

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday September 07, 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: Gerhardt Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel; John Clemons, Plant Superintendent; Amy Simpson, Bookkeeper/Secretary

2. FLAG SALUTE

3. AGENDA REVIEW – Accepted unanimously as presented by roll call vote.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker commented on Administrator Hubner's resume. The record she received was two pages and the record CalAware received was three pages. She asks the Board to compare the public record she received with the one they received.

Administrator Hubner clarified that the reference page was inadvertently sent to CalAware and that the reason for the difference in the amount of pages.

Chairman Shoals closed the Public Comment.

5. CONSENT AGENDA

- 5A. Approval of Minutes of Meeting of July 20, 2016**
- 5B. Approval of Minutes of Meeting of August 03, 2016**
- 5C. Approval of Minutes of Meeting of August 17, 2016**
- 5D. Approval of Warrants**
- 5E. Financial Review at July 31, 2016**

Chairman Shoals opened the public comment period.

Julie Tacker has concerns regarding Human Resources warrant. She believes an RFP should go out for Human Resource Services. She would also like to know more about the FFR Bypass Project.

Administrator Hubner stated that charges for Human Resources work are appropriate and consistent with staff and Board priorities.

Motion: Director Lucey made a motion to accept Consent Agenda as presented.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. DISTRICT'S LONG-RANGE REDUNDANCY PROJECT - SECONDARY CLARIFIER AND AERATION TANKS, CONSIDERATION OF RESOLUTION NO. 2016-357, A RESOLUTION CONCURRING THAT NO FURTHER ENVIRONMENTAL REVIEW IS REQUIRED FOR THIS PROJECT

Administrator Hubner presented this item in Power Point. He highlighted the reasons why an Addendum is the appropriate document.

John Rickenbach of JFR Consulting gave a quick background about CEQA. He clarified that the documentation is intended to address the proposed Redundancy Project, a project intended to improve safety conditions. The Addendum includes new technical studies to the key issues of the original CEQA document.

Mike Nunley of MKN Engineering wanted to remind the Board that the purpose of this Project is redundancy to processes that could possibly fail. Part of the Project includes relatively inexpensive flood proofing. The benefits of this project are a net positive to the community.

The Board had a discussion about the Addendum, notifying the residents in the area although not required under CEQA and the time line for this project going to Coastal Commission.

Chairman Shoals opened the item to public comment.

Julie Tacker feels the Project started on the wrong foot from the beginning. She believes there should be public circulation to the people living in the neighborhood of the plant. She also believes Clemons, quoted in the footnote in legal documents (ESA Report) in regard to the 2010 flood, can't testify since he was not at the District In 2010.

Carol Henson concurs with Ms. Tacker's concerns.

Mike Arias, an operator at the treatment plant reminded the board and public that a significant piece of equipment is long past its life span. If it fails, 2 million gallons of raw sewage will be going to the ocean every single day.

Chairman Shoals closed the public comment period.

Chairman Shoals asked if this Project would cause flooding or other environmental impacts and the legal requirements for public notice.

John Rickenbach said "No, this project will not cause flooding or other environmental impacts".

Legal Counsel Trujillo pointed out pages 107 and 108 of the staff report is the notice that was sent out in 2010. He added that complying with CEQA is one of the most difficult projects any entity faces. He suggested approving the Resolution to move this project along and for future projects direct staff to give notice of future public hearings including Coastal Commission hearings to all properties 300 feet from project. This would be going above and beyond of what CEQA requires.

Chairman Shoals asked that the Resolution be corrected to clarify that the current board has reviewed the documents from 2010 that approved the original

Resolution. He would like the findings section to say, "This board used its independent judgment in reviewing the environmental documents and supporting study's to reach these conclusions."

Director Lucey requests that a simple flyer be distributed to the neighboring houses of the plant.

Director Hill believes notice was properly given. He emphasized that the project is not expanding the plant but will give full treatment to modern standards that will prevent dumping raw sewage into the ocean and the community. He is in support of moving this along. The CEQA document is to address the impact of this particular project not to mitigate all flood issues that may come before the community.

Motion: Director Hill made a motion to adopt Resolution No. 2016-357, a Resolution Concurring that No Further Environmental Review is required for the Long Range Redundancy Project, Secondary Clarifier and Aeration Tanks. Subject to the Addendum to that Resolution as presented that this board met this date Sept. 7, 2016 reviewed the original CEQA findings from July 07, 2010 and agree that the provided addendum to that is both appropriate and complete.

Second: Director Lucey

Action: Motion approved unanimously by roll call vote.

Director Lucey provided direction to make a flyer stating that there will be construction, inviting public to tours, and how to submit input.

