



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

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

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

## **AGENDA**

### **BOARD OF DIRECTORS Meeting**

1655 Front Street

Oceano, California 93445

**Wednesday, June 5, 2013 at 6:00 P.M.**

#### **Board Members**

Matthew Guerrero, Chair

Tony Ferrara, Vice Chair

Debbie Peterson, Director

#### **Agencies**

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

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

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

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

- Direct Staff to assist or coordinate with you.
- It may be the desire of the Board to place your issue or matter on a future Board meeting agenda.

Please adhere to the following procedures when addressing the Board:

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

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

Any writing or document pertaining to an open-session item on this agenda which is distributed to a majority of the Board after the posting of this agenda will be available for public inspection at the time the subject writing or document is distributed. The writing or document will be available for public review in the offices of the Oceano CSD, a member agency located at 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act (ADA) and California Government Code §54954.2, requests for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires modification or accommodation in order to participate at the above referenced public meeting by contacting the General Manager or Bookkeeper/Secretary at (805) 481-6903.

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

**3A. Review and Approval of the Minutes of the May 15, 2013 meeting**

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

**4. PLANT SUPERINTENDENT'S REPORT**

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

**A. FY 2013/14 ANNUAL BUDGET**

Staff recommends the Board further review and provide recommendations on the draft FY 2013/14 proposed budget

**B. STAFFING REVIEW**

Staff recommends the Board approve the proposed staffing structure modification

**C. DRAFT RFP FOR FINANCIAL CONSULTING**

Staff recommends the Board review the draft Request for Proposals (RFP) to study rates and financing options available to the District

**D. BENTHIC STUDY AWARD**

Staff recommends the Board contract with Aquatic Bioassay Consulting and Laboratories, Inc. to perform the District's triennial benthic sediment and biota monitoring and outfall inspection

**6. MISCELLANEOUS ITEMS**

**A. Miscellaneous Oral Communications**

**B. Miscellaneous Written Communications**

1. AB 371 (Salas) Update

**7. PUBLIC COMMENT ON CLOSED SESSION**

**8. CLOSED SESSION**

Pursuant to Government Code Section 54957:

- (1) Discussion of appointment or employment of public employee:  
Interim General Manager's contract
- (2) Discussion of appointment or employment of public employee:  
Contract with Water Specialty Consulting Services
- (3) Review of Legal Counsel

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

**10. ADJOURNMENT**

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

Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

Minutes of the Meeting of Wednesday, May 15, 2013  
6:00 P.M.

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

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

District Staff in Attendance: Paul Karp, Interim General Manager; Mike Seitz, District Counsel; John Clemons, Plant Superintendent; Matthew Haber, Bookkeeper/Secretary.

Others in Attendance: Shannon Sweeney

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

Director Guerrero asked for any public comments.

Ms. Julie Tacker of Los Osos spoke about being encouraged by the changes at the District.

Mr. Jeff Edwards of Los Osos spoke about a number of items including the weekly listing of public meetings, the response to the District letter addressed to the County Department of Public Works, how the County's projects may affect the District, the County's regional recycled water strategic plan and the redevelopment of District facilities for tertiary treatment.

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

### **3. CONSENT AGENDA**

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

Director Peterson asked to pull all three consent agenda items as she had questions about all three them.

A. Review and Approval of the Minutes of the Meeting of May 1, 2013

Director Peterson suggested inserting some language into the minutes to better convey that the pro forma relates to District finances and budgeting.

**Action:** It was moved by Director Peterson to approve the Minutes of the Meeting of May 1,

2013 as revised. Director Guerrero seconded, and the motion was carried 3-0.

**B. Review and Approval of Warrants**

Director Peterson asked for clarification on some of the items listed in the warrant register. Interim General Manager Karp and District Bookkeeper Matthew Haber provided clarification of those items in question.

During public comment, Mr. Edwards asked about what matter the firm Andre, Morris & Buttery was working on. Counsel Seitz replied that that firm had worked on multiple cases related to personnel.

**Action:** It was moved by Director Peterson to approve the warrants as presented. Director Ferrara seconded, and the motion was carried 3-0.

**C. Review of Financial Report ending April 30, 2013**

Director Peterson asked about the cash reconciliation process between the District and the County, and District Bookkeeper Haber provided some explanation and details as to why and how the account balances may differ at the end of each month.

**Action:** It was moved by Director Peterson to approve the Review of Financial Report ending April 30, 2013 as presented. Director Ferrara seconded, and the motion was carried 3-0.

**4. PLANT SUPERINTENDENT'S REPORT**

Plant Superintendent John Clemons, along with Shannon Sweeney, presented the Plant Superintendent's report which included the April results for the Plant. Plant Superintendent Clemons reported that the monthly average BOD of 12 mg/L was the lowest it has been since before the year 2000, and the Plant was in compliance for fecal coliform for April. Staff continues to implement the process improvement plan and work on in-house projects including trenching for the recirculation system and electrical work.

**5. BOARD ACTION ON INDIVIDUAL ITEMS**

**A. FY 2013/14 PROPOSED BUDGET REVIEW**

Interim General Manager Karp presented the preliminary draft budget for Fiscal Year 2013/14.

Director Guerrero asked for public comment.

Mr. Edwards spoke asked how the cost of the planned expansion would compare to the cost of a new facility.

