



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

AGENDA

BOARD OF DIRECTORS MEETING

City of Arroyo Grande, City Council Chambers

215 East Branch Street

Arroyo Grande, California 93420

Wednesday, February 18, 2015 at 6:00 P.M.

Board Members

Jim Hill, Chair

John Shoals, Vice Chair

Matthew Guerrero, Director

Agencies

City of Arroyo Grande

City of Grover Beach

Oceano Community Services District

Alternate Board Members

Mary Lucey, 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. 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.
- It may be the desire of the Board 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 Manager or Bookkeeper/Secretary at (805) 481-6903.

3. 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.

3A. Review and Approval of the Minutes of the February 04, 2015 meeting

3B. Review and Approval of Warrants

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

**A. REVIEW AND APPROVAL OF REQUEST FOR PROPOSALS (RFP)
FOR REVIEW OF MANAGEMENT PRACTICES**

Staff recommends that the Board approve the issuance of the RFP.

**B. UPGRADES TO EXISTING PLANT; REDUNDANCY; REPORT FROM
KENNEDY/JENKS CONSULTANTS**

Staff recommends the Board file report.

C. INCREASE THE BOARD OF DIRECTORS TO 5 MEMBERS

Staff recommends that the Board provide direction to staff.

**D. RESOLUTION 2015-325; A COST OF LIVING ADJUSTMENTS FOR
DISTRICT STAFF**

Staff recommends that the Board approve a one percent cost of living increase and adopt Resolution 2015-325.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

B. Miscellaneous Written Communications

1. Letter from Tiffany R. Couch, CPA/CFF, CFE requesting to be placed on Audit RFP List.

2. Flyer from the PUN Group requesting to be placed on Audit RFP List.

7. PUBLIC COMMENT ON CLOSED SESSION

8. CLOSED SESSION

(1) Conference with Legal Counsel regarding Existing Litigation; Pursuant to Government Code Section 54956.9;b1; SSLOCSD v. California State Water Resources Control Board et. al. SLOCSC 14 CV 0596

- (2) Conference with Legal Counsel regarding Potential Litigation
Government Code section 54956.9 (2) Allen DFEH Number
444099-139808;

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

10. ADJOURNMENT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

City of Arroyo Grande, City Council Chambers
215 East Branch Street
Arroyo Grande, California 93420

Minutes of the Meeting of Wednesday, February 04, 2015
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Present: Chair Jim Hill, City of Arroyo Grande; Vice Director John Shoals, City of Grover Beach; Director Matthew Guerrero, Oceano Community Services District;

District Staff in Attendance: Rick Sweet, District Manager; Mike Seitz, District Counsel; John Clemons, Plant Superintendent; Amy Simpson, Bookkeeper/Secretary.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA AND CLOSED SESSION PERTAINING TO PERFORMANCE EVALUATION OF DISTRICT LEGAL COUNSEL

Director Hill requested to separate the public comment items so that Closed Session pertaining to Performance of District Legal Counsel was moved to the end of the agenda with the other closed session items. The Board agreed to amend this agenda item.

3. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Director Hill opened the public comment period.

Julie Tacker, Jeff Pineack, Ron Holt, and Jeff Edwards all gave public comment.

Director Shoals – Asked if a “Root of Analysis” was conducted after the flood to determine exactly what did go wrong.

Legal Counsel Seitz - Asked to bring the discussion of the Root Analysis to a future Board meeting.

District Manager Rick Sweet let the public know that research was done and staff will bring the process that was taken to the Board at a future meeting.

Action: The Board requested the information on what research was done after the flood of 2010.

There being no more public comment, Director Hill closed the public comment period.

4. CONSENT AGENDA

5A. Review and Approval of the Minutes of the February 04, 2015 meeting

5B. Review and Approval of Warrants

Julie Tacker and Beatrice Spencer gave public comment.

Director Hill – Would like to inquire about the Workmen’s Comp insurance and have staff check with different brokers and get a staff report.

District Manager Sweet – Reminded the Board that we have a very small staff. There are some heavy items on the next agenda including the Review for the RFP Audit as well as the Kennedy Jenks Report. But this item will be put on a future agenda.

Action: It was moved by Director Shoals to approve Consent Agenda Items 5A – 5B with amended minutes correcting the spelling of *writer* on page 4 first paragraph to *rider* and page 5 Otis Page comment to *Fraud*, not *Freud*. Director Guerrero seconded, and the motion was carried 3-0.

5. PLANT SUPERINTENDENT’S REPORT

Plant Superintendent Clemons presented the Plant Superintendent’s Report which shows that the Plant numbers remain steady and strong and are in compliance with regulatory limits. Mr. Clemons spoke about the maintenance, safety and training, and projects being done by Staff at the Plant.

Action: The Board received and filed the Plant Superintendent’s report.

6. BOARD ACTION ON INDIVIDUAL ITEMS

A. RESPONSE TO QUESTIONS FROM THE PUBLIC

District Manager Rick Sweet presented the Board with the answers to the questions that had been submitted from the public to the Board in various formats.

Director Guerrero suggested creating a Standing Committee led by Director Hill with members from the public to participate in building a study to get the audit done.

Director Shoals invited Patty Welsh and Trinity Neo to come to the podium to complete verify that there questions had been answered. Mrs. Welsh did not remember her questions and Mr. Neo did not go forward.

ACTION: Board gave direction to find a format for questions.

B. PRESENTATION OF ANNUAL REPORT OF WASTE DISCHARGE 2014

District Superintendent presented to the Board a brief summary of the Annual Report of Waste Discharge for 2014.

Director Shoals requested an Executive Summary so that we can compare specifics from 2013 to 2014.

Debbie Peterson and Patty Welsh gave public comment.

Action: Staff was directed to look into the cost of previous annual reports. The Annual Report for 2014 was received and filed.

C. ROTATION OF DISTRICT MEETINGS

Director Shoals has not had an official decision. He is open to rotating meetings. Does Board

want to rotate meetings?

Director Guerrero said the OCSD Board would like to rotate meetings and have them at their Board Chambers.

Patty Welsh gave public comment.

No action was taken at this time. This discussion will be brought back to the Board in November of 2015.

D. RESOLUTION NO. 2015-324

District Manager Sweet presented the staff recommendation that the Board approve and adopt Resolution No. 2015-324 authorizing the District to enter into an agreement with WSC authorizing District Manager Rick Sweet to sign and file the grant application in the amount not to exceed \$75,000 for a planning study of a Recycled Water Project. The Resolution authorizes District Manager Rick Sweet to certify that the Agency has and will comply with all applicable state statutory and regulatory requirements related to any state grant funds received and negotiate any necessary amendments or change orders approved as to legal form. No. 2015-324: A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT APPROVING THE ADOPTION FOR A SUBMITTAL OF A GRANT APPLICATION FOR PREPARATION OF PLANNING STUDY FOR A RECYCLED WATER PROJECT.

Action: Director John Shoals moved for approval. Director Guerrero seconded, and on the Following roll call vote, to wit:

AYES: Director Shoals, Director Hill, Director Guerrero

NOES: None

ABSENT: None;

The foregoing resolution was passed and adopted this 04th day of February 2015.

7. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

B. Miscellaneous Written Communications

1. Letter from Ron Holt

8. PUBLIC COMMENT ON CLOSED SESSION

Director Hill asked for public comment. Patricia Price, Karen White, Patty Welsh, Jeff Edwards, and Julie Tacker, Debbie Peterson, Marc London, Brenda Auer, April, Beatrice Spencer, Kevin Rice, and Colleen Martin all gave comments

Director Hill closed the public comment period.

9. CLOSED SESSION

(1) Conference with Legal Counsel pursuant to Government Code Section

54957(b) 1

a. Performance Evaluation of District Legal Counsel

- (2) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 1 case (existing litigation)
 - a. SSLOCSD v California State Water Resources Control Board et. al.
- (3) Conference with Legal Counsel pursuant to Government Code Section 54957.6
 - a. Cost of Living Adjustment for plant operators and staff.

10. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Director Hill reported that the Board had met in closed session pursuant to 54957(b) 1 but took no reportable action.

District Manager Sweet reported that the Board had met in closed session pursuant to Government Code 54957 and gave staff direction to proceed to approach staff with possibility.

Legal Counsel Michael Seitz reported that the Board had met in closed session pursuant to Government Code 54956.9 b1; Board gave direction to staff to announce that the Board has entered settlement negotiations with the State Water Resources Control Board and the Local Regional Water Quality Control Board.

11. ADJOURNMENT

There being no further business to come before the Board, Director Hill adjourned the meeting at approximately 9:45p.m.

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
02/18/2015 FY 2014/15

ISSUED TO	BUDGET LINE ITEM	DESCRIPTION	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE CAST ANALYTICAL, INC.	PROFESSIONAL SERVICES	CHEMICAL ANALYSIS	021815-9214	7078	474.00	474.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	MARCH	15	6025	1,055.36	1,055.36
ALLSTAR INDUSTRIAL SUPPLY	SMALL TOOLS	1319	16	8055	364.41	364.41
AMY SIMPSON	MEMBERSHIPS/SEMINARS/TRAINING	PER DIEM	17	7050	98.00	98.00
ARAMARK	EMPLOYEE UNIFORMS	02/06/15	18	7025	229.19	229.19
BARTLE WELLS ASSOC.	PROFESSIONAL SERVICES	RATE STUDY	19	7089	1,951.00	1,951.00
BRENNTAG PACIFIC, INC.	PLANT CHEMICALS	SODIUM BISULFITE	20	8050	6,043.97	6,043.97
CALIFORNIA ELECTRIC SUPPLY	STRUCTURE MAINTENANCE	DIGESTER	21	8060	235.26	235.26
CARRS BOOTS	EMPLOYEE UNIFORMS	WOESTE BOOTS	22	7025	125.00	125.00
CCWT	LAB SUPPLIES	TRI BED TANK RENTAL	23	8040	241.50	241.50
DEPARTMENT OF FORESTRY	PROFESSIONAL SERVICES	GROUND MAINTENANCE	24	7079	1,746.70	1,746.70
DOWNEY BRAND	PROFESSIONAL SERVICES	OUTSIDE COUNSEL	25	7070	6,925.15	6,925.15
ENGEL & GRAY	BIOSOLIDS HANDLING		26	7085	5,129.66	5,129.66
FASTENAL	EQUIPMENT MAINTENANCE	ELECTRICAL	27	8030	357.41	357.41
	SAFETY SUPPLIES		28	8055	234.78	234.78
FED EX	OFFICE EXPENSE	SHIPPING	29	8035	67.59	67.59
FGL	PROFESSIONAL SERVICES	CHEMICAL ANALYSIS	30	7078	1,796.00	1,796.00
GARING TAYLOR ASSOCIATES	PROFESSIONAL SERVICES	ENGINEERING	31	7077	4,351.25	4,351.25
JB DEWAR INC	VEHICLE FUEL AND OIL	79030	32	8020	219.14	219.14
JERRY'S PLUMBING AND HEATING	PROFESSIONAL SERVICES	HEATER CLEANING	33	7079	1,021.05	1,021.05
JIM WOESTE	EQUIPMENT RENTAL		34	7032	500.00	500.00
JOHN CLEMONS	MEMBERSHIPS/SEMINARS/TRAINING	PER DIEM	35	7050	140.00	140.00
MARC LEWIS	MEDICAL REIMBURSEMENT	FY 14/15	36	6075	325.00	325.00
MIKE ARIAS	MEMBERSHIPS/SEMINARS/TRAINING	PER DIEM	37	7050	175.00	175.00
MINERS	HOUSEHOLD EXPENSE	JANUARY	38	8035	242.17	242.17
MOSS, LEVY & HARTZHEIM LLP	PROFESSIONAL SERVICES	AUDIT	39	7072	1,000.00	1,000.00
NESTLE PURE LIFE	HOUSEHOLD EXPENSE	WATER	40	8035	263.67	263.67
OFFICE DEPOT	OFFICE EXPENSE	JANUARY	41	8045	111.71	111.71
SAFETY KLEEN	EQUIPMENT MAINTENANCE	WASHER SOLVENT	42	8030	346.36	346.36
SLO APCD	PERMITS		43	7068	3,258.00	3,258.00
SO CAL GAS	UTILITIES GAS	JANUARY	44	7092	378.55	378.55
SOUTH COUNTY SANITARY SVC	UTILITIES	RUBBISH	45	7093	112.90	112.90
TIGER DIRECT	OFFICE EQUIPMENT	MONITORS	46	7015	248.06	1,574.32
	CAPITAL EQUIPMENT	SCADA MONITOR		20-8010	1,326.26	
TRINIDAD RODRIGUEZ	MEMBERSHIPS/SEMINARS/TRAINING	PER DIEM	47	7050	150.00	150.00
WASTE WATER QUALITY INC.	MEMBERSHIPS/SEMINARS/TRAINING	REVIEW CLASS	48	7050	700.00	700.00
WILLIAM ROMHILD	MEMBERSHIPS/SEMINARS/TRAINING	PER DIEM	49	7050	203.00	203.00
SUB TOTAL					\$ 42,147.10	\$ 42,147.10
SO. SLO CO. SANITATION DISTRICT	PAYROLL REIMBURSEMENT	01/23/15	50	1016	\$ 25,571.08	25,571.08
REIMBURSE RABOBANK	MEMERSHIPS/SEMINARS/MEETINGS	CA WATER ENV ASSOC	51	7050	770.00	2,880.39
	COMMUNICATIONS	HOST GATOR		7011	9.95	
	OFFICE SUPPLIES	USPS		8045	16.99	
	COMMUNICATIONS	SHERWEB		7011	145.30	
	OFFICE SUPPLIES	OFFICE DEPOT		8045	921.60	
	MEMERSHIPS/SEMINARS/MEETINGS	MARRIOTT		7050	1,016.55	
SIEMENS INDUSTRY	REISSUE CHECK FROM 01/17/15		52		4,634.16	4,634.16
GRAND TOTAL					\$ 75,232.73	\$ 75,232.73

We hereby certify that the demands numbered serially from 021815-9214 to 021815-9252 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

Date: February 11, 2015

To: SSLOCSD Board of Directors

From: John Clemons, District Superintendent

Via: Rick Sweet, District Manager

Subject: **Superintendent's Report**

February 11, 2015

Chart 1 – Plant Data

February 2015*	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.31	3.73	367		380	31.7	31	138	92
High	2.42	4.20	410		466	34.8	70	188	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2014 Monthly									
Average	2.35	3.8	392	26	406	31	87	160	94
High	2.70	4.8	444	34	470	39	1600	327	

- * = Plant data through February 11th.

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

Recent wet weather events have had no significant impact on the Plant processes.

Maintenance

- Removed oil in FFR gearbox. Flushed gearbox. Filled with new fresh oil.

- Reduced ferric chloride dosage at headworks from 140mL/min to 70 mL/min.
- Cleared clog in drain line on boiler.
- Began manhole inspections.

Call outs

- No call outs this period.

In-Progress

- Garing, Taylor, and Associates is working with staff to review and ensure the integrity of the District's A.G. sewer bridge. Currently planning to touch up the exterior coating. Considering lining the interior.
- GT&A is working with staff to assess the stability of the foundation under the splitter box.

Training

- Staff attended a safety meeting on MSDS for ferric chloride.
- Staff members F. Mui, M. Arias and M. Lewis attended the CWEA sponsored P3S Conference. This is an annual industry conference focused on Pretreatment issues and training.

Miscellaneous

- The District has received two Permits to Operate permits from APCD for CY 2015. One is for process equipment. One is for Emergency Diesel Equipment.

