



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

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

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

## **AGENDA**

### **BOARD OF DIRECTORS Meeting**

1655 Front Street

Oceano, California 93445

**Wednesday, March 20, 2013 at 6:00 P.M.**

#### **Board Members**

Matthew Guerrero, Chair

Tony Ferrara, Vice Chair

Debbie Peterson, Director

#### **Agencies**

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.

#### **3. CONSENT AGENDA**

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 General Manager or Bookkeeper/Secretary at (805) 481-6903.

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 March 6, 2013 meeting**

**3B. Review and Approval of Warrants**

**3C. Review of Financial Report ending February 28, 2013**

**4. BOARD ACTION ON INDIVIDUAL ITEMS:**

**A. FY 2012/13 SECOND QUARTER BUDGET REVIEW AND  
RESOLUTION NO. 2013-306 AMENDING THE BUDGET**

Staff recommends the Board review the Budget Amendment Request form for second quarter Fiscal Year 2012-13, provide direction to Staff regarding the recommended budget amendments and related matters presented, and adopt Resolution No. 2013-306 providing for these amendments.

**B. CONSTRUCTION CONTRACT AWARD FOR TRUNK  
SEWER CLEANING AND VIDEO INSPECTION**

Staff recommends the Board review the bids received for the Trunk Sewer Cleaning and Video Inspection project and reject all bids.

**5. MISCELLANEOUS ITEMS**

- a. Miscellaneous Oral Communications
- b. Miscellaneous Written Communications

**6. PUBLIC COMMENT ON CLOSED SESSION**

**7. CLOSED SESSION**

- (1) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 2 cases
  - a. Mascolo v. SSLOCSD et al. (existing litigation)  
CV110676
  - b. Central Coast RWQCB vs. SSLOCSD et al. (pending litigation) ACLC No. R3-2012-0030

**8. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION**

**9. ADJOURNMENT**

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

Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

Minutes of the Meeting of Wednesday, March 6, 2013  
6:00 P.M.

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

Present: Chair Tony Ferrara, City of Arroyo Grande; Vice Chair Matthew Guerrero, Oceano Community Services District; Director Debbie Peterson, City of Grover Beach.

District Staff in Attendance: Paul Karp, Interim General Manager; Mike Seitz, District Counsel; Trini Rodriguez, Shift Supervisor; Matthew Haber, Bookkeeper/Secretary.

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

Director Ferrara asked for any public comments. There being none, Director Ferrara closed the public comment period.

### **3. CONSENT AGENDA**

Director Ferrara asked for public comments regarding the Consent Agenda. There being none, Director Ferrara closed the public comment period.

**Action:** It was moved by Director Guerrero to approve Consent Agenda Items 3A through 3E, as presented. Director Peterson seconded, and the motion was carried unanimously.

### **4. PLANT SUPERINTENDENT'S REPORT**

In Plant Superintendent Barlogio's absence, Interim General Manager Karp presented the Plant Superintendent's Report

**Action:** Received and filed the Plant Superintendent's report.

### **5. BOARD ACTION ON INDIVIDUAL ITEMS**

#### **A. DISTRICT NOMINATION FOR VACANT LAFCO SEAT**

Interim General Manager Karp presented the letter of invitation from LAFCO for nominations to fill a vacant seat on the LAFCO Board.

**Action:** The Board reached consensus to take no action.

**B. SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA)  
NOTICE OF NOMINATIONS**

Interim General Manager Karp presented the staff recommendation that the Board nominate, if desired, persons to the SDRMA Board of Directors and to direct Staff to submit any nominations prior to May 3, 2013.

**Action:** Board directed Staff to draft a letter to SDRMA regarding the District's policy. The Board also reached consensus to not nominate any person but to wait for a list of nominees.

**C. METHANE GAS FLARE MAINTENANCE**

Interim General Manager Karp presented the staff recommendation that the methane gas flare be serviced by a Varec Biogas authorized maintenance technician in the amount of \$3,623.00.

**Action:** It was moved by Director Guerrero to approve Staff's recommendation. Director Peterson seconded, and the motion was carried unanimously.

**D. FEMA REIMBURSEMENT UPDATE; STORM OF DECEMBER 2010**

Interim General Manager Karp presented an update on the status of the District's FEMA reimbursement for repairs due to the 2010 storm event.

**Action:** Received and filed the staff report.

**E. DISCUSSION OF BOARD EXPANSION AND ROTATION OF BOARD  
MEETING LOCATION**

Director Ferrara initiated a discussion on expanding the District Board and the rotation of Board meeting locations.

**Action:** The Board reached consensus on holding Board meetings in the same location for four months then rotating to the next location. This would begin in the next fiscal year (July 1). The Board also directed Staff to bring this item back at a subsequent meeting for further review and adoption.

**F. REVIEW OF BOARD CHAIRMAN AND VICE-CHAIRMAN POSITIONS**

Director Ferrara recommended that he and Director Guerrero switch positions with Director Guerrero taking over as Chair and Director Ferrara then occupying the Vice Chair position.