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

**Action:** The Board received the draft budget for review.

## **B. ROTATION OF BOARD MEETING LOCATIONS**

Interim General Manager Karp presented the staff recommendation that the Board approve the semiannual rotation of Board meeting locations beginning in July 2013 at the City of Arroyo Grande and returning to OCSD in January 2014. He explained that the necessary resolution for changing the Board bylaws would be placed on the consent calendar of a future Board meeting agenda.

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

**Action:** It was moved by Director Peterson to approve Staff's recommendation and place the item on the next agenda. Director Ferrara seconded, and the motion was carried unanimously.

## **5. MISCELLANEOUS ITEMS**

### **a. Miscellaneous Oral Communications**

Counsel Seitz spoke about the second closed-session item, "Discussion of Administrative Services." Counsel Seitz said that it seemed like this item was a discussion of a position as opposed to an appointment to a position. He said that he came to learn that what would be discussed would be the contract for the Interim General Manager. Counsel Seitz suggested that, if the Board wished to do so, the Board view this as an urgency item to be placed on tonight's agenda under Closed Session called "Public Employment Regarding the Interim General Manager" pursuant to Government Code Section 54957 since the Interim General Manager's contract would terminate at the end of May.

**Action:** It was moved by Director Ferrara to hear the urgency item. Director Peterson seconded, and the motion was carried 3-0.

Director Peterson spoke about having some form of consideration at some point regarding putting out some positive news about the District as well as looking into District expenses a bit more.

### **b. Miscellaneous Written Communications**

Interim General Manager Karp informed the Board that Assembly Bill 371 (Salas) had passed through the Local Government Committee and that he had received additional correspondence from CASA regarding the opposition to AB 371.

## **6. PUBLIC COMMENT ON CLOSED SESSION**

Director Guerrero asked for public comment. There being none, Director Guerrero closed the public comment period.

**7. CLOSED SESSION**

- (1) Conference with Legal Counsel pursuant to Government Code Section 54956.9; 1 case
  - a. Carter vs. Wallace (pending litigation)
- (2) Conference with Legal Counsel pursuant to Government Code Section 54957: Public Employment Regarding the Interim General Manager

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

Counsel Seitz reported that the Board had met in Closed Session and had confirmed an extension of Interim General Manager Karp's contract until the end of this calendar year with a raise in Mr. Karp's biweekly stipend from the current rate of \$1,750 to \$1,900.

**9. ADJOURNMENT**

There being no further business to come before the Board, Director Peterson motioned to adjourn the meeting, and the motion passed 3-0. Director Guerrero adjourned the meeting at approximately 7:45 p.m.

