



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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**AGENDA
BOARD OF DIRECTORS MEETING**

OCSD Board Room
1655 Front Street
Oceano, California 93445

Wednesday, July 06, 2016 at 6:00 p.m.

Board Members

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

Agencies

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

Alternate Board Members

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

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

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

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

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

Please adhere to the following procedures when addressing the Board:

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

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

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

5. CONSENT AGENDA:

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

5A. Approval of Minutes of Meeting of June 01, 2016

5B. Approval of Minutes of Meeting of June 15, 2016

5C. Approval of Warrants

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Staff recommends the Board receive and file this report.

7. ACTION ITEMS:

7A. HEATING, VACUUM AND AIR CONDITIONING (HVAC) DUCTWORK REPAIRS AT THE DISTRICT'S ADMINISTRATION/CONTROL BUILDING

1. Authorize the District Administrator to enter into an agreement with Knecht's Heating and Plumbing Inc. in the amount of \$18,591 for the repair of HVAC ducting in the Administration/Control Building.

7B. ACQUISITION OF AUTOMATED (EIGHT INCH) VALVE TO SUPPORT THE DISTRICT'S GRIT REMOVAL PROJECT

1. Authorize the District Administrator to purchase an electric actuator valve in the amount of \$12,450 for the process water return line from the secondary clarifier to the headworks.

7C. BATHROOM REPAIRS IN DISTRICT'S ADMINISTRATION/CONTROL BUILDING

1. Authorize the District Administrator to enter into an agreement in the amount of \$10,200 with Central Coast Plumbing for the replacement of the urinal and repair of ruptured pipes in the men's restroom at the District's Administration/Control Building.

7D. RESOLUTION NO. 2016-354 – ADOPTION OF THE SAN LUIS OBISPO COUNTY INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) AND APPROVAL OF THE DISTRICT'S PARTICIPATION AS A IRWMP PROGRAM PARTICIPANT.

Adopt Resolution No. 2016-354, which adopts the San Luis Obispo County (SLO County) Integrated Regional Water Management Plan; directs the District's Administrator to sign the Memorandum of Understanding; and directs the District's Administrator to file a Notice of Exemption.

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 June 01, 2016
6 P.M.

1. CALL TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker asked that staff disclose District Administrators resume.

Patty Welsh asked for District Administrators resume. She also mentioned texting during meetings.

Beatrice Spencer would like to know if CAD drawings have been returned. She was displeased by the cancellation of the last meeting due to lack of a quorum. She feels now is a good time to elect a new alternate for the City of Grover Beach.

Colleen Martin asks that the Board consider going to a five member board. She recommended using representatives from the school district and the hospital.

Ron Arnoldson clarified statements from prior meetings. He loves AG, GB and Oceano.

Ron Holt was displeased with the cancellation of the last meeting.

Linda Austin expanded on Ron Arnoldson's comment stating that the people of Oceano were upset because the City of AG was annexing parts of Oceano.

There being no more public comment, Chairman Shoals closed the public comment period.

Legal counsel Trujillo asked that Julie Tacker share the case law she is referencing in her request for the District Administrator's resume.

District Administrator Hubner responded to Mrs. Spencer that the District is pursuing return of the CAD drawings.

Director Hill has looked into having a five member board. It would require legislative

action. He would request that Mr. Hubner's personal information be redacted from the resume and the document be disclosable.

Legal Counsel Trujillo announced that in the SDRMA case, a request for dismissal was filed by the SSLOCSD in exchange for waiver of costs. This case has now been dismissed.

5. CONSENT AGENDA

5A. Review and Approval of Minutes of Meeting of May 04, 2016

5B. Review and Approval of Warrants

5C. Financial Review at April 29, 2016

Director Lucey complimented staff on the minutes.

Chairman Shoals opened the public comment period.

Sharon Brown, Julie Tacker, Patty Welsh and Marc London all commented on the consent agenda.

There being no more public comment, Chairman Shoals closed the public comment period.

<u>Motion:</u>	Director Hill
<u>Second:</u>	Director Lucey
<u>Action:</u>	Approved unanimously

6. ACTION ITEMS:

6A. Public Hearing and Adoption of Proposed Resolution No. 2016-347, Collecting Fiscal Year 2015-16 from the Community of Oceano Wastewater and Delinquent Charges on the County Property Tax Roll

Mr. Hubner introduced this item in a power point presentation. At the April 20, 2016 Board meeting, Board directed staff to return to the May 4, 2016 meeting to discuss the District's Billing services with its Member Agencies; at the May 4, 2016 Board meeting, the Board after considering a number of options, directed staff to place the residents of the Oceano Community Service District on the County Tax Roll for collection of past delinquent and future District wastewater charges.

The District currently bills the Oceano CSD customers directly. This spring, the District sent out 2100 bills to residents and property owners in an effort to collect \$245,271 (one billing for three billing cycles). As of May 20, 2016 the District:

- Received = \$125,064
- Amount delinquent = \$120,207
- 936 are delinquent or 51% of the expected revenues for Fiscal Year 2015-16

The District mailed notice to property owners pursuant to Health & Safety Code 5473.1. NBS prepared and delivered the Resolution and Report. The District Secretary published notice of Public Hearing once a week for two weeks prior to this public hearing.

The District prepared a written report (the "Report") using its consultant NBS. The Report contains a description of each parcel of real property subject to the

wastewater services and facilities charge, and the amount of that charge for each such parcel for Fiscal Year 2016/17. The charge was computed in conformity with Ordinance No. 2016-001 adopted by the Board on March 2, 2016. A copy of the Report is available at the District office for public inspection and the District website. The report also contains a separate section describing each parcel of real property delinquent in paying past wastewater services and facilities charges, and the amount of that delinquency. This charge was computed in conformity with Ordinance No. 2006-01 adopted by the Board on November 29, 2006.

Proposed Resolution No. 2016-347 authorizes:

- Health & Safety Code §5473; by ordinance the District can set charges for wastewater services and facilities.
- Health & Safety Code §5473; by resolution the District can adopt by 2/3 majority of its members, to provide for collection of wastewater services and facilities charges annually on the property tax roll.
- Health & Safety Code §5473; by resolution the District can collect delinquent charges on the property tax roll.

Proposed Resolution No. 2016-347 approves:

- Overrule all protests and objections to the Report on wastewater services and facilities charges and confirm and approve the Report; and
- Overrule all protests and objections to the Report on delinquent wastewater services and facilities charges and confirm and approve Report; and
- Request wastewater services and facilities charges, and the delinquent charges, be placed on the San Luis Obispo County Tax collector for collection on the Fiscal Year 2016/17 tax roll, and
- Instruct and authorize District Staff to transmit to the Report to the San Luis Obispo County Tax Collector and to file the necessary documents with the Tax Collector.

Greg Davidson, representative from NBS, also gave a power point presentation and answered questions of the Board and members of the public.

Chairman Shoals opened the item to public comment.

Bob Berg, Clair Valmer, Nancy McNeil, Ray Parker and Linda Austin asked questions for clarification.

Julie Tores and Jean Bragg protests the Resolution.

Tim Brown clarified that it is not a tax.

Beatrice Spencer, Karen White, Collen Martin, Patty Welsh, Sharon Brown, Julie Tacker are in favor of the Resolution.

Chairman Shoals closed the public hearing.

The Board received public input and protests to placing collection of rates and delinquent rates on the tax roll. The number of protests necessary to constitute a majority is 1051. The Board determined that a majority protest does not exist.

Motion: Director Hill made a motion to find that there was an insufficient protest and further moved to adopt Resolution No. 2016-347 a Resolution of the Board of South San Luis Obispo County Sanitation District approving the report of wastewater services and facilities charges and delinquent charges, and directing

the filing of charges and delinquent charges from the community of Oceano for collection by the County Tax Collector pursuant to Health & Safety Code §5470 et seq.

Second: Chairman Shoals

Action: Approved unanimously

The Board gave direction to staff to reach out to the 936 delinquent accounts.

6B. Information Technology Integration into Wastewater Operations

The Board of Directors and members of the public received a demonstration of recently completed and deployed IT integration project for our wastewater operations given by Operator II, Mr. Michael Arias.

Chairman Shoals opened the item to public comment.

There being no public comment, Chairman Shoals closed the public comment period.

Action: The Board received and filed this report.

6C. Proposed Draft Budget - Fiscal Year 2016-17 Budget

The Board and members of the public received a power point presentation on a proposed Draft Budget for Fiscal Year 2016-17 beginning July 1, 2016.

Chairman Shoals opened the item to public comment.

Patty Welsh, Julie Tacker, Beatrice Spencer, Debbie Peterson and Marc London commented on the following budget accounts:

- Satellite Office
- Litigation
- Reserves
- Strategic Planning

Chairman Shoals closed the public comment period.

The Board had a brief discussion addressing the budget accounts mentioned in public comment.

The Board gave direction to reduce the amount for Outside Counsel from \$40,000 to \$20,000 and return to next meeting with the Final Budget and Reserve Policy.

6D. Update on Homeless Issue and Impact of Trash on District and Surrounding Properties.

The Board heard an update on District efforts working with the Oceano neighborhood near our facility, on the homeless and transit population, and the impacts of trash/debris on District and surrounding properties.

Chairman Shoals opened the item to public comment.

Julie Tacker and Debbie Peterson gave comment on this item.

Chairman Shoals closed the public comment.

Action: The Board received and filed this report.

7. DISTRICT ADMINSTRATOR AND PLANT SUPERINTENDENT'S REPORT

Mr. Hubner presented this report.

Chairman Shoals opened the item to public comment.

Sharon Brown and Julie Tacker, Debbie Peterson and Beatrice Spencer all commented on this item.

Action: The Board received and filed this report.

8. PUBLIC COMMENT ON CLOSED SESSION

Chairman Shoals opened the public comment period.

