary PLCs, wiring to the PLCs, and the running of cable throughout the Plant."***) The SCADA platform is in place and operational. Operations Staff can now view the operational condition of plant

equipment from a computer screen in the control room. Staff has created several screens to view different areas (processes) of the Plant. Some screens still need to be loaded into the SCADA System. The system is now capable of trending, however trends will be lost once the system is turned off. The District needs to purchase historian software to preserve trend charts. The District will also need to purchase software for alarm dial out needs.

The original budgeted amount for this phase of the SCADA project was \$110,000 (FY 2011-12 Budget). The District has spent a total of \$99,000 on this project since CY 2013. (Attachment 3)

The original purpose of the SCADA system was to collect data from sensors and machines around the Plant and send those signals to a central computer for logging, management and control (Attachment 1). The benefit to this District would be more efficient collection and logging of operational data, more efficient alarm notification system, better recording of data for regulatory purposes and for process control, and more efficient monitoring of Plant equipment and processes.

Continuing cost for SCADA will include software support (approx. \$5,000 annually), continued training (\$5,000 annually) and general equipment maintenance. The fact that District staff participated in the design, installation, and implementation of the SCADA system means that the District is better positioned to maintain its own SCADA system as opposed to having to contract out for all maintenance.

#### **ATTACHMENTS:**

1. Major Budget Carryover Items Fiscal Budget Year 2005-2006
2. FY 11-12 Cost to Complete
3. January 24, 2013 Staff Report: SCADA Evaluation; 11MBI11 (FY 2012-13)
4. June 19, 2013 Staff Report: SCADA Analysis

**MAJOR BUDGET  
CARRY OVER ITEMS**

**FISCAL BUDGET YEAR 2005-2006**

<b>PROJECT TITLE</b>	<b>COST TO COMPLETE PROJECT</b>
----------------------	-------------------------------------

CAPITAL EQUIPMENT (Account 8010)

<b>C01. SCADA System - Phase 2 (former item: Data Acquisition)</b>	<b>\$0,000</b>
<i>(2008-09 Budget Item, Remaining Project Cost of \$110,000)</i>	




SCADA (Supervisory Control & Data Acquisition) is a process control application that collects data from sensors and machines around the plant and sends them to a central computer for logging, management and control. Components of this project will include a PLC (Programmable Logic Controller) cabinet located in the plant for the collection of the signals, Plant wiring through existing communication conduits and the forwarding of signals to a PC interface where the SCADA software is running.