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
6/5/2013

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABBA EMPLOYER SERVICES	CONTRACT LABOR	18897 18920	060513-7660	6085	2,854.56	2,854.56
AHERN RENTALS	LOADER RENTAL	12014120-1	61	7032	4,745.61	4,745.61
AMERICAN INDUSTRIAL SUPPLY	MISC SUPPLIES	0251540-IN	62	8060	634.43	634.43
AMIAD WATER SYSTEMS	WATER FILTER PARTS	162449	63	8030	82.24	82.24
AQUATIC BIOASSAY	CHEMICAL ANALYSIS	SLO0513.0415	64	7078	3,065.00	3,065.00
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	7870010 7886791 7903641	65	7025	715.00	715.00
AT&T	TELEPHONE SERVICE	MAY	66	7013	352.99	352.99
B&B STEEL & SUPPLY	PIPE FOR PROCESS IMPROVEMENT	416429 417077 417770 12 MBI 02	67	19/8061	2,112.91	2,112.91
BC PUMP SALES & SERVICE	30 HP PUMP FOR PROCESS IMPROVEMENT	27753 12 MBI 02	68	19/8061	6,852.23	6,852.23
BRENNTAG PACIFIC, INC	PLANT CHEMICALS	304465 305298	69	8050	12,958.92	12,958.92
CA ELECTRIC SUPPLY	ELEC SUPPLIES FOR BOILER	524451 524452	70	8060	555.47	2,111.00
	ELEC SUPPLIES FOR PROCESS IMPRVMT	525310 525311 526084 526101 526336 525446		19/8061	1,465.10	
	ELEC SYS UPGRADE 04 MBI 16	525381 526486 04 MBI 16		26/8065	90.43	
CAROLLO ENGINEERS	PRETREATMENT ORDINANCE UPDATE	128232	71	7065	1,480.00	1,480.00
CHARTER	INTERNET SERVICE	JUNE	72	7011	59.99	59.99
CWEA	MEMBERSHIP FEES	HABER	73	7050	228.00	228.00
DEBBIE PETERSON	BOARD SERVICE	MAY	74	7075	200.00	200.00
DIAL LONG DISTANCE, INC.	LONG DISTANCE SERVICE	45222	75	7013	53.88	53.88
FEDEX	SHIPPING	2-275-77232 2-283-43760	76	8045	47.58	47.58
FERGUSON ENTERPRISES	VALVES AND PARTS FOR PROC IMPR	9317298 9355374 9355374-2 12 MBI 02	77	19/8061	5,420.52	5,420.52
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	381463A 381499A 381562A 381588A 381667A	78	7078	420.00	420.00
FRANK RUSSEL INC.	GLOVES	681146	79	8056	47.41	47.41
GRAY LIFT INC	FORKLIFT DRIVERS TRAINING	8024	80	7050	170.00	170.00
HACH	LAB SUPPLIES	8294179 8305233	81	8040	158.53	158.53
I.I. SUPPLY	TOOLS	18899 19022	82	8055	165.99	826.48
	SAFETY SUPPLIES	18900		8056	49.56	
	MISC SUPPLIES	18857 19021 19028 19065 19105		8060	610.93	
JB DEWAR INC	VEHICLE FUEL	29330	83	8020	199.87	199.87
KNECHT'S PLUMBING & HEATING	SERVICE CALL	36196	84	8030	190.00	190.00
LINC DELIVERY	DELIVERY SERVICE	APRIL AND MAY	85	8040	735.00	735.00
MATTHEW GUERRERO	BOARD SERVICE	MAY	86	7075	200.00	200.00
McMASTER CARR	MISC SUPPLIES	51928431	87	8060	259.35	259.35
OCEANO COMMUNITY SERVICES DIST	WATER SERVICE	03/18/13 - 05/18/13	88	7094	347.52	347.52
OFFICE DEPOT	OFFICE SUPPLIES	MAY	89	8045	141.18	141.18
PAUL KARP	ADMINISTRATIVE SERVICES	5/16/13 - 5/29/13	90	7076	1,750.00	1,750.00
PERS MEDICAL	EMPLOYEE MEDICAL	JUNE	91	6010	13,863.00	13,863.00
PG&E	ELECTRICITY SERVICE	04/12/2013 TO 05/13/2013	92	7091	13,991.65	13,991.65
PRAXAIR	MISC SUPPLIES	46095232 46095233 46116127 46148107	93	8060	1,185.57	1,185.57
SPRINT	CELL PHONE SERVICE	APRIL	94	7013	75.02	75.02
STANLEY SECURITY	SECURITY - MAY AND SERVICE CALL	10171287 10222002	95	7011	215.20	215.20
STATE FUND COMPENSATION	WORKERS' COMP PREMIUM	JUNE	96	6080	10,391.75	10,391.75
TEKTEGRITY	IT SERVICE - JUNE AND SERVICE CALL	26511-113 26717-113	97	7015	514.05	514.05
TELEDYNE ISCO	LAB SUPPLIES	26412	98	8040	496.05	496.05
TIGERDIRECT	EMPLOYEE COMPUTER PURCHASE	J40181930101	99	1065	1,488.24	1,488.24
TITAN INDUSTRIAL	CONFINED SPACE TRAINING	1053881	7700	7050	780.00	780.00
TONY FERRARA	BOARD SERVICE	MAY	7701	7075	200.00	200.00
UNDERGROUND SERVICE ALERT	DIG ALERT SERVICE	13050034	7702	7011	138.00	138.00
UNITED RENTALS	DUMP TRUCK RENTAL	107968342-007 08 MBI 25	3	20/8065	1,162.10	1,162.10
UNITED STAFFING	CONTRACT LABOR	72961 73266 73503	4	6085	4,135.04	4,135.04
WALLACE GROUP	ADMIN SERVICES	APRIL	5	7076	8,027.49	15,054.12
	DISTRICT OPERATIONS			various	1,362.75	
	REIMB PROJECTS			various	1,793.29	
	MAJOR BUDGET ITEMS			various	3,870.59	
WESCORP	EXCAVATOR RENTAL - PROCESS IMPR	319 12 MBI 02	6	19/8061	531.00	531.00
WEST COAST INDUSTRIAL	MISC SUPPLIES	29778	7	8060	80.02	80.02
WW GRAINGER	HOUSEHOLD SUPPLIES	9140138208	8	8035	190.06	774.11
	SAFETY SUPPLIES	9137267325 9149675705		8056	584.05	
SUB TOTAL					114,495.12	114,495.12
PAYROLL	PPE 05/17/2013				23,122.06	23,122.06
GRAND TOTAL					137,617.18	137,617.18

We hereby certify that the demands numbered serially from 060513-7660 to 060513-7708 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



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To: Board of Directors  
From: John Clemens, Plant Superintendent  
Via: Paul J. Karp, Interim General Manager  
Date: May 31, 2013

Subject: Superintendent's Report

May data are as follows:

Average daily flow 2.5 MGD with an average daily peak flow of 4.1 MGD.

Chlorine use averaged 340 pounds active chemical per day, which is 10 pounds per day lower than last month. Chlorine use remains high through the process improvement period to respond to potential incomplete nitrification, which results in a higher chlorine demand.

Monthly average of BOD through May 17, influent was 348 mg/l, effluent was 3.8 mg/l.  
Monthly average of TSS, influent through May 17 was 543 mg/l, effluent was 24 mg/l.

For the month of May, the Plant was in compliance for fecal coliform.

Average plant effluent BOD is 25 percent of the effluent BOD from last month, despite a 14 percent increase in influent BOD from last month.

The Fixed Film Reactor was last flushed on May 2, hydraulically, with no chemical included. No flushing has been done since that date.

The process improvement plan continues to be phased in. The ferric dose was dropped on May 17 to 180 mL/minute. The low effluent BOD results during the month of May indicate that the plant is responding well to the lower chemical feed.

Work towards installing the final clarifier recirculation line continues. In May, the piping, pump, variable frequency drive, and controls were installed. The project is not yet complete because the 20-inch gate valve was not shipped until May 28, and is expected onsite June 3.

Plant staff have attended two safety meetings in recent weeks, one on Material Safety Data Sheets, and one on lockout/tagout.

