Marc London commented on Closed Session.

Chairman Shoals closed the public comment period.

9. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Paragraph (1) of subdivision (d) of Government Code Section 54956.9];

(1) South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) case number 34-2012-80001209-CU-WM-GDS)

CONFERENCE WITH LABOR NEGOTIATORS

*Agency designated representative: (District Administrator)
Employee organization: (Unrepresented employees)*

10. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Legal Counsel announced that the Board met in closed session regarding the two items on the closed session agenda. In the State Water Resources Control Board matter, he reported that the District and State entered into a stipulated stay of the litigation and agreed to enter into settlement negotiations. In the Conference with Labor Negotiators, there was no reportable action.

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 11 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

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

Minutes of the Meeting of Wednesday June 15, 2016
6 P.M.

1. CALL TO ORDER AND ROLL CALL

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

District Staff in Attendance: Mr. Hubner, District Administrator; Wendy Stockton, District Legal Counsel; Amy Simpson, District Secretary/Bookkeeper

Chairman Shoals asked that a moment of silence be observed for the Orlando tragedy.

2. FLAG SALUTE

3. AGENDA REVIEW

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker asks for the Administrators resume.

Beatrice Spencer did a pitch for and all blood donors. She also suggested that it would be good to conduct a survey of all District costumers to make sure that any and all parcels are billed accurately for the District. She asked why Arroyo Grande addresses are appearing on the Oceano Community list on the Tax Roll Report.

Chairman Shoals closed the public comment period.

Chairman Shoals thanked Mrs. Spencer for her call to donate blood. He also suggested taking the opportunity to look into billing and see if it is accurate when negotiating new contracts with the member agencies.

Director Lucey said there are many properties outside of Oceano sphere of influence that are connected to the Oceano water line. This was in response to Mrs. Spencer's comment.

5. CONSENT AGENDA

5A. Review and Approval of Warrants

5B. Financial Review at May 31, 2016

Chairman Shoals opened the public comment period.

Patty Welsh and Julie Tacker gave comment on the consent agenda.

Chairman Shoals closed public comment.

Motion: Director Lucey
Second: Chairman Shoals
Action: Motion carries

6. ACTION ITEMS:

6A. Fiscal Year 2016-17 Budget

The Board held a Public Meeting, reviewed, and considered a draft final Budget for Fiscal Year 2016-17, including Resolution Nos. 2016-348 and 349

Director Lucey appreciated the ease of reading and understanding of the budget. She feels that \$10,000 for the annual audit seemed low.

Director Hill would like staff to focus on interface between District and agencies. He would like to invite the auditor to look into accounting for all connections to the District to provide for accurate billing.

Director Lucey said that there has never been an audit of District connections and that it would be a good to have that done now.

Chairman Shoals opened the item to public comment.

Patty Welsh, Debbie Peterson, Julie Tacker, and Patricia Price all gave comment on the budget.

Chairman Shoals closed the public comment period.

Director Hill does not support the concept of an offsite office. He clarified that the Administrator was not hired specifically for engineering skills and ability. He was hired for project oversight and project management. He believes this will best be performed at the District site. The proposed funding for the offsite office could be used to upgrade the current offices including enlargement. He feels the goals and the strategic planning can be performed with the current staff, Administrator and Superintendent working together. He believes a full time Administrator will facilitate District's goals and objectives in a cost effective manner.

Director Shoals believes strategic plan can be something that is done in house after a period of time. He feels it would be good to get it started now. There is value in using unbiased strategic planners. He does feel the amount budget can be reduced. He also feels there is value in an offsite office to give the public access to the Administrator and other staff. He wants to be sure that we do a cost analysis. John Clemons would remain at the plant managing staff on day to day operations.

Director Lucey asked "How much can you expect from one individual?" referring to Mr. Hubner taking on so many roles. She thinks it irresponsible if we do not do Strategic Planning. She supports hiring an outside facilitator. She is in support of an offsite office. There is benefit to having public access to administrative staff.

Director Hill is not averse to Strategic Planning, his concern was the amount budgeted for facilitation. He believes staff can be resourceful. He would be more comfortable with a \$10,000 budgeted amount.

Motion: Director Hill made a motion to approve the Budget for Fiscal Year 2016/17 as presented with the following changes:

1. Amount for Strategic Planning be reduced to an amount of \$20,000; and
2. Outside Counsel be reduced to an amount of \$20,000

He further motioned to adopt Resolution No. 2016-348; a Resolution adopting the 2016/17 Fiscal Year Budget and Resolution 2016-349, a Resolution adopting and Employee Compensation Package Including a Salary Schedule, Position Classifications and Salary Steps within Ranges for the 2016-17 Fiscal Year.

Second: Director Lucey

Action: Approved unanimously

6B. DEDICATED RESERVE FUND

Mr. Hubner presented a power point presentation for the Board to review, and consider approval of an Updated Reserve Policy through Adoption of Resolution. He suggested two options:

- A transfer of 20% of the annual charges provided for under Section 2; or
- 10% of the annual costs of maintenance and operation for said District, whichever is less, shall be deposited in said Reserve Fund.

Proposed Resolution states:

- Annual contribution to the Reserve Fund by July 31st of each year;
- Use of Reserve Fund only in case of emergency, natural disaster or unexpected event(s);
- Unanimous vote of Board to access; and
- Goal of \$1,500,000 in the Reserve Fund Account (slightly less than 50%) of Total Operating Expenditures.

Chairman Shoals opened the item to public comment.

There being no public comment, Chairman Shoals closed the public comment period.

Director Hill thought it advisable to establish a Reserve Fund within Fund 19. He would like to discuss the timeliness of how this is established. He recommended rolling the remainder of the contingency into the Reserve Fund would be one way to go about it. He thinks \$1,500,000 is a good target but not within the Districts ability to handle at once. He feels a unanimous vote is hard to handle but believes the Board can recognize an emergency event.

Chairman Shoals suggested that the Board look at the following numbers:

- 20% of \$4,209,000 (total amount wastewater charges) =\$841,800; or
- 10% of Operation and Maintenance Costs which would be significantly less than the 20% option.

He suggested the Board set the amount to be deposited in the Resolution.

Director Hill noted the District does not currently see a lot of high interest rates at this time. He suggested maybe \$500,000 to \$700,000 as a target goal instead of the \$1,500,000. If a financial change happens, we could review the policy on an annual basis.

Director Shoals thinks the 10% of Operation and Maintenance Costs would be the best option and a majority vote of the Board is something that the Board should continue with.

Motion: Chairman Shoals motioned to provide for a reserve fund of 10% of the annual costs of District maintenance and operation, that an annual amount to be determined by the Board and that it be deposited to the reserve fund on July 31st each year. That the reserve be used only in cases of emergency, natural disaster, or unexpected event. He would also add that it be used for a onetime expense. This will be done by a majority vote of the Board and the target goal would be \$800,000. This will be revisited and brought back for an annual review depending on interest rates and other market factors that come to bear at that time.

Second: Director Hill

Motion: Approved unanimously

6C. STATE REVOLVING FUND (SRF) PLANNING LOAN APPLICATION TO THE STATE WATER RESOURCES CONTROL BOARD (SWRCB) FOR DISTRICT'S REDUNDANCY PROJECT

Mr. Hubner gave a power point presentation. He overviewed background, SRF Planning Loan application, District's budget for planning, design and permitting, SRF resolutions, repayment of SRF Loans and the staff recommendation.

The District's 2016 Rate Study (Bartle Wells Associate), identified SRF funding as a preferred funding source for the District's Wastewater Treatment Plant Redundancy Project. The SRF loan program allows terms of up to 30 years for repayment of the loans. The interest is established at 50% of the state's latest General Obligation Bond rate. Historically, the SRF financing cost has historically been in the 1 to 3% range.

An application has been prepared on behalf of the District for a SRF Planning Loan to fund planning, permitting and design tasks for the Redundancy Project. SRF Planning loan funds allow an applicant to recover various planning-related costs, including project management, permitting and project design. District staff anticipates submitting the completed application package to the SWRCB by June 22, 2016.

He presented a graph showing Engineering Design Services cost at \$1,490,000. Permitting cost at \$120,000. Project management and administration (design/ planning phase) cost at \$247,000. And estimated project total cost at \$1,857,000.

Repayment of the SRF loan begins one year after project completion. It is staff's intent to proceed with the preparation of a SRF construction loan application after Project permitting has proceeded past the initial investigation and coordination with California Coastal Commission.

If the SRF construction loan application is submitted and approved, repayment of both the planning and construction loans would not begin until one year after construction of the District's Redundancy Project is completed.

Resolutions Nos. 2016-350 and 2016-351 authorize the District's Chair to sign the loan agreement and take other actions required by that Agreement; and commit the District to repay the SRF loan.

If the application is approved by SWRCB, the District will be obligated upon

execution of the Agreement for repayment of loan funding for the term of such financing, unless modification or change is approved in writing by SWRCB.

Staff recommendation was to have the Board approve submittal of an application to the SWRCB for a planning and design loan of up to \$1,857,000 to fund work for the Redundancy Project through the Clean Water State Revolving Fund through adoptions of Resolution Nos. 2016-350 and 2016-351.

Chairman Shoals opened the item to public comment.

Julie Tacker commented on this item.

Chairman Shoals closed the public comment period.

The Board had a brief discussion and all were in support of going forward with the loan application.

Motion: Director Hill made a motion to approve Resolution No. 2016-350

Second: Director Lucey

Action: Approved unanimously

Motion: Director Lucey made a motion to approve Resolution No. 2016-351

Second: Director Hill

Action: Approved unanimously

6D. APPOINTMENTS TO SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT ZONE 1 AND 1A, ADVISORY COMMITTEE

Mr Hubner presented this item. He recommended the Board appoint him as the District's representative, and Mr. John Clemons as the alternative to the San Luis Obispo County Flood Control and Water Conservation District Zone 1 and 1A, Advisory Committee, and Direct staff to submit an application to the County Board of Supervisors for formal consideration and appointment

There was no public comment.