# SSLOCSD WASTEWATER TREATMENT FACILITY



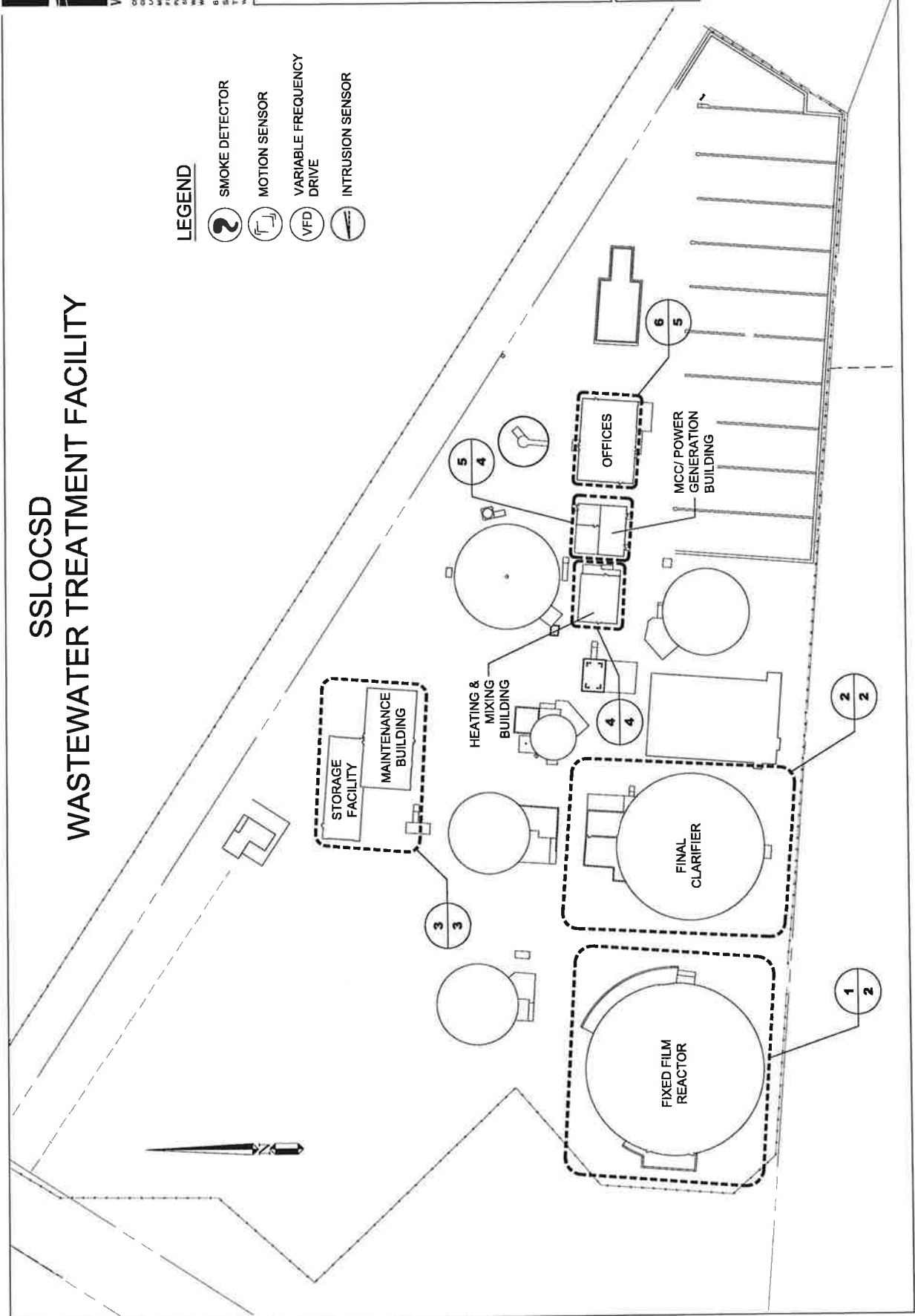
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## LEGEND

-  SMOKE DETECTOR
-  MOTION SENSOR
-  VARIABLE FREQUENCY DRIVE
-  INTRUSION SENSOR

## SSLOCSD SCADA SYSTEM - PHASE 2 PLANT LAYOUT

JOB NO.: 005-001  
 DRAWING: 1 OF 5  
 DRAWN BY: ESR  
 DATE: 9-29-08  
 SCALE: NTS



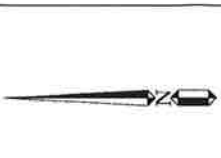


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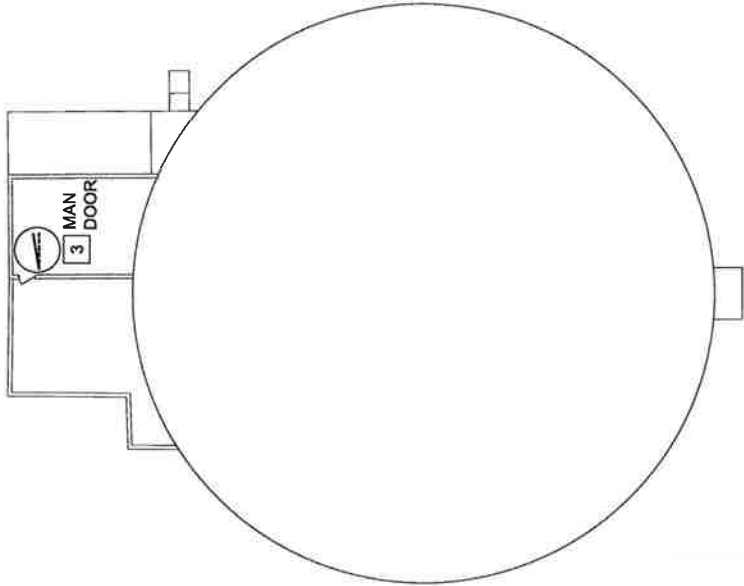
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SSLOCSD  
SCADA SYSTEM - PHASE 2  
FIXED FILM REACTOR AND FINAL PUMP ROOM