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## **Staff Report**

**To:** Board of Directors  
**From:** Paul J. Karp, Interim General Manager  
**Date:** June 5, 2013  
**Subject:** Draft Fiscal Year 2013-14 Proposed Budget

### **Recommendation:**

It is the staff recommendation that the Directors further review and make recommendations with respect to the proposed budget for fiscal year 2013-14. It is also recommended that the adoption of the final budget be scheduled to take place at the June 19, 2013 Board meeting.

### **Funding:**

Not applicable.

### **Discussion:**

The proposed budget sets forth the planned revenue and expenditures for operations, expansion and replacement of the District's facilities for the upcoming fiscal year. The preliminary draft of the proposed budget for Fiscal Year 2013/14 was presented to the Board at the May 15, 2013 meeting so that the Board could view the preliminary revenue and expenditure figures. The Board Members are now being asked to provide feedback on and recommend any changes to the draft FY 2013/14 proposed budget.



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## FY 2013/14 Proposed Budget

### Consolidated

2013-14 Proposed Budget Consolidated	Fund 19 Operating Fund	Fund 20 Expansion Fund	Fund 26 Replacement Fund	FY 2013/14 Total	
Revenues					
Gross Revenues					
Service Charges and Fees	3,013,500			3,013,500	
Connection Fees		155,925		155,925	
Interest	500	5,200		5,700	
Other Revenues	101,625			101,625	
<b>Total Revenues</b>	<b>3,115,625</b>	<b>161,125</b>	<b>0</b>	<b>3,276,750</b>	
Expenditures & Other Uses					
Operating Expenditures					
Salaries and Wages	550,033			550,033	
Employee Benefits and Other Personnel Costs	513,840			513,840	
Permits, Fees and Licenses	43,860			43,860	
Communications	9,580			9,580	
Computer Support	10,000			10,000	
Administrative Costs	731,767			731,767	
Disposal Services	92,700			92,700	
Utilities	151,530			151,530	
Maintenance, Tools & Replacements	639,940			639,940	
Materials, Services and Supplies	403,240			403,240	
Training, Education & Memberships	21,630			21,630	
<b>Total Operating Expenditures</b>	<b>3,168,119</b>			<b>3,168,119</b>	
<b>Total Other Charges</b>	<b>122,350</b>			<b>122,350</b>	
<b>Capital Replacement/Maintenance (Fund 26)</b>			<b>1,103,344</b>	<b>1,103,344</b>	<b>Schedule A</b>
Capital Outlay					
Capital Equipment	15,000			15,000	
Expansion		1,392,000		1,392,000	<b>Note 1</b>
<b>Total Capital Outlay</b>	<b>15,000</b>	<b>1,392,000</b>		<b>1,407,000</b>	
Other Financing Sources & Uses					
Transfers Out (In)	822,709		(822,709)	0	
<b>Total Other Financing Sources &amp; Uses</b>	<b>822,709</b>		<b>(822,709)</b>	<b>0</b>	
<b>Beginning Cash Balance Used for Funding</b>	<b>0</b>	<b>1,230,875</b>	<b>280,635</b>	<b>1,511,510</b>	
<b>Net Change (Deficit)</b>	<b>(1,012,554)</b>	<b>0</b>	<b>0</b>	<b>(1,012,554)</b>	
Note 1: Total \$11.6M for expansion includes \$8.2M for secondary system improvements, \$2.4M for FFR rehabilitation and grit removal, and \$1M for splitter box repairs. Twelve percent of total cost has been budgeted in FY 13-14 for design/permitting.					

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**FY 2013/14 Proposed Budget**  
**Fund 19 - Operating Fund**

<b>2013-14 Proposed Budget Fund 19 - Operating Fund</b>	<b>PRIOR YEAR FY 2011-12 ACTUAL</b>	<b>FY 2012-13 YTD 03-31-13 9 MONTHS</b>	<b>FY 2012-13 PROJECTION TO 06-30-12</b>	<b>FY 2012-13 ADJUSTED BUDGET</b>	<b>FY 2013-14 PROPOSED BUDGET</b>
Revenues					
Gross Revenues					
Service Charges and Fees	3,031,526	2,071,247	2,761,663	3,013,500	3,013,500
Interest	1,270	795	1,059	750	500
Other Revenues	<u>136,158</u>	<u>50,976</u>	<u>66,846</u>	<u>153,925</u>	<u>101,625</u>
<b>Total Revenues</b>	<b>3,168,955</b>	<b>2,123,017</b>	<b>2,829,568</b>	<b>3,168,175</b>	<b>3,115,625</b>
Expenditures & Other Uses					
Operating Expenditures					
Salaries and Wages	500,520	352,085	469,446	511,570	550,033
Employee Benefits and Other Personnel	360,461	304,996	406,661	445,611	513,840
Permits, Fees and Licenses	40,841	21,717	28,956	42,500	43,860
Communications	10,682	5,571	7,428	9,292	9,580
Computer Support	9,699	10,356	13,808	16,000	10,000
Administrative Costs	863,277	806,658	1,075,266	1,209,581	731,767
Disposal Services	50,177	57,501	76,668	90,000	92,700
Utilities	140,833	121,783	162,378	170,750	151,530
Maintenance, Tools & Replacements	248,775	265,523	354,031	593,825	639,940
Materials, Services and Supplies	458,419	332,198	442,931	393,500	403,240
Training, Education & Memberships	<u>24,585</u>	<u>5,388</u>	<u>7,184</u>	<u>21,000</u>	<u>21,630</u>
<b>Total Operating Expenditures</b>	<b>2,708,269</b>	<b>2,283,777</b>	<b>3,044,757</b>	<b>3,503,629</b>	<b>3,168,119</b>
<b>Total Other Charges</b>				<b>120,000</b>	<b>122,350</b>
Capital Outlay					
Capital Equipment	<u>24,259</u>	<u>17,044</u>	<u>22,725</u>	<u>54,256</u>	<u>15,000</u>
<b>Total Capital Outlay</b>	<b>24,259</b>	<b>17,044</b>	<b>22,725</b>	<b>54,256</b>	<b>15,000</b>
Other Financing Sources & Uses					
Transfers In					
Transfers Out					822,709
<b>Total Other Financing Sources &amp; Uses</b>					<b>822,709</b>
<b>Total Uses</b>				<b>3,677,885</b>	<b>4,301,457</b>
<b>Unfunded Appropriation - Cash from Fund 20 is Used</b>				<b>(509,710)</b>	<b>(1,012,554)</b>