**Action:** It was moved by Director Ferrara to approve his own recommendation. Director Peterson seconded, and the motion was carried unanimously.

**6. MISCELLANEOUS ITEMS**

**a. Miscellaneous Oral Communications**

Director Peterson asked about the status of the FYE 2012 audit. District Bookkeeper Matthew Haber replied that the audit report is still in a draft status and that he is reviewing the draft audit figures. He said that he would check with the District's auditors regarding a timeframe for finalizing the FYE 2012 audit report.

Director Peterson also asked about the District's paperwork and files which are still with the Wallace Group and what arrangements are being made to bring those back to the District. Interim General Manager Karp said that he would let the Board know what he finds out.

Director Peterson then asked about a report on the on-going Wallace Group projects. Interim General Manager Karp replied that he would like to have a consultation with Ms. Shannon Sweeney regarding some of those projects for the Board's review and approval.

b. Miscellaneous Written Communications

There were no miscellaneous written communications.

**7. PUBLIC COMMENT ON CLOSED SESSION**

Chairman Ferrara asked for public comment. There being none, Chairman Ferrara closed the public comment period.

**8. CLOSED SESSION**

- 1) Conference with Legal Counsel regarding existing litigation pursuant to Government Code Section 54956.9; 3 cases
  - a. Mascolo v. SSLOCSD et al. (existing litigation) CV110676
  - b. SSLOCSD vs. US Energy et al. (pending litigation) Case No. CV120008
  - c. John Carter et al. vs. John L. Wallace et al. (pending litigation) Case No. CV 110124
- 2) Central Coast RWQCB vs. SSLOCSD et al. ACLC No. R3-2012-0030
- 3) Pursuant to Government Code Section 54957: Discussion of appointment or employment of public employee

**9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION**

Counsel Seitz reported that the Board had met in Closed Session but took no reportable action.

**10. ADJOURNMENT**

There being no further business to come before the Board, Chairman Ferrara adjourned the meeting at approximately 7:30 p.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  
3/20/2013