JOB No.: 008-8801  
DRAWING: 2 OF 5  
DRAWN BY: ESR  
DATE: 9-28-08  
SCALE: NTS

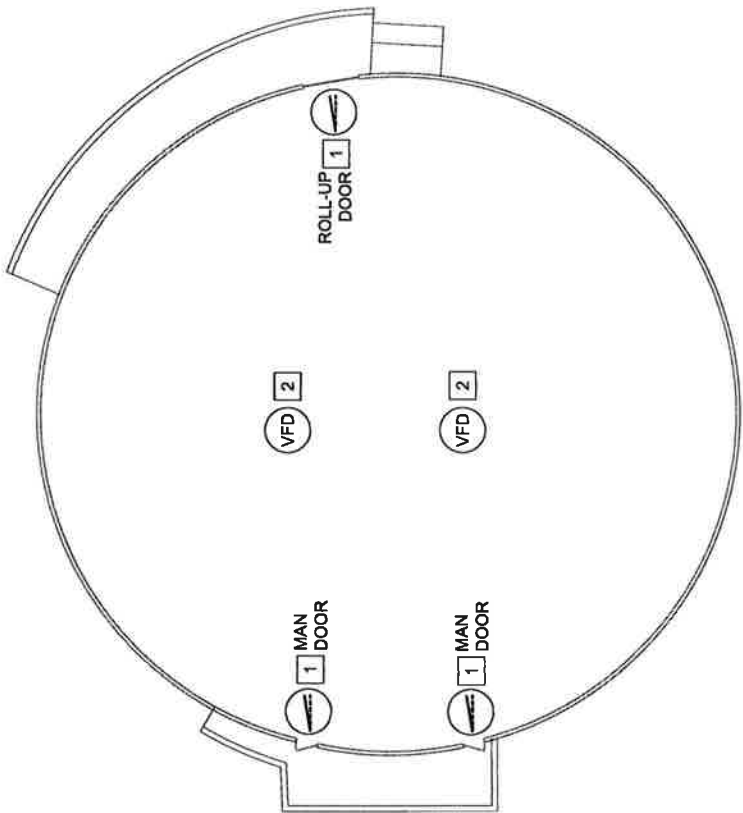


NOTE	ALARM PTS.	PT. DESCRIPTION	COMMENTS
3	30	DOOR FINAL PR	ACTUATED BY THE DOOR TO THE FINAL PUMP ROOM



2	2	FINAL PUMP ROOM
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NOTE	ALARM PTS.	PT. DESCRIPTION	COMMENTS
1	31	DOORS FFR BLD	ACTUATED BY THE THREE DOORS IN THE FIXED FILM REACTOR
2	25	FFR VFD FAIL	ACTUATED BY EITHER FIXED FILM REACTOR VFD FAILURE SIGNAL. THESE ALSO ALARM THE HONAN ANNUNCIATOR IN THE CONTROL BUILDING