Motion: Director Hill made a motion to approve staff recommendation.

Second: Director Lucey

Action: Approved unanimously

6E. MODIFICATION TO RESOLUTION NO. 2014-314 – POLICIES AND PROCEDURES FOR THE EXPENDITURE OF DISTRICT FUNDS FOR SUPPLIES, EQUIPMENT, CONSTRUCTION, AND SERVICES

Mr. Hubner presented this item with a power point presentation. He overviewed the background, the reason for modification and the proposed modifications.

The reason for the modification is an outcome of the *Knudson Report*, and Board direction contained in the January 20, 2016 staff report: "conducting and annual Board review of the District's Purchasing and Construction Policy, consider including provision for consultant service contracts that exceed specified amounts.", and "The purchasing policy is proposed for review with the annual budget." To meet this obligation, District and legal staff reviewed Resolution No. 2014-314, and are recommending a few modifications to the Resolution.

1. Change name of District Manager to District Administrator;
2. Specifically call out in Section 2.5A. The District Administrator's authority for services up to \$25,000; and
3. Eliminate an inconsistency within Section 2.5 with the recommended change here to \$7,500. The phrase of "equipment, supplies, or services" is also deleted to provide clarity that it only applies only to purchases.

There was no public comment on this item.

Motion: Director Hill made a motion that the Board of Directors adopt Resolution No. 2016-353 as renumbered. A Resolution Amending the Adopted Policies and Procedures for the Expenditure of District Funds for Supplies, Equipment, Construction, and Services as Set Forth in Resolution No. 2014.-274.

Second: Director Lucey

Action: Approved unanimously

7. DISTRICT ADMINSTRATOR AND PLANT SUPERINTENDENT'S REPORT

Mr. Hubner presented this report. He pointed out that during the month of May plant effluent exceeded permit limits for average Total Suspended Solids (TSS) for the month of May. Staff has made process adjustments to re-stabilize process results. The May monthly TSS violation has been reported to the Regional Water Board staff. However, this singular event will not automatically trigger a fine (considered a chronic violation vs. a serious violation). A fine is triggered when an agency reports more than four chronic violations in a 180 day period. The last prior violation for this Plant was reported on December 3, 2015.

Director Lucey asked that differences in the readings be in bold or italics and that the Plant Superintendent or Administrator sign off on the numbers certifying the tests.

Chairman Shoals opened public comment.

Beatrice Spencer, Patricia Price and Ron Arnoldson would like to acknowledge Mr. Clemons for his enjoyable reports.

Chairman Shoals closed public comment.

Director Hill appreciates the public's comments and suggests that it might be good to reorganize the agenda so the Superintendents report can be given at the beginning of the meeting.

Action: Received and Filed

8. PUBLIC COMMENT ON CLOSED SESSION

There was no public comment.

9. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Paragraph (1) of subdivision (d) of Government Code Section 54956.9];

(1) South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) case number 34-2012-80001209-CU-WM-GDS)

10. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

The Board met in closed session and gave direction to staff, but took no reportable actions, concerning the litigation matter.

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 8:10 p.m.

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

DRAFT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
WARRANT REGISTER
07/06/2016 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABBA EMPLOYER SERVICES	TEMPORARY LABOR	22471	070616-1389	6085	480.00	480.00
ADVANCED FLOW MEASUREMENT	EQUIPMENT MAINTENANCE	2669	1390	8060	586.00	586.00
AIR POLLUTION CONTROL DISTRICT	PERMIT FEES	EMERGENCY BACKUP GENERATOR	1391	7068	460.00	460.00
ALICIA LARA HR SERVICES	HUMAN RESOURCES	2016-08; 09; 10; 11; 12	1392	7076	5,220.00	5,220.00
ARAMARK	UNIFORMS	06/10; 06/17; 06/24	1393	7025	592.95	592.95
AT&T	TELEPHONE	MAY	1394	7013	331.27	331.27
AUTOSYS, INC.	SCADA	925	1395	20-8010	1,320.00	4,622.99
	EQUIPMENT MAINTENANCE			8060	3,302.99	
DEPT. OF CONSUMER AFFAIRS	LICENSE	HUBNER	1396	7055	270.00	270.00
BRENNTAG	PLANT CHEMICALS	BPI632960	1397	8050	4,562.79	4,562.79
BRISCO MILL & LUMBER	EQUIPMENT MAINTENANCE	164876	1398	8060	43.18	43.18
CALPERS	EMPLOYEE HEALTH	JULY	1399	6010	16,197.08	16,197.08
CALPORTLAND	EQUIPMENT MAINTENANCE	92887396	1400	8060	300.68	300.68
CANNON	CHLORINE CONTACT PROJECT	61408	1401	26-8065	13,727.69	13,727.69
CHARTER	COMMUNICATIONS	06/29-07/28	1402	7013	368.33	368.33
CITY OF AG	BILLING	MAY	1403	7073	1,962.00	1,962.00
CITY OF GB	BILLING	FY 15/16	1404	7081	22,167.25	22,167.25
CWEA	MEMBERSHIP	CLEMONS	1405	7050	164.00	245.00
	PROF CERT	LAB CERT CLEMONS		7055	81.00	
DOWNEY BRAND	OUTSIDE LEGAL	MAY	1406	7070	2,324.17	2,324.17
ERA	LAB TESTING	794918	1407	7078	1,454.14	1,454.14
FED EX	OFFICE EXPENSE	5-460-01151	1408	8045	12.68	12.68
GERHARDT HUBNER	MEDICAL REIMBURSE	FY15/16	1409	6075	485.00	485.00
GRAINGER	EQUIPMENT MAINTENANCE	9139724950	1410	8060	205.20	332.97
	SAFETY SUPPLY'S	9148934145		8056	127.77	
GROVER TOOL RENTAL	EQUIPMENT RENTAL	47844	1411	7032	1,425.00	1,425.00
JB DEWAR	FUEL	141968; 818549	1412	8020	1,167.26	1,167.26
JIM HILL	BOARD SERVICE	MAY AND JUNE	1413	7075	300.00	300.00
JOHN SHOALS	BOARD SERVICE	MAY AND JUNE	1414	7075	300.00	300.00
KEMIRA	PLANT CHEMICALS	9017503580	1415	8050	7,725.24	7,725.24
KENNEDY/JENKS	REDUNDANCY PROJECT	102227	1416	20-7080	6,089.30	6,089.30
KEVIN MERK ASSOC., INC.	CHERRY AVE BRIDGE	16-0701	1417		7,095.00	7,095.00
	REDUNDANCY PROJECT	16-0702	1418		3,515.00	3,515.00
MARIO DE LEON	MEDICAL REIMBURSE	FY 15/16	1419	6075	285.42	285.42
MARY LUCEY	BOARD SERVICE	MAY AND JUNE	1420	7075	300.00	300.00
MICHAEL K NUNLEY & ASSOC., INC.	GIS IMPLEMENTATION AND SUPPORT	2138; 2234	1421	7077	1,380.00	7,352.50
	GRIT REMOVAL IMPROVEMENT	2387			1,837.50	
	HEADWORKS IMPROVEMENTS	2386			2,295.00	
	REDUNDANCY PROJECT PHASE I	2371			1,840.00	
NBS	OCSD BILLING	51600038; 61600226	1422	7074	8,662.50	8,662.50
NOBLE SAW INC.	EQUIPMENT MAINTENANCE	298093	1423	8060	49.20	49.20
OEC	CHEMICAL ANALYSIS	1602147	1424	7078	45.00	45.00
PERRY'S	REPLACEMENT	19480	1425	26-8065	2,860.93	2,860.93
PG&E	ELECTRICITY	05/10-06/08	1426	7091	14,882.19	14,882.19
POLYDYNE, INC	PLANT CHEMICALS	1057123	1427	8050	919.13	919.13
PRAXAIR	EQUIPMENT RENTAL	55347322	1428	7032	29.42	29.42
ROYAL WHOLESALE ELECTRIC	EQUIPMENT MAINTENANCE	7842-432250	1429	8060	152.99	152.99
SAFETY KLEEN	CHEMICAL ANALYSIS	70258972	1430	7078	92.00	92.00
SLO CO DATA, INC.	OCSD BILLING	37362	1431	7074	817.68	817.68
SM TIRE	EQUIPMENT MAINTENANCE	589266	1432	8060	283.80	283.80
SPRINT	TELEPHONES	05/04-06/03	1433	7014	220.17	220.17
STATE WATER RESOURCE BOARD	CERTIFICATION	ELAP CERT	1434	7068	2,874.00	2,874.00
THOMA ELECTRIC	EQUIPMENT MAN	35954; 35966	1435	8060	6,322.21	6,322.21
USA BLUEBOOK	EQUIPMENT MAINTENANCE	982832	1436	8060	121.37	457.82
	LAB SUPPLIES	984064		8040	336.45	
VWR	LAB SUPPLIES	2016-854	1437	8040	294.55	294.55
WSC	RECYCLED WATER STUDY	2022	1438	20-7090	6,038.76	6,038.76
SUB TOTAL					\$ 157,303.24	\$ 157,303.24
SO SLO CO SAN DIST. REIMB	PAYROLL	06/10/16	1439		31,669.32	31,669.32
	PAYROLL	06/24/16			31,591.29	\$ 31,591.29
SUB TOTAL					\$ 63,260.61	\$ 63,260.61
GRAND TOTAL					\$ 220,563.85	\$ 220,563.85

We hereby certify that the demands numbered serially from 070616-1389 to 070616-1439 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: July 6, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

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

Annual RWQCB Inspection and Permit Renewal

On June 29th, the District's facility annual routine inspection was conducted by staff at the Central Regional Water Quality Control Board (CRWQCB). District staff provided its records and access to all areas of the facility, and spent most of the morning touring and answering questions. The CRWQCB inspector stated she was pleased with the current condition of the plant, the number of backup and redundancy measures installed throughout the facility, and progress made since the last inspection.