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST BACTERIOLOGY	CHEMICAL ANALYSIS	FEBRUARY	032013-7448	7078	2,561.40	2,561.40
ABBA EMPLOYER SERVICES	CONTRACT LABOR	18638 18658	49	6085	2,480.13	2,480.13
ABBA PARTS	FFR PUMP PARTS	1130197	50	26/8061	24,259.00	24,259.00
ADAMSKI MOROSKI MADDEN CUMBERLAND & GREEN	LEGAL SERVICES	30897	51	7070	3,176.00	3,176.00
ADVANCED WIRELESS	PAGER SERVICE	03/01/1 TO 02/28/2014	52	7014	163.19	163.19
AIRFLOW FILTER SERVICE	OIL FILTERS	110255	53	8032	6.18	6.18
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	APRIL	54	6025	791.36	791.36
AMERICAN INDUSTRIAL SUPPLY	MISC SUPPLIES	249063-IN	55	8060	63.87	63.87
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	7684278 7701310 7718146	56	7025	695.78	695.78
AT&T	TELEPHONE SERVICE	FEBRUARY	57	7013	347.96	347.96
BC PUMP SALES & SERVICE	PUMP REBUILD	27529	58	8030	643.27	643.27
BRENNTAG PACIFIC, INC	PLANT CHEMICALS	284282	59	8050	4,741.03	4,741.03
BURKE AND PACE OF A.G., INC.	MISC SUPPLIES	2445833	60	8060	58.41	58.41
CA ELECTRIC SUPPLY	ELEC SYS UPGRADE 04 MBI 16	7826-516819 7826-516823 7826-516831	61	26/8065	1,632.62	1,632.62
CARQUEST	VEHICLE BATTERIES	7314-615766	62	8032	129.16	129.16
CENTRAL COAST WATER TREATMENT	LAB SUPPLIES	12086 12268	63	8040	241.50	241.50
DIAL LONG DISTANCE, INC.	LONG DISTANCE SERVICE	18648	64	7013	44.72	44.72
DOWNEY BRAND LLP	LEGAL SERVICES	444599	65	7070	960.35	960.35
FASTENAL	MISC SUPPLIES	CAS143411	66	8060	164.25	164.25
FEDEX	SHIPPING	2-200-80181	67	8045	26.63	26.63
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	380517A 380553A 380573A	68	7078	420.00	420.00
		380610A 380660A				
GAS COMPANY	GAS SERVICE	02/01/13 TO 03/05/13	69	7092	2,812.65	2,812.65
GROVER TOOL RENTAL	MISC RENTALS	468	70	8060	37.40	37.40
HACH	LAB SUPPLIES	8170948	71	8040	96.00	96.00
INTERSTATE BATTERIES	CART BATTERIES	100007862 64564 65018	72	8030	714.66	714.66
JB DEWAR INC	VEHICLE FUEL	23053	73	8020	284.54	284.54
KNECHT'S PLUMBING & HEATING	HEATER AND BOILER SERVICE	35584 35694	74	8060	451.14	451.14
LIBERTY COMPOSTING	BIO SOLIDS HANDLING	4488	75	7085	5,595.51	5,595.51
LINC DELIVERY	DELIVERY SERVICE	FEBRUARY	76	8040	350.00	350.00
MC MASTER CARR	MISC SUPPLIES	46831575 46876417 47449253	77	8060	1,029.23	1,029.23
MINERS ACE	MAINTENANCE SUPPLIES	FEBRUARY	78	8060	486.83	486.83
NESTLE PURE LIFE	LAB WATER FOR FEBRUARY	13B0012917373	79	8040	134.68	134.68
PAUL KARP	ADMINISTRATIVE SERVICES	3/07/13 - 3/20/13	80	7076	1,750.00	1,750.00
PERS	EMPLOYEES' MEDICAL	APRIL	81	6010	16,767.06	19,902.13
	EMPLOYEES' RETIREMENT	PPE 03/08/2013		6060	3,135.07	
PG&E	ELECTRICITY SERVICE	FEBRUARY	82	7091	11,635.02	11,635.02
POLYDYNE INC.	CLARIFLOC	787853	83	8050	919.13	919.13
SCHINDLER LAW GROUP	LEGAL SERVICES	2541	84	7070	2,567.50	2,567.50
SHIPSEY & SEITZ	DISTRICT COUNSEL SERVICES	FEBRUARY	85	7071	7,430.00	10,456.00
	LITIGATION			7070	3,026.00	
SLO COUNTY NEWSPAPERS	TRUNK SEWER PROJECT BID ADS	4003815	86	19/8015	660.88	660.88
SO CO SANITARY SERVICE	TRASH SERVICE	MARCH	87	7093	118.47	118.47
SPRINT	CELL PHONE SERVICE	FEBRUARY	88	7013	75.07	75.07
TEKTEGRITY	MANAGED IT SERVICE	25627-113	89	7015	459.13	459.13
THOMA ELECTRIC	INF PUMP FEASABILITY ANALYSIS	29431 09 MBI 01	90	26/8061	1,380.00	1,380.00
TITAN INDUSTRIAL	MISC SUPPLIES	1053195 1053342	91	8060	422.83	422.83
UNITED RENTALS	DUMP TRUCK RENTAL	107968342-004 08 MBI 25	92	20/8065	1,953.29	6,887.00
	CRANE TRUCK RENTAL	109012361-001 109012361-002 06 MBI 13		26/8065	4,933.71	
WALLACE GROUP	ADMIN SERVICES	FEBRUARY	93	7076	9,881.92	28,955.00
	OPERATION PROJECTS			various	15,504.40	
	REIMB PROJECTS			various	2,090.68	
	MAJOR BUDGET ITEMS			various	1,478.00	
WESCORP	WORK ON ELEC SYS UPGRADE	268 04 MBI 16	94	26/8065	629.59	629.59
WW GRAINGER	HOUSEHOLD SUPPLIES	9074690141	95	8035	49.02	473.33
	SAFETY SUPPLIES	9078615797 9078743425 9077515063		8056	424.31	
SUB TOTAL					142,890.53	142,890.53
PAYROLL	PPE 03/08/2013				19,688.67	19,688.67
GRAND TOTAL					162,579.20	162,579.20

We hereby certify that the demands numbered serially from 032013-7448 to 032013-7495 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

Post Office Box 339, Oceano, California 93475-0339  
1600 Aloha Place, Oceano, California 93445-9735  
Telephone (805) 489-6666 FAX (805) 489-2765  
[www.sslocsd.org](http://www.sslocsd.org)

---

**TO:** Board of Directors  
**FROM:** Matthew Haber, *Bookkeeper/Secretary*  
**VIA:** Paul J. Karp, *Interim General Manager*   
**DATE:** March 20, 2013  
**SUBJECT:** Monthly Financial Review (February 2013)

### Overall Monthly Summary

During the month of February, the District recognized total revenue of \$262,858. Of this, \$253,979 was earned for January sewer with the following breakdown: \$146,694 was earned from the City of Arroyo Grande, \$92,588 was earned from the City of Grover Beach, and \$14,697 was earned from OCSD. \$4,950 was earned for December connection fees from the City of Arroyo Grande. For the month of February, \$1,971 was earned for the AT&T cell-tower lease, and FOG and WDR reimbursements billed in February totaled \$1,943. Miscellaneous revenue of \$15 was earned from a Public Records Request.

District operating expenses totaled \$239,210 for the month of February. Non-operating expenses totaled \$35,491.

### Local Agency Investment Fund

The balance in the District's LAIF account was \$3,056,144 at February 28, 2013.