1	2	FIXED FILM REACTOR
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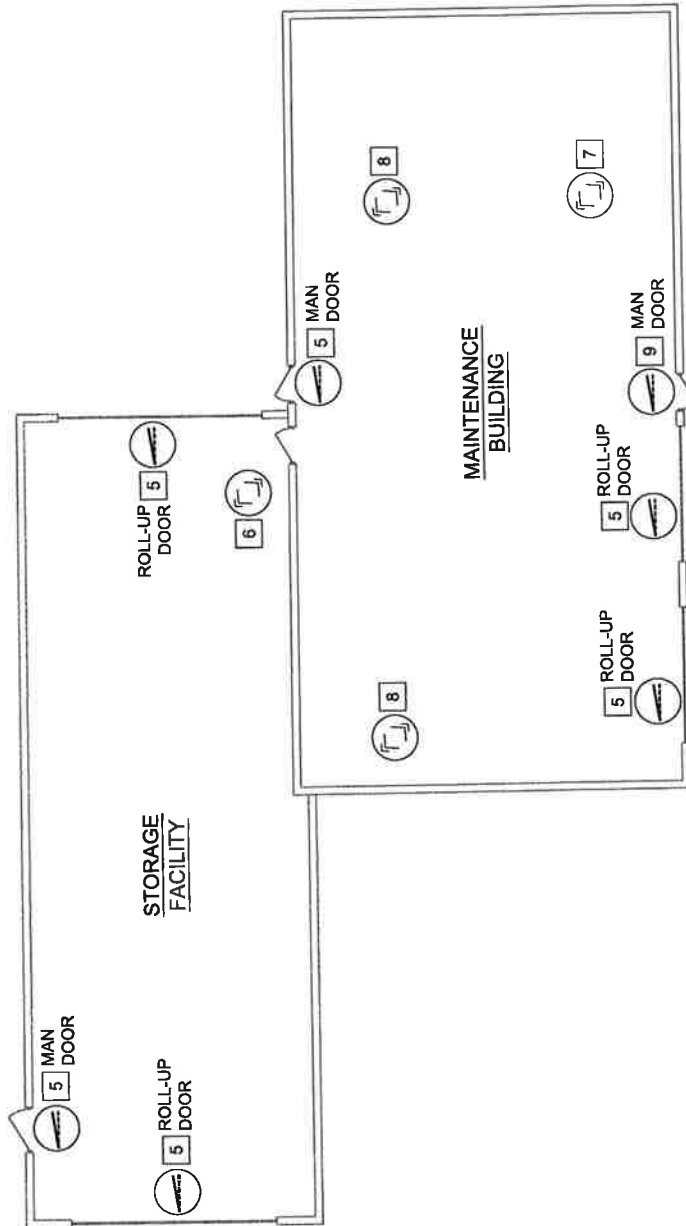
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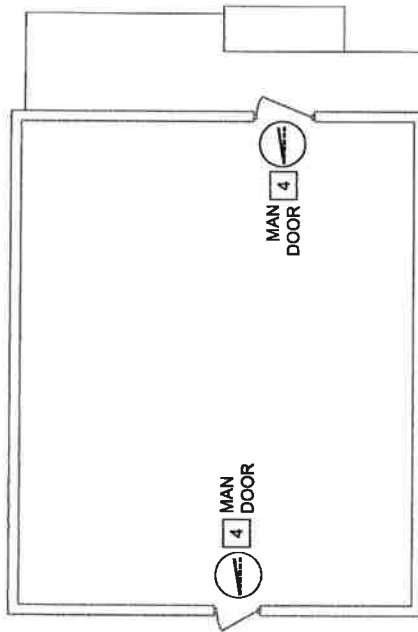
MAINTENANCE AND STORAGE BUILDINGS  
SCADA SYSTEM - PHASE 2  
SSLOCSD

JOB NO.: 005-001  
DRAWING: 3 OF 5  
DRAWN BY: ESR  
DATE: 9-29-08  
SCALE: NTS

NOTE	ALARM PTS.	PT. DESCRIPTION	COMMENTS
5	32	DOOR STOR BLD	ACTUATED BY MULTIPLE DOORS IN THE MAINTENANCE BUILDING AND THE STORAGE FACILITY
6	20	MOTION BK SHOP	ACTUATED BY A MOTION DETECTOR IN THE STORAGE FACILITY
7	19	MOTION FT SHOP	ACTUATED BY A MOTION DETECTOR IN THE MAINTENANCE BUILDING
8	23	MOTION WORK SHOP	ACTUATED BY TWO MOTION DETECTORS IN THE MAINTENANCE BUILDING
9	4	MAINT ENT EXIT	ACTUATED BY DOOR IN THE MAINTENANCE BUILDING



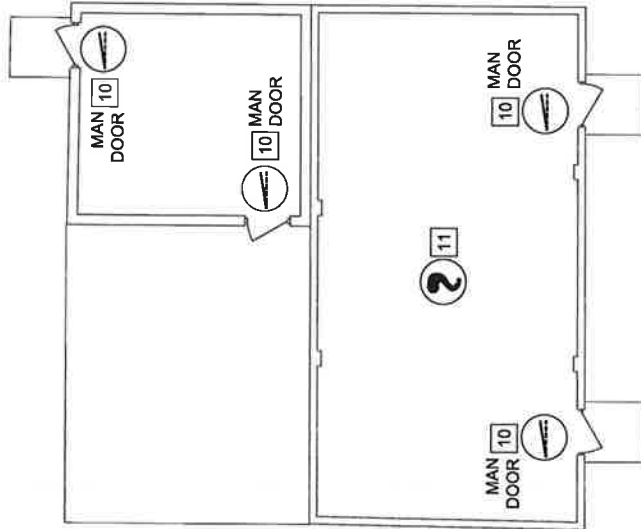
NOTE	ALARM PTS.	PT. DESCRIPTION	COMMENTS
4	29	DOORS H&M BLD	ACTUATED BY THE TWO DOORS TO THE HEATING & MIXING BUILDING