6B. CHERRY AVENUE SEWER PIPE BRIDGE MAINTENANCE PROJECT - CONSIDERATION OF A RESOLUTION NO. 2016-356, A RESOLUTION MAKING FINDINGS, ADOPTS A MITIGATION MONITORING PROGRAM, APPROVE A MITIGATED NEGATIVE DECLARATION, AND DIRECT THE FILING OF THE MITIGATED NEGATIVE DECLARATION

Administrator presented this item in Power Point. He identified areas that were potential impacts that can all be mitigated.

Chairman Shoals opened the item to public comment.

Julie Tacker asked if the neighbors were notified.

Chairman Shoals closed the public comment period.

The Board had a brief discussion about required notification of projects. A further discussion on public noticing will be brought back at a later meeting.

Motion: Director Lucey made a motion to adopt Resolution No. 2016-356, a Resolution Making Findings, Adopt a Mitigation Monitoring Program, approve a Mitigated Negative Declaration, and Direct the Filing of the Mitigated Negative Declaration for the Project.

Second: Chairman Shoals

Action: Motion carries unanimously by roll call vote.

6C. AWARD OF CONTRACT FOR A MECHANICAL BAR SCREEN/HEADWORKS IMPROVEMENT PROJECT AT THE DISTRICT'S WASTEWATER TREATMENT PLANT

Administrator Hubner presented this item in Power Point. He gave background on this Project, described the bidding process and the awarding of the contract to Fluid Resource Management.

Director Hill asked if this Project would be eligible to use part of the money designated from the fine of the 2010 spill.

Administrator Hubner responded that the money will be used for the Grit Removal Project, but this Project was considered during the settlement discussions as an eligible project.

Chairman Shoals opened the item to public comment.

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

Motion: Director Hill made a motion to:

1. Award a contract for installation and construction of the Mechanical Bar Screen/Headwork Improvement Project to Fluid Resource Management;
2. Direct the District Administrator to enter into an Agreement with Fluid Resource Management in the amount of \$511,370.51;
3. Approve a specific contingency fund for this project up to 15% (\$76,706) of the total contract amount for unforeseen future project events; and
4. Authorize the District Administrator to approve further change orders for this project within the newly created contingency fund subject only to reporting back to the board in the event.

Second: Chairman Shoals

Action: Approved unanimously by roll call vote.

Director Lucey asked where this project falls in the priority list of projects.

Administrator Hubner stated that this is a priority project.

7. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner emphasized two big efforts: The first being the settlement of the 2010 spill. He has been working with Water Board staff to finalize the Draft Order. There was omission that didn't include the 30-day comment period which has been rectified. Our special counsel worked with the state attorney to have the stipulated stay extended to November 30. The second update was his trip to Sacramento to meet with State Water Board staff, the grant manager for the Satellite Water Study, and the State Revolving Fund loan staff. He got insight on the overcommitted status of SRF funding. The third meeting was with the Deputy Director of Financial Assistance, who was very helpful in identifying additional funding that District may pursue.

Superintendent Clemons presented the second part of the report discussing plant numbers and operations. He gave an update on the FFR oil sample and it had more condensate in the oil coming from the gear box than has ever been seen. This reiterates the urgency in a redundancy project. He gave an update on the backup system in case the FFR fails.

The Board had a brief discussion and recommended benchmarking similar plants to see how District plant compares.

Director Hill is pleased to see CoGen research continuing. He complimented staff on the FFR Bypass Project, and for keeping discharge levels in compliance. He stated concerned about increased cost of Human Resources and is hoping we are not having issues that would cause staff morale problems.

Administrator Hubner announced he is working with the County on the permits for the trailer.

Director Lucey would like to have an update on SCADA.

Chairman Shoals opened the item to public comment.

Julie Tacker is concerned Ms. Simpson is not getting training and she would like to see the District invest in Ms. Simpson. She likes the FFR Backup plan. Concerned Hubner's trip to Sacramento is not reflected on the warrant register. She is concerned that there was not permission from the Board to bring a trailer on site and that a cost analysis did not happen before the trailer was delivered.

Patricia Price asked how the trailer got on the property without a public discussion.

Chairman Shoals closed the public comment period.

Director Lucey believes the trailer was properly addressed by the Board during the Budget approval process.

Chairman Shoals let the Board and public know that Mr. Hubner had informed him of his plans for the trailer. The permit is an issue and will get resolved.

Administrator Hubner said the trailer was a compromise compared to the issued previously to an offsite office. Mr. Hubner provided a list of reasons why office space is needed now, the frustrations with the process to acquire sufficient office space for the Administrative staff, and restated his previously documented issues with the Administration Building

Director Hill stated that he does not object to the reasons for adequate office space, but expenses should go before the Board and be agreed upon as a Board. He has concern with authorizing a trailer with temporary electrical and positioning of trailer.

Action: The Board received and filed this report.

8. ADJOURN MEETING

This meeting adjourned at 8:10 pm.

The next regularly scheduled Board meeting on September 21, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

THESE WERE APPROVED BY THE BOARD OF DIRECTORS AT THE MEETING OF SEPTEMBER 21, 2016.