### County of San Luis Obispo Treasury Pool

As of February 28, 2013, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$225,899. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

To arrive at the reconciled cash balance, differences between the District's cash balance and the County's are investigated for possible errors. These reconciling items are then applied to the cash balances to arrive at the reconciled amount. At February 28, 2013, the District's books show a cash balance of \$225,616 including the amount of cash allocated to the Medical Reimbursement Trust account. The County's statement, however, has a cash balance of \$226,614. The difference of \$998 is the result of reconciling items which have not yet been posted into either the District's books or the County's system. The District Bookkeeper will continue working on fully reconciling these two account balances.

### Rabobank Funds

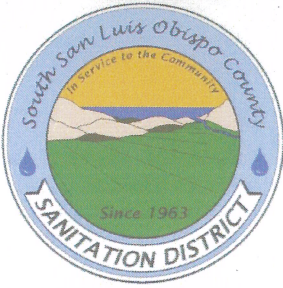
As of February 28, 2013, the reconciled cash balance in the District's Rabobank account totaled \$23,830. This account is used to process LAIF transfers and for the issuance of payroll checks through the District's contracted payroll provider service. Funds are transferred periodically from LAIF in order to cover these expenses.

MONTHLY FINANCIAL STATEMENT (Government Code Section 53646(d))  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
FINANCIAL SUMMARY AT FEBRUARY 28, 2013 FY 2012-13

	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	DISTRICT- WIDE
Cash with County Treasury				223,464
Cash with LAIF				3,056,144
Cash with Rabobank				28,957
Cash allocated to Medical Trust				<u>2,152</u>
<b>CONSOLIDATED CASH BALANCE</b>				3,310,717
<b>TOTAL DEPOSITS</b>				
Current - County Treasury Pool	100,634	4,950		105,584
<b>LONG-TERM DEBT</b>				
Energy Project Principal Amount		325,209		325,209
<b>REVENUES:</b>				
<b>OPERATING</b>				
Current	255,921			255,921
Year-to-date	1,812,803			1,812,803
<b>NON-OPERATING</b>				
Current Period				
FEMA Funding				
Connection Fees		4,950		4,950
Interest				
Lease Income (AT&T Cell)	1,971			1,971
Brine Disposal				
Other reimbursements	15			
Total - Current Period	1,986	4,950		6,921
Year-to-Date				
FEMA Funding				
Connection Fees		51,974		51,974
Interest	795	4,123	1,516	6,434
Lease Income (AT&T Cell)	15,674			15,674
Brine Disposal	10,464			10,464
Other reimbursements	3,365			3,365
Total - YTD	30,298	56,097	1,516	87,911
<b>TOTAL REVENUES:</b>				
Current Period	257,908	4,950		262,858
Year-to-date	1,843,101	56,097	1,516	1,900,714
<b>EXPENSES:</b>				
Current Period	239,210	2,685	32,806	274,700
Year-to-date	2,115,910	16,747	222,760	2,355,418
Net Income (Loss) - Current Period	18,698	2,265	(32,806)	(11,843)
Net Income (Loss) - YTD	(272,810)	39,350	(221,245)	(454,704)

NEW CONNECTIONS	CURRENT NUMBER	CURRENT REVENUE	FY 2012/13 YEAR-TO-DATE	FY 2012/13 YTD REVENUE
Arroyo Grande	2	4,950	20	49,499
Grover Beach	0	0	1	2,475
Oceano	0	0	0	0
TOTAL NEW DISTRICT CONNECTIONS	2	4,950	21	51,974





# 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:** Paul Karp, *Interim General Manager*  
**Date:** March 20, 2013

**Subject:** FY 2012-13 Mid-Year Budget Review; and Resolution No 2013-306 Amending the FY 2012-13 Budget at Mid-Year

### Recommendation:

1. Review the attached Budget Amendment Request form for the Fiscal Year 2012-13 Mid-Year Budget Review, and provide direction to staff regarding recommended budget amendments and related matters presented in this staff report; and
2. Adopt Resolution No. 2013-306 providing for these amendments.

### Funding:

Revenue account line items to date are generally within expected amounts and no revenue changes are being recommended at mid-year.

#### Revenues

	Amended Budget at Q1	Received as of 12-31-12 Amount Percent	Recommended Mid-Year Adjustments	Amended Budget at Q2
Fund 19	\$ 3,168,175	\$ 1,482,053 47%	\$ 0	\$ 3,168,175
Fund 20	\$ 84,250	\$ 51,147 61%	\$ 0	\$ 84,250
Fund 26	\$ 3,500	\$ 1,516 43%	\$ 0	\$ 3,500
Total	\$ 3,255,925	\$ 1,534,716 47%	\$ 0	\$ 3,255,925

The expense account line items under each Fund (Operating Fund 19, Expansion Fund 20, and Replacement Fund 26) and the Major Budget Items (MBIs) overall are under or within the anticipated budget with the exception of four (4) items. Two of the items are being adjusted between activities within the budget item (resulting in no net increase/decrease), and two items will necessitate a transfer of \$220,000 from Operating Fund 19 fund balance, one of which should be further reviewed at third quarter.