4  
4

## HEATING & MIXING BUILDING

NOTE	ALARM PTS.	PT. DESCRIPTION	COMMENTS
10	6	DOORS MCC BLD	ACTUATED BY FOUR DOORS IN THE MCC BUILDING
11	1	SMK DET MCC BLD	ACTUATED BY THE SMOKE DETECTOR IN THE MCC BUILDING



5  
4

## MCC BUILDING

### SSLOCSD SCADA SYSTEM - PHASE 2

MCC AND HEATING & MIXING BUILDINGS

JOB No.: 009-001  
DRAWING: 4 OF 5  
DRAWN BY: ESR  
DATE: 9-29-08  
SCALE: NTS



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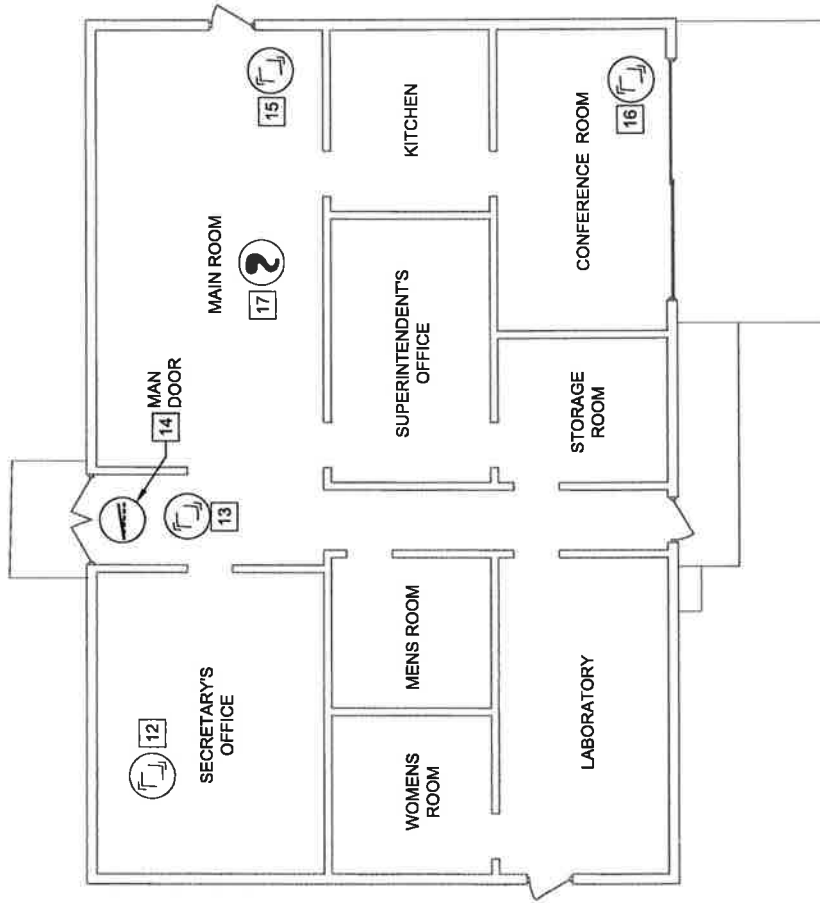


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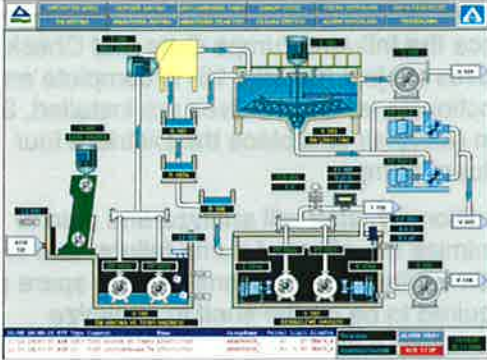
**SSLOCSD**  
**SCADA SYSTEM - PHASE 2**  
**MAIN OFFICE**

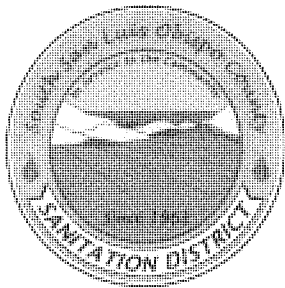
JOB No.: 002-001  
DRAWING: 5 OF 5  
DRAWN BY: ESR  
DATE: 9-29-08  
SCALE: NTS