SSLOCSD Energy Usage in kWh per Day

Month	Past year kWh/day	Current kWh/day	Difference kWh/day	Monthly Reduction
January	3966.28	2771.31	1194.97	35,849.10
December	3976.71	3110.66	866.05	25,981.50
November	3846.96	3140.46	706.5	21,195.00

Best regards,

John Clemons
Superintendent



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Staff Report

To: Board of Directors
From: Richard Sweet, PE, District Manager
Date: February 18, 2015

Subject: **REVIEW AND APPROVAL OF REQUEST FOR PROPOSALS
(RFP) FOR REVIEW OF MANAGEMENT PRACTICES**

RECOMMENDATION:

That the Board review and approve a RFP for review of management practices, Attachment "A."

BACKGROUND

At the Board meeting of January 20, 2015, the Board heard an item entitled, "Consideration of Options to Review Long Term Expenditure History." There was considerable public input. The Board considered the range of options provided in the staff report and the public input and provided direction to staff to prepare a RFP for a comprehensive review of management practices.

DISCUSSION:

Attachment "A" is a draft RFP designed to address the goals of the Board. The scope of work defines the efforts of the work. The period proposed for review is 2005 to February 2013. The first item of work is development of a work plan to fully address the methods that will be used to evaluate the following:

Financial

- Line item evaluation of expenditures
- Compare expenditures to that of similar agencies, identify anomalies or unusual expenditures
- Review of agency audits; identify irregularities and how/if addressed
- Identify any malfeasance
- Identify practices that are not consistent with best management practices

Operation

- Evaluate past practices associated with plant operations
- Evaluate contracts for engineering, purchasing and capital projects to ascertain whether they are consistent with standard practices

The RFP requires that the Board approve the work plan. The second item of work will be the preparation of a report that summarizes the results of the information developed from implementation of the work plan. The final report will require approval of the Board.

Upon Board approval of the RFP, the RFP will be issued to a number of business consulting firms, including a number of those that have been recommended to the District. A committee made up of professionals and community stakeholders will perform a review of the proposals. The committee will make a recommendation to the Board. Final selection of the successful proposer will be the decision of the Board.

Options

1. Direct staff to create a stakeholders group consisting of interested community members to provide additional input into the formulation of the RFP.
2. Continue this item to a subsequent Board meeting. Receive input from the public at tonight's Board meeting and direct staff to incorporate this input into a revised RFP to be considered at a future Board meeting.
3. Direct staff to cease work on this and delay issuance of the RFP to a future date.
4. Determine that the effort to review past management practices no longer meet the needs of the District and direct staff to cease work on this item.

Fiscal Consideration

The value of this work may vary greatly. It is anticipated that the value of the RFPs could range from \$30,000 to in excess of \$100,000. There is no budget allocation assigned to this effort.

Richard G. Sweet, PE
District Manager

Attached "A": RFP for Review of Management Practices

**South San Luis Obispo County Sanitation District
REQUEST FOR PROPOSAL
Review of Management Practices
1600 Aloha Place
Oceano, California 93475**

March 9, 2015

DEADLINE TO SUBMIT PROPOSALS:

**Monday, April 13, 2015
2:00 P.M. PST**

ADDRESS PROPOSALS TO:

**Richard Sweet, PE, District Manager
RFP –Review of Management Practices
South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, CA 93475**

INTRODUCTION

The South San Luis Obispo County Sanitation District is a special district which operates a 5 MGD wastewater treatment plant and a portion of a collection system for the cities of Arroyo Grande and Grover Beach and portions of the County of San Luis Obispo unincorporated area serviced by the Oceano Community Services District in Oceano, CA. From the mid-1980's until early in 2013 the District Manager was John Wallace, principle of John Wallace and Associates consulting engineers. John Wallace and Associates also served as the District Engineer during this period.

The District seeks to engage a professional management consulting firm to evaluate expenditures, operations and management practices during the period of 2005 to early 2013 to determine the quality of the management and operations provided to the District. The District also seeks to determine if the financial procedures and expenditures are normal for the type of operation that the District performs.

See Attachment "A" for a sample of District's standard Agreement for Professional Services ("Agreement"). Interested parties need not bid unless the standard Agreement is acceptable.

SCOPE OF WORK

Develop a work plan to:

Review management practices of financial, operational and engineering functions. Review documents, interview past and present employees, contact administrators, and consultants to analyze and present professional analysis of the following for the period of 2005 to February 2013.

Financial

- Line item evaluation of expenditures
- Compare expenditures to that of similar agencies, identify anomalies or unusual expenditures
- Review of agency audits; identify irregularities and how/if addressed
- Identify any malfeasance
- Identify practices that are not consistent with best management practices

Operation

- Evaluate past practices associated with plant operations
- Evaluate contracts for engineering, purchasing and capital projects to ascertain whether they are consistent with standard practices

The work plan will include:

- identification of standards and practices that will identify methods utilized to evaluate business, financial and operational practices.
- Identification of tasks to accomplish the work plan
- A timeline for completing tasks identified in the work plan
- An outline of a final report indicating the topics that will be included in the final report

The work plan will be reviewed and approved by the SSLOCSD Board of Directors.

Upon approval by the Board the items identified in the work plan will be pursued aggressively consistent with the work plan.

Final Report

The culmination of the efforts identified in the work plan will result in a final report that will compile and present the results developed through the work plan. The report will be approved by the SSLOCSD Board of Directors.

CONSULTANT QUALIFICATIONS

The Consultant with which District enters into an Agreement shall demonstrate sufficient professional experience in the field of business consulting.

PROPOSAL REQUIREMENTS

All proposals must meet the requirements as set forth below.

A corporation shall execute the proposal by its duly authorized officers in accordance with its corporate bylaws and shall list the state in which it is incorporated. A partnership shall give full names and addresses of all partners. If Consultant is a joint venture consisting of a combination of any of the above entities, each joint venturer shall execute the proposal. Anyone signing a proposal as an agent of another or others shall submit legal evidence of this authority to do so with the proposal.

Original proposals shall contain three (3) copies of the following items assembled in the order listed:

1. Company Information including status (e.g., corporation, partnership), and full names and addresses of all principals and agents for service of process, as outlined above.
2. Contact Information for your firm's representative for this Project to include name, title, mailing address, phone number, and email address.
3. List of Key Personnel and Resumes for each person involved in operation or management of this project, and their function or title.
4. Professional References to include agency name, contact person, title, and phone number for three agencies for whom you have provided similar services within last two years.
5. Certificate of Insurance carried by your firm, containing the insurance carrier, its A.M. best ratings scope of coverage and limits, deductibles, and self-insured retention.

6. Evidence of Comparable Experience as evidenced by Consultant's experience in preparing management reviews of comparable scope to that contemplated by this RFP.
7. Details shall include length of other agreements, name and size of agency, general nature of services provided, and contact person and phone number.
8. Complete Proposal detailing your firm's plan for completion of tasks as described above demonstrating your understanding of the Project; schedule for delivery/current time commitment; and proposed compensation.
 - a. Consultant is encouraged to amplify the scope of services, to identify any supplemental tasks necessary, and to recommend any alternatives that may enhance the Project or reduce costs.
 - b. Where applicable, Consultant is encouraged to describe the anticipated level of effort for each task.
 - c. The scope of work, once modified to be acceptable by District, will be used as an exhibit to the Agreement between District and Consultant.
9. Services or Data to be provided by District.
 - a. Note: District will release to selected Consultant all necessary available information, records, maps, reports, and other documents. District will receive and review all work produced by the Consultant including, but not limited to data, studies, calculations, and proposals.

Interested parties should submit complete written proposals in conformance with this RFP no later than 2:00 p.m. on Monday, April 13, 2015:

Richard Sweet, District Manager
RFP – Review of Management Practices
South San Luis Obispo County Sanitation District
1600 Aloha Place
Oceano, CA 93475

Hand-carried proposals will be accepted Monday through Friday, 8:00 a.m. until 4:00 p.m., until the stated deadline. District is not responsible for any proposals hand-carried during non-business hours. Proposals submitted by fax will not be accepted. Questions or requests for clarification may be submitted in writing to District Manager, Richard Sweet by emailing rick.sweet@comcast.net with "RFP Review of Management Practices" in the subject line.

SELECTION PROCESS

District will confirm receipt of all completed proposals by U.S. Postal Mail or by electronic method (email). All completed proposals meeting the selection criteria will be reviewed by a panel of individuals composed of District officials and industry professionals and, as deemed appropriate, representative of applicable agencies.

Selection criteria will be based on:

- Submission of a complete proposal meeting all requirements as set forth in this RFP, and schedule for delivery;
- Qualifications, including length and experience providing similar services;
- Quote for services.

ACCEPTANCE OR REJECTION OF PROPOSAL

District reserves the right to select the successful proposal(s) and negotiate an Agreement as to the scope of services, the schedule for performance, duration of the services with proponent(s) whose proposal(s) is/are most responsive to the needs of District, and compensation for services. District reserves the right to further negotiate any aspect of the Agreement.

Additionally, District reserves the right to reject any and all proposals, or alternate proposals, or waive any informality or irregularity in the proposal as is in District's best interest. District may, for any reason, decide not to award an Agreement(s) as a result of this RFP.

A proposal shall be prepared and submitted in accordance with the provisions of the RFP instructions and specifications. Any alteration, omission, addition, variance, or limitation of, from, or to a proposal may be sufficient grounds for rejection of the proposal. District has the right to waive any defects in a proposal if District chooses to do so.

District may not accept a proposal if any document or item necessary for the proper evaluation of the proposal is incomplete, improperly executed, indefinite, ambiguous, or missing.

If subsequent selection opportunities are issued, District is under no obligation to advise any respondent to this RFP, although it is District's intent to notify all qualified respondents of any such plans.

RIGHT TO CHANGE OR AMEND REQUEST

District reserves the right to change the terms and conditions of this RFP. District will notify all proposers initially provided this RFP of any material changes by U.S. Postal Mail or by electronic method (email). No one is authorized to amend any of the RFP requirements in any respect, by an oral statement, or to make any representation or interpretation in conflict with these provisions.

If necessary, when possible, supplementary information, clarifications, questions, and/or answers will be provided to all proposers initially provided this RFP by District.

LIST OF ATTACHMENTS

Attachment "A" Sample Agreement for Professional Services

ATTACHMENT "A"

SAMPLE AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made on _____, by and between _____ ("Consultant"), a California Corporation, and the South San Luis Obispo County Sanitation District ("District"), based on the following recitals:

WHEREAS, District has determined _____ ("the Project") involves performance of professional and technical services of a temporary nature; and

WHEREAS, District does not have available employees to perform the services for the Project; and

WHEREAS, District has determined the Consultant rates were fair and reasonable to other firms performing similar professional and technical services; and

WHEREAS, District selected Consultant based on _____, and selected Consultant based on their qualifications to perform the Project. Consultant qualifications include _____; and

WHEREAS, District has requested Consultant to perform services for the Project; and

WHEREAS, Consultant is registered or licensed in California to perform professional and technical services for the Project.

NOW, THEREFORE, IT IS AGREED:

Recitals true. The above recitals are true.

General.

2.01. Term and Termination. The term of this contract is _____, beginning on the date first written above. This contract may be extended by mutual consent of the parties. This contract may be terminated for breach of its terms or conditions, or because of discovery of any act which violates local, state or federal law. Termination is effective fourteen (14) days after deposit of notice as specified in this Agreement.

2.02. Services to be Performed. Consultant shall determine the method, details and means of providing _____ services. Consultant agrees to perform specific services listed in Exhibit "A".

2.03. District's Duties. District's duties under this Agreement are to cooperate with Consultant in the performance of the contract and timely pay invoices.

Payment. Payment terms under this Agreement are listed in Exhibit "B".

Insurance. Consultant shall provide insurance as listed in Exhibit "C".

Exhibits. Exhibits "A", "B", and "C" are attached and incorporated herein.

3. Consultant's Obligations.

3.01. Minimum Amount of Service. Consultant shall devote sufficient time to perform services under this Agreement efficiently and effectively. Consultant may represent, perform services for and be employed by additional individuals or entities, in Consultant's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with District's business.

3.02. Tools and Equipment. Except as otherwise stated in this Agreement, Consultant will supply all tools and equipment necessary to perform this Agreement.

3.03. Status. Consultant (including its employees) is an independent Consultant. No employer/employee relationship exists between Consultant and the District. Consultant's assigned personnel shall not be entitled to any benefits payable to employees of the District. District is not required to make any deductions or withholdings from the compensation payable to Consultant under this Agreement.

3.04. Indemnification. To the fullest extent permitted by law, Consultant shall indemnify, defend (with independent counsel approved by the District) and hold harmless the District, and its directors, officers, and employees from and against all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution) regardless of nature or type that arise out of, pertain to, or relate to the negligence, reckless, or willful misconduct of Consultant or the acts or omissions of an employee, agent or sub-consultant of Consultant. The provisions of this paragraph survive completion of the services or the termination of this contract. The provisions of this Section are not limited by the provisions of the Section relating to insurance.

4. Miscellaneous

4.01. Notices. All communication relating to the day-to-day activities of this Agreement shall be exchanged between a designated representative of the District and a representative of Consultant, listed below. All notices shall be addressed as follows unless a written change is filed with the District:

To District:

SSLOCSD
1600 Aloha PL
Oceano, CA 93475

To Consultant:

If the designated Representative or address of either party changes during the term of this Agreement, a written notice shall be given to the other party prior to the effective date of change. Any written notices required under this Agreement shall be effective five (5) days after deposit into United States mail, postage prepaid, addressed to the designated Representative, or upon confirmation of receipt of delivery if another notification process is used.

4.02. Compliance With Laws, etc. Consultant shall comply with all laws, including but not limited to the rules and policies of the District, in performing this Agreement.

4.03. Integration. This Agreement constitutes the entire Agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this Agreement must be in writing and signed by the appropriate representatives of the parties.

4.04. Interpretation. This Agreement shall be interpreted in accordance with the laws of the State of California.

4.05. Jurisdiction. Jurisdiction and venue of all disputes over the terms of this Agreement shall be in the County of San Luis Obispo, State of California.

4.06. Warranty of Authority. Each person signing this Agreement on behalf of a party warrants that he or she has authority to do so.

4.07. No Waiver. Failure to enforce with respect to a default shall not be construed as a waiver.

4.08. Severability. The provisions of this Agreement are severable. If any part of this Agreement is held invalid by a court of competent jurisdiction, the remainder of the Agreement shall

remain in full force and effect unless amended or modified by mutual written consent of the parties.

4.09. Submittals. In addition to any other submittals required by this Agreement, Consultant shall submit copies of its current business license and current certificate of workers compensation coverage to the District before beginning work on this project.

4.10. Prevailing Wage. If applicable, Consultant and all sub-consultants are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code. The Director's determination is on file and open to inspection at www.dir.ca.gov and is referred to and made a part hereof; the wage rates therein ascertained, determined and specified are referred to and made a part hereof as though fully set forth herein.

IN WITNESS WHEREOF, this Agreement is executed by the parties on the date first written above.

CONSULTANT

South San Luis Obispo County Sanitation District

By: _____
President

By: _____
District Manager

By: _____
Secretary

APPROVED AS TO FORM:

DISTRICT COUNSEL

SAMPLE EXHIBIT "A"
SERVICES TO BE PROVIDED

The project shall consist of, and is further described as follows:

SAMPLE EXHIBIT "B"
PAYMENT

Progress Authorization

Written authorization to proceed from the District authorizes the Consultant to generate the not-to-exceed cost of _____ (\$_____) in fees for above listed tasks based on the rate schedule that follows:

Total Not-to-Exceed Costs: \$_____

The South San Luis Obispo County Sanitation District reserves the right to withhold any amount if unsatisfied with the service Consultant provides.