#### Expenses

	Amended Budget at Q1	Expended as of 12-31-12 Amount Percent	Recommended Mid-Year Adjustments	Amended Budget at Q2
Fund 19	\$ 3,459,801	\$ 1,559,290 45%	\$ 220,000	\$ 3,679,801
Fund 20	\$ 673,589	\$ 11,256 2%	\$ 0	\$ 673,589
Fund 26	\$ 1,937,907	\$ 66,185 3%	\$ 0	\$ 1,937,907

Total	\$ 6,071,297	\$ 1,636,731	27%	\$ 220,000	\$ 6,291,297
-------	--------------	--------------	-----	------------	--------------

### Discussion:

Following the end of mid-year (50% year to date), District staff reviewed the FY 2012-13 account line items under each Fund, as well as each Major Budget Item (MBI). The account line items under each Fund and the Major Budget Items (MBIs) are within or under the anticipated budget with the exception of four (4) items. These items are discussed below.

#### Recommended Adjustments:

1. Account 19-6070 – Professional Services-Outside Counsel (159% expended at mid-year). An increase to the budget line item by \$120,000 is being recommended to reflect actual expenditures for this account line item as of mid-year for a total budget of \$320,000. It is further recommended that this budget line item be reviewed at third quarter when actual expenditures to the Notice of Violation response are better known.

Also, as previously requested, attached is a summary of the legal cost for the NOV for the December 2010 spill and the ACL resulting from the SWRCB enforcement action. Also attached is a summary of the engineering fees to respond to SWRCB requests and to provide support to legal counsel.

2. Account 19-7077 – Professional Services-Engineering (34% expended at mid-year). An adjustment among the tasks within this account line item is being recommended. There is no net increase or decrease to this account line item at this time.
3. Account 19-7087 – WDR & SSMP District Expense (171% expended at mid-year). Actual response expenditures to the Notice of Violation (NOV) are now better known, as well as the amount anticipated to complete the 2013 NOV Technical Report. An increase to the budget line item by \$100,000 is being recommended for a total budget of \$155,000 for the tasks within this account line item: \$15,000 for WDR and SSMP District Expense, \$15,000 for RWQCB 2013 NOV Technical Report, and \$125,000 for SWRCB SSO NOV Response.

#### Major Budget Item (MBI) Actual Carryovers

4. 06 MBI 04 – Primary Clarifier No. 1 Catwalk and Drive (5% expended at mid-year). An adjustment among the tasks within this account line item is being recommended. There is no net increase or decrease to this account line item at this time.

The first attachment is a Budget Amendment Request form showing the recommended transfers and carryover adjustments. The second attachment is Resolution No. 2013-306 providing for the recommended adjustments.

**December 2010 Notice of Violation (NOV) Legal Expenses**

Shipsey & Seitz	12/21/10	12/21/12	\$ 40,766.00
<b>Total NOV-related legal costs</b>			<b>\$ 40,766.00</b>

**Administrative Civil Liability (ACL) Litigation Expenses**

CH2M Hill Engineers	07/30/11	09/13/12	\$ 31,124.77
Downey Brand LLP	09/07/11	01/15/13	\$ 251,503.08
Kennedy/Jenks Consultants	10/17/12	10/17/12	\$ 22.00
Law Offices of Woosley & Porter	07/31/12	12/19/12	\$ 15,000.00 <sup>(1)</sup>
Merchant Purchases (Legal Accommodations)	08/15/12	10/04/12	\$ 1,022.98
RMC Water and Environment	08/07/12	08/18/12	\$ 36,342.96
Shipsey & Seitz	06/29/12	12/27/12	\$ 27,625.00
Thomas Electric	10/15/12	10/15/12	\$ 12,156.50
<b>Total ACL-related litigation costs</b>			<b>\$ 374,797.29</b>

<sup>(1)</sup> includes engineering subconsultants retained by counsel as well as legal fees for J. Appleton's representation at deposition and ACL hearing