NOTE	ALARM PTS.	PT. DESCRIPTION	COMMENTS
12	18	MOTION SECT OFF	ACTUATED BY THE MOTION DETECTOR IN THE SECRETARY'S OFFICE
13	21	MOTION OFF ENT	ACTUATED BY THE MOTION DETECTOR IN THE ENTRANCE HALLWAY
14	2	OPERATION ENT EXIT	ACTUATED BY THE FRONT DOOR
15	3	MOTION OPER OFF	ACTUATED BY THE MOTION DETECTOR IN THE MAIN ROOM
16	17	MOTION CONF TM	ACTUATED BY THE MOTION DETECTOR IN THE CONFERENCE ROOM
17	5 26 27	SUPERVIS MAJOR AL SUPERVIS POW FAIL SUPERVIS MISC AL	ACTUATED BY THE WALL MOUNTED RONAN ANNUNCIATOR IN THE MAIN ROOM OF THE CONTROL BUILDING





ITEM #	PROJECT TITLE	FY 11-12 COST	[COST TO COMPLETE]
11 MBI 11	SCADA SYSTEM, PHASE 3	\$ 110,000	[ \$ 110,000 ]
		<p>Phase 1 of the SCADA system involved purchasing the hardware, software and implementing the dialer functionality, including Staff's special requests. Signals covered basic security inputs.</p> <p>Phase 2 is part of the Centrifuge building project. Screens will be created to monitor equipment and utilize more functionality built in to the software.</p> <p>Phase 3 will be the biggest slice of the implementation which will bring signals from the rest of the plant to the SCADA software.</p> <p>Budgeted funds include screen development, but mostly infrastructure: deployment of summary PLC's, wiring to the PLC's and the running of fiber optic cable throughout the plant.</p>	



## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT


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1600 Aloha Oceano, California 93445-9735

Telephone (805) 489-6666 FAX (805) 489-2765

<http://ssllocsd.org/>

### Staff Report

**To:** Board of Directors  
**From:** Bob Barlogio, Plant Superintendent  
**Via:** John Wallace, District Administrator   
**Date:** January 24, 2013  
**Subject:** SCADA evaluation; 11MBI11 (FY 2012-13)

#### Recommendation:

Staff is requesting the Board to approve contracting with FM Control (Frank Potter) to evaluate and to make recommendations/specifications for full use of our Supervisory Control and Data Acquisition (SCADA) system in an amount not to exceed \$10,000.

#### Funding:

Funding would come from account 20-8010, 11MBI11, SCADA Completion. This account started the fiscal year with \$110,000. and we have not spent any funds. If this evaluation is approved and spent in whole, the account would have \$100,000 remaining.

#### Discussion:

The District has a SCADA system that acquires data from the equipment and sensors throughout the plant. Software for the system and control components were previously purchased and installed. However, the system has not been fully utilized for several years due to the need for software refinement, additional electronic monitoring equipment and lack of any single vendor undertaking the project to completion. The plant has alarms for all critical equipment and we have a contract with the alarm company to make the necessary notifications during the nighttime hours.

Frank Potter with FM Controls has an excellent reputation in the field of SCADA control throughout the state and staff feels comfortable with his knowledge and expertise in this field and believe Mr. Potter can make logical and common sense recommendations for completing the integration of the system. Mr. Potter has been retained by the District from time to time since the CCT project was completed to "debug" our controls and analyzer systems. He has been very proficient. We are recommending the District retain FM Control to analyze and evaluate our SCADA system and make detailed recommendations to bring the system back on line. The system, when operating properly, can control pumps, chemical dosing, and the chlorination system. Making adjustments to the system will enable it to be operator friendly, switching lead pumps, or increasing the chlorination dosing. It can also monitor the plant, recording data digitally, showing compliance and trends.

Because we do not know the system components well, due to various vendors work on the system, we need to see what we have and what we need. With FM Controls, we can evaluate the system and move towards implementing and developing a plan to bring the system back on line as called for in this budget year.

Administrator Wallace added that this purchase will be an important part of the NOV response to show that the District can meet its effluent coliform requirements. Vice Chairman Guerrero asked if that is how the discussion got started and whether the Water Board had suggested it. Administrator Wallace replied that Staff had recognized internally that looking at alternate methods of recording chlorine use as well as chlorine residual was needed.