II. Invoice Procedure

Consultant's bills shall be substantiated by appropriate documentation, and include an itemized listing of personnel, sub-consultants, and other direct costs incurred.

SAMPLE EXHIBIT “C” INSURANCE

INSURANCE REQUIREMENTS

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his/her agents, representatives, or employees.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office Business Auto Coverage Form Number CA 0001, Code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the Consultant's profession.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability - \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability - \$1,000,000 per accident for bodily injury and property damage.
3. Employee's Liability - \$1,000,000 per accident for bodily injury or disease.
4. Errors and Omissions Liability - \$1,000,000 per occurrence.

C. Deductibles and Self-insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the District. At the option of District, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the District, its trustees, officers, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the District guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The District, its trustees, officers, employees and volunteers are to be covered as insureds as respects: liability arising out of work or operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the District, its trustees, officers, employees and volunteers. Any insurance or self-insurance maintained by the District, its trustees, officers, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice stating the title of this contract has been given to the District. All notices provided pursuant to this Agreement shall be given to the District representative listed for notice in this agreement and shall specify the title of this Agreement. Notice may be given by overnight mail, facsimile with confirmation of receipt, or certified mail with return-receipt requested. In the case of a reduction in coverage, the Consultant shall provide thirty (30) days' prior written notice as provided in this subparagraph.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the District.

F. Verification of Coverage

Consultant shall furnish the District with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the District or on other than the District's forms provided those endorsements conform to District requirements. All certificates and endorsements are to be received and approved by the District before work commences. District reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

www.sslocsd.org

Staff Report

To: Board of Directors
From: Richard Sweet, PE, District Manager
Date: February 18, 2015

Subject: **UPGRADES TO EXISTING PLANT; REDUNDANCY; REPORT
FROM KENNEDY/JENKS CONSULTANTS**

RECOMMENDATION:

That the Board receives a report from Kennedy/Jenks Consultants pertaining to upgrades to the existing plant that will provide plant redundancy.

BACKGROUND

In 2005, Kennedy/Jenks Consultants prepared a report, which defined upgrades to the existing plant that would provide plant redundancy in compliance with Environmental Protection Agency (EPA) requirements to provide redundant plant operations. The plant upgrades also anticipate stricter discharge requirement being issued by the Regional Water Quality Control Board in an upcoming new permit. Direction was provided to Kennedy/Jenks to recommend plant upgrades that would facilitate the eventual delivery of recycled water. In 2010, John Carollo Engineers (JCE) was engaged by the District to perform a peer review of the Kennedy/Jenks Report.

DISCUSSION:

The reports concluded that the best alternative for the District would be to construct a new aeration tank and a new secondary clarifier. The new aeration tank would introduce a new treatment process to the plant referred to as activated sludge. The construction of the aeration tank in conjunction with a new secondary clarifier would meet both redundancy requirements and reduce the plant discharge from 40 mg/l Biological Oxygen Demand (BOD) and 40 mg/l Suspended Solids (SS) to 30 mg/l BOD and 30 BOD SS.

Options

In the original 2005 Kennedy/Jenks report and the subsequent peer review by JCE numerous options were evaluated.

Fiscal Consideration

The projected project costs are \$12,061,000 with an annual projected increase in operating costs \$363,000. The District has engaged Bartles-Wells to perform a study to evaluate financing options.

Richard G. Sweet, PE
District Manager

Attachment: Report "Upgrading Existing Wastewater Treatment Plant Documentation
Review and Update Probable Cost"

Kennedy/Jenks Consultants

2350 Mission College Blvd., Suite 525
Santa Clara, CA 95054
650-852-2800

Upgrading Existing Wastewater Treatment Plant Documentation Review and Update Probable Cost

4 February 2015



Prepared for

South San Luis Obispo County Sanitation District

1600 Aloha Place / P.O. Box 339
Oceano, California 93475

K/J Project No. 1368035*00

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Executive Summary

Review of Prior Documents

The primary purpose of the information and studies presented hereinafter is for supporting the conclusions and recommendations for a major District construction project. This project, consisting of additional wastewater treatment plant improvements, will be for the basic purpose of extending the excellent history of meeting State and Federal wastewater discharge requirements since formation of the South San Luis Obispo County Sanitation District during the year 1963.

During the 51 years since formation of the District and construction of the original wastewater treatment and disposal facilities during 1965, there have been a series of documents and engineering studies which served as the basis for constructing a series of wastewater treatment plant improvements in the past and to the present. Each of the past improvement projects have been in response to changing conditions related to increased population served as well as changed conditions including more stringent waste discharge requirements.

The most recent and comprehensive engineering study directed towards defining the currently needed wastewater treatment plant improvements is the, "Long-Range Plan for Wastewater Treatment Plant Improvements" provided by Kennedy/Jenks Consultants and under the date of July 7, 2005.

The 2005 Kennedy/Jenks Consultants report was followed by a Peer Review Report undertaken by Carollo Engineers and submitted to the District under the date of January 9, 2010. The purpose of the Carollo Review was independently to study and to verify the Kennedy/Jenks Consultants report and recommendations. Also the Peer Review was to consider additional alternatives on the basis of which the District could move ahead with confidence to implementation of the recommended improvements project, including financing of the recommended project.

Review of District's History

It is observed that prior to the District's formation and then construction of the wastewater collection, treatment and disposal facilities, wastewater disposal within the service area was primarily accomplished through use of individual septic tanks. The exception to this practice was a sewerage system constructed by the City of Arroyo Grande in 1925.

District formation by the County of San Luis Obispo Board of Supervisors was on September 3, 1963. The District embraced the areas of Arroyo Grande, Grover City, Oceano and contiguous county area.

Since construction of the District's original wastewater collection, treatment and disposal facilities during 1965, a series of treatment plant improvements were constructed. These wastewater facilities improvements have been financed on a "pay-as-you-go" basis which has proved to be highly successful financially to the benefit of the District' constituency.

The latest improvement project, the subject of the studies reviewed hereinafter, is anticipated to provide means of meeting District service area needs to the time of District build-out.

Review of Changes in Service Area Population Projections

County and local planning agencies developed the first projections of population increases within the District's service area. These projections, which served as the basis on which to estimate wastewater collection, treatment and disposal needs of the earliest District's projects, an ultimate, build-out population of 115,000 within the District's service area. At the time, 1965, actual population was assumed to have been a total of some 15,000.

Rather than designing the initial wastewater treatment plant to accommodate wastewater from the 115,000 then projected population, it was decided to design for an initial population capacity of 30,000.

The most recent population projections by county and local agency planners for the District's service area resulted in an estimated build-out population of 51,300. This more current, 2005 estimate is seen as further validation of the earlier decision to limit construction of wastewater treatment plant expansions to meet short-range needs rather than projected long-range needs.

Review of Changes in Waste Discharge Requirements

Waste discharge requirements applicable to the South San Luis Obispo County Sanitation District are and have been initiated by the Central Coast Regional Water Quality Control Board on behalf of both the State and Federal Environmental Protection Agency.

It is shown that during the years of the District's existence and construction of a series of wastewater treatment plant improvements, there have been multiple changes in waste discharge requirements. Changes in disinfection requirements resulted in the necessity of constructing new chlorination facilities. Changes in enforcement procedures has now necessitated providing added plant to meet redundancy of process units requirements. Lastly, anticipated changes in waste discharge requirements to full, "secondary" ahead of discharge later during 2014 has added to the list of needs for the now proposed treatment plant improvements.

Reclamation Potential Reviewed

Three prior studies for the District, including part of the K/J 2005 study, were directed towards the potential needs and possibilities for utilizing highly treated wastewater from the District's treatment plant for beneficial use. These studies and to the present have all concluded for now there is no sufficient market for reclaimed wastewater which would justify the added treatment facilities above that now being proposed, that added costs to result in a treated wastewater which would meet reclamation requirements. It is anticipated that at such time there is a demonstrated need and cost-effective means of providing for reclaimed water use, that use can be accomplished simply by an appropriate, "add-on" to existing plant.

Review of Changes in Wastewater Characteristics

As part of the normal growth pattern within the District's service area, there has been significant changes in wastewater characteristics. These changes are seen primarily as a consequence of a reduction of water use due to water saving devices, higher solids and associated dissolved organics resulting from widespread use of home garbage disposal units and reduced flows. As part of the K/J 2005 studies, these changed wastewater characteristics have been accounted for with strategic, full use of existing plant while adding facilities to meet the specific changed needs.

Review of Changes of Regulatory Enforcement Policies

During the intervening time since constructing the original wastewater treatment and disposal facilities, not only has there been several changes in disposal requirements, but also changes in enforcement of requirements. Part of these changes have resulted from imposition of Federal requirements through the Environmental Protection Agency in 1972 and changes, including changes in the law by the State legislature calling for strict enforcement along with monetary fines for failure to meet requirements. This State initiated change significantly has reduced the degree of discretion as to consequences of not strictly meeting all requirements.

Review of Peer Review Report

It is shown that upon submission of the Kennedy/Jenks Consultants 2005 report recommending a next needed treatment improvement project, the District, in their wisdom, authorized a Peer Review by an independent engineering firm. The basic purpose of was to study alternatives to the K/J recommended project and to make recommendations. The basic result of the Peer Review Study was to offer eight alternative projects, but concluding by supporting the Kennedy/Jenks Consultants recommended project with one modification, to include abandoning the existing fixed film reactor and constructing an additional activated sludge aeration tank, as part of a two-stage program of improvements.

After further study of the Peer Review report by K/J and District staff, it was determined that the K/J recommended project without modification is still in the best interests of the District.

Review of Recommended Project

The recommended wastewater treatment plant improvement project consists essentially of a New Aeration tank along with a New Secondary Clarifier and New Biosolids Thickening facilities. These new, added process units along with needed mechanical, electrical and pipework will be fully integrated into the existing plant, making strategic use of combined facilities needed to meet identified needs.

The current engineer's opinion of the probable cost for the recommended project is \$12,061,000.

Section 1: Review of Prior Documents

Under the date of July 7, 2005, Kennedy/Jenks Consultants (K/J) submitted their report summarizing studies to provide a, "Long Range Plan, Wastewater Treatment Plant Improvements for South San Luis Obispo County Sanitation District." This 2005 K/J study and Plan was initiated by the South San Luis Obispo County Sanitation District, District, in anticipation of additional wastewater treatment plant improvements needed to account for several changed conditions, including more stringent waste discharge requirements. The recommended wastewater treatment plant improvements project identified in the report was to accommodate anticipated needs during the coming years. These needs include increased wastewater flows consistent with build-out as projected by local and country planning agencies to occur in the year 2020. The K/J 2005 study was intended to address not only increasing development and associated increases in wastewater flow, but also relevant past and anticipated changes including more restrictive waste discharge requirements which would dictate design of the now recommended wastewater treatment plant improvements project.

Following submission of the K/J 2005 studies and report, the District undertook to have a "Peer Review" of the report and to further evaluate the recommended improvements, their estimated costs and to study other potential engineering alternatives. The independent Peer Review was undertaken by Carollo Engineers and their findings and recommendations were submitted in a report to the District under the date of January 9, 2010.

Since submission to the District of the two aforementioned engineering studies and reports, the District staff and District Board have determined to proceed with preparation of specific plans to finance and construct the recommended project. To assist in a final determination of the best specific treatment plant improvements project, the District Board authorized K/J to review, with District staff, the K/J 2005 report, along with the relevant studies since 2005 including the Peer Review. Results of these prior studies along with changes relevant to the proposed improvement project are presented hereinafter.

1.1 Review of District's History

The District since formation in 1963 has evidenced an exceptional record of meeting water pollution control needs of the District's service area and at minimum costs to the District's rate payers. The first action of the District was construction in 1965 of the original water pollution control collection, treatment and disposal facilities, followed by a series of plant improvements necessary in response to changing needs resulting from, 1) major changes in projections by county and local planning agencies of future service area development and population increases, 2) changes in waste discharge requirements, 3) changes in both volume and other characteristics of wastewater to be treated, 4) changes in regulatory enforcement policies and, 5) challenges associated with needed financing of multiple project improvements. The District has responded to these changes since 1963 and to the present (2015) with a series of successful treatment plant improvement projects in response to and in anticipation of needs as they have occurred and now projected to occur within the future to the time of anticipated District service area build-out in the year 2020.

Historically, the communities of Arroyo Grande, (then) Grover City, Oceano met their wastewater disposal needs through use of individual septic tanks. The exception to this practice was the City of Arroyo Grande which was largely sewered with conveyance of wastewater to a site in the Grover City area where in 1925 there was constructed an Imhoff (“primary treatment”) tank. Also provided were adjacent areas for disposal of the partially treated wastewater through ground infiltration and evaporation. This Arroyo Grande wastewater treatment and disposal facility was referred to as, “the sewer farm.” Resident population in the area in 1963 showed a total of some 15,000 with about 6,500 in Arroyo Grande, 6,500 in (then) Grover City and 2,000 in the Oceano and other contiguous County of San Luis Obispo areas.

With the passage of time along with increasing development of the area, it became evident that there were increasing public health concerns related to both increasing use of individual septic tanks and also the “sewer farm” impacting the underlying ground water. These concerns were made official in 1962 by the County Department of Public Health as this agency became aware of increasing concentration of nitrates Ground water nitrates are known to be a public health concern, and assumed to be primarily the result of wastewater intrusion into the local ground water which was the primary source of potable water supply for the area.

Responding to this condition of increasingly unacceptable high concentrations of ground water nitrate, the then Grover City County Water District applied for a government loan to finance an engineering study to recommend a course of action to alleviate and forestall a water supply public health crises. Accordingly the Water District hired the services of then Jenks and Adamson Engineers (forerunner of Kennedy/Jenks Consultants) to perform the needed study. Results of the study included a recommendation to form a County Sanitation District to address the combined wastewater treatment and disposal needs of the local area. This recommendation was acted upon and the San Luis Obispo County Board of Supervisors who formed the San Luis Obispo County Sanitation District (SSLOCSD) on September 3, 1963. It was intended that the areas of Arroyo Grande, Oceano and Grover City, along with some contiguous area within the County, would be encompassed by the District. However, Grover City chose not to become a member of the District, but did agree independently to provide local sewers within their area and to contract with SSLOCSD for treating and disposing of wastewater generated within Grover City. Subsequently Grover City, now the City of Grover City, became a full member of the SSLOCSD.

The original District members as well as Grover City undertook construction of local sewer systems as needed with SSLOCSD providing, the joint-use treatment plant and ocean outfall line to convey treated wastewater to offshore waters of the ocean as well as trunk sewers entering the wastewater treatment plant.

Since building of the original wastewater treatment and disposal facilities in 1965, five major improvement projects have been constructed by the District in response to the changing needs as they became apparent.

The District’s exceptional history is centered on a series of successful wastewater treatment plant improvements projects to meet changing conditions. The proposed improvement project is consistent with this history.