In conjunction with the June 29th inspection, District staff took the opportunity to query RWQCB staff and ask when the process for the District's NPDES permit renewal would begin. Currently RWQCB staff is backlogged with a number of permit renewals. Therefore, our permit renewal process will likely start in earnest in January 2017.

Project Updates:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – The purpose of this project is to perform maintenance on the existing structure, remove paint and debris and replace its anti-corrosion coating. A draft Mitigated Negative Declaration is nearing completion, which will allow us to submit an application to the California Fish and Wildlife for a Streambed Alteration Agreement, necessary for construction to commence. *Currently staff are evaluating costs to determine the best possible avenue for moving the project forward. To assist us with this determination an adhesion test on the pipeline was completed this week.*
- **Grit Removal System** – On April 28, 2016, the Board approved a contract with Speiss Construction Company for \$492,100. *Construction has begun, with initial grubbing, site*

preparation, and dewatering of the site. A request to purchase a valve to support this project is described in item 7B on today's agenda.

- **Mechanical Bar Screen** – *Draft Final Design is now complete, and a Notice of Exemption has been filed. The next step will be the issuance/advertisement of a Request for Proposal.*
- **Secondary Process Redundancy Project** – *On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. Work to complete biological surveys at our facility property, and additional flooding/sea rise analyses are underway, with mid-July the target dates for completion. Geotechnical work, including on-site boring, are now complete.*
- **Satellite Water Resource Recovery Facilities Grant** – *The Board approved a re-scoping of this grant funded project at its March 30, 2016. Regular monthly meeting is held at the District's office with the consultant and City of Arroyo Grande staff, where project schedule, milestone and progress on report components are discussed. The next scheduled meeting is July 6th.*
- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – *Staff continue to work with representatives of PG&E, MKN and Enviser on the feasibility of a co-generation system at the District's facility. Significant benefits of a co-generation system may include future saving on facility electricity costs, and a reduced carbon footprint (eliminated flare)/greenhouse gases. Legal comments on PG&E's Master Agreement were provided to PG&E, and we are awaiting their response. The next meeting with PG&E is scheduled for July 7th.*
- **GIS manhole mapping system** – *In progress. Estimated completion in early summer.*
- **District Control Building and Office** – *As noted in previous reports to the Board significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.*

As a proactive and preventative approach to address these multiple issues we initiated requests for quotes for structure repairs on the roof, and assessment of any potential Health and Safety issues within the building for our employees. The first of these quotes and request for Board approval to proceed are described in today's Board agenda items 7A and 7C.

On May 11, 2016, an Ergonomic Specialist/Chief Risk Officer from the Special District Risk Management Association conducted and completed an ergonomic assessment of the District office. We expect submittal of that assessment early next week.

On May 13, 2016, an Industrial Health and Safety assessment for the office was completed. This assessment will look at any potential health and safety issues, and provide us with recommendations for corrections and/or improvements. A memo with recommendations was received on June 15th.

Regional Efforts

- Arroyo Grande Watershed MOU Group – In 2006, various parties, including the District entered into a Memorandum of Understanding. The purpose of this watershed group is to develop programs and policies for the maintenance, protection, and enhancement of Arroyo Grande Watershed and creeks within the Watershed. *The next scheduled meeting is July 13th.*
- Zone 1-1A Flood Control Advisory Committee District is focused on the goal to provide input and coordination on proposed improvement and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. *At the June 15th Board meeting, the Board approved District staff participation. Subsequently, staff attended its first meeting on June 21st, and submitted a completed application. Currently one of the largest issues the Committee faces is County's Arroyo Grande Creek Maintenance Program and obtainment of 5 year permit from the Army Corp of Engineers (ACOE). Obtaining a Biological Opinion from the National Marine Fisheries Service remains a major constraint in obtaining this final ACOE permit.*
- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:
 - Crosses jurisdictional, watershed, and political boundaries
 - Involves multiple agencies, stakeholders, individuals, and groups
 - Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
 - Develops multi-benefit solutions

One key additional benefit of IRWM participation includes potential grant opportunities to the District available through the State of California and Proposition 1. For the District to fully participate and join as a full member, the Board would need to adopt the IRMP through a Resolution and Memorandum of Understanding. *Consideration of a Resolution and MOU for District participation is described as part of Item 7D on today's agenda.*

- Water Reuse, Central Coast Chapter –The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. The Water Reuse Association provides a comprehensive and complementary approach to increasing water reuse in California.
- North Cities Management Area Technical Group - The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication. As such, this group is exploring various ways to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. At the meetings, group members share hydrologic and water resources data and information, and water conservation efforts. *The latest meeting of this group was June 13th meeting.*
- Regional South SLO County Recycling Efforts: Recently staff have been invited to participate in meeting with the City of Pismo Beach, and discuss their efforts with a Regional recycling projects and how the District might participate. *Staff attended the stakeholder meeting on June*

23rd, and gave an update on the District's latest activities as they relate to future recycling opportunities. The next meeting is scheduled for July 19th. In addition, a Countywide Water Action Team has formed, with its first meeting June 24th with water managers throughout San Luis Obispo County convening to discuss water supply management solutions.

Superintendent's Report

During this reporting period (through June 30th) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. Plant effluent exceeded permit limits for average total suspended solids (TSS) for the month of June. Permit limits for average monthly TSS is 40 mg/L. *Plant effluent TSS average for the month of June 2016 was 45.0 mg/L. Our plant effluent TSS monthly average for the month of May was 42.5 mg/L (also an exceedance). Staff is in process of making various plant adjustments to re-stabilize process results. The June monthly TSS violation has been reported to the Regional Water Board staff. However, this event will not automatically trigger a fine (considered a chronic violation vs. a serious violation). A fine is triggered when an agency reports more than four chronic violations in a 180-day period. The last prior violation for this Plant was reported on June 1, 2016.*

All other process values (lab test results) were within permit limits.

Plant Data (Data as Available June 30), 2016

June 2016	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	2.26	3.41	476	39	448	45	16	177	92
High	2.43	4.1	528	43	476	51	240	429	
Limit	5.0			40/60/90		40/60/90	2000		80
CY 2015 Monthly									
Average	2.17	3.42	415	29	438	36	67	194	93
High	2.42	4.8	495	43	494	47	255	402	

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

Operation and Maintenance Projects

- Removed Urinal in men's restroom
- Trimmed foliage in sludge lagoon area
- Replaced broken valve on Chlorine line
- Repaired controller on FFR bay door
- Replaced equipment wiring at Primary No.2
- Drained primary Clarifier No. 2
- Completed installation of Variable Frequency Drive (VFD) on Effluent Pump No. 2. Conducted test run
- Installed VFD for centrifuge conveyor
- Raised manholes at 17th St. and 19th St. in Oceano
- Repaired auto-solenoid on boiler gas line

- *Filled Primary No. 2 with Process water*
- *Flushed fixed film reactor*
- *Drained and cleaned Chlorine Contact Chamber*
- *Replaced leaking seals on sludge mixing pump*
- *Performed three FOG inspections in Oceano during the month of June*
- *Completed installation of bi-sulfite back-up system*



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www.sslocsd.org

Date: July 6, 2016

To: Board of Directors

From: Gerhard Hubner, District Administrator

Via: John Clemons, Plant Superintendent

**Subject: HEATING, VACUUM AND AIR CONDITIONING (HVAC) DUCTWORK REPAIRS
AT THE DISTRICT'S ADMINISTRATION/CONTROL BUILDING**

RECOMMENDATION

Staff recommends the Board of Directors authorize the District Administrator to enter into an agreement with Knecht's Heating and Plumbing Inc. in the amount of \$18,591 for the repair of HVAC ducting in the Administration/Control Building.

BACKGROUND

The roof of the main administration/operations building at the wastewater treatment plant leaks in several places during rain events. Upon closer inspection staff noticed the leaks were all located near HVAC ducting. Staff solicited repair estimates from three roofing companies – Mclean Roofing, Pacific West and Coast Roofing. Each company sent a technician out to inspect our site. After the inspections, each roofing company determined the roof was sound, however deficiencies in the duct work were causing the leak.

DISCUSSION

Subsequently, we received one estimate for a roof repair, and three recommendations to call Knecht's Plumbing and Heating Inc. for duct work repair. Knecht inspected the work site and submitted a written quote to us for \$18,591 (Attachment No. 1).

Resolution No. 2016-353, the District's "*Policies and Procedures for Expenditure of District's Funds for Supplies, Equipment, Construction and Services...*" requires equipment above \$7,500 must seek and obtain Board approval prior to purchase.

Repair of the HVAC ducting is critical to the habitability, and to avoid future health and safety issues and problems at the District's Administration/Control Building.

FISCAL CONSIDERATIONS

Funds for this equipment have been identified in Fund 19-8061 Structure Maintenance – Major in the Fiscal Year 2016-17 Budget. The fund balance for this account is currently \$50,000.

Attachment No. 1 – Proposal from Knecht's Plumbing & Heating Inc.

PROPOSAL

KNECHT'S PLUMBING & HEATING INC.