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**FY 2013/14 Proposed Budget**  
**Fund 19 - Operating Fund**

2013-14 Proposed Budget Fund 19 - Operating Fund		PRIOR YEAR FY 2011-12 ACTUAL	FY 2012-13 YTD 03-31-13 9 MONTHS	FY 2012-13 PROJECTION TO 06-30-12	FY 2012-13 ADJUSTED BUDGET	FY 2013-14 PROPOSED BUDGET	NOTE NO.
Revenues							
Gross Revenues							
Service Charges and Fees							
19-4015	Arroyo Grande Services	1,456,784	1,085,665	1,628,498	1,440,500	1,440,500	
19-4022	Grover Beach Services	1,064,832	789,426	1,052,568	1,050,000	1,050,000	
19-4035	OCSD Services	484,431	290,899	387,866	500,000	500,000	
19-4045	School Services	25,479	3,908	23,000	23,000	23,000	
<b>Total Service Charges and Fees</b>		<b>3,031,526</b>	<b>2,169,899</b>	<b>3,091,932</b>	<b>3,013,500</b>	<b>3,013,500</b>	
Interest							
19-5015	Interest	1,270	795	1,059	750	500	
<b>Total Interest</b>		<b>1,270</b>	<b>795</b>	<b>1,059</b>	<b>750</b>	<b>500</b>	
Other Revenues							
19-4040	Pismo Beach Reimbursement					17,000	
19-4050	Brine Disposal Service	7,630	10,464	13,952	20,900	20,900	
19-4055	Lease (AT&T)	22,571	17,645	23,526	22,525	22,525	
19-5020	Other Reimbursements	300	3,365	3,365	250		
19-5021	FEMA Funding	73,504	0	0	30,000		
19-5022	WDR Reimburs. (MAS)	7,342	1,327	1,769	10,000	10,300	
19-5023	FOG Reimbursement	24,810	18,175	24,234	30,000	30,900	
19-5025	Other Sales		0	0	250		
19-5030	IRWM Funding	0	0	0	40,000	0	
<b>Total Other Revenues</b>		<b>136,158</b>	<b>50,976</b>	<b>66,846</b>	<b>153,925</b>	<b>101,625</b>	
<b>Total Revenues</b>		<b>3,168,955</b>	<b>2,221,669</b>	<b>3,159,837</b>	<b>3,168,175</b>	<b>3,115,625</b>	
Expenditures & Other Uses							
Operating Expenditures							
Salaries and Wages							
19-6030	Plant Operators	460,642	317,695	423,593	464,862	497,177	
19-6040	Bookkeeper/Secretary	39,878	34,390	45,853	46,708	52,856	
<b>Total Salaries and Wages</b>		<b>500,520</b>	<b>352,085</b>	<b>469,446</b>	<b>511,570</b>	<b>550,033</b>	
Employee Benefits and Other Personnel Costs							
19-6010	Medical Insurance	141,009	113,578	151,437	158,069	210,000	
19-6025	Dental Insurance	9,699	7,122	9,496	11,200	11,930	
19-6050	Social Security & Medicare	37,095	26,934	35,913	39,135	41,680	
19-6055	State Disability Insurance	2,626	1,752	2,337	2,558	2,720	
19-6060	State Retirement	86,717	55,839	74,453	92,486	99,006	
19-6075	Medical Reimbursement	3,137	1,590	2,120	4,000	4,260	
19-6080	Worker's Compensation	65,816	97,280	129,706	125,000	130,224	
19-6095	Unemployment Reimbursement	14,363	900	1,200	13,163	14,020	
<b>Total Employee Benefits and Other Personnel Costs</b>		<b>360,461</b>	<b>304,996</b>	<b>406,661</b>	<b>445,611</b>	<b>513,840</b>	
Permits, Fees and Licenses							
19-6090	Payroll Process Fee	2,359	1,617	2,156	2,500	2,660	
19-7068	Permits/Fees/Licenses	38,482	20,100	26,800	40,000	41,200	
<b>Total Permits, Fees and Licenses</b>		<b>40,841</b>	<b>21,717</b>	<b>28,956</b>	<b>42,500</b>	<b>43,860</b>	
Communications							
19-7011	Comm (Alarm, Internet, USA, Web Hosting)	2,519	2,071	2,761	3,180	3,280	
19-7013	Communications - Telephone	7,967	3,377	4,503	5,912	6,090	
19-7014	Communications - Paging	195	123	164	200	210	
<b>Total Communications</b>		<b>10,682</b>	<b>5,571</b>	<b>7,428</b>	<b>9,292</b>	<b>9,580</b>	
Computer Support							
19-7015	Office Equipment/Computer Supplies	9,699	10,356	13,808	16,000	10,000	
<b>Total Computer Support</b>		<b>9,699</b>	<b>10,356</b>	<b>13,808</b>	<b>16,000</b>	<b>10,000</b>	
Administrative Costs							
19-7005	Advertisements/Legal & Recruit	1,766	1,574	2,098	2,000	2,060	
19-7043	Insurance Liability - Auto	23,368	21,030	28,039	28,006	30,807	
19-7065	Source Control Program	27,096	41,596	55,461	80,000	30,000	
19-7069	LAFCO Budget Share	8,520	9,235	12,313	9,235	9,510	
19-7070	Prof Services - Outside Counsel/Litigation		393,232	524,309	430,000	150,000	
19-7071	Prof Services - District Counsel	270,221	33,177	44,236	45,000	46,350	
19-7072	Prof Services - Auditing	5,450	5,000	6,667	5,640	5,810	
19-7073	Prof Services - AG Billing	12,497	7,310	9,747	20,000	22,000	
19-7074	Prof Services - OCSD Bill	4,930	0	0	10,000	22,000	
19-7075	Prof Services - Board Members	6,900	5,600	7,467	7,200	7,420	
19-7076	Prof Services - District Administration	149,259	80,929	107,906	120,000	123,600	
19-7077	Prof Services - Engineering	130,908	64,492	85,990	125,000	128,750	
19-7078	Prof Services Chemical Analysis	59,126	24,092	32,123	60,000	61,800	
19-7079	Prof Services - Other Bill	15,312	3,957	5,277	10,000	10,300	
19-7081	Prof Services - GB Bill	4,000	0	0	9,000	22,000	
19-7087	WDR & SSMP District Expenses	114,918	107,525	143,367	155,000	30,000	
19-7088	Water Recycling Study	1,954	837	837	40,000	0	
19-7089	Rate Study		0	0	25,000	0	
19-7095	Zone 1/1A Agreement	27,052	7,073	9,431	28,500	29,360	
<b>Total Administrative Costs</b>		<b>863,277</b>	<b>806,658</b>	<b>1,075,266</b>	<b>1,209,581</b>	<b>731,767</b>	
Disposal Services							
19-7085	Solids Handling	45,460	56,883	75,844	85,000	87,550	
19-7086	Brine Disposal Expenses	4,717	618	824	5,000	5,150	
<b>Total Disposal Services</b>		<b>50,177</b>	<b>57,501</b>	<b>76,668</b>	<b>90,000</b>	<b>92,700</b>	
Utilities							