1.2 Review of Changes in Service Area Population Projections

Original wastewater treatment and disposal facilities to serve the District were based on population projections as defined through County of San Luis Obispo and local planning agencies. The local planning agencies population projections made in 1963 projected an ultimate, build-out service area population of 115,000. It was estimated that this ultimate population to be served would occur by the year 2020. These relevant planning agencies estimates in 1965 were accepted as the basis for design of the needed wastewater treatment and disposal facilities. However, at that time it was agreed to design the initial treatment facilities to serve the then 1965 service area population of 15,000 plus additional capacity to serve a then projected 1975 population of 30,000. At the same time, those facilities which could not conveniently be enlarged in the future, (trunk sewers, incoming pumping plant structure and ocean outfall), were designed to accommodate wastewater from the then predicted ultimate service area population of 115,000. This early decision to limit initial construction and corresponding costs for wastewater treatment facilities for a limited time into the future included the anticipation of a future series of expansions and improvements as needs actually occurred. This decision was fundamental to allowing a “pay-as-you-go” financing program which the District has followed for the nearly 50 years of District existence.

This original decision to limit construction of most of the needed wastewater treatment facilities to an initial 20-year planning period has been successfully followed, meeting changing needs for a relatively short time range. As suggested above, the appropriateness of this policy decision is demonstrated when viewing the 2005 county and local planning agencies projections for year 2020, still seen as the service area “build-out” time period, but now the projected population to be served is 51,300 instead of the 1965 build-out population projection for the same time period of 115,000. Conventional wisdom may have suggested in 1965 to design all needed facilities to serve the then projected population of 115,000 with corresponding very high costs for facilities much of which would never be needed. The historic policy of limiting construction of needed wastewater treatment facilities allowed for a, “pay as you go” financing program. In turn this program has served to limit borrowing of monies and consequent interest costs for larger projects than needed. This policy in has resulted in one of the lowest sewer user rates for similar services in the State of California.

In summary, the changing projections of ultimate service area wastewater treatment and disposal facility needs are seen as being significant to the design of past and now currently proposed facility needs. This significance, as noted above, is clearly reflected by the original, 1965 planning area “build-out” population projection of 115,000 by the year 2020 compared to the more recent 2005 “build-out” projections of 51,300 in the same year of 2020.

After further review, the current service area projected population figure is considered appropriate for design of the proposed wastewater treatment plant improvements defined in the K/J 2005 report.

1.3 Review of Changes in Waste Discharge Requirements

Requirements for treated wastewater disposal historically, since 1949, in the State of California have been established for individual dischargers by the State Water Resources Control Board

and administered through nine Regional Water Quality Control Boards. In the case of the District, discharge requirements for treated wastewater discharge into the offshore waters of the Pacific Ocean are established by the Central Coast Regional Water Quality Control Board with offices in San Luis Obispo. While waste discharge requirements were established for the District's treated wastewater discharge in 1965, it is to be noted that the Congress of the United States established the National Clean Water Elimination Act (NPDES) to be administered by the Federal Environmental Protection Agency (EPA) and to be applicable to all treat wastewater discharged to surface waters of the entire nation including dischargers to ocean waters as being done by the District. Subsequently, the EPA delegated to some States, including California, responsibilities for establishing and enforcing waste discharge requirements jointly with the EPA. Thus waste discharge requirements in the State of California are established and enforced with the authority of both the State of California and the Federal EPA. The Federal waste discharge permits also establish a minimum level of wastewater treatment ahead of discharge to be met, regardless of other conditions. This minimum standard is defined by the EPA as, "secondary" treatment as further defined by achieving an effluent quality with not more than 30 mg/l residual of both Biochemical Oxygen Demand (BOD) and Suspended Solids (SS).

The original waste discharge requirements applicable to the District's treated wastewater discharge to the waters of the nearby Pacific Ocean in 1965 called for a list of limitations. The most notable of these early requirements in respect to the District's treatment plant design was seen as a limiting biochemical oxygen demand (BOD) of 40 mg/l for effluent discharged to the nearby ocean waters, along with a volume limitation of 2.5 million gallons per day (mgd) average dry-weather flow. These two limitations served as the primary basis of 1965 treatment plant design. The BOD specific requirement was met with provision of so called "intermediate secondary treatment" provided by activated sludge treatment. While the original treatment plant proved to be more than capable of meeting this 1965 requirement, the activated sludge process itself proved to be somewhat complex and difficult to operate. These difficulties resulted in an occasional violation of the 40 mg/l BOD limitation, but the then leniency of enforcement along with allowable deviations from established constituent limits, including BOD, resulted in a generally satisfactory record of meeting requirements for the District discharge. However as a result of a change in State law in 2001, enforcement discretion as to serious impacts from even minor failure to meet waste discharge requirement was set aside with the new law making mandatory monetary fines for all violation of waste discharge requirements. This change in enforcement of the meeting of waste discharge requirements has dictated a number of responses by the District in respect to needed treatment plant improvements aside from improvements to accommodate increasing wastewater volume from added service area development.

During the period of from the 1978 to 1986 several individual improvement projects were constructed as a means of increasing efficiency of treatment as well as meeting changes in discharge requirements. A most notable change in requirements occurred as a result of constructing an entirely new ocean outfall line gaining access to the deeper waters of the ocean some 4,000 feet into 60 feet of water depth. Studies had shown that this distance offshore rather than the shorter 1,000 foot original outfall provided the basis for the RWQCB allowing the elimination of the use of chlorine for disinfection ahead of discharge. It was agreed at the time, based on ocean studies, that initial dilution provided by discharge nearly one mile offshore along with natural die-off of harmful bacteria, would provide sufficient dilution and distance ahead of

arriving at locations of recreation activities to ensure adequate protection of public health in the Pismo Beach recreation area. In addition, it was agreed that eliminating use of chlorine and associated undesirable toxic compounds would serve as added protection to nearby ocean aquatic life. Also, eliminating the use of chlorine for disinfection of the treated wastewater prior to discharge saved significant expense for chlorine and so lowering overall costs of treatment plant operation. Subsequently however, as part of the routine review of waste discharge requirements by the RWQCB and EPA, requirements were changed so as to again require disinfection of the District's treated effluent ahead of discharge. For several years an expedient of using the secondary clarifier as means of providing necessary detention time for chlorine disinfection was successfully practiced and all disinfection requirements met. However, again as a result of a routine review of waste discharge requirements, the RWQCB and EPA mandated the building of a separate new chlorine contact tank. The District responded to this new change in disinfection requirements through the design and construction of an entirely new and separate chlorine contact tank which was completed and placed into operation in 2006. Providing of adequate disinfection needs are seen in the context of the District's responding to at least three significant changes in waste discharge requirements during the period of from 1965 to 2009.

By the early 1980's it was evident the District's wastewater treatment plant needed expansion in order to meet the wastewater treatment needs associated with expanding service area development along with associated increase in wastewater volume. During the early 1980's, anticipated population increases within the District's service area prompted a new study to determine additional wastewater treatment plant capacity needs. Again, county and city planning agencies became the source of projections. The combination of input from the individual planning agencies within the District agreed that the best estimate for the build-out population to be served by the District was a combined total of 51,200 by the year 2020. Again, it is noted that this more recent population projection was considerably changed from the projections of 1965 projecting a build-out population of 115,000. In addition to needs for increased treatment flow capacity, as part of a mid-1980's study, basic to these studies, was the question of anticipated waste discharge requirements changes, the meeting of which would dictate treatment plant expansion design. As noted above, the original treatment facilities were designed on the basis of meeting an effluent limitation of 40 mg/l of BOD. As also noted, Federal EPA requirements applicable to all treated wastewater dischargers to the surface waters of the nation now called for a maximum limit of 30 mg/l residual BOD at the point of discharge. Of special interest to the 1980's studies was a still further change in the Federal law which, under certain circumstances such as where discharge was to offshore waters with adequate dilution, and secondary treatment was through the use of trickling filters, the local administrative agencies could use a standard for discharge of 45 mg/l of both BOD and suspended solids (SS) instead of the more restrictive 30 mg/l limitation. Discussions with RWQCB staff during 1985 brought about an agreement that District could be assigned a less restrictive, modified standard allowing for meeting of the 45 mg/l BOD and SS instead of the national secondary treatment standard of 30 mg/l. This change in requirements served as the basis for change in secondary treatment process of from the original activated sludge to now a trickling filter (fixed film reactor or FFR). This allowed change in process from activated sludge to trickling filter FFR, provided a much more stable process and reliable meeting of requirements.

The foregoing changes in waste discharge requirements allowed for a switch from use of the original activated sludge process to use of a trickling filter (FFR). This change in process resulted in the design of 1986 improvements to meet combined needs for capacity increase and to meet changed, less restrictive waste discharge requirements. These changes resulted in the design of a very unique expansion of the District's treatment plant. The unique feature was seen in the use of the then combined aeration tanks (for activated sludge) and secondary clarifier structure to be modified to provide the needed larger secondary clarifier within the same structure along with a trickling filter, FFR as a separate new structure. This novel use of an existing structure served to significantly to reduce construction costs than would otherwise be necessary for construction of an entirely new, separate secondary clarifier. The 1986 treatment plant expansion, designed to accommodate 3.3 mgd (up from the original 2.5 mgd capacity) and a waste discharge requirement of 45 mg/l BOD/SS has proven to be highly successful in meeting of project objectives. One significant additional cost-saving consequence of the change of secondary treatment process was the saving of electrical energy. This savings was seen as the overall use of electrical energy for treatment plant operation was cut in half. Also meeting of the BOD and SS requirements was so successful that with the subsequent routine review and modification of waste discharge requirements by the RWQCB and EPA, the requirements were modified to require a more restrictive 40 mg/l BOD and SS instead of the 45 mg/l BOD/SS. The RWQCB staff had argued that since the District's treated wastewater discharge consistently was found to have residual BOD and SS, consistently lower than the then the 45 mg/l requirement, then the requirement should be lowered. Somewhat ironically, the District's success in achieving results better than designed for (BOD/SS less than 45 mg/l) was "rewarded" with a change to a more restrictive discharge requirement (BOD/SS less than 40 mg/l).

Again, after 1986 as population increases within the District's service area were evident, and in anticipation of these increases with associated higher wastewater flows to be treated, a new engineering study by Kennedy/Jenks Consultants was authorized and undertaken in 2005.

Fundamental to the 2005 study was the question of future standards to be incorporated in both near and far future waste discharge requirements. The 2005 study provided a review of the then applicable waste discharge requirements. Also this study review was in anticipation of the expected reissuing of requirements in 2009. These then new requirements were subsequently approved and seen in the Central Coast Regional Water Quality Control Board, Order No. R3-209-0046 which corresponded to the Federal NPDES No. CA0048003. These requirements of 2009 were preceded by requirements of 2004. It is currently anticipated that the requirements of 2009 will be reviewed and reissued in October of 2014. This consideration led to discussions with RWQCB staff earlier ahead of the K/J 2005 report and most recently in April of 2014, which discussions resulted in the conclusion that the currently needed new treatment plant expansion project should be designed on the basis of meeting the National minimum EPA governing standard of 30 mg/l BOD/SS now anticipated to become applicable as both State and Federal requirements. It is understood then that this basic national standard for secondary wastewater treatment will be seen in the new requirements of October 2014. The 2005 report and recommendations for the improvement project are based on the foregoing understandings of waste discharge requirements to be of greater stringency than at present.

The above review serves as the basis for demonstrating that the District has been totally responsive to the need to provide wastewater treatment and disposal facilities with successive improvements to meet changing waste discharge requirements.

It is seen that the District has a fine history of responding to changing waste discharge requirements during the past some 50 years and that the currently recommended wastewater treatment plant improvements are directed toward extending this fine history.

1.4 Potential for Wastewater Reclamation for Beneficial Reuse Reviewed

An additional consideration which was reviewed as part of the K/J 2005 study and report has been in respect to potential needs and opportunities related to wastewater reclamation for beneficial reuse. It was observed that there have been two prior engineering studies provided to the District on this subject. One of the studies was by K/J and the other by The Wallace Group. Both of these studies and reports concluded that neither currently nor in the foreseeable near future is there an identified potential market for reclaimed water such as to make the cost of additional treatment facilities to meet the reclamation standards justified at the present time. Nevertheless, it was also concluded that design of current treatment plant improvements should be such as to allow for accommodation of added plant improvements necessary to meet reclaimed water use standards. Such additional added plant could be constructed in stages to meet demands as reclaimed water markets are developed.

It also can be observed that with implementation of the currently recommended treatment plant improvements, with a basic purpose of producing an end-product effluent of significantly higher quality than at present, the gap between acceptable treated wastewater for reuse will be significantly reduced. In any case the costs for future plant add-ons related to meeting still more stringent reclaimed water reuse standards will have been significantly reduced.

As part of current studies, discussion was entered into with Regional Water Quality Control Board (RWQCB) staff who confirmed the foregoing. It was accepted that no economically justified reclaimed water market exists today, but well could exist in the future. Also, RWQCB staff did not foresee a possible need specifically to provide for nitrogen removal as part of future requirements for reclaimed water reuse. Given the foregoing, it is concluded that the currently recommended improvements should be designed so as conveniently to add-on treatment facilities, even up to improvements needed for nitrification. The most likely added plant to meet reclaimed water production meeting higher requirements would be either filtration, or use of membrane technology, either of which could be appended to the proposed improvement project at such time that a reclaimed water market is established.

In other respects, it is concluded that the understandings regarding potential for wastewater reclamation for beneficial reuse, the K/J 2005 study review of this topic remain appropriate to the design of the current recommended wastewater treatment plant improvement project.

1.5 Review of Changes in Wastewater Characteristics

The several studies during the years since design of the original wastewater treatment facilities completed in 1965, provided opportunity for re-evaluation of changes in wastewater characteristics. These changes are to be seen in respect both the wastewater volume and strength characteristics, notably in respect to Biochemical Oxygen Demand (BOD) and Suspended Solids (SS).

The changes in wastewater characteristics may be seen as a result of competing factors. On the one-hand, through the use of water saving devices, wastewater volume per capita has decreased over time. On the other-hand, increasing use of garbage disposal units along with the decrease in flow has served to increase wastewater strength.

The K/J studies during 2005 resulting in the currently recommended treatment plant improvements were able to account for the time related changes in wastewater characteristics. This review resulted in a determination that during the past ten years, since 2004 when the then prior year's wastewater characteristics were analyzed, suspended solids concentration in incoming wastewater has increased by an average of some 30 mg/l. This has suggested a change in respect to loading of from 330 mg/l to 360 mg/l. In other respects, it is concluded that design basis loadings shown in the K/J 2005 report are appropriate. It is then with reasonable confidence that the design basis for the new plant improvements adequately will account for the changes in wastewater characteristics. The design basis for the current project as defined in the Kennedy/Jenks Consultants report of 2005 with the suspended solids modification are seen as follows:

Population served (build-out)	51,200
Average wastewater volume, mgd	4.2
Peak daily flow (dry-weather), mgd	4.9
Peak daily flow (wet-weather), mgd	8.4
Peak instantaneous wastewater flow rate, mgd	10.0
Average incoming SS, mg/l	360
Average incoming SS, lbs/day	12,600
Average incoming BOD ₅ , mg/l	330
Average incoming BOD ₅ , lbs/day	11,280

After review, we believe the foregoing, somewhat modified from the K/J 2005 study, should be utilized as the basis for design of the proposed wastewater treatment plant improvements which would be anticipate meeting projected service area needs to build-out.

1.6 Review of Changes of Regulatory Enforcement Policies

Enforcement of waste discharge requirements in the State of California currently is through the State Water Resources Control Board and in the case of the District, the Central Coast Regional

Water Quality Control Board (RWQCB). Enforcement policies of the State currently are delegated by the Federal Environmental Protection Agency (EPA). This arrangement results in enforcement authority resting with both the State Water Resources Control Board and Federal EPA. The joint authority came about from passage by the Congress of the United States of the Clean Water Act of 1972. As has been previously noted, one of the impacts of this joint authority is seen in the EPA establishing minimum requirements for discharge into all surface waters of the nation. Notably of these universal minimum standards is Biochemical Oxygen Demand (BOD) and Suspended Solids (SS) shall not be more than 30 mg/l.