**It was moved by Director Peterson, seconded by Vice Chairman Guerrero to approve the staff recommendation that the Board approve the purchase of a Capital Controls CL500 chlorine analyzer from Severn Trent Water via Misco Water, the sole-source local distributor, in the amount of \$10,092.48. Motion carried unanimously.**

#### **D. SCADA SYSTEM EVALUATION**

Plant Superintendent Barlogio said that Staff would like to retain Frank Potter of FM Controls to evaluate the Plant's SCADA system since it is not operational. He said Staff does not know the software well.

Vice Chairman Guerrero asked how long the SCADA has been down. Plant Superintendent Barlogio replied that it has not been fully operational for about three years. Chairman Ferrara asked if Plant Superintendent Barlogio could explain what the SCADA system does. Plant Superintendent Barlogio said when you give the SCADA system plant operations information from pumps and water level, the SCADA system can speed up or slow down pump speeds. It also could be integrated with the chlorine analyzer to control disinfection levels. He said that the nice thing about the SCADA system is that it will also digitize information so there is an electronic record. He said it is planned to hook the SCADA up to an autodialer so if something falls out of parameter, the SCADA would notify operators. Plant Superintendent Barlogio said this is something which the Water Board is leaning towards and that the District already has the SCADA software and uses it to operate the centrifuge.

Director Peterson asked if the system ever worked. Shift Supervisor Trini Rodriguez said yes, the alarm system works. If something goes wrong at the Plant, then the alarm company would call, but the on-call operator does not know specifically what is wrong until getting to the Plant. With a SCADA system, the operator would know what is wrong and could even fix it via computer. Shift Supervisor Rodriguez said things have been added to the SCADA system over the years to make it work. The display for the centrifuge works, but not all other plant parameters of the Plant are tied into the SCADA system.

Under public comment, Ms. Mary Lucey of Oceano commented about the SCADA system not working. Ms. Julie Tacker spoke about the not-to-exceed amount vs. how much it would cost to get a whole new system since some of the components are already old.

**It was moved by Vice Chairman Guerrero, seconded by Director Peterson, to approve contracting with FM Control to evaluate and to make recommendations/specifications for full use of the District's Supervisory Control and Data Acquisition (SCADA) system in an amount not to exceed \$10,000. Motion carried unanimously.**

#### **E. SWRCB STATEWIDE SSO ANNUAL COMPLIANCE REPORT**

Administrator Wallace presented the State Water Resource Control Board's Statewide SSO Overflow Reduction Program Annual Compliance Report. Staff has summarized what the District's compliance has been as compared to the rest of the state. Staff's conclusion is



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[www.sslocsd.org](http://www.sslocsd.org)

To: Board of Directors

From: Paul J. Karp, Interim District Manager

Date: June 19, 2013 Meeting

Subject: SCADA Analysis

### Recommendation

This report is for information only. Please review and file.

### Introduction

Formerly, \$110,000 was budgeted to make improvements to the Supervisory Control and Data Acquisition (SCADA) system. In January 2013, the Board approved a contract to hire FM Controls to evaluate and make recommendations/specifications for full use of the SCADA system. In May 2013, FM Controls provided a recommendation and pricing to complete the SCADA system.

SCADA systems consist of several components. Some field devices, such as flowmeters, analyzers, and pump motors, are wired to allow data from the field device to be transmitted to a remote location. Controllers, also called Programmable Logic Controllers, or PLC's, collect the data from the field devices, and organize the data in a manner that can be interpreted by SCADA software. Data points can be either digital or analog. Digital data points are either on or off, and provide motor status or alarm condition. Analog inputs are variable, and provide a numeric value, such as flow or tank level. SCADA software provides an interface from the controllers to a display, where the data can be viewed by the Operator. The SCADA software also provides the ability to set alarm conditions to notify an Operator of a problem, and to trend data.

### Discussion

#### Existing system

Several individual monitoring and/or control systems exist at the plant:

1. The original plant construction included a light board and two circular charts that monitor specific data from the plant process. These points are already wired from the field devices to the control room. The circular charts record multiple analog inputs, but these points, including influent flow and chlorine residual, are not

recorded except on paper charts.

2. Wires from building security devices, including motion sensors and building intrusion alarms are connected to a communication device in the control room that calls out directly to the security firm, who then calls back to the treatment plant to inform staff of alarm conditions.
3. Wonderware SCADA software and two controllers were installed to monitor the centrifuge and associated digester functions.
4. A controller in the Motor Control Center (MCC) room controls and collects data from the Chlorine Contact Chamber, which feeds into a viewing device in the control room, separate from the SCADA screen.
5. Another controller in the MCC room has two wire connections to the fixed film reactor (FFR), but is not connected to any other device.
6. A laptop is connected to the Oxidation Reduction Potential (ORP) analyzer, which controls chlorine injection. The laptop has programming that allows the Operator to view inputs and outputs to the ORP.