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**FY 2013/14 Proposed Budget**  
**Fund 19 - Operating Fund**

19-7091	Utilities - Electricity	122,627	102,420	136,560	145,000	125,000	
19-7092	Utilities - Gas	16,169	17,751	23,667	23,500	24,210	
19-7093	Utilities - Rubbish	1,130	949	1,266	1,250	1,290	
19-7094	Utilities - Water	907	664	885	1,000	1,030	
<b>Total Utilities</b>		<b>140,833</b>	<b>121,783</b>	<b>162,378</b>	<b>170,750</b>	<b>151,530</b>	
Maintenance, Tools & Replacements							
19-7060	Ocean Outfall Maintenance		824	1,099	0	34,000	
19-7097	Cogeneration Service Contract	32,722	8,280	11,040	35,000	36,050	
19-8015	Trunk and Sewer Minor Maintenance	19,809	18,104	24,138	40,000	40,000	
19-8030	Equip Maint Reg and Minor Replacement	70,601	126,920	169,228	150,000	150,000	
19-8032	Automotive Maintenance	3,231	5,800	7,733	8,000	8,240	
19-8055	Tools	12,636	4,995	6,661	12,500	12,880	
19-8060	Structure Maintenance - Regular	81,947	86,255	115,007	110,000	113,300	
19-8061	Structure Maintenance - Major	27,827	14,345	19,127	238,325	245,470	
<b>Total Maintenance, Tools &amp; Replacements</b>		<b>248,775</b>	<b>265,523</b>	<b>354,031</b>	<b>593,825</b>	<b>639,940</b>	
Materials, Services and Supplies							
19-6085	Temporary Labor Services	86,095	49,349	65,799	65,000	69,230	
19-7025	Employee Uniforms	12,783	9,162	12,216	12,000	12,360	
19-7032	Equipment Rental - other	518	297	396	5,000	5,150	
19-8020	Gas and Oil	9,231	8,604	11,472	10,000	10,000	
19-8035	Household Expense	3,196	1,788	2,384	3,500	3,610	
19-8040	Laboratory Supplies	11,618	9,067	12,089	11,500	11,850	
19-8045	Office Supplies and Expense	7,973	3,700	4,934	8,000	8,240	
19-8050	Plant Chemicals	311,972	236,078	314,771	260,000	267,800	
19-8056	Safety Supplies	15,034	14,152	18,869	18,500	15,000	
<b>Total Materials, Services and Supplies</b>		<b>458,419</b>	<b>332,198</b>	<b>442,931</b>	<b>393,500</b>	<b>403,240</b>	
Training, Education & Memberships							
19-7050	Memberships/Seminars/Meetings	24,585	5,388	7,184	21,000	21,630	
<b>Total Training, Education &amp; Memberships</b>		<b>24,585</b>	<b>5,388</b>	<b>7,184</b>	<b>21,000</b>	<b>21,630</b>	
<b>Total Operating Expenditures</b>		<b>2,708,269</b>	<b>2,283,777</b>	<b>3,044,757</b>	<b>3,503,629</b>	<b>3,168,119</b>	
Other Charges							
19-7096	Cogeneration EISA - Debt Principal and Interest	73,766	67,356	89,809	75,000	76,000	
19-7082	FEMA Expenditures	19,194	2,096	2,794	5,000	5,150	
19-7083	WDR & SSMP Reporting (MAs)	7,342	1,327	1,769	10,000	10,300	
19-7084	FOG (Member Agencies)	24,967	22,171	29,561	30,000	30,900	
<b>Total Other Charges</b>		<b>125,269</b>	<b>92,949</b>	<b>123,933</b>	<b>120,000</b>	<b>122,350</b>	
Capital Outlay							
19-6010	Capital Equipment	24,259	17,044	22,725	54,256	15,000	
<b>Total Capital Outlay</b>		<b>24,259</b>	<b>17,044</b>	<b>22,725</b>	<b>54,256</b>	<b>15,000</b>	
Other Financing Sources & Uses							
Transfer out to Fund 26						822,709	
<b>Total Other Financing Sources &amp; Uses</b>					<b>0</b>	<b>822,709</b>	<b>N1</b>
<b>Total Uses</b>					<b>3,677,885</b>	<b>4,128,178</b>	
<b>Deficit/Unfunded Appropriation - Cash from Fund 20 is Used</b>					<b>(509,710)</b>	<b>(1,012,554)</b>	<b>N1</b>
				Deficit in Fund 26	(1,260,396)		
				<b>Total Deficit - 2012/13</b>	<b>(1,770,106)</b>		<b>N2</b>
Notes:							
N1 - The Unfunded Appropriation in FY 2013/14 is the result of a Transfer Out to Fund 26 to fund the Capital Replacement Program.							
This indicates that revenues are not sufficient to fund expenditures for operations and those for capital replacements.							
N2 - In FY 2012/13, the budget presented did not show the funding source in Fund 26 for its appropriation of \$1,260,396.							
The funding source should have come from Fund 19 as an inter-fund transfer.							
In FY 12/13, another factor for this deficit is that \$238,325 in line item 19-8061 Structure Maintenance Major was budgeted in Fund 19 instead of Fund 26.							
Another factor is the budget adjustments made related to the NOV/ACL issue without a funding source identified.							