Also as noted earlier, during the years of successful operation of the District's wastewater treatment plant, an occasional failure to meet a specific waste discharge requirements was viewed by the RWQCB on a discretionary basis which could result in Orders to Cease and Desist with a time schedule for correction, or merely dismissed on the basis of being a minor infraction with no significant impact on the receiving water environment.

Since initial operation of the District's wastewater treatment plant in 1965 and until January of 2001 there have been a number of minor deviations from meeting of waste discharge requirements which were viewed by the RWQCB as being minor and correctable in the absence of formal enforcement actions.

However, the State of California legislature in January of 2001 adopted a new law imposing mandatory monetary fines for any violation of waste discharge requirements with very little discretion as to the real significance to water quality impairment of the receiving waters or other mitigating factors. The discretion applicable to enforcement is now being primarily seen in respect to amount of monetary fines to be given to the offending discharger by the State Water Resources Control Board.

The foregoing speaks to the issue of redundancy, the added significance to having wastewater treatment plant facilities with sufficient redundancy and flexibility to meet discharge requirements even during periods of normally anticipated individual process unit shut-down needed for repairs or replacement. This redundancy need has added weight from Federal EPA standards as well. It is seen that, in a literal sense this redundancy need could only be met by having two, identical wastewater treatment plants alongside of each other. However, in a practical view there are other less costly expedients that can be included to limit costs for complete facility duplication. Among those expedients, for instance would be the availability and use of chemical flocculants to enhance settling of solids and associated BOD through a primary clarifier when one clarifier is taken out of operation and another is otherwise overloaded beyond normal ability adequately remove solids. During the early history of the District's treatment plant, redundancy has been seen as having available both a centrifuge and sludge drying beds, either one or the other being capable of meeting sludge drying needs at least in the short-term. During the time of the several District treatment plant improvements, these improvements have included designing availability of two primary clarifiers and two sludge digesters, either process units being able to meet needs for short periods of time independently.

As a result of the referenced K/J 2005 study and report, the now more critical needs for process unit redundancy are to be seen and were recognized and alternatives studied. This subject matter is seen in further detail in the K/J 2005 report which reveals the essential lack of redundancy specifically now existing in respect to having available only a single fixed film

reactor (FFR) and a single secondary clarifier. Either of these two major and necessary process units out of operation, could prejudice uninterrupted meeting of waste discharge requirements. Recognizing that these two major process units lack redundancy in case of any extended need to take one process unit operation was a primary focus as seen in the K/J 2005 engineering study. As revealed, the study of alternatives and possible expedients to meet redundancy requirements was an important part of the recommended improvement project. The recommended project includes construction of a new activated sludge aeration system along with a new secondary clarifier, both of which process units are concurrently needed to meet more recently added demands of the more restrictive waste discharge requirements and also in respect to redundancy.

It is concluded that the understandings regarding Changed Regulatory Agency Enforcement Policies as discussed in the K/J 2005 study are appropriate to the design of the proposed wastewater treatment plant improvement project.

1.7 Review of Changes Affecting Financing

Review of needed financing of the recommended wastewater treatment plant improvements project are to be seen in detail in separate document prepared by others. The proposed plan for financing is based on the summary of revised estimate of total project costs also provided in an additional separate document.

It is to be observed, as previously mentioned, that the historic policy of the District Board of providing needed wastewater treatment plant improvements on an anticipated relatively short range time frame has allowed a "pay-as-you-go," program of financing. It can be seen this financing has resulted in significant savings in charges to the constituents served during the past nearly 50 years since the South San Luis Obispo County Sanitation District was formed. Of probably even more significance however can be demonstrated by contemplating the most extreme example of asking the District's sewer users in 1965 to finance the wastewater treatment and disposal facilities associated with the then local and county planning agencies projected year 2020 service area population to be 115,000. Instead, a series of District wastewater treatment improvement projects were performed to meet not only substantially lower current population needs, but also needs associated with then unpredictable changes in waste discharge requirements along with changes in the District's wastewater characteristics. These sequenced projects have resulted in ability to accommodate and build facilities expeditiously as changed needs have occurred and have resulted in lower costs. These factors are all to be seen in the design of the currently recommended wastewater treatment plant improvements which will also result in project financing on a relatively less cost basis to the benefit of District constituency.

While the "pay-as-you-go" financing has been appropriate and beneficial in the past, it is noted that the size, scope and costs of the now proposed project has required a thorough assessment of alternatives for financing. This assessment along with recommendations has been done by independent counsel with the same objective of minimizing necessary costs to the District's rate payers.

It is observed that in respect to financing the series of wastewater treatment plant improvements in the past on a “pay-as-you-go” basis has been highly beneficial from the standpoint of the rate payers. The now proposed financing of the current project has been studied and is recommended by independent financing experts to accomplish the same least cost goals in the interests of District rate payers.

1.8 Review of Peer Review Report

As noted it was in 2005, Kennedy/Jenks Consultants submitted to the District their report recommending the next needed wastewater treatment plant improvement project. In view of the significant scope and estimated costs of the recommended project, it was felt wise to have a “Peer Review” of the K/J 2005 report and recommendations. Accordingly, the District Engineer was authorized to hire the firm of Carollo Engineers to conduct the review. Carollo Engineers then provided the District with their Peer Review report which was submitted to the District under the date of February 8, 2010.

In summary of the Peer Review Report and recommendations, it is seen that study was made of eight (8) alternatives for making treatment plant improvements to meet the agreed-upon objectives. These alternatives were estimated to cost from \$9,826,000 to \$21,523,000 against their estimated costs (2009) of the K/J recommended alternative of \$10,320,000. After further review, it was evident there were no clear advantage(s) which would offset the higher costs of the alternatives to the K/J recommended improvements. This conclusion was supported by the final recommendation of the Carollo Engineers Peer Review studies to proceed with the K/J recommended improvements with a suggestion to consider immediate abandoning of the existing fixed film reactor (FFR) process unit. Also, the Peer study suggested the construction of an additional (3rd) activated sludge aeration tankage to take the place of the to be abandoned fixed film reactor. K/J Consultants was then asked to review the Peer study recommendations and study. This additional K/J study is summarized in a letter report to the interim District Engineer over the date of January/14 a copy of which is appended.

As may be seen from the Kennedy/Jenks Consultants final review of the Carollo Engineers Peer Review of the K/J 2005 study and recommendation, the project now agreed-upon is to move ahead with the improvements as proposed and as being the best and most economical of the series of alternatives considered.

It is concluded that the K/J review of the Carollo Engineering Peer Study dated Jan/14 confirms the appropriate basis for design of the current recommended wastewater treatment plant improvement project as set forth in the K/J 2005 study.

1.9 Summary

The information provided above, summarizes a further, more detailed review of the several background factors constituting the basis for conclusions set forth in the Kennedy/Jenks Consultants, Long Range Plan, Wastewater Treatment Plant Improvements for South San Luis Obispo County Sanitation District.”

The separate reviews of all relevant prior studies and documents summarized above are offered as the basis for concluding the appropriateness of going forward with final design of the recommended wastewater treatment plant final design as set forth in the K/J 2005 study.

Section 2: Recommended Improvement Project

Reference is again made to the K/J studies summarized in their 2005 report. This study outlined the various alternatives considered for achieving the stated goals and objectives. Also to be seen in the referenced report, the recommended improvement project includes basically two structures, **new aeration tank and new secondary clarifier** along with supporting mechanical, electrical and pipework. The basic function to be provided by the recommended improvement project, is seen from the perspective of meeting stated necessary goals centered on current and anticipated waste discharge requirements. The time span of the recommended project is stated as being for 20 years, or until expected build-out of the District's service area.

The relationship of the recommended improvements project to goals may be seen in the following summary:

2.1 New Aeration Tank

The new aeration tank will be designed for the normal sequence of operation to receive the effluent from the existing fixed film reactor (FFR).

At design loadings, the existing FFR is expected to reduce biochemical oxygen demand (BOD) residual from the primary clarifiers, from an average expected concentration of 198 mg/l to an expected 51 mg/l, or about 75% reduction. The new aeration tank is fundamentally for the purpose of further reducing the FFR residual BOD of 51 mg/l to the waste discharge required maximum of 30 mg/l or an additional 42% reduction. In actual operation, it will be expected that final effluent residual BOD will be in the range of 20 mg/l. This further reduction of BOD beyond that required is as a result of needing to design the aeration tank on the basis of concurrently meeting the process unit redundancy requirement. That is, in the event that the FFR is taken out of operation for maintenance or other needed repairs, the entire wastewater flow from the primary clarifiers will need to go directly to the aeration tanks. As discussed in the 2005 K/J report under these conditions, through operating expedients along with somewhat oversized aeration tanks, it is expected that monthly discharge requirements will be met. Regarding the issue of redundancy, it is anticipated that there might be a rare occasion when the aeration tank is out of operation and all secondary treatment must be accomplished by the FFR. As noted above, the FFR operating alone under design loadings is expected to produce an effluent with still a BOD residual of some 51 mg/l when 30 mg/l is necessary to meet waste discharge requirements. One of the reasons for dividing the aeration tank into two compartments is to account for the redundancy needs associated with FFR limitations when operating alone. The need for taking both, separate, aeration compartments out of operation concurrently is highly unlikely. In addition, the expedient of adding chemicals for flocculation ahead of the primary clarifiers to reduce both solids and BOD loading on the FFR is entirely practical and has been done successfully in the past.

It is of special interest to note the unique and less costly means of concurrently meeting the dual objectives relating to, 1) more stringent waste discharge requirements and, 2) process unit

redundancy. The needed improvements to meet the more stringent requirements calling for a maximum residual BOD/SS = 30 mg/l in plant effluent could easily be met with activated sludge aeration tanks providing a detention time of about 1 hour. However, to meet redundancy needs in the event that the up-stream fixed film reactor is out of service and with all partially treated wastewater flows going from the primary clarifiers directly to the aeration tanks, at normal loadings, aeration tank detention time would need to be in the range of 4 hours. Taking advantage of the inherent function of activated sludge it is seen that within limits activated sludge treatment results can be achieved by substituting solids under aeration (MLSS) for detention time. As shown in more detail in the K/J 2005 report, this inherent function is taken advantage of by assuming and providing aeration sufficient to support a significantly higher amount of solids under aeration for assumed limited time periods, than typical, but in this case, an aeration tank providing a detention time of 2.4 hours, rather than the more typical 4 hours. This compromise strategy allowing for a smaller size and cost aeration tank, while meeting redundancy requirements, will more than meet BOD/SS requirements during by far the normal, majority of time when both FFR and aeration tank operation is in progress. By more than meeting waste discharge requirements most of the time, this available higher level of treatment also could serve to reduce costs for possible future reclamation and reuse as well guard against an upstream process upset or unexpected incoming wastewater loadings.

It is concluded after further review of the numerous factors surrounding design and construction of the proposed new aeration tank, as discussed above and further set forth in the K/J 2005 study and report, the new aeration tank as proposed will be adequate to meet the design objectives.

2.2 New Secondary Clarifier

The new secondary clarifier will be designed to operate in parallel with the existing secondary clarifier, both secondary clarifiers being downstream from the aeration tank. There will need to be some pumping to, or from the secondary clarifiers to account for the added head loss incurred by reason of interposing the new aeration tank between the fixed film reactor and secondary clarifiers.

The design criteria revealed in the K/J 2005 report continue to be appropriate for the new secondary clarifier and in particular under normal loading conditions. However, it must be noted that potential hydraulic loading on the new secondary clarifier under the most extreme possible loading conditions, when the existing secondary clarifier is out of operation at a time of peak winter time storm water flow conditions, the overflow rate and detention time would not meet standards when operating over a sustained period of time. While this most extreme condition seems highly unlikely to occur, expedients which could be practiced as the alternative to building a much larger secondary clarifier with much higher costs, could be anticipated. These expedients could be 1) use of chemical flocculants ahead of the primary clarifiers for higher solids and associated BOD removals ahead of both the fixed film reactor and new secondary clarifier, 2) anticipating the most likely need for existing secondary clarifier shut-down being replacement or repairs needed, one of the two existing primary clarifiers has existing pipework to act as a back-up secondary clarifier and could be operated in parallel with the new secondary clarifier for short periods of time, and 3) utilizing the way in which the waste discharge requirements are written in respect to monthly, seven-day and one-day maximum allowable

concentrations. For instance, the waste discharge requirements in respect to BOD and suspended solids call for a maximum allowable limit on a 30-day basis of 30 mg/l. The allowable limit for a 7-day period is 60 mg/l. If it is assumed that the improved treatment plant capabilities on sustained dry-weather flow basis will be to produce a plant effluent of 20 mg/l, the average for the month with the seven day window, would be 24 mg/l, well below the 30-day requirement.

The most likely scenario which might involve taking out of operation the existing secondary clarifier would be need for replacement of the existing mechanism. The work of replacement might then be scheduled to occur during times of the year other than when storm flow might be occurring.

The possibilities of some mechanical failure of the existing secondary clarifier occurring during a prolonged period of winter time maximum flow conditions seems most unlikely to occur. Circular clarifier mechanisms such as in this case, have an exceptional history of reliability which suggests looking to expedients as noted above as the method of handling the most unlikely combinations of extreme conditions.

It is concluded that the further review summarized above and the K/J 2005 study and report confirms the appropriate basis for design of the recommended aeration tank and secondary clarifier of the wastewater treatment plant improvements project.

Section 3: Engineer's Opinion of the Probable Cost of Construction and Operation and Maintenance of Recommended Project

As part of this effort to review the prior documents, we have prepared updated estimates of the engineer's opinion of the probable cost of construction of the recommended project and the operations and maintenance costs. The recommended project includes new aeration tanks, associated yard piping, FFR effluent pump station, Aeration Blowers, new secondary clarifier, WAS thickening and sludge dewatering. The updated opinion of the probable cost of the project is \$12,061,000 and the estimated annual operations and maintenance costs are \$363,000 per year. Spreadsheets with a breakdown of the estimated quantities and costs for these opinions are included with this report.

Appendix A: Comments on K/J Recommended Improvement Project vs Carollo

South San Louis Obispo County Sanitation District Studies

Introduction

Under the date of July 2005, Kennedy/Jenks Consultants (K/J) presented a report, “Long-Range Plan – Wastewater Treatment Plant Improvements” to South San Luis Obispo County Sanitation District. The recommendations set forth in this report centered on the need to improve existing secondary treatment works for the purpose of, 1) insuring meeting of more restrictive waste discharge requirements and 2) redundancy in the event of possible shutdown of major secondary treatment process units.

To meet these two needs, K/J compared two alternatives, 1) addition of a second fixed film reactor to the existing FFR and, 2) continued use of existing FFR along with addition of an activated sludge (AS) unit providing a dual process. The comparison shown in the K/J report indicated a combination of factors favoring the dual process alternative, both economic as well as operating reliability.

A “Peer Review” of the K/J report was undertaken by Carollo Engineers and presented to the SSLOCSD in a document under the date of February 9, 2010.