60 ZACA LANE, SAN LUIS OBISPO, CA 93401
PHONE (805) 544-5118 FAX (805) 544- 7860 Lic. #373936

PROPOSAL SUBMITTED TO South SLO County Sanitation District	PHONE (805) 489-6670	E-MAIL jclemons@sslocsd.us
STREET 1600 Aloha Place	CONTACT John Clemons	DATE 5/19/2016
CITY, STATE AND ZIP CODE Oceano, CA 93445	JOB NAME South SLO County Sanitation District Re-Duct	
ARCHITECT NA	DATE OF PLANS NA	JOB LOCATION 1600 Aloha Place, Oceano, CA 93445

We hereby submit specific actions and estimates for:

\$ 18,591.00 Price to replace the existing roof top ductwork and plenums.

- Scope:**
- Remove and dispose of the existing ductwork.
 - Remove and dispose of the existing ceiling register boxes.
 - Provide and install a new supply and return ductwork on roof top.
 - Fabricate and install new flex duct connection for supply and return at the existing package unit.
 - Provide and install (10) roof jacks for duct penetrations.
 - Provide and install (9) new supply registers and (1) new filter grille.
 - Provide and install new filter in existing filter grille.
 - Startup and check out new ductwork.

Clarifications: • Work is priced to be performed during normal business hours, Mon-Fri 7:00am-3:30pm.

Excludes: Fees and permits

WE PROPOSE hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

Eighteen Thousand Five Hundred Ninety One & 00/100 dollars (\$ 18,591.00).

Payment to be made as follows:

Net 30.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized
Signature _____

Jacob Monell

Note: This proposal may be
withdrawn by us if not accepted within 15 days.

ACCEPTANCE OF PROPOSAL - The above prices, specifications
and conditions are satisfactory and hereby accepted. You are authorized to do the work
as specified. payment will be made as outlined above.

Signature _____

Date of acceptance _____



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www.sslocsd.org

Date: July 6, 2016

To: Board of Directors

From: Gerhardt Hubner, District Administrator

Via: John Clemons, Plant Superintendent

Subject: ACQUISITION OF AUTOMATED (EIGHT INCH) VALVE TO SUPPORT THE DISTRICT'S GRIT REMOVAL PROJECT

RECOMMENDATION

Staff recommends the Board of Directors authorize the District Administrator to purchase an electric actuator and valve in the amount of \$12,450 for the process water return line from the secondary clarifier to the headworks.

BACKGROUND

The District is currently installing a Grit King grit removal system at the wastewater treatment plant (Plant). This system requires a minimum process water flow to function properly. Night time flows at the Plant typically drop below the minimum flows required by the grit removal system. To augment the night time flow through the grit removal system, staff plans to return water from the secondary clarifier to the headworks through an existing return line.

DISCUSSION

An automated valve will be required to control the return water flow rate from the secondary clarifier to the headworks. Staff checked with several vendors to acquire an appropriate valve for this application. Integrated Process Technologies was able to submit a quote for the valve with the specific required characteristics (size, modulation increments, control connectivity, timing etc.) The quoted price for the valve is \$12,450 (Attachment No. 1). Installation of the valve will be conducted with existing staff.

Resolution No. 2016-353, the District's "*Policies and Procedures for Expenditure of District's Funds for Supplies, Equipment, Construction and Services...*" requires equipment above \$7,500 must seek and obtain Board approval prior to purchase.

As noted above, purchase and installation of this automated valve will help with performance of Grit Removal System Project when completed.

FISCAL CONSIDERATIONS

Fund for this equipment have been identified in Fund 26-8065 – Structures/Grounds-Replacement and Improvement in the Fiscal Year 2016-17 Budget. This project would substitute for Project Nos. 2016-B1-02 (Belt for Sludge Conveyor, \$3,000) and 2016-B1-13 (Sludge Pump Variable Frequency Drive, \$10,000), which will be either eliminated or deferred to another fiscal year. The fund balance for this account is currently \$946,200.

Attachment No. 1 – Quote from Integrated Process Technologies



1. ALL ITEMS SHIPPING FROM IPT INVENTORIES WILL BE SUBJECT TO A 35% RESTOCKING CHARGE. FREIGHT PREPAID BY CUSTOMER. 2. ALL NON-STOCK, NON-STANDARD, SPECIAL ORDER ITEMS ARE SUBJECT TO CONDITIONS SET FORTH BY THE MANUFACTURER OR SHIPPER. IPT SHALL ISSUE CREDIT TO THE CUSTOMER, EQUAL TO THE AMOUNT OF THE CREDIT RECEIVED FROM THE MANUFACTURER OR SHIPPER. FREIGHT PREPAID BY CUSTOMER. 3. ALL FABRICATED/CUSTOM ASSEMBLIES, AND/OR EXPORTS, ARE NON-CANCELLABLE AND NON-RETURNABLE. 4. ITEMS ARE NOT RETURNABLE AFTER (4) FOUR MONTHS FROM ORIGINAL SHIP DATE. 5. A RGA (RETURNED GOODS AUTHORIZATION) MUST BE OBTAINED FROM IPT PRIOR TO RETURNING ANY PRODUCTS.

Shipping Note: Products quoted F.O.B. Factory may include costs of shipment from the factory [including handling fees and fuel surcharges] to IPT's facilities in Tempe, Valparaiso, Ontario, and Kapolei; these charges will be added to the freight from IPT's facilities to your designated shipping destination, and must be paid by Customer.

All Quoted Deliveries on above items are subject to Prior Sale



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www.sslocsd.org

Date: July 6, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Via: John Clemons, Plant Superintendent

Subject: BATHROOM REPAIRS IN DISTRICT'S ADMINISTRATION/CONTROL BUILDING

RECOMMENDATION

Staff recommends the Board of Directors authorize the District Administrator to enter into an agreement in the amount of \$10,200 with Central Coast Plumbing for the replacement of the urinal and repair of ruptured pipes in the men's restroom at the District's Administration/Control Building.

BACKGROUND

In early May the drain pipe from the urinal in the men's restroom became clogged. District staff attempted to clear the clog using an industrial "snake". This was unsuccessful. Staff also attempted to camera the line, but were unable to see any obstruction. It was also thought at the time that the line may have collapsed.

Subsequently, staff called in Alpha Omega Plumbing. After several attempts this plumber was able to "temporarily clear the line. The plumber also believed the line had collapsed in and would need more extensive repair. The line failed again in less than two weeks. Thereafter, staff called in another plumber (Central Coast Plumbing) who removed the urinal, p-trap and discovered that the drain pipes were encased in concrete. This plumber recommended a remodel of the bathroom to bring the piping up to code (see Attachment No. 1).

DISCUSSION

The current drainage piping in the restroom is encased in concrete. This piping is over fifty years old, likely when the Administration Building was originally constructed. Furthermore, the current restroom does not meet the Americans with Disabilities Act (ADA) regulations. Any attempt to repair existing piping would involve some demolition of the building foundation.

The quote received includes installing new waste drainage lines for the urinal, toilet and shower; installing ADA compliant fixtures and removal of existing fixtures. The total amount quoted is \$10,200.

Resolution No. 2016-353, the District's *"Policies and Procedures for Expenditure of District's Funds for Supplies, Equipment, Construction and Services...."* requires equipment, services and construction above \$7,500 must seek and obtain Board approval prior to purchase.

As noted above, repair of the District's Administration/Control Building's Men's restroom is needed for a number of reasons, including habitability of the building, and ADA requirements.

FISCAL CONSIDERATIONS

Funds for this equipment have been identified in Fund 19-8061 Structure Maintenance – Major in the Fiscal Year 2016-17 Budget. The fund balance for this account is currently \$50,000.

Attachment – Report by Lee Chavez, and Estimate from Central Coast Plumbing

Central Coast Plumbing Lic.#936639

Lee Chavez

805-748-2580

Diagnosis Report

I was originally called in for a problem with the urinal draining slowly. I agreed to snaking the drain, changing out the urinal and possibly the p-trap, along with minimal plumbing. I started by saw cutting the area where the piping was and snaking the drain. After the snake got stuck I realized the p-trap was filled with hard debris. The next step was to jackhammer and replace the p-trap. All of the cast iron piping was encased in concrete. After 6 hours of jack hammering the p-trap was removed. Realizing that was not the only problem a microscopic camera was installed to find a pitted and broken mainline. At this point I stopped work and notified John Clemons of the problems I found. I explained that the piping is so old that I did not want to do a partial job fixing one spot when the whole bathroom needs to be brought up to ADA regulations. I must cap, backfill, and concrete existing plumbing for urinal. I suggested a remodel of the bathroom to bring everything up to code and update the piping. I will be able to start the remodel immediately upon acceptance of work. Estimate soon to come.