## Summary of NOV and ACL Related Engineering Costs

	Date of Invoice	Invoice Number	Phase	Vendor	"A" Spill Volume Assessment 2nd Response	"B" Water Board Request Response	"C" Support Related to NOV	Documents for ACL (Reimbursables)	Total
FY 2010-11	01/31/11	31158	0700S	Wallace Group	\$ 21,835.25	\$ -	\$ -	\$ -	\$ 21,835.25
	02/08/11	31233	0186	Wallace Group	\$ 603.75	\$ -	\$ -	\$ -	\$ 603.75
	02/08/11	31233	0700	Wallace Group	\$ 6,220.25	\$ -	\$ -	\$ -	\$ 6,220.25
	02/08/11	31233	0700S	Wallace Group	\$ 5,111.00	\$ -	\$ -	\$ -	\$ 5,111.00
	03/09/11	31424	0186	Wallace Group	\$ 52.50	\$ -	\$ -	\$ -	\$ 52.50
	03/09/11	31424	0700	Wallace Group	\$ 102.00	\$ -	\$ -	\$ -	\$ 102.00
	03/09/11	31424	0700S	Wallace Group	\$ 98.00	\$ -	\$ -	\$ -	\$ 98.00
	04/14/11	31599	0186	Wallace Group	\$ 358.75	\$ 1,758.75	\$ -	\$ -	\$ 2,117.50
	04/14/11	31599	0700	Wallace Group	\$ 378.00	\$ -	\$ -	\$ -	\$ 378.00
	04/14/11	31599	0700R	Wallace Group	\$ 802.00	\$ 6,161.50	\$ -	\$ -	\$ 6,963.50
	04/14/11	31599	0700S	Wallace Group	\$ 491.25	\$ 293.50	\$ -	\$ -	\$ 784.75
	05/12/11	31719	0700	Wallace Group	\$ 609.00	\$ -	\$ -	\$ -	\$ 609.00
	05/12/11	31719	0700R	Wallace Group	\$ 306.00	\$ 4,570.25	\$ -	\$ -	\$ 4,876.25
	05/12/11	31719	0700S	Wallace Group	\$ 1,627.75	\$ 2,862.25	\$ -	\$ -	\$ 4,490.00
	06/08/11	31839	0190	Wallace Group	\$ 210.00	\$ 10,723.00	\$ 49.00	\$ 1,139.50	\$ 12,121.50
	06/08/11	31839	0700S	Wallace Group	\$ -	\$ 42.00	\$ -	\$ -	\$ 42.00
	07/15/11	31978	0190	Wallace Group	\$ 506.00	\$ 1,886.00	\$ 84.00	\$ 38.60	\$ 2,514.60
	07/15/11	31978	0700	Wallace Group	\$ -	\$ 551.25	\$ -	\$ -	\$ 551.25
	07/15/11	31978	0700R	Wallace Group	\$ 47.00	\$ -	\$ -	\$ -	\$ 47.00
	07/15/11	31978	0700S	Wallace Group	\$ 288.75	\$ -	\$ -	\$ -	\$ 288.75
					<u>\$ 39,647.25</u>	<u>\$ 28,848.50</u>	<u>\$ 133.00</u>	<u>\$ 1,178.10</u>	<u>\$ 69,806.85</u>
FY 2011-12	08/11/11	32125	0190	Wallace Group	\$ -	\$ 1,072.75	\$ 441.00	\$ 2.35	\$ 1,516.10
	09/20/11	32293	0190	Wallace Group	\$ -	\$ 4,429.25	\$ 98.00	\$ 21.75	\$ 4,549.00
	10/12/11	32417	0190	Wallace Group	\$ -	\$ -	\$ -	\$ 0.40	\$ 0.40
	10/12/11	32417	0700	Wallace Group	\$ -	\$ 42.00	\$ -	\$ -	\$ 42.00
	10/12/11	32417	0700S	Wallace Group	\$ -	\$ 12,163.25	\$ -	\$ 234.40	\$ 12,397.65
	11/10/11	32506	190	Wallace Group	\$ 255.50	\$ 16,805.25	\$ -	\$ 1,459.33	\$ 18,520.08
	11/10/11	32506	0700S	Wallace Group	\$ -	\$ 896.00	\$ -	\$ -	\$ 896.00
	12/12/11	32661	190	Wallace Group	\$ 147.00	\$ 12,453.30	\$ -	\$ 36.00	\$ 12,636.30
	01/06/12	32754	190	Wallace Group	\$ -	\$ -	\$ 18,642.80	\$ -	\$ 18,642.80
	02/08/12	32934	190	Wallace Group	\$ -	\$ -	\$ 9,778.84	\$ -	\$ 9,778.84
	03/14/12	33162	190	Wallace Group	\$ -	\$ -	\$ 13,266.80	\$ -	\$ 13,266.80
	04/12/12	33294	190	Wallace Group	\$ -	\$ -	\$ 3,658.80	\$ -	\$ 3,658.80
	05/07/12	33363	190	Wallace Group	\$ -	\$ -	\$ 659.85	\$ -	\$ 659.85
	06/14/12	33568	190	Wallace Group	\$ -	\$ -	\$ 7,616.85	\$ -	\$ 7,616.85
	07/10/12	33679	190	Wallace Group	\$ -	\$ -	\$ 8,401.60	\$ -	\$ 8,401.60
					<u>\$ 402.50</u>	<u>\$ 47,861.80</u>	<u>\$ 62,564.54</u>	<u>\$ 1,754.23</u>	<u>\$ 112,583.07</u>
FY 2012-13	08/09/12	33836	190	Wallace Group	\$ -	\$ -	\$ 21,213.70	\$ -	\$ 21,213.70
	09/14/12	34033	190	Wallace Group	\$ -	\$ -	\$ 57,103.08	\$ -	\$ 57,103.08
	10/12/12	34153	190	Wallace Group	\$ -	\$ -	\$ 8,061.05	\$ -	\$ 8,061.05
	11/15/12	34308	190	Wallace Group	\$ -	\$ -	\$ 3,094.50	\$ 11.00	\$ 3,105.50
	12/14/12	34448	190	Wallace Group	\$ -	\$ -	\$ 1,879.00	\$ 10.00	\$ 1,889.00
	01/11/13	34540	190	Wallace Group	\$ -	\$ -	\$ 1,471.00	\$ -	\$ 1,471.00
	02/12/13	34623	190	Wallace Group	\$ -	\$ -	\$ 525.00	\$ 0.70	\$ 525.70
					<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,347.33</u>	<u>\$ 21.70</u>	<u>\$ 93,369.03</u>
					<u>\$ 40,049.75</u>	<u>\$ 76,710.30</u>	<u>\$ 156,044.87</u>	<u>\$ 2,954.03</u>	<u>\$ 275,758.95</u>