The Carollo Peer Review study evaluated additional alternatives to be considered, concluding with a recommendation to extend the dual process as shown in the K/J report, but to plan on for a two-phase improvement project instead of one project now. The recommended first phase project would basically provide the same elements recommended as the K/J, two new AS aeration tanks and a new secondary clarifier, to be followed with a second phase resulting in abandonment of the existing FFR process unit and adding a third AS aeration basin. This recommendation was based on an assumption that if the FFR was to be kept in operation as the first stage of the dual process alternative, the FFR media would need to be replaced at an early date, suggested to be 2016. In addition, it was suggested that there would need to be a costly system of snail removal. Finally, the two phase Carollo recommended alternative was assumed would meet the same level of secondary treatment as would the K/J recommended single stage project with continued use of the existing FFR.

The two-phase Carollo recommended two-stage program of improvements was shown to be somewhat less costly than the recommended K/J program, with cost factors based on an assumed early (2016) costly replacement of the existing FFR media and attendant costly snail removal facilities. The Carollo recommended project did not include an evaluation of alternative project comparisons in respect to meeting of requirements as well as process stability and operating costs including energy.

Given the foregoing, it is evident that accepting the basic assumptions supporting the Carollo recommended two-phase project, and the time lapse since both the K/J and Carollo reports to the present, from a financing and construction standpoint, our opinion is that it would be more appropriate to move forward at this time to construct a single project not a two phase project now followed by a second project soon thereafter. On the other hand, if it is agreed that the recommended K/J project should be implemented, then there would need to be a decision whether to include abandoning the existing FFR, or accept the possibility that the media would need to be replaced at possibly some early future date.

In view of the relatively close project cost estimated by Carollo between the two alternatives. it is considered advisable to give further consideration as to the assumptions surrounding both the recommended K/J and Carollo alternative projects.

Basic Assumptions Reviewed

The proposed K/J alternative for meeting the combined needs of 1) assuring a continuous meeting of an effluent minimum requirement = 30 mg/day and 2) provide redundancy in the event that the FFR is out of operation for short period of repair, calls for two AS aeration tanks, with total volume of 0.52 mg = 69,333 cf. Design basis is for 4.2 mgd average design flow, and BOD of 330 mg/l with removal through the primary clarifiers leaving 174 mg/l or, 6,094/day lbs of BOD to the FFR. It is shown that BOD removed through the FFR results in 1,776 lbs/day of BOD going to the proposed two activated sludge aeration tanks with total of 0.52 mgd volume = 69,000 cf.

This results in a BOD loading of the aeration tanks of $1,776/69 = 26$ lbs BOD/1,000 cf/day.

The proposed Carollo alternative for meeting the same defined needs as defined above, assumes the FFR is abandoned so that the entire 4.2 mgd from the primary clarifiers goes directly to three AS aeration tanks with a total volume of 0.89 mg = 119,000 cf. On the same basic design basis, the total BOD loading to the aeration tanks under the Carollo alternative in the absence of the FFR, then would be:

$$6,094/119 = 51 \text{ lbs BOD/1,000 cf/day}$$

Thus, under the assumed continuous loading of the projected 4.2 mgd with incoming BOD of 330 mg/l, the recommended Carollo alternative AS aeration tank(s) loading would be 51/26, or twice the BOD AS aeration tank loading than under the K/J alternative with the FFR and two AS aeration tanks operating.

To operate on a continuous loading to the AS aeration tanks resulting in the BOD loading of 51 lbs/1,000 cf/day in the absence of the FFR as recommended by Carollo, and on the same loading basis of the proposed K/J improvements with FFR and AS aeration tanks and meeting the same defined needs for BOD reduction, the proposed Carollo alternative, the total volume of aeration tanks would need to be:

$$6,094/26 = 234,000 \text{ cf}$$

Each of the three aeration tanks proposed by Carollo for treating the entire 4.2 mgd design flows contain a total of $234,000/3 = 39,600$ cf each; whence, number of

the same size tanks under the same loading proposed for the dual process alternative proposed by K/J would need to be:

$234,000/39,600 = 6$ aeration tanks, not the 3 proposed.

The different final, end results in terms of effluent discharged to the ocean under the proposed K/J dual process AS aeration tank versus the proposed Carollo BOD loading two times as high would be difficult to speculate. What is clear is that using conventional activated sludge, the K/J recommended project utilizing the FFR to remove 50% of the BOD loading ahead of the aeration tanks, results in AS loading to be one-half the proposed Carollo AS aeration tank loading. Or another comparison would be to achieve the same total secondary treatment results, it would require six aeration tanks with the Carollo alternative, two aeration tanks with the K/J alternative. The cost comparison would then significantly favor the K/J alternative.

The Carollo alternative for conventional activated sludge secondary wastewater treatment is identified in their report as Alternative No. 4B to be constructed in two phases. The total estimated cost of this alternative is \$ 9,826,000.

The K/J alternative for combined fixed film reactor and conventional activated sludge as interpreted in the Carollo report is shown as Alternative 4A to be constructed in two phases. The total Carollo estimate of this K/J alternative is \$ 10,607,000.

However, the analysis set forth above, in order to achieve the same results in terms of BOD removal, the Carollo recommended Alternative 4B would require three more, aeration tanks, than recommended by Carollo, or a total of six aeration tanks, not three. Using the same cost figures for aeration tanks as shown in the Carollo Alternative 4A and 4B reports, the total Carollo alternative then would be in the range of \$ 13,000,000.

Not the \$ 9,826,000 Carollo alternative estimate against the proposed K/J alternative estimated by Carollo, of \$ 10,607,000.

It should be noted also that this now estimated cost difference between the Carollo and K/J recommended alternative does not include added considerations of:

- Significantly higher operating costs of the alternative using AS process only.
- Significantly higher energy costs of the alternative using AS process only.
- Higher potential for process operation upset with AS alternative using AS process only.
- More stable operation with FFR first stage, especially when encountering unexpected loadings; both volume and biologic which buffers loading variation on the following more sensitive AS.
- Questionable assumptions under the Carollo defined costs associated with the K/J recommended continuing use of dual process with FFR. This is in respect to both longevity (Carollo estimate 2 years hence)), and costs associated with, "snail removal."

The question as to continued use of FFR could be seen as mute at this time since Carollo and K/J agree that FFR should be in continued use until needing media replacement; at which time the subject could be re-visited. Every year the FFR continues as the first-stage of existing dual process, 1) cost savings of both money interest and energy are realized and 2) better effluent quality and process reliability assured (unless four aeration tanks constructed which would reverse the alternative project costs.

A remaining question might be in respect to possible future needs for nutrient removals in which case, the aeration tank site location shown in both studies could be altered in anticipation of future adding tankage for a future anoxic stage.

Additional Observations

It might be noted that the original SSLOCSD wastewater treatment plant, constructed in 1963, provided secondary treatment through the use of a conventional activated sludge process only. The major 1986 expansion abandoned the use of AS and provided secondary treatment with FFR only as a result of then continuing problems of maintaining consistent operation with AS, changed waste discharge requirements as well as less costs for FFR. The 1986 expansion resulted in an overall cost saving on energy of one-half of that required for the original AS. The FFR alternative also resulted in significantly more reliable process operation.

Conclusion

Based on the various considerations summarized above, it appears appropriate to conclude the basic project to meet defined wastewater treatment needs as defined in the 2005 Kennedy/Jenks Consultants report be followed. To proceed at this time it will be necessary to revisit the K/J 2005 report as part of a process to re-define the project in some detail and prepare revised estimates of project costs.

It would be understood that at some time in the future the FFR media may need to be replaced, but probably much longer into the future beyond the suggested year 2016.

JHJJan./14

Appendix B: Opinion of Probable Construction Cost

OPINION OF PROBABLE CONSTRUCTION COST

Project: Recommendation for Upgrading the Existing Wastewater Treatment Plant

Building, Area: South San Luis Obispo County Sanitation District

Estimate Type: ☐ Conceptual ☒ Preliminary (w/o plans) ☐ Design Development @ ☐ Construction ☐ Change Order % Complete

KENNEDY/JENKS CONSULTANTS

Prepared By: TTB/NL

Date Prepared: 14-May-14

K/J Proj. No. 1368035*00

Current at ENR 10,736 (Jan 2014- Los Angeles)

Escalated to ENR

Months to Midpoint of Construct

Spec. Section	Item No.	Description	Qty	Units	Materials		Installation		Sub-contractor		Total	Source	Assumptions
					\$/Unit	Total	\$/Unit	Total	\$/Unit	Total			
	1	New Activated Sludge Aeration Tank (122' x 36' x 16')											
		Earthwork (Excavation)	7500	CY			16.18	121,365			121,365	2014 RS Means G 1030 120 2200	Top of Tank @ ~19.00 (Water El @ ~17.00 and Existing Ground@ El 10.00) Overexcavate to El -8.0 (assur
		Earthwork - Backfill (Structural Material) & Compaction	3600	LCY	20.85	75,071	6.95	25,030			100,100	2014 RS Means 31 23 23.14 3200 & 31 23 23.15 5000 & G1030 210 1000	Structural backfill (select granular fill material) and Spreading
		Earthwork- Dewatering	30	Day			927.95	27,839			27,839	2014 RS Means 31 23 19.20 0800 & 0820	(4) 2" Diaphragm pumps for 8 hours a day (Excavation Rate of 150 CY/hr from above)
		Reinforced Concrete-Foundation Mat	370	CY					1,100	407,407	407,407	Typical Historic Costs	Foundation mat (rebar, forms, finishing included) utilizing 5000 psi, Heavy Weight, Ready Mix, Structural Cc
		Reinforced Concrete-Walls	316	CY					1,500	474,000	474,000	Typical Historic Costs	18' high walls 15" thick (actaully 16' high 18" thick assumption for volumes) with 5,000psi Concrete
		FFR Effluent Pump Station	1	LS		280,000		80,000			360,000	Estimate	
		Influent Yard pipe (24" HDPE from FFR)	350	LF	43.20	15,118	53.01	18,554			33,672	2014 RS Means G3020 112 3050	24" HDPE Type S with watertight gaskets- 6' deep Trenching backfill included)
		Influent RAS pipe (24" HDPE from Existing Secondary Clarifier)	270	LF	43.20	11,663	53.01	14,313			25,975	2014 RS Means G3020 112 3050	24" HDPE Type S with watertight gaskets-6' deep Trenching backfill included)
		Effluent Yard Pipe (30" HDPE to New Secondary Clarifier)	80	LF	64.05	5,124	77.00	6,160			11,284	2014 RS Means G3020 112 4000	30" HDPE Type S with watertight gaskets-8' deep Trenching backfill included)
		Effluent Yard Pipe (30" HDPE to Valves/Ex Secondary Clarifier)	290	LF	64.05	18,574	77.00	22,331			40,905	2014 RS Means G3020 112 4000	30" HDPE Type S with watertight gaskets-8' deep Trenching backfill included)
		Demo and reinstall AC over Trenching for 24" Piping	276	SY	15.10	4,161	53.70	14,798			18,959	2014 RS Means 32 12 16.13 1050and G1020 210 1000	Demo and replace 4" thick pavement over trench (Assumes 4' wide trench over length)
		Demo and reinstall AC over Trenching for 30" Piping	185	SY	15.10	2,794	53.70	9,935			12,728	2014 RS Means 32 12 16.13 1050 and G1020 210 1000	Demo and replace 4" thick pavement over trench (Assumes 4.5' wide trench over length)
	2	Blowers & Diffusers for Aeration Tanks											
		High Efficiency-Single Stage blowers w/VFDs	3	EA	250,000.00	750,000	100,000.00	300,000			1,050,000	Verbal Quotation from Siemens Rep	(1000 CFM units with control panel)
		Diffusers - Air Piping, valves, and fittings installation included	1	LS	150,000.00	150,000	74,995.20	74,995			224,995	Verbal Quote From Evoqua & Estimate of installation costs	9" DualAir Fine Bubble Diffusers
	3	Blower/Electrical/MCC Building (20'x20'x12')											
		Building Pad	30	CY					1,100	33,000	33,000	Typical Historic Costs	
		Storage/Warehouse Building (Unit Costs)	400	SF	40.00	16,000	23.00	9,200			25,200	2014 RS Means 50 17 00 1010 (SF Unit costs for storage buildings)	Includes site work, masonry, equipment, plumbing, HVAC, and mech/electrical building materials, GVAC
	4	New Secondary Clarifier (Diameter 87' X Depth 12')											
		Earthwork - Excavation	6,700	BCY			16.18	108,419			108,419	2014 RS Means G 1030 120 2200	Top of Tank @ 16.25 (Water El @ 15.00 Existing Ground@ El 10.00) Overexcavate to El -6.0 (assume 16' c
		Earthwork - Backfill (Structural Material) & Compaction	4,000	LCY	20.85	83,412	6.95	27,811			111,223	2014 RS Means 31 23 23.14 3200 & 31 23 23.15 5000 & G1030 210 1000	Assume 1.3 LCY to 1 CCY (backfill and evarage of 8'deep) & Granular Structurla material being brought in)
		Earthwork- Dewatering	30	Day			927.95	27,839			27,839	2014 RS Means 31 23 19.20 0800 & 0820	(4) 2" Diaphragm pumps for 8 hours a day (Excavation Rate of 150 CY/hr from above)
		Reinforced Concrete-Foundation Mat	500	CY					1,100	550,000	550,000	Typical Historic Costs	5 ksi, Heavy Weight, Ready Mix, Structural Concrete/assuming 18' high
		Reinforced Concrete-Walls	250	CY					1,500	375,000	375,000	Typical Historic Costs	18' high walls 15" thick (actaully 16' high 18" thick assumption for volumes) with 5,000psi Concrete
		Clarifier Drive/Rake Mechanism	87	DIA-FT	1,500.00	130,500	500.00	43,500			174,000	Rule of thumb	
		(6) RAS Pumps (5 HP-2.5mgd)	6.00	EA	28,000.00	168,000	10,000.00	60,000			228,000	Actual 2013 Cost for similar pumps and installation at LVMWD	Used Similar 5HP Centrifugal sludge recirculation pumps from Las Virgenes (escalated 25%)
		(4) WAS Pumps (130 gpm)	4.00	EA	20,000.00	80,000	10,000.00	40,000			120,000	Fairbanks Morse non-clog, dry-pit solids handling pump (waiting for more info)	
		Piping, valves, fittings, and Appurtenaces (for dry-pit also)	1.00	LS	350,000.00	350,000	120,000.00	120,000			470,000	Estimate	
		Influent 30" from aeration tank Piping (Accounted for in Section Aove)											
		Influent Yard Pipe (30" HDPE from valves/Primary Clarifier #2)	270	LF	64.05	17,293	77.00	20,791			38,084	2014 RS Means G3020 112 4000	30" HDPE Type S with watertight gaskets-8' deep Trenching backfill included)
		Effluent Yard Pipe (30" HDPE to CCT)	425	LF	64.05	27,221	77.00	32,727			59,947	2014 RS Means G3020 112 4000	30" HDPE Type S with watertight gaskets-8' deep Trenching backfill included)
		RAS Yard Pipe (24" HDPE to valve heading back to aeration)	160	LF	43.20	6,911	53.01	8,482			15,393	2014 RS Means G3020 112 3050	24" HDPE Type S with watertight gaskets-6' deep Trenching backfill included)
		WAS Yard Pipe (6"HDPE to Sludge Thickening/Centrifuge)	440	LF	12.16	5,352	14.79	6,506			11,859	2014 RS Means G3020 112 1450	6" HDPE Type S with watertight gaskets-8' deep Trenching backfill included)
		Demo and reinstall AC over Trenching for 30" Piping	348	SY	15.10	5,247	53.70	18,661			23,909	2014 RS Means 32 12 16.13 1050and G1020 210 1000	Demo and replace 4" thick pavement over trench (Assumes 4' wide trench over length)
		Demo and reinstall AC over Trenching for 24" Piping	71	SY	15.10	1,074	53.70	3,819			4,893	2014 RS Means 32 12 16.13 1050 and G1020 210 1000	Demo and replace 4" thick pavement over trench (Assumes 4.5' wide trench over length)
		Demo and reinstall AC over Trenching for 6" Piping	98	SY	15.10	1,476	53.70	5,251			6,727	2014 RS Means 32 12 16.13 1050 and G1020 210 1100	Demo and replace 4" thick pavement over trench (Assumes 4.5' wide trench over length)
	5	WAS Sludge Centrifuge Thickening/digested sludge dewatering											
		Alfa Laval Equipment- ALDEC G2 75	1	EA	280,000.00	280,000	140,000.00	140,000			420,000	Verbal Quote from Vendor	
	6a	Dewatered Sludge Handling- Raise/Extend Platform											
		Demolition of Existing Platform (~25x25'x8")	450.00	CF			38.13	17,160			17,160	2014 RS Means 02 41 19.16 1050	Reinforced Concrete Elevated Slab demolition
		New Concrete 12" thick elevated slab (30'x30')	33.33	CY					2,500.00	83,325	83,325	Typical Historic Costs	
		Reinforcement	3.00	Ton	993.00	2,979	859.32	2,578			5,557	2014 RS Means	
		Structural Steel Beams/ Columns	1.00	LS					50,000.00	50,000	50,000		
		Setting newequipment	1.00	LS			15,000.00	15,000			15,000	Estimate (One day crane operations)	
	6b	Dewatered Sludge Handling- Shaftless Conveyor											
		Design of Conveyor	1.00	LS					25,000.00	25,000	25,000	Estimate	
		Shaftless Conveyor	1.00	EA	8,000.00	8,000	2,873.70	2,874	48,000.00	48,000	58,874	Quote from KWS Design, Engineering, Manufacturing	
		Alfa Laval Diversion Gate	1.00	EA					14,500.00	14,500	14,500	Quote from KWS Design, Engineering, Manufacturing	
		Additional Mechanical/Electrical	1.00	LS	10,000.00	10,000	10,000.00	10,000			20,000		
	7	Misc. Instrumentation and Controls & Electrical Construction	15.00	%					900,320.80	900,321	900,321		
	8	Painting/Coating/Miscellaneous Construction	7.50	%					450,160.40	450,160	450,160		
	Subtotals					2,505,970		1,435,936		3,410,714	7,352,620		