It appears that each system was installed as part of the project under construction at the time, and that the systems were not integrated with each other. Having six separate monitoring and control systems for a single facility is ineffective, and several existing components are underutilized.

#### Salvageable Components

Monitoring all of the data points currently wired into the control panel light board, laptop, circular charts, and four existing controllers requires a SCADA software product with at least 179 inputs, known as tags. The original Wonderware software package purchased for the plant had only 64 tags, but has since been upgraded to 500 tags. The existing software also provides 100 historian tags, which allows data from analog points to be saved. In addition, a development seat, which allows for editing of the tags and interface screens, was purchased in 2011 for \$2,600. The existing SCADA software is adequate for the District's needs, and the development seat allows District staff to modify the system.

Fiber optic cable exists from the MCC room to the control room, but communication across the fiber requires conversion to Ethernet on both the transmitting and receiving ends. This may be resolved with fiber to Ethernet converters or a data highway. Once the communication protocol is established, the SCADA software should be able to access, or "see" all four existing controllers.

#### New Components Needed

A controller and related accessories needs to be added to the control room. This controller will take the inputs from all of the data points that are already wired to the control room. Improvements to the communications link are needed to allow the remote controllers to be visible to the SCADA software. The control room environment needs to be improved to protect the electronic equipment. A new server may be necessary to allow Wonderware to be upgraded to the latest version.

#### FM Controls' Proposal

FM Control provided a proposal that included several of the items discussed above. However, it also included the purchase of two Wonderware licenses, with expanded tags and two work stations, which is

unnecessary. It also lacked specificity on the number and type of tags to be captured. As a result, it is unclear that the District will get what it would consider a complete SCADA product, were the District to proceed with the existing proposal.

#### Next Steps

The District needs to solicit quotes from multiple contractors, based on a Request for Quote that focuses on key components necessary for system completion, as listed above. This Request for Quote should include a list of the specific data points to be identified in the SCADA software that would constitute a complete project. The contractor would be responsible for completing the infrastructure and identifying the tags in the SCADA software. Once the contractor's work is complete, staff would then be capable of creating screens to view the data, establishing alarm setpoints, and trending data to meet its monitoring and trending needs.



September 16, 2016

Mr. John P. Shoals  
Board Chair  
South San Luis Obispo County Sanitation District  
Post Office Box 339  
Oceano, California 93475-0339

**Re: No Paid Property/Liability Claims in 2015-16**

Dear Mr. Shoals:

This letter is to formally acknowledge the dedicated efforts of the South San Luis Obispo County Sanitation District's Governing Body, management and staff towards proactive risk management and loss prevention training. Your agency's efforts have resulted in no "paid" property/liability claims for program year 2015-16. A "paid" claim for the purposes of this recognition represents the first payment on an open claim during the prior program year and excludes property claims. This is a great accomplishment!

It is through the efforts of members such as South San Luis Obispo County Sanitation District that SDRMA has been able to continue providing affordable property/liability coverage to over 500 public agencies throughout California. In fact, 425 members or 85% in the property/liability program had no "paid" claims in program year 2015-16.

In addition to this annual recognition, members with no "paid" claims during 2015-16 earn 2 credit incentive points (CIPs) thereby reducing their annual contribution amount. Also, members with no "paid" claims for at least 3 consecutive program years may receive a lower "risk factor" which also reduces their annual contribution amount.

As SDRMA is dedicated to serving its members and preventing claims, we would appreciate your agency taking a moment and sharing with us what made your District successful in preventing property/liability losses. Our goal is to incorporate your successful ideas and suggestions into our loss prevention programs to benefit all members of SDRMA. Please forward any comments or suggestions to Dennis Timoney, SDRMA Chief Risk Officer at [dtimoney@sdрма.org](mailto:dtimoney@sdрма.org).

On behalf of the SDRMA Board of Directors and staff, it is my honor to congratulate the Governing Body, management and staff of South San Luis Obispo County Sanitation District for their commitment to proactive risk management and loss prevention training.

Sincerely,  
Special District Risk Management Authority



David Aranda, President  
Board of Directors