Phase 0186 - Air-Water Board Permit Reqmts  
Phase 0190 - SWRCB SSO NOV Response  
Phase 0700 - Wastewater Systems  
Phase 0700R - SWRCB NOV  
Phase 0700S - December 2010 Storm Event

SOUTH SAN LUIS OBISPO COUNTY SANITARY DISTRICT  
BUDGET AMENDMENT REQUEST  
FY 2012-13 MID YEAR

PAGE 1 OF 2

REVENUE

ACCOUNT	ACCOUNT DESCRIPTION	PHASE	CURRENT BUDGET	AMOUNT RECEIVED AS OF 12-31-12	PERCENT RECEIVED AS OF 12-31-12	PROPOSED AMENDMENTS	AMENDED BUDGET
Revenue to-date is approximately within expected amounts and will be analyzed in more detail at the end of the 3rd Quarter. No changes are being recommended at mid-year.							
<b>TOTAL</b>			<b>\$ -</b>			<b>\$ -</b>	<b>\$ -</b>

EXPENDITURES

PROJECT	ACTIVITY DESCRIPTION	PHASE	CURRENT BUDGET	AMOUNT EXPENDED AS OF 12-31-12	PERCENT EXPENDED AS OF 12-31-12	PROPOSED AMENDMENTS	AMENDED BUDGET
---------	----------------------	-------	-------------------	-----------------------------------	------------------------------------	------------------------	-------------------

**OPERATING FUND 19**

1.	<b>19-6070 - Professional Services - Outside Counsel</b>		\$ 200,000	\$ 317,175	159%	\$ 120,000	\$ 320,000
2.	<b>19-7077 - Prof Serv-Engineering</b>		\$ 125,000	\$ 42,675	34%	\$ -	\$ 125,000
	0026-0002 South County Recycled Water	0091	\$ 5,000	\$ 49	1%	\$ -	\$ 5,000
	0026-0002 Website Design	0156	\$ 500	\$ -	0%	\$ -	\$ 500
	0026-0002 Right-of-Way Analysis	0173	\$ 500	\$ -	0%	\$ -	\$ 500
	0026-0002 Co-Gen Analysis	0191	\$ 98	\$ 98	100%	\$ -	\$ 98
	0026-0002 Wastewater Systems	0700	\$ 118,902	\$ 27,681	23%	\$ (14,847)	\$ 104,055
	- Professional Services-Engineering - Other	-	\$ -	\$ 14,847	-	\$ 14,847	\$ 14,847
3.	<b>19-7087 - WDR &amp; SSMP District Expense</b>		\$ 55,000	\$ 93,812	171%	\$ 100,000	\$ 155,000
	0026-0002 WDR & SSMP District Expense	0162	\$ 10,000	\$ 969	10%	\$ 5,000	\$ 15,000
	0026-0002 SWRCB SSO NOV Response	0190	\$ 45,000	\$ 92,843	206%	\$ 80,000	\$ 125,000
	0026-0002 RWQCB 2013 NOV Technical Report	0192	\$ -	\$ -	-	\$ 15,000	\$ 15,000
<b>SUBTOTAL OPERATING FUND 19</b>			<b>\$ 380,000</b>	<b>\$ 453,662</b>	<b>119%</b>	<b>\$ 220,000</b>	<b>\$ 600,000</b>

**REPLACEMENT FUND 26**

4.	<b>26-8061 - Replacement Fund - Struct/Grnds Maint-Maj</b>		\$ 484,476	\$ 17,376	4%	\$ -	\$ 484,476
	06 MBI 04 - Primary Clarifier 1 Catwalk		\$ 213,384	\$ 10,810	5%	\$ -	\$ 213,384
	06 MBI 04 Design and Survey	0004	\$ 12,328	\$ -	0%	\$ 1,850	\$ 14,178
	06 MBI 04 Contract Admin	0005	\$ 5,353	\$ 7,113	133%	\$ -	\$ 5,353
	06 MBI 04 Construction Contingencies	0006	\$ 17,700	\$ -	0%	\$ (3,900)	\$ 13,800
	06 MBI 04 Construction	0007	\$ 176,433	\$ 257	0%	\$ -	\$ 176,433
	06 MBI 04 Project Management / Permitting	0008	\$ 1,570	\$ 3,440	219%	\$ 2,050	\$ 3,620
<b>SUBTOTAL - REPLACEMENT FUND 26</b>			<b>\$ 484,476</b>	<b>\$ 17,376</b>	<b>4%</b>	<b>\$ -</b>	<b>\$ 484,476</b>

## PURPOSE

1. Adjustments to reflect expenditures as of mid-year for outside counsel expenditures.
2. Adjustments to better reflect actual expenditures within the budget line item.
3. Adjustments needed for WDR and SSMP District Expense, RWQCB 2013 NOV technical Report, and SWRCB SSO NOV Response.
4. Adjustments to better reflect actual expenditures within the budget line item.