Central Coast Plumbing

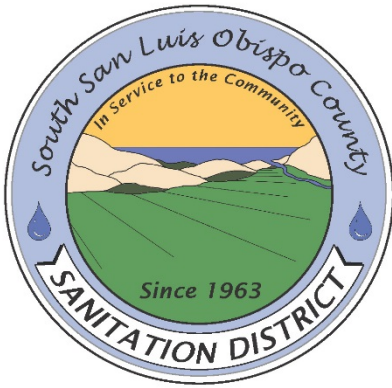
805-748-1532
1310 24th st.
Oceano,CA.93445
Lic.# 936639

Estimate

Date	Estimate #
6/16/2016	46

Name / Address
Sanitation District 1600 Aloha Pl. Oceano, CA

			Project
Description	Qty	Rate	Total
Demo Men's Restroom-Remove remaining fixtures, remove toilet, remove partition, remove 30x30 shower enclosure, remove rubber flooring, remove lavi.		600.00	600.00
Plumbing-Locating the waste system where it exits the building by jackhammering 3 inch drain and installing camera. After locating lay out new ADA approved drain system for men's restroom. Saw cut, demo, and grade ditches for new pvc pipe.		3,500.00	3,500.00
Plumbing:Install new PVC pipe with 1/4" per ft. grade for one ADA toilet,one ADA height waterless urinal, one wall hung Lavi, and one shower drain.Install new test wye for inspection.Fill up waste system for inspection.		1,900.00	1,900.00
Plumbing:Back fill all ditches with native soil, install concrete to finish floor height.Install distressed looking tile for sanitary floor without base.Install grey rubber base.		1,200.00	1,200.00
Plumbing:Install finish fixtures one ADA toilet,one ADA wallhung waterless urinal and one wall hung lavi.Install one exposed shower valve.		1,500.00	1,500.00
Plumbing:Locate water system in attic space and bring down exposed 1/2" copper.Install one 1/2" hot and cold for wall hung lavi. Install one hot and cold 1/2" water for shower.Install one cold for toilet.		1,500.00	1,500.00
Plans and Permits:Any added cost for plans and permits will be the owners responsibility.Any added cost for partition walls will be billed out at \$65.00 hourly plus material.		0.00	
Thank you		Total	\$10,200.00



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Date: July 6, 2016
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **RESOLUTION NO. 2016-354 – ADOPTION OF THE SAN LUIS OBISPO COUNTY INTEGRATED REGIONAL WATER MANAGEMENT PLAN (IRWMP) AND APPROVAL OF THE DISTRICT'S PARTICIPIATION AS A IRWMP PROGRAM PARTICIPANT**

RECOMMENDATION:

Adopt Resolution No. 2016-354, which adopts the San Luis Obispo County (SLO County) Integrated Regional Water Management Plan; directs the District's Administrator to sign the Memorandum of Understanding; and directs the District's Administrator to file a Notice of Exemption.

DISCUSSION:

The Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:

- Crosses jurisdictional, watershed, and political boundaries
- Involves multiple agencies, stakeholders, individuals, and groups
- Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
- Develops multi-benefit solutions

As background, in 2009, a Memorandum of Understanding (MOU) was signed by eleven agencies within San Luis Obispo County, establishing a Regional Water Management Group (RWMG) for the San Luis Obispo County IRWM Region. In May of 2009, the San Luis Obispo County IRWM Region was officially accepted by the State of California.

The MOU, in conjunction with the current IRWM Plan, sets forth the SLO County IRWM Region's governance structure allowing members and other stakeholders to understand how to participate in the IRWM Plan development and implementation. The current membership is composed of

various cities, the County, state agencies, community service districts, water districts, resource conservation districts, and non-governmental agencies throughout San Luis Obispo County.

The SLO County IRWM Plan was initially developed and adopted by multiple agencies in the County in 2005, and updated in 2007 and 2014. The 2014 IRWM Plan identifies goals, objectives, strategies and projects designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, stormwater capture and management, flood management, recreation and access, wetland enhancement and creation, and environmental and habitat protection and improvement.

As described in past District Administrator's reports another key benefit of IRWM participation includes potential grant and funding opportunities to the District available through the State of California's Proposition 1 bond program. The State has expressed its desire and intent to fund projects that are developed on a collaborative basis and provide regional benefit. Furthermore, District staff has already attended two IRWM meetings which provided an opportunity not only to learn about the SLO County IRWM programs and projects, but also network with a number of IRWM members.

For the District to fully participate and join the San Luis Obispo IRWM group as a full member, the District Board will need to adopt the IRMP through a Resolution and sign the existing Memorandum of Understanding. Today we recommend the Board, for all the reasons expressed above, do so by considering and adopting Resolution No. 2016-354.

Attachment

1. Resolution No. 2016-354, with Attachment No. 1 Memorandum of Understanding

RESOLUTION NO. 2016-354

**RESOLUTION ADOPTING THE 2014 SAN LUIS OBISPO COUNTY
INTEGRATED REGIONAL WATER MANAGEMENT PLAN AND
FINDING THAT THE PROJECT IS EXEMPT FROM SECTION 2100 ET SEQ.
OF THE CALIFORNIA PUBLIC RESOURCES CODE (CEQA)**

The following Resolution is hereby offered and read:

WHEREAS, the State of California has established an Integrated Regional Water Management grant program pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resources Code Section 75001 et seq.) (also known as Proposition 84); and

WHEREAS, the Regional Water Management Group for the San Luis Obispo County Region as of the date of this resolution consists of agencies that have signed a Memorandum of Understanding and are listed in Attachment “2”; and

WHEREAS, the concepts, direction and approach to water resources management embodied in the State’s Integrated Regional Water Management program guidelines closely match those of the San Luis Obispo County Region; and

WHEREAS, the San Luis Obispo County Integrated Regional Water Management Plan was initially developed and adopted by multiple agencies in the County in 2005 and updated in 2007; and

WHEREAS, an update to the 2007 San Luis Obispo County Integrated Regional Water Management Plan is needed in order to effectively and efficiently integrate the region’s water resources management planning objectives and implementation strategies in the following five key areas: Water Supply, Groundwater Monitoring and Management, Flood Management, Ecosystems and Watershed, and Water Resources Management and Communications; and

WHEREAS, the San Luis Obispo County Flood Control and Water Conservation District has coordinated with the Regional Water Management Group to produce the 2014 San Luis Obispo County Integrated Regional Water Management Plan in accordance with 2012 State standards; and

WHEREAS, the 2014 San Luis Obispo County Integrated Regional Water Management Plan identifies goals, objectives, strategies and projects designed to improve regional water supply reliability, water recycling, water conservation, water quality improvement, stormwater capture and management, flood management, recreation and access, wetland enhancement and creation, and environmental and habitat protection and improvement; and

WHEREAS, the South San Luis Obispo County Sanitation District has reviewed the 2014 San Luis Obispo County Integrated Regional Water Management Plan and has determined that the Plan is exempt from Section 21000 et seq. of the California Public Resources Code (California Environmental Quality Act) pursuant to Section 21150 of the California Environmental Quality Act, and Guidelines Section 15262 because the Plan is a planning study which identifies potential projects, programs, and policies for possible future actions, and includes possible actions, subject to future adoption and approval.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of Directors of the San Luis Obispo County Sanitation District that:

1. The 2014 San Luis Obispo County Integrated Regional Water Management Plan for the San Luis Obispo County Region is hereby adopted, and staff of the South San Luis Obispo County Sanitation District is hereby authorized and directed to implement actions consistent with participating in updates to the plan on a five-year cycle as a Regional Water Management Group Member as described within the plan.
2. The adoption of the 2014 San Luis Obispo County Integrated Regional Water Management Plan for the San Luis Obispo County Region is hereby determined to be exempt from the requirements of the California Environmental Quality Act pursuant to Section 21150 of Section 21150 of the California Public Resources Code and Section 15262 of the State California Environmental Quality Act Guidelines.
3. The District Administrator of the South San Luis Obispo County Sanitation District is hereby directed to sign the Memorandum of Understanding (Attachment No.1) on behalf of the District.
4. The District Administrator of the South San Luis Obispo County Sanitation District is hereby directed to file a Notice of Exemption in accordance with provisions of the California Environmental Quality Act.

Signature

Printed Name

Agency

Date

Attachment No. 1

San Luis Obispo County Region Integrated Regional Water Management Program Participants Memorandum of Understanding

The undersigned agencies and organizations hereby agree as follows:

1. BACKGROUND

The State of California has established an Integrated Regional Water Management (IRWM) planning and grant program pursuant to the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 (Public Resource Code (PRC) Section 75001 et seq., also known as Proposition 84). This program is anticipated to be perpetuated and/or modified by future Bond acts. The IRWM program provides guidance for collaborative efforts to manage all aspects of water resources in a region by crossing jurisdictional, watershed, and political boundaries to involve multiple agencies, stakeholders, individuals, and groups in order to address issues and differing perspectives of all entities involved through mutually beneficial solutions. Regions that develop IRWM plans in accordance with the guidelines are eligible for certain water resources grant funding opportunities.

In accordance with PRC Section 75001 (et seq.) and State IRWM Program guidelines, a Memorandum of Understanding (MOU) (dated 2009), signed by eleven agencies within San Luis Obispo County, established a Regional Water Management Group (RWMG) for the San Luis Obispo County IRWM Region, and the San Luis Obispo County IRWM Region was officially accepted by the State in May 2009.

The San Luis Obispo County IRWM Region water resources stakeholders have determined the need to update the IRWM MOU in order to meet new State IRWM guidelines, to clarify the governance structure for IRWM planning in the San Luis Obispo County IRWM Region, and encourage broader participation. This MOU, in conjunction with the current IRWM Plan, sets forth the San Luis Obispo County IRWM Region's governance structure thereby allowing members and other stakeholders to understand how to participate in the IRWM Plan development and implementation.

2. PURPOSE, GOALS, AND APPROACH

2.1 Purpose. The purpose of this MEMORANDUM OF UNDERSTANDING (MOU) is to establish the mutual understandings among the San Luis Obispo County Region participants with respect to their joint efforts to develop and implement an Integrated Regional Water Management (IRWM) Plan for the San Luis Obispo County Region, including the definition of common IRWM terms, roles and responsibilities of IRWM Program Participants, and decision-making processes.

2.2 Goals. The goal of the IRWM program is to provide a reliable, long-term, and high-quality water supply, and to establish a unified vision among the participants' goals for water quality improvement, ecosystem preservation, water supply protection and enhancement, ground water management and flood management, in the context of social justice and climate change adaptation, while protecting the environment. The adopted IRWM plan will identify major water-related goals, objectives and conflicts within the region, consider a broad variety of water management strategies, identify the appropriate mix of water demand and supply management alternatives, water quality protections, flood management strategies, and environmental stewardship actions.

2.3 Approach. The San Luis Obispo County Region participants are specifying their shared intent to coordinate and collaborate on water management issues, giving consideration to disadvantaged

communities and Native American tribes and their water related needs. In order to enhance participation of stakeholders, it will be necessary to work at a sub-regional level to better understand the water resources needs and priorities throughout the region. When applying for grants, the San Luis Obispo County Region will strive to distribute the grant funding request fairly across the geographic region. The goal is to distribute awarded funding from each grant cycle equally across the sub-regions (i.e. one quarter of the overall funding to benefit each of the three sub-regions' projects/programs and one quarter of the overall funding to benefit regional projects/programs), to the extent feasible.