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**FY 2013/14 Proposed Budget**  
**Fund 20 - Expansion Fund**

2013-14 Proposed Budget Fund 20 - Expansion Fund		PRIOR YEAR FY 2011-12 ACTUAL	FY 2012-13 YTD 03-31-13 9 MONTHS	FY 2012-13 PROJECTION TO 06-30-12	FY 2012-13 ADJUSTED BUDGET	FY 2013-14 PROPOSED BUDGET	NOTE NO.
Revenues							
Gross Revenues							
Connection Fees							
20-4010	Arroyo Grande Connections	29,700	56,924	75,899	49,500	76,725	
20-4020	Grover Beach Connections	9,900	2,475	4,950	14,850	59,400	
20-4030	OCSO Connections	4,950	0	2,475	9,900	19,800	
<b>Total Connection Fees</b>		<b>44,550</b>	<b>59,399</b>	<b>83,324</b>	<b>74,250</b>	<b>155,925</b>	
Interest							
20-5015	Interest Income	10,333	5,695	7,593	10,000	5,200	
<b>Total Interest</b>		<b>10,333</b>	<b>5,695</b>	<b>7,593</b>	<b>10,000</b>	<b>5,200</b>	
Other Revenues							
20-5030	SGIP Rebate	150,000					
<b>Total Other Revenues</b>		<b>150,000</b>					
<b>Total Revenues</b>		<b>204,883</b>	<b>65,094</b>	<b>90,917</b>	<b>84,250</b>	<b>161,125</b>	
Expenditures & Other Uses							
Capital Outlay							
20-8010	Capital Equipment	0	1,994	2,659	110,000		
20-8065	Structure/Grounds Replacement	140,008	20,753	27,671	538,589		
	Expansion	0	0	0	0	1,392,000	N1
<b>Total Capital Outlay</b>		<b>140,008</b>	<b>22,747</b>	<b>30,330</b>	<b>648,589</b>	<b>1,392,000</b>	
<b>Beginning Cash Balance Used for Funding</b>					<b>564,339</b>	<b>1,230,875</b>	
<b>Net Change</b>					<b>0</b>	<b>0</b>	
Notes:							
N1 - Total \$11.6M for expansion includes \$8.2M for secondary system improvements, \$2.4M for FFR rehabilitation and grit removal, and \$1M for splitter box repairs. Twelve percent of total cost set up for FY 13-14 for design/permitting.							