INTERIM GENERAL MANAGER	ENTERED BY
DATE:	DATE:

03/20/13

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
RESOLUTION NO. 2013 – 306**

**A RESOLUTION AMENDING  
THE FY 2012-2013 BUDGET AT MID YEAR**

**WHEREAS**, the Board of Directors has previously adopted a 2012-2013 budget consisting of Operating Fund 19, Expansion Fund 20, and Replacement/Improvements Fund 26; and

**WHEREAS**, District Staff has reviewed the account line items under each Fund, as well as each Major Budget Item (MBI) included in the 2012-2013 adopted budget; and

**WHEREAS**, District Staff has identified the account line items which will require less monies and the account line items which will require additional monies than originally budgeted; and

**WHEREAS**, District Staff believes amending these account line items to reflect actuals will produce a trend that can be used for future budgeting efforts.; and

**WHEREAS**, budget amendments are recommended which will change the total amount budgeted from a Fund and will require a transfer from the Fund balance; and

**WHEREAS**, the recommended budget amendments will result in the transfer of \$220,000 from the Operating Fund 19 fund balance; and

**WHEREAS**, the Board believes the recommended amendments are in the best interest of the public's health, safety and general welfare.

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED** by the Board of Directors, South San Luis Obispo County Sanitation District, San Luis Obispo County, California, that the 2012-2013 budget shall be amended as follows:

1. Operating Fund 19:
  - a. Transfer \$120,000 from Fund balance to 19-6070 – Professional Services-Outside Counsel to better reflect actual expenditures at mid-year.
  - b. Adjust tasks within 19-7077 – Professional Services-Engineering to better reflect actual expenditures.
  - c. Transfer \$100,000 from Fund balance to 19-7087 – WDR & SSMP District Expense for WDR and SSMP District Expense, RWQCB 2013 NOV Technical Report, and SWRCB SSO NOV Response.



2. Replacement Fund 26:

- a. Adjust tasks within 06 MBI 04 – Primary Clarifier No. 1 Catwalk and Drive to better reflect actual expenditures.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_,  
and on the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this twentieth day of March 2013.

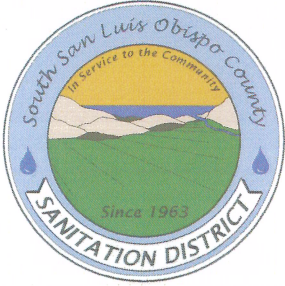
\_\_\_\_\_  
MATTHEW GUERRERO, Chair

ATTEST:

\_\_\_\_\_  
PAUL KARP, Secretary to the Board

APPROVED AS TO FORM:

\_\_\_\_\_  
MICHAEL W. SEITZ, District Legal Counsel



## SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

**TO:** Board of Directors  
**FROM:** Paul J. Karp, *Interim General Manager*  
**DATE:** March 20, 2013

**Subject:** Construction Contract Award for the Trunk Sewer Cleaning and Video Inspection

**Recommendation:**

Staff recommends that all bids be rejected and that Bid Bonds be returned to the bidders.

**Funding:**

Bids should be rejected. No funding is required.

**Discussion:**

The construction contract for this project was competitively bid. Two companies responded with complete bids which were received and opened at 2:00 p.m. on March 12, 2013. A third bid was not accepted as it was missing the necessary signed addenda. The results of the bid opening are tabulated on the attached spreadsheet.

With the District's move to new management, there is a concern that additional analysis is necessary prior to making future significant expenditures. The sewer main cleaning project, which is listed as a requirement of the District's Waste Discharge (WDR) permit, may still be recommended at a future date. Management desires to initiate discussions with the Regional Water Quality Control Board (RWQCB) Staff regarding the priority of projects that will provide the best practices to address the recently issued Notice of Violation (NOV). Management is developing a strategy for presentation to the District Board of Directors in April. With Board support and direction, the plan will be submitted to the RWQCB staff for their review and approval. After preparation of a *pro forma* spreadsheet that will compare District needs versus anticipated revenue, a dialog must take place with regard to financing and possible revenue enhancement strategies. When the Board has selected a course of action for the priority projects, the Staff will be more comfortable with recommending completion of other capital maintenance expenditures.

Attachment: Detailed Bid Results



**DETAILED BID RESULTS**  
**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**E-MAIL: [matthew@sslocsd.us](mailto:matthew@sslocsd.us)**

[illegible]