3. DEFINITIONS

- 3.1 **Integrated Regional Water Management Plan (Plan).** A comprehensive plan for a defined geographic area which shall satisfy the requirements of California's IRWM Program.
- 3.2 **San Luis Obispo County Region (Region).** The geographic area of San Luis Obispo County, which is coterminous with the San Luis Obispo County Flood Control and Water Conservation District (District) boundary.
- 3.3 **Local Agency.** Any city, county, city and county, special district, joint powers authority, or other political subdivision of the state, a public utility as defined in Section 216 of the Public Utilities Code, or a mutual water company as defined in Section 2725 of the Public Utilities Code.
- 3.4 **Program Participants.** Development and implementation of the Region's Plan is a collaborative effort undertaken by the Region's participants, as further discussed in Section 4. The effort is being led by the District, in partnership with the Regional Water Management Group, Water Resources Advisory Committee, Implementation Affiliates, and Interested Stakeholders. Only regional projects and programs to be implemented by those agencies which have adopted the Plan will be eligible for grant applications. The Region categorizes IRWM Program Participants into the following:
 - 3.4.1 **Regional Water Management Group (RWMG).** A group in which three or more local agencies, at least two of which have statutory authority over water supply or water management, as well as those other persons who may be necessary for the development and implementation of the Plan, participate by means of this memorandum of understanding, in accordance with requirements of the California Water Code (CWC § 10539). The Region's RWMG members are signatories to this MOU, have adopted the current Plan, and may designate a representative to participate in RWMG activities and its Working Group. The entities must be either a Local Agency or an IRS 501(c)(3) nonprofit organization. The RWMG has the capacity to carry out projects (i.e. financial resources, management structure, adequate staffing). The agencies/organizations that form the RWMG may have planning or implementation projects eligible for State IRWM grants.
 - 3.4.2 **Water Resources Advisory Committee (WRAC).** This is the committee comprised of water purveyor, resource conservation district, environmental and agricultural, and other water resources representatives that was originally established in the 1940s to advise the District Board of Supervisors on water resource issues. The WRAC is a Brown Act committee that meets monthly, with the exception of July and August. Many participants are actively engaged in issues relevant to Plan development and implementation, and will represent important stakeholder groups throughout the program.
 - 3.4.3 **RWMG Working Group (Working Group).** The Working Group will involve representatives from the RWMG who have technical expertise and are able to work on the details associated with IRWM efforts. The Working Group will engage stakeholders at a sub-regional level in order to better understand the specific water resources needs and priorities of that sub-region.

3.4.4 **Implementation Affiliates.** These entities will adopt the Plan by resolution, but would not be signatories of the MOU. The entities must be either a Local Agency or an IRS 501(c)(3) nonprofit organization. The Implementation Affiliates have the capacity to carry out projects (i.e. financial resources, management structure, adequate staffing). In order to have a planning or implementation project eligible for State IRWM grants, agencies must be an Implementation Affiliate if they are not a part of the RWMG.

3.4.5 **Interested Stakeholders.** These individuals, organizations, and nonprofits (including those that are not IRS 501(c)(3) nonprofit organizations) who are interested in the IRWM program. The Interested Stakeholders may sign a letter of support for the Plan, or otherwise provide input to the RWMG, but would not be eligible for directly receiving State IRWM grant funds.

3.5 Sub-regions. The Region's IRWM program seeks to engage stakeholders and understand the water resources needs of the Region. To adequately ensure this balanced access and opportunity for participation in the IRWM program, the RWMG will utilize a sub-regional geographic structure, allowing more focused planning and local outreach efforts that are later brought into the context of the overall IRWM Region. These sub-regions have been deliberately defined in terms of logical planning and watershed/ hydrogeologic unit boundaries. These "sub- regions" include the North Coast, North County, and South County (see Attachment 1).

3.6 Regional Projects or Programs. Projects or programs to be implemented by the RWMG and/or Implementation Affiliates are identified in the Plan and are based upon the State's IRWM Guidelines under which the current Plan was adopted, which includes but is not limited to: reducing water demand through agricultural and urban water use efficiency, increasing water supplies for any beneficial use, improving operational efficiency and water supply reliability, improving water quality, improving resource stewardship, and improving flood management.

3.7 Integration. Assembling into one document the water-related management strategies, projects, programs, and plans of the Region. The development and implementation of the Plan should demonstrate the RWMG is forming, coordinating and integrating separate efforts in order to function as a unified effort in a collaborative manner that balances interests and engages a variety of stakeholders and seeks to efficiently integrate regional resources. The Plan development will identify water management strategies for the Region and the priority projects and programs that demonstrate how these strategies work together to meet goals identified in Section 2. It will also identify regional benefits of linkages between projects and plans that address different primary water-related objectives (for example, identifying regional benefits of linkages between a water supply project and a flood management project in the same watershed).

4. IRWM PROGRAM PARTICIPANTS

4.1 Program Participant Structure. Elements of the Plan will be developed and implemented by the Program Participants. The RWMG, including the District as the Lead Agency, and the Implementation Affiliates are responsible for Plan development and implementation.

4.2 Plan Development and Implementation. The Region's Plan that was adopted by the District, developed in coordination with and approved by stakeholders in 2005, and updated in 2007, will be the basis for subsequent adopted Plans for the Region. The Working Group will propose changes to the previous versions of the Plan to comply with new State guidelines and incorporate new information and projects. Since a key element of the IRWM Program is integration, the RWMG will work with Program Participants to identify water management strategies for the Region and sub-regions and the priority projects that demonstrate how these strategies work together to meet the purpose and goals in Section 2. How each Program

Participant contributes and participates in Plan development and implementation is described below:

4.2.1 Lead Agency. The District will act as the lead agency for Plan development, will execute this MOU, and will adopt the Plan in accordance with 4.3 and 4.4 below. The District will ultimately be responsible for the final production of the Region's Plan, hiring consultant(s) to develop the Plan, and presentations to stakeholders, submittal of IRWM grant applications, and execution and administration of grant agreements with the State. As the Lead Agency, the District will execute and administer agreements with RWMG members and Implementation Affiliates responsible for the implementation of projects that are awarded grants, including data collection relevant to grant agreements, project reporting, etc. Efforts described in Section 4.2.1 are subject to the availability of funding.

4.2.2 RWMG. Members will execute this MOU and adopt the Plan in accordance with 4.3 and 4.4 below. RWMG members will designate a representative with clear authority to represent the agency or organization, provide expertise, provide information in a timely manner, participate in meetings, review and approve technical documents as needed, and will provide the District with their designated representative's contact information. This representative will be eligible to participate on the Working Group. All RWMG members, whether or not their representative is participating in the Working Group, hereby agree to provide information sufficient to meet State guidelines for their regional projects and programs to be included in the Plan and participate in the review of the Plan. RWMG members will consider integrating projects and programs with other agencies when possible, especially with disadvantaged communities and Native American tribes, in accordance with State IRWM Guidelines. RWMG members responsible for the implementation of regional projects and programs awarded grant funding will be responsible, through contract with the District, for complying with the provisions of the District's grant agreement with the State. The RWMG will provide updates to the WRAC and seek WRAC support of recommendations at key decision points.

4.2.3 WRAC. The WRAC will provide a forum for public meetings/ workshops related to Plan development and implementation at key decision points. The WRAC will review and comment on the RWMG recommendations to the District's Board of Supervisors at key decision points.

4.2.4 Working Group. Representatives of the Working Group will be designated by the RWMG member and will have clear authority to represent the agency or organization, provide expertise, provide information in a timely manner, participate in meetings, review and approve technical documents as needed, and will provide the District with their designated representative's contact information. The District will provide materials with sufficient lead time for RWMG member and Working Group engagement. The Working Group will develop information, draft documents and recommendations pertaining to the Plan update consistent with current State IRWM Guidelines during Plan development. Efforts are anticipated to include stakeholder outreach, collection and incorporation of updated data, etc. The Working Group will develop information and recommendations for IRWM program planning and implementation, stakeholder outreach, and pursuit of funding opportunities. All RWMG members will participate in the process to select the Region's IRWM projects and programs for grant applications by way of the Working Group, who will conduct project/program solicitations and evaluations, and will make recommendations on grant funding allocations. The Working Group will need to conduct sub-regional public meetings during Plan development and implementation to facilitate stakeholder participation.

4.2.5 Implementation Affiliates. Implementation Affiliates shall adopt the Plan in accordance with Section 4.3. Implementation Affiliates will designate a representative with clear authority to represent the agency or organization, provide expertise, provide information in a timely manner, participate in meetings, review and approve technical documents as needed, and will provide the District with their designated representative's contact information. All

Implementation Affiliates will provide information sufficient to meet State guidelines for their regional projects and programs to be included in the Plan and participate in the review of the Plan and for implementation activities, such as project status updates, project reporting, data collection, etc. Implementation Affiliates will consider integrating projects and programs with neighboring agencies when possible, especially with disadvantaged communities and Native American tribes, in accordance with State IRWM Guidelines. Implementation Affiliates responsible for the implementation of regional projects and programs awarded grant funding will be responsible, through contract with the District, for complying with the provisions of the District's grant agreement with the State.

4.2.6 **Interested Stakeholders.** Interested Stakeholders may participate in the Plan development and implementation process by way of participation at WRAC and/or RWMG meetings. Interested Stakeholders that are not WRAC members will be notified when an IRWM program item will be reviewed by the WRAC if they request inclusion on the IRWM contact list (Section 5.6). Sub-regional meetings will be required to ensure Interested Stakeholders, including disadvantaged communities, who may not necessarily be able to attend WRAC meetings, can participate in Plan development and implementation.