KENNEDY/JENKS CONSULTANTS

Project: Recommendation for Upgrading the Existing Wastewater Treatment Plant

Prepared By: _____ TTB/NL

Building, Area: South San Luis Obispo County Sanitation District

Date Prepared: 14-May-14

K/J Proj. No.: 1368035*00

Estimate Type: ☐ Conceptual ☐ Construction
☒ Preliminary (w/o plans) ☐ Change Order
☐ Design Development @ _____ % Complete

Current at ENR 10,736

Escalated to ENR _____

Months to Midpoint of Construct	24
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SUMMARY BY AREA

[illegible]

Estimate Accuracy	
+50%	-30%

Estimated Range of Probable Cost		
+50%	Total Est.	-30%
\$18,091,530	\$12,061,020	\$8,442,714

OPINION OF PROBABLE CONSTRUCTION COST (Operations and Maintenance)

Project: Recommendation for Upgrading the Existing Wastewater Treatment Plant

Building, Area: South San Luis Obispo County Sanitation District

Estimate Type: ☐ Conceptual ☒ Preliminary (w/o plans) ☐ Design Development @ ☐ Construction ☐ Change Order % Complete

KENNEDY/JENKS CONSULTANTS

Prepared By: TTB

Date Prepared: 16-Jun-14

K/J Proj. No. 1368035*00

Current at ENR 10,736 (Jan 2014- Los Angeles)

Escalated to ENR

Months to Midpoint of Construct

Spec. Section	Item No.	Description	Qty	Units	Materials/Consumables \$/Unit	Total	Labor \$/Unit	Total	Sub-contractor \$/Unit	Total	Source	Assumptions
	1	Activated Sludge Aeration Tank										
		High Efficiency-Single Stage blowers w/VFDs -Power Cost	1	Year	195,406.85	195,407				195,407	2 100HP blowers in operation 24/7 (1 unit on Standby). Electricity @ \$0.15/kW-hr	
		FFR Eff Pump Station	1	Year	50,581.44	50,581				50,581	Assume 2 pumps in operation 24/7 (1 unit on standby)	
	2	Blower/Electrical/MCC Building (20'x20'x12')										
		Building Power Consumption	1	Year	1,000.00	1,000				1,000		
		Cleaning/Maintenance	1	Year	500.00	500				500		
	3	New Secondary Clarifier & Appurtenances										
		Clarifier Drive/Rake Mechanism (.5HP Motor)	1	Year	358.44	358				358		
		(6) RAS Pumps (5 HP-2.5mgd) Power Costs	1	Year	19,498.75	19,499				19,499	Assume 4 pumps in operation 24/7 (2 pumps standby). Electricity @ \$0.15/kW-hr	
		(4) WAS Pumps (130 gpm- 1HP max) Power Costs	1	Year	346.32	346				346	Assume 2 WAS pumps operating 5 hours per day, 6 days per week (70% efficiency). Electricity @ \$0.15/kW-hr	
	4	WAS Sludge Centrifuge Thickening/digested sludge dewatering										
		Alfa Laval Equipment- ALDEC G2 75 -Energy Consumption	1	Year	3,510.00	3,510				3,510	Assuming 5 hours of operation per day (6 days a week)	
		Cleaning/Maintenance	1	Year	500.00	500						
	5a	Dewatered Sludge Handling- Raise/Extend Platform										
		Trucking to Dewatering Beds - Diesel Fuel	20	Gal/Wk	208.00	4,160				4,160	2014 RS Means 02 41 19.16 1050	Reinforced Concrete Elevated Slab demolition
	5b	Dewatered Sludge Handling- Shaftless Conveyor										
		Shaftless Conveyor -Energy Consumption	1	Year	3,510.00	3,510				3,510	15HP shaft conveyor from KWS Design, Engineering, Manufacturing	
		Cleaning/Maintenance	1	Year	500.00	500				500		
	6	Misc. Instrumentation and Controls & Electrical Repairs	1	Year	1,000.00	1,000			2,500.00	2,500	3,500	Allowance per year to have an outside consultant/mfg
	7	Painting/Coating/Miscellaneous Construction -Repairs	1	Year	5,000.00	5,000					5,000	
	8	Additional Plant Employee (full-time)	2,080	hr			36.00	74,880			74,880	Includes Fringe
	Subtotals					285,872		74,880		2,500	362,752	

O&M Estimate Accuracy	
+50%	-30%

Estimated Range of Probable O&M Cost		
+50%	Total Est.	-30%
\$544,128	\$362,752	\$253,926



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Staff Report

To: Board of Directors
From: Richard Sweet, PE, District Manager
Date: February 18, 2015

Subject: **REQUIREMENTS FOR EXPANDING THE BOARD OF DIRECTORS
FROM THREE MEMBERS TO FIVE**

RECOMMENDATION:

That the Board receive public input, provide Direction to staff and continue this item to a future Board meeting

BACKGROUND:

At a prior Board meeting Chairman Hill requested information regarding requirements for expanding the District Board of Director from three members to five. District Counsel Seitz provided the information conveyed in this report. The initial makeup of the District Board was a representative from the City of Arroyo Grande, a representative from the Oceano Community Services District and a member of the County Board of Supervisors. The city of what was then Grover City contracted for services of the District and was not represented on the Board. Subsequently the City of Grover Beach opted to contribute to the capital expenditure for construction of the wastewater plant. Special legislation followed which eliminated the member of the Board of Supervisors and replaced them with a representative of Grover Beach on the District Board.

DISCUSSION:

It appears that special legislation would again be required to alter the makeup of the Board. Assuming that the new board would consist of five members presents a number of possibilities as to board makeup. One possibility is that there would continue to be a representative from each of the served jurisdictions and two elected Board members. The District would incur costs associated with an election.

Another possibility would be to have one member from each of the served agencies and two from two of the three agencies with the additional positions rotating among the three served agencies.

There are undoubtedly numerous possible options for a makeup of the Board. Attached is present State law associated with the membership of a sanitation district board.

Richard G. Sweet, PE
District Manager

Attached: California Health and Safety Code Section 4702

West's Ann.Cal.Health & Safety Code § 4702
§ 4702. District board

[Currentness](#)

“District board,” as used in this chapter, means the board of directors of a district.

Credits

(Stats.1939, c. 60, p. 573, § 4702.)

West's Ann. Cal. Health & Safety Code § 4702, CA HLTH & S § 4702

Current with all 2014 Reg.Sess. laws, Res. Ch. 1 of 2013-2014 2nd Ex.Sess., and all propositions on 2014 ballots

§ 4716. Election; eligibility to vote; precincts; appointment of precinct boards; notice of election; publication

[Currentness](#)

At the election only voters registered in the proposed district may vote. Election precincts shall be established by the board of supervisors, and precinct boards, composed of one inspector, one judge, and one clerk, shall be appointed. At least one week prior to the election, notice of the election shall be given by publication in a newspaper of general circulation in the proposed district. In other particulars the election shall be conducted in the manner ordered by the board of supervisors.

Credits

(Stats.1939, c. 60, p. 574, § 4716.)

[Notes of Decisions \(1\)](#)

West's Ann. Cal. Health & Safety Code § 4716, CA HLTH & S § 4716

Current with all 2014 Reg.Sess. laws, Res. Ch. 1 of 2013-2014 2nd Ex.Sess., and all propositions on 2014 ballots

§ 4730. Board of directors; members; sanitary district defined

[Currentness](#)

The governing body of a sanitation district is a board of directors of not less than three members. The presiding officer of the governing body of each city, the whole or part of which is included in the sanitation district, is a member of the board. A member of the governing body of each sanitary district, the whole or part of which is included in the sanitation district, is a member of the board. If the sanitation district includes territory which is unincorporated and not included in a sanitary district, then the presiding officer of the county board of supervisors is a member of the board. The governing body of each city with a population of under 2,500,000, as found by the latest census, and the board of supervisors shall each select one of its members, other than its presiding officer, as an alternate director to act as a member of the district board in place of the presiding officer, or in

place of the other member of the governing body of the city or county where there are two members from the city or county on the board of directors of the district, during such person's absence, inability, or refusal to act.

The presiding officer of the governing body of a city with a population of 2,500,000 or over shall select one of the other members of the governing body as an alternate director to act as a member of the district board in place of the presiding officer, or in place of the other member of the governing body of the city where there are two members from the city on the board of directors of the district, during such person's absence, inability, or refusal to act. The governing body of each sanitary district represented on the board of directors of a sanitation district shall select one of its members as an alternate director to act as a member of the district board in place of its regular director, or in place of the other member of the governing body of the sanitary district where there are two members from the sanitary district on the board of directors of the district, during such person's absence, inability, or refusal to act.

If the sanitation district includes unincorporated territory and all or part of one city and no sanitary district, or unincorporated territory and one sanitary district and no city, then the presiding officer and one other member of the board of supervisors are members of the board, unless the population included in the city or sanitary district is more than half of the population of the whole sanitation district, in which case the presiding officer of the board of supervisors and the presiding officer and one other member of the governing body of the city or two members of the governing body of the sanitary district, as the case may be, constitute the board of directors.

If the total number of cities and sanitary districts included in the sanitation district in whole or in part is two and if the sanitation district does not include any territory not in cities or sanitary districts, then the district board includes the presiding officer and one other member of the governing body of the city or two members of the governing body of the sanitary district having the greatest population and the presiding officer of the governing body of the city or one member of the governing body of the sanitary district having the least population.

If the total number of cities and of sanitary districts wholly or in part within the sanitation district is two or more, and if, in addition, the district contains unincorporated territory, then the district board includes the presiding officer of the board of supervisors, the presiding officer of the governing board of each city, and a member of the governing board of each sanitary district.

If the district includes no territory which is in cities or sanitary districts, then the county board of supervisors is the board of directors of the district.

If the territory of the district lies wholly within a city, the legislative body of said city is the board of directors of the district.

A city within a sanitation district, the sewered portion of which city lies entirely within a sanitary district, shall have no representation on the board.

Notwithstanding the foregoing provisions of this section, whenever a sanitation district includes unincorporated territory and all or part of one city and no sanitary district, the governing body of such city may designate the board of supervisors of the county as the district board of directors, unless the population of the incorporated portion of the sanitation district is more than half of the population of the whole district. If the population of the incorporated portion of the sanitation district is more than half of the population of the whole district, the board of supervisors of the county may designate the governing body of the city as the district board of directors.

The term "sanitary district" as used in this section shall mean a sanitary district formed prior to the formation of the sanitation district in which it is included in whole or in part. The term "sanitary district" as used in this section shall also include a county water district which on or before July 1, 1977, assumed the responsibilities, rights, duties, assets, liabilities, and obligations of a sanitary district which at the time of such assumption had representation on the board of directors of the sanitation district by the provisions of this section.

Credits

(Stats.1939, c. 60, p. 575, § 4730. Amended by Stats.1939, c. 596, p. 2009; Stats.1947, c. 1428, p. 2992, § 1; Stats.1949, c. 882, p. 1651, § 1; Stats.1951, c. 1076, p. 2805, § 1; Stats.1955, c. 1636, p. 2945, § 1; Stats.1959, c. 1079, p. 3142, § 1; Stats.1976, c. 66, p. 100, § 1, eff. March 23, 1976; Stats.1976, c. 898, p. 2065, § 1; Stats.1979, c. 35, p. 101, § 1, eff. April 19, 1979.

West's Ann. Cal. Health & Safety Code § 4730, CA HLTH & S § 4730

Current with all 2014 Reg.Sess. laws, Res. Ch. 1 of 2013-2014 2nd Ex.Sess., and all propositions on 2014 ballots

End of Document

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§ 4730.10. South San Luis Obispo county; member restrictions

Currentness

(a) Notwithstanding [Sections 4730](#), [4730.1](#), and [4730.2](#), or any other law, beginning on January 1, 1996, the governing body of the South San Luis Obispo County Sanitation District shall be constituted as set forth in this article, except that a member of the San Luis Obispo County Board of Supervisors may not serve as a member of the governing body unless, in the absence of that supervisor, there would otherwise be an even number of members of the governing body.

(b) This section applies only to members appointed to the South San Luis Obispo County Sanitation District on or after January 1, 1996.

Credits

(Added by [Stats.1995, c. 529 \(S.B.614\)](#), § 15, eff. Oct. 4, 1995. Amended by [Stats.1996, c. 308 \(S.B.218\)](#), § 1, eff. July 29, 1996.)

West's Ann. Cal. Health & Safety Code § 4730.10, CA HLTH & S § 4730.10

Current with all 2014 Reg.Sess. laws, Res. Ch. 1 of 2013-2014 2nd Ex.Sess., and all propositions on 2014 ballots

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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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Staff Report

To: Board of Directors
From: Richard Sweet, PE, District Manager
Date: February 18, 2015

Subject: **COST OF LIVING ADJUSTMENTS FOR DISTRICT STAFF**

RECOMMENDATION:

That the Board approves a one percent cost of living adjustment retroactive to February 1, 2015 for district staff.

BACKGROUND

In 2013 the Board granted district staff a five percent equity adjustment. Subsequently in January 2014, the Board approved a 2.933% cost of living adjustment (COLA) based on the prior twelve month Consumer Price Index (CPI) for the Los Angeles/Orange County and Riverside areas.

DISCUSSION:

District staff continues to perform at exemplarily levels and is ever increasing efforts to decrease costs. The December 2014 CPI for the prior twelve months for the Los Angeles/Orange County and Riverside areas was 0.7%. This was a drop in prices of 0.5% from the prior month. The COLA for Social Security for this year is 1.7%. Based on this information, it is proposed that the COLA be one 1.0% and that the COLA be retroactive to last year's adjustment date of February 1st.

Options

1. Recommend a rate different then the 1% adjustment.
2. Decline to provide staff with a cost of living adjustment.

Fiscal Consideration

The one percent COLA can be accomplished within present budget allocations

Richard G. Sweet, PE
District Manager

RESOLUTION 2015-325

A RESOLUTION OF THE SOUTH SAN LUIS OBISPO
COUNTY SANITATION DISTRICT BOARD
OF DIRECTORS APPROVING A RESOLUTION GRANTING
A COST OF LIVING ADJUSTMENT TO DISTRICT STAFF
OF ONE PERCENT RETROACTIVE TO FEBRUARY 1, 2015

WHEREAS, the South San Luis Obispo County Sanitation District (District) desires to remain competitive in salary and benefits that it provides to its employees; and

WHEREAS, the Consumer Price Index (CPI) for the Los Angeles area for the twelve months prior to December of 2014 was 0.7 percent which represented a 0.5 decrease from the prior month; and

WHEREAS, the cost of living adjustment (COLA) provided to Social Security recipients for this year is 1.7 percent; and

WHEREAS, in 2014 District granted employees a 2.93 percent COLA effective on February 1st;

THEREFORE, BE IT RESOLVED THAT, the District hereby grants employees a one percent COLA increase retroactive to February 1, 2015

PASSED AND ADOPTED at a regular meeting of the South San Luis County Sanitation District Board of Directors held this 18th day of February 2015.

On the motion of _____ seconded by _____,
and of the following roll call vote, to wit:

AYES:

NOES:

ABSENT :

CONFLICTS:

Jim Hill, Chairman
Board of Directors
South San Luis Obispo County Sanitation District



Tiffany R. Couch, CPA/CFF, CFE
Principal

Ms. Couch has more than 17 years of experience in the field of accounting. Her expertise is in matters involving fraud investigation, forensic accounting, contract and regulatory compliance, internal control risk assessment, and complex litigation. Professional background and experience includes audit, tax, and business consulting services for government entities and privately held business entities in a range of industries including aerospace, agriculture, automotive, banking, biotechnology, broadcasting, computer technology, construction, health care, insurance, manufacturing, newspaper, professional service providers, retail, timber, and transportation.

Ms. Couch is the winner of the 2014 James R. Baker Speaker of the Year, presented by the Association of Certified Fraud Examiners to honor an individual who has demonstrated the true spirit of leadership in communication, presentation and quality instruction.

She is also an honoree of the 2007 Accomplished & Under 40 award. Community leaders recognize their "rising stars" in this event, which is hosted by the Vancouver Business Journal.

Acuity Forensics is a three-time winner of the Vancouver Business Journal's annual Business Growth Awards. Acuity was awarded the 2007 Start-Up Business of the Year; and the 2008 and 2009 Fastest Growing Business in the 1-5 year category. This event recognizes fiscal year growth of Southwest Washington's top companies.

Employment History

Before forming Acuity Forensics, Ms. Couch was a manager with RGL Forensic Accountants and Consultants. Prior to that, she was a manager of Litigation, Forensic Accounting, and Investigative Services, for Moss Adams LLP in Portland, Oregon. Previously Ms. Couch was a manager at M. Green and Company, LLP Certified Public Accountants in Visalia, California; a member of the litigation support group at Knight, Vale, and Gregory in Tacoma, Washington; an accounting manager with Johnson International Company in Seattle, Washington; and a business analyst for Boeing Company in Renton, Washington.

Education

Bachelor of Science, Accounting, Central Washington University, *cum laude*, 1997

Tiffany R. Couch, CPA/CFF, CFE (cont.)

Professional Designations and Affiliations

- Certified Public Accountant licensed in California and Washington, with practice privileges in Oregon
- Certified in Financial Forensics
- Certified Fraud Examiner
- Washington State Society of CPAs (WSCPA)
 - WSCPA Southwest Chapter Board of Directors, 2006-2012
- Member of the Association of Certified Fraud Examiners (ACFE)
 - Faculty Member
- Member of the American Institute of Certified Public Accountants (AICPA)
- Member of the AICPA Forensic and Valuation Services Section

Expert Witness Testimony

United States District Court, District of Oregon – October 2014

United States of America v. David Schrader

Superior Court of the State of Washington, County of Clark – September 2014

Hougan v. Hougan

Superior Court of the State of Washington, County of Clark – June 2014

Leonard v. Leonard

Superior Court of the State of Washington, County of Clark – April 2014 and January 2014

Iron Gate Partners 5, LLC v. Tapio Construction, Inc., et al

Circuit Court of the State of Oregon, County of Multnomah – April 2014

Bartholemy, et al v. Chris Koback and Hathaway Koback Connors LLP

Grand Jury, Lane County, Oregon – October 2013

Lane County, Oregon v. Deanna Lynn Cape

Superior Court of the State of Washington, County of Clark – September 2013

Hambleton Bros. Lumber Company v. Certified Environmental Consulting, Inc., Donald E. Young, and James Hambleton, Jr.

Circuit Court of the State of Oregon, County of Multnomah – June 2013

Dr. Bott, LLC and Eric W. Prentice v. Dr. Roderich Bott; Dr. Roderich Bott v. Eric W. Prentice and Dr. Bott, LLC

Tiffany R. Couch, CPA/CFF, CFE (cont.)

Expert Witness Testimony (cont.)

United States District Court, Eastern District of Washington – May 2013

United States of America v. Jeffrey J Gordon, et al

Arbitration, State of Maryland – September 2011

Amir Bamdad v. Design International Incorporated and Ann Maria Baldine

Arbitration, State of Washington – July 2011 and August 2011

Christopher Arroyo v. Urology Clinic of Southwest Washington, P.S.

Arbitration, State of Oregon – July 2011

Gratreack v. Canyon Property Management LLC

Arbitration, State of Oregon – December 2010

Johnson v. Austin Mutual Insurance Company

Superior Court of the State of Washington, County of Clark – October 2010

Bloemke v. Bloemke

Superior Court of the State of Arizona, County of Maricopa – April 2010

Gun Bo, LLC vs. John Cork, et al

Superior Court of the State of Washington, County of Cowlitz – February 2010 and March 2010

LaChance v. LaChance

Superior Court of the State of Washington, County of Douglas – January 2010

Shou Shia Wang v. Ta Chi, Inc. v. Jong Seng Cold Storage LLC, et al.

Superior Court of the State of Washington, County of Yakima – August 2009

Ken Wilcox and Kim Wilcox, husband and wife, dba KW Farms vs. Clasen Fruit and Cold Storage Company, et al.

Superior Court of the State of Washington, County of Kittitas – May 2009 and March 2010

Bhisham Saini and Neena Saini, husband and wife (Plaintiff), PNS Properties, Inc. (Derivative Plaintiff) vs. PNS Properties, Inc., Parminder Singh Gillon, and Bhupinder Gillon

United States District Court, Eastern District of Washington – August 2008

St. Paul Cathedral School v. United States of America

State of Oregon Circuit Court, County of Multnomah – May 2007

William T. Brisson vs. Farmers Insurance Company of Oregon, et al

Representative Project Experience

- After it was alleged that a Senior Vice President (SVP) for a publically traded company had falsified a signature on an expense report, an investigation was conducted. Uncovered a \$1.4 million expense reimbursement scheme spanning the entire 11 year tenure of the SVP. Report and evidence presented resulted in a federal indictment and guilty plea in Federal Court.
- For an agricultural conglomerate, performed a fraud examination that culminated in a report documenting 325 instances of falsified disbursement resulting in substantial loss to the client. Provided ongoing services including an internal controls review and financial statement reconstruction. Findings were instrumental in the recovery of funds on an employee dishonesty claim. Findings also resulted in the conviction of the client's former employee in Federal Court.
- Analyzed tens of thousands of documents and drafted a key report for a client's damages claim involving wrongdoing by their former manager. Analysis uncovered claims that were unknown to client and counsel at the beginning of the case. Provided expert witness testimony and litigation support assistance to counsel during the majority of an 8-day trial.
- In the matter of an estate dispute, analyzed multiple bank statements and canceled checks to establish the unauthorized use of estate funds and the extent of misuse. The findings were instrumental in prompting the parties in the dispute to agree to a settlement.
- Provided expert witness testimony for a long-standing community private school in their attempt to recover penalties and interest paid to the Internal Revenue Service after it was discovered their payroll taxes has been delinquent for 18 months. Investigation revealed ongoing fraudulent schemes that nearly closed the school.
- Conducted a fraud investigation for two leading Washington State fruit growers and warehouses after it was discovered their former joint controller had admitted to taking a significant sum of money. Investigation revealed the sum was much larger; findings were instrumental in the recovery of over \$1M in insurance proceeds and the conviction of the former controller in State and Federal Court.
- For an automobile accident claim, analyzed detailed payroll records, deposition testimony, and opposing expert reports to determine whether the actual hours worked and gross wages paid to the claimant supported his claim. Analyzed documents dated before and after the date of loss, prepared detailed schedules and trial exhibits for legal counsel and provided expert witness testimony at trial.

Tiffany R. Couch, CPA/CFF, CFE (cont.)

Lectures & Seminars

- Author and Instructor, *"Fraud Primer: Understanding Fraud Risk, Interviewing Techniques, and More"*, Institute of Internal Auditors – Vancouver Island, BC Chapter, July 2014
- Instructor, *"Auditing for Internal Fraud"*, Association of Certified Fraud Examiners, August 2014, July 2014, April 2014 and September 2013
- Author and Instructor, *"Finding your Client's Money"*, Clark County Bar Association, September 2013
- Instructor, *"Principles of Fraud Examination"*, Association of Certified Fraud Examiners, July and December 2011; May and December 2012; April and December 2013; April 2014
- Author and Instructor, *"Financial Statement Fraud, Not Just Wall Street's Problem"*, 8 Hour CPE Course, Washington Society of CPAs, August 2011
- Instructor, *"CFE Exam Review Course"*, Association of Certified Fraud Examiners, November 2010 and October 2011
- Guest Lecturer, *"Considering Fraud in a Financial Statement Audit"*, Auditing (Acct 433), Washington State University, Vancouver (Dr. Claire Latham), Spring and Summer Semesters (2009 – 2014)
- Guest Lecturer, *"Using Data Analysis in Fraud Examinations"*, Fraud and Forensic Accounting (Acctg 438), University of Maryland, University College (Prof. David P. Weber), March 2009
- Guest Lecturer, *"Using Data Analysis in Fraud Examinations"*, Forensic Studies and Law (FSLAW 662), Stevenson University (Prof. David P. Weber), March 2009

Selected Presentations

- *"Exploring the Hidden Impacts of Fraud"* Oregon ACFE Spring Conference, May 2014
- *"Finding Hidden Assets"* Clark County Bar Association Family Law Section, April 2014
- *"Preventing Financial Abuse"* Friends of the Elder Justice Center Conference, February 2014
- *"Financial Statement Fraud, Not Just Wall Street's Problem"* Indiana CPA Society Annual Conference, August 2013
- *"Financial Statement Fraud, Not Just Wall Street's Problem"* 24th Annual ACFE Fraud Conference, June 2013
- *External Threats; Financial Statement Fraud*, Oregon ACFE Fraud Conference, May 2013
- *External Threats; Assess your Company's Vulnerability to Fraud*, WSCPA South Sound Chapter, April 2013
- *Medical Practice Fraud, Internal Control Best Practices, and Cooking the Books with Software*, Association of Otolaryngology Administrators, Webinar Series, January – March 2013
- *Columbia River Crossing Update*, Oregon Emerging Local Government Leaders, March 2013

Tiffany R. Couch, CPA/CFF, CFE (cont.)

Selected Presentations (cont.)

- *Financial Statement Fraud; Non-Profits Beware!*, Spokane ACFE Fraud Conference, November 2012
- *Managing Client Expectations*, 23rd Annual ACFE Fraud Conference, June 2012
- *Fraud and Internal Audit's Role*, Association of Credit Union Internal Auditors National Conference, June 2012
- *Medical Practice Fraud, a Growing Trend?* Oregon OMGMA Conference, September 2011
- *Fraud Risk – The Financial Professional's Responsibility in Educating Clients* CADCA Super Conference August 2011
- *Three Big Frauds, One Small Town*, 22nd Annual ACFE Fraud Conference, June 2011
- *Fraud Risk – The CPA's Responsibility in Educating Clients*, ASWA Northwest Conference, June 2010
- *Assess Your Company's Vulnerability to Fraud*, WSCPA Business and Industry Conference, May 2010
- *So, You Want to Be a Fraud Examiner*, ACFE Canadian Conference, May 2010
- *Understanding Accountant-Speak*, CLE Series for Schwabe, Williamson and Wyatt, Spring 2010
- *An Ounce of Prevention is worth a Pound of Cure*, Portland ACFE Chapter Regional Conference, Co-Presenter, May 2009
- *Recession, a Recipe for Fraud?*, American Society of Women Accountants' Regional Conference, May 2009
- *Assess Your Company's Vulnerability to Fraud*, American Society of Women Accountants, September 2007
- *Get a Grip on your SCRIP, Internal controls for SCRIP fundraising*, Seattle Archdiocese, April 2007

Publications

- Couch, Tiffany (2014, September/October), Taking the leap to start your business. *Fraud Magazine*, 29, 5.
- Couch, Tiffany (2014, July 25), Don't let your business become a victim of bank fraud. *Vancouver Business Journal*, 21, 29.
- Couch, Tiffany (2014, Jan 24), Simple ways to protect your business from fraud. *Vancouver Business Journal*, 21, 4.
- Couch, Tiffany (2011, Feb 18), Financial statement fraud, not just Wall Street's Problem. *Vancouver Business Journal*, 18, 8.
- Couch, Tiffany (2010, May 28). Opening a bank account, gaining a friend. *Vancouver Business Journal*, 17, 23.

Tiffany R. Couch, CPA/CFF, CFE (cont.)

Publications (cont.)

- Rumble, Newt & Couch, Tiffany (2009, September 18). Give a lot, get a lot in return. *Vancouver Business Journal*, 16, 20.
- Couch, Tiffany (2009, November/December). Fraud Risk – The CPA's role in Educating Clients. *Washington CPA Magazine*, 52, 3.
- Couch, Tiffany (2009, July 24). Faltering economy leads to increase in corporate fraud. *Portland Business Journal*, 26, 20.

Community Involvement

- Friends of Hospice Southwest, Co-Treasurer, June 2006-Present
- YWCA Clark County, Finance Council, September 2008-July 2009
- Rotary Club of Downtown Vancouver, 2008 - 2014
 - Club Co-Treasurer 2013 - 2014
 - Treasurer, Festival of Trees 2010 - 2011



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Walnut Creek, California

1655 North Main Street
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Walnut Creek, CA 94596
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The Pun Group, LLP is a full-service Certified Public Accounting Firm providing accounting, auditing, tax, and advisory services to a variety of industries. Currently, our firm has offices located in Orange County, La Quinta, Walnut Creek, and San Diego, California.