4.3 IRWM Plan Adoption. Plan approval and adoption will be required of the governing bodies of RWMG members and Implementation Affiliates. Plan updates to meet new State guidelines, add new RWMG Members, add or remove and evaluate regional projects and programs, or other updates to information do not require Plan re-adoption. Significant changes to the Plan, including revised goals and objectives, revised methodologies (such as methodology for evaluating, ranking, and prioritizing projects and programs), revised regional boundaries, or other changes deemed significant by the RWMG and the Lead Agency, will require Plan re-adoption via the decision-making process described in Section 4.5.

4.4 Personnel and Financial Resources. It is expected that Program Participants will contribute the resources necessary to fulfill the responsibilities listed within Section 4 of this MOU. Program Participants that receive implementation grant funding, shall contribute a proportionate share of non-project costs associated with the grant agreement, based on awarded implementation funding (for example, contributing toward the cost of updating the Plan, should that be a condition of grant award)..

4.5 Decision Making. The RWMG shall develop IRWM program materials and will make recommendations to the Lead Agency at key decision points of the IRWM program. Written input will be sought between the representatives of RWMG members in the event the need for a decision arises that cannot be brought forth to the RWMG before a decision needs to be made. The District, by way of its Public Works Department, shall notify the RWMG agencies of recommendations being taken to the District's Board of Supervisors for action. The District's Board of Supervisors may approve, alter, or return any said recommendation of the RWMG. Furthermore, if the District's Board of Supervisors intends to alter an item or proposition approved by the RWMG, the District's Board of Supervisors shall set forth in writing its findings, after which the Board will hold a public hearing. The RWMG agencies shall have the right to appear and address the District's Board of Supervisors.

5. MUTUAL UNDERSTANDINGS

5.1 Need for the Region's IRWM Plan

5.1.1 To improve communication and cooperation between public and private agencies and minimize conflict-generated solutions.

5.1.2 To enhance our existing water management efforts by increasing stakeholder awareness of important issues, providing more opportunities for collaborative efforts and improving efficiencies in government and water management.

5.1.3 To qualify for state grants and other funding opportunities only available to those regions which have developed IRWM plans.

5.2 Subject matter scope of the IRWM Plan. The Plan focuses on water supply, water quality protection and improvement, ecosystem preservation and restoration, groundwater monitoring and management, and flood management as these are the most prevalent water resource issues facing the Region.

5.3 Geographical scope of the IRWM Program. The Region for this memorandum is coterminous with the boundary of San Luis Obispo County. This is an appropriate geographic region for integrated regional water management planning because it encompasses all aspects of water management generally within the same physical, political, environmental, social, and economic boundaries. The Region may engage stakeholders within the three sub-regions in order to better understand the specific water resources needs and priorities of that sub-region, which would then be incorporated into the context of the greater IRWM Region planning and implementation.

The Region is bordered by the Greater Monterey County IRWM region to the north, the Santa Barbara County and Watersheds Coalition of Ventura County IRWM regions to the south, and the Kern County IRWM region to the east.

Water resources issues that overlap neighboring regional boundaries are either covered by existing cooperative water management plans (i.e. Nacitone Watershed Management Plan), adjudication (i.e. Santa Maria Groundwater Basin), and operational agreements (i.e. Nacimiento Reservoir), or have no defining water resource management issue. All of these items are to be included in the Region's Plan consistent with the plans of neighboring regions. The RWMG will continue to coordinate with neighboring regions to address additional water resources issues and possible integrated water management strategies in our respective IRWM plans.

5.4 Non-binding nature. This document and participation in the IRWM program efforts are nonbinding, and in no way suggest that a RWMG member or Implementation Affiliate may not continue its own planning and undertake efforts to secure project funding from any source. An agency/ organization may withdraw from participation in accordance with Section 5.7.

5.5 Other on-going regional efforts. Development of the Plan is separate from efforts of other organizations to develop water-related plans on a regional basis. As the Plan is developed, work products can be shared with these separate efforts to provide them with current information.

5.6 Reports and communications. The WRAC, an IRWM contact list, and the District's website will serve as the forum for updates and correspondence relating to the IRWM program and Plan development.

5.7 Termination. Because the Plan will require periodic review and updating for use into the future, it is envisioned that the joint efforts of those involved will be ongoing in maintaining a living document. Thus this MOU will remain as a reflection of the understandings of the RWMG Members. As indicated, parties to this MOU may terminate their involvement at any time, but must provide all RWMG agencies with 30 days' advance notice of intent to terminate.

5.8 Superseded Prior MOU. This MOU supersedes the MOU dated April 21, 2009 (2009 MOU).

5.9 Counterparts. This MOU may be executed in counterparts and has the same force and effect as if all the signatures were obtained in one document.

6. SIGNATORIES TO THE MEMORANDUM OF UNDERSTANDING

We, the undersigned representatives of our respective agencies or organizations, acknowledge the above as our understanding of how the San Luis Integrated Regional Water Management Plan will be developed.

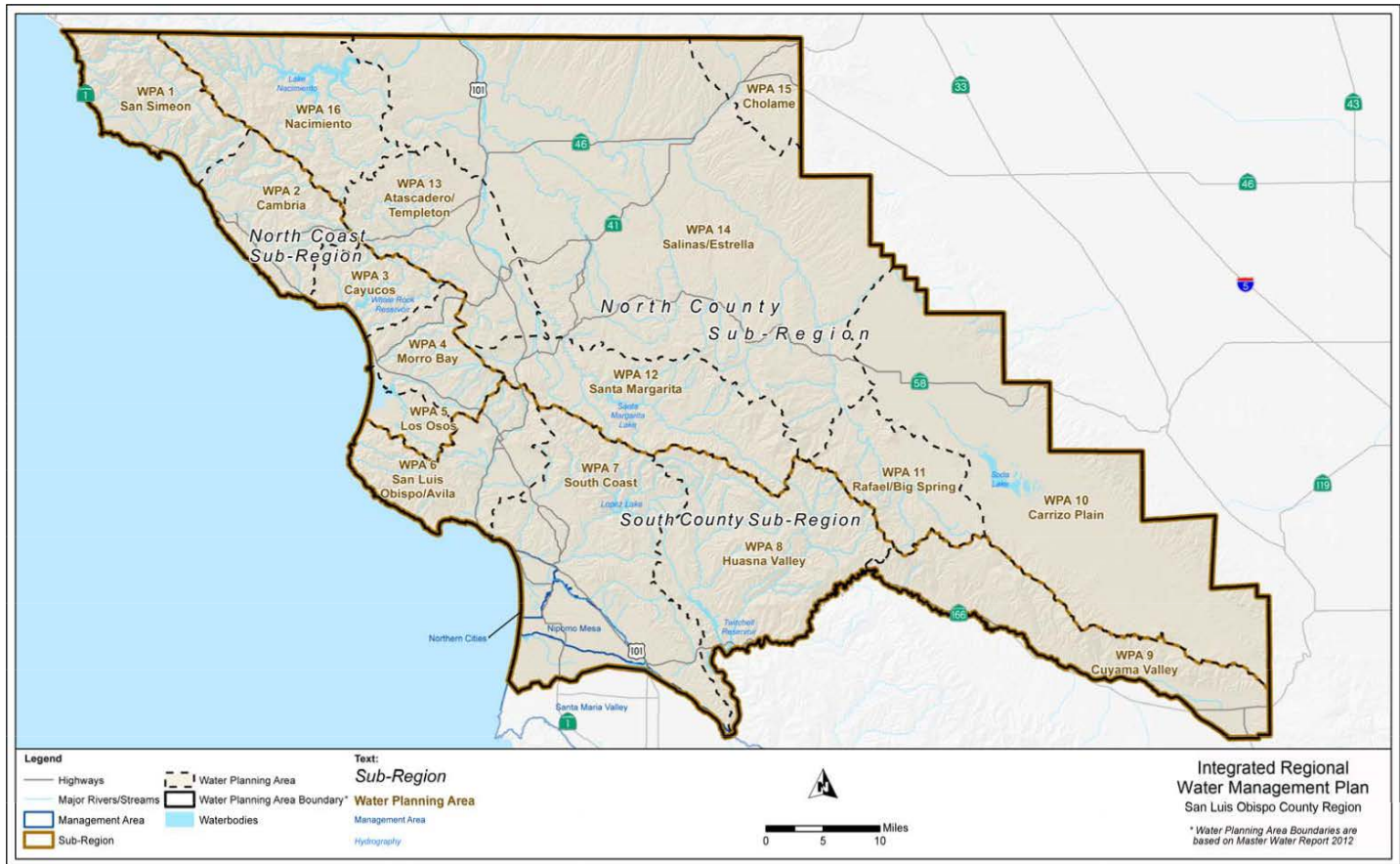
_____ signature

_____ printed name

_____ agency

_____ date

San Luis Obispo County IRWM Region and Sub-Regions Map



Attachment No. 2

Memorandum of Understanding Signatories for San Luis Obispo County Region IRWM Participants

Agency or Organization
San Luis Obispo County
San Luis Obispo County Flood Control and Water Conservation District
California Men's Colony
Cambria Community Services District
Central Coast Salmon Enhancement
City of Arroyo Grande
City of Grover Beach
City of Morro Bay
City of Paso Robles
City of Pismo Beach
City of San Luis Obispo
Coastal San Luis Resource Conservation District
Heritage Ranch Community Services District
Land Conservancy
Los Osos Community Services District
Morro Bay National Estuary Program
Nipomo Community Services District
Oceano Community Services District
Templeton Community Services District
San Miguel Community Services District
San Simeon Community Services District
S&T Mutual Water Company
Upper Salinas - Las Tablas Resource Conservation District