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**FY 2013/14 Proposed Budget**  
**Fund 26 - Replacement Fund**

<b>FY 2013-14 Proposed Budget Fund 26 - Replacement Fund</b>		<b>PRIOR YEAR FY 2011-12 ACTUAL</b>	<b>FY 2012-13 YTD 03-31-13 9 MONTHS</b>	<b>FY 2012-13 PROJECTION TO 06-30-12</b>	<b>FY 2012-13 ADJUSTED BUDGET</b>	<b>FY 2013-14 PROPOSED BUDGET</b>	<b>NOTE NO.</b>
Revenues							
Gross Revenues							
Interest							
26-5015	Interest Income	3,799	2,094	2,792	3,500	0	
<b>Total Interest</b>		<b>3,799</b>	<b>2,094</b>	<b>2,792</b>	<b>3,500</b>	<b>0</b>	
Other Revenues							
26-5040	Transfer from Fund 19					822,709	
<b>Total Other Revenues</b>						<b>822,709</b>	
<b>Total Revenues</b>		<b>3,799</b>	<b>2,094</b>	<b>2,792</b>	<b>3,500</b>	<b>822,709</b>	
Expenditures & Other Uses							
26-8015	Trunk Sewer Maintenance	8,466	0	0	295,034	160,000	
26-8061	Structures/Grounds Maint-Maj	177,052	173,922	231,897	484,476	177,000	
26-8065	Structures/Grounds Repl/Imp	204,436	90,163	120,218	987,871	766,344	
26-8070	Emergency Equipment Repair	19,475	0	0	170,526	0	
<b>Total Expenditures</b>		<b>409,429</b>	<b>264,086</b>	<b>352,114</b>	<b>1,937,907</b>	<b>1,103,344</b>	
<b>Beginning Cash Balance Used for Funding</b>					<b>674,011</b>	<b>280,635</b>	1
<b>Deficit/Unfunded Appropriation</b>					<b>(1,260,396)</b>	<b>0</b>	
Notes:							
(1) The projected cash balance at June 30, 2013 may be slightly higher than the \$280,635 needed to balance the budget in FY 2013/14.							

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
FY 2013/14 Proposed Budget  
Fund 26 - Replacement Fund

<b>Schedule A</b>	
<b>Detail List of Replacement Projects in Fund 26</b>	
<b>26-8015 Trunk Sewer Maintenance</b>	
<b>Item</b>	<b>Cost</b>
Trunk Sewer Maintenance	\$160,000
<b>Total for 26-8061</b>	<b>\$160,000</b>
<b>26-8061 Structures/Grounds - Major Maintenance</b>	
<b>Item</b>	<b>Cost</b>
Digester Cleaning	\$150,000
Pump Rebuilding	12,000
Grinder Replacement	10,000
Flare Maintenance	5,000
<b>Total for 26-8061</b>	<b>\$177,000</b>
<b>26-8065 Structures/Grounds - Replacement and Improvement</b>	
<b>Item</b>	<b>Cost including Design/Installation</b>
Influent Slide Gate	\$67,680
Auger #1	8,491
Auger #2	8,491
RW12 (16-inch)	2,540
RW 16 14-inch	2,407
RW 16 Check Valve	2,407
Clarifier #1 Sludge Pump #1	3,802
Clarifier #1 Sludge Pump #1 VFD	2,403
Clarifier #1 Sludge Pump #2	3,802
Clarifier #1 Sludge Pump #2 VFD	2,403
Clarifier #2 Coating	45,630
Clarifier #2 Bridge	93,085
Clarifier #2 Sludge Pump #4 VFD	2,403
Clarifier #2 Sludge Pump #6 VFD	2,403
Hellan Strainers	7,208
Digester #1 Cleanout	181,728
Hot Water Recirc Pump Motor	4,143
ORP Chemical Feed Control	12,068
Satellite Feed Systems	21,902
Standby Propane Boiler	45,823
Front End Loader	187,044
1997 Ford Ranger	28,934
1997 Ford F250	29,548
<b>Total for 26-8065</b>	<b>\$766,344</b>
<b>TOTAL OF ALL REPLACEMENT PROJECTS IN FUND 26</b>	<b>\$1,103,344</b>



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

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

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

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To: Board of Directors  
From: Paul J. Karp, Interim General Manager  
Date: May 31, 2013

Subject: Staff Structure

### **Recommendation**

Staff recommends that the District staff structure be modified to better meet the current and future needs of the District in a cost-effective manner. The modifications include the addition of a Laboratory Technician/Operator and an Operator-in-Training Intern, and the removal of one of the two existing maintenance staff positions upon attrition.

### **Funding**

The District has \$813,643 funded to cover salaries and wages and benefits for plant staff and the bookkeeper/secretary, plus an additional \$131,030 budgeted for temporary staff and laboratory services, for a total budget of \$944,673. Only staffing structures that could be funded within the existing total budget constraints while meeting all of the funded functions received further consideration. With the recommended staffing modifications, the staffing structure has a maximum cost of \$941,937 during the transition, which is within the existing budget.

### **Discussion**

The District's existing Operations and Maintenance manual lists a staffing structure that is currently not being met. The Operations and Maintenance Manual lists the following staff positions:

<b>Staff Position</b>	<b>SSLOCSD</b>
Supervisory (including Shift supervisor)	2
Operations	4
Maintenance	1
Clerical/Book-keeper	1
Laboratory	0
Yardwork (includes janitorial)	0
Total	8

Current staffing includes two supervisors, three operators, two maintenance staff, and a bookkeeper/secretary. This current staffing structure has fewer operators and more maintenance than the facility documentation indicates. To exacerbate the already low operator count, staff health issues have reduced the available productive hours of existing operating staff.

#### Add – Laboratory Technician/Operator

The Laboratory Technician/Operator position was eliminated in the recent past, likely because, at the time, little analysis was being performed for process control. Recent plant process improvements have highlighted the value of process control sampling that is not required as part of the permit, but is useful for determining whether the plant is operating well. These samples include ammonia, nitrite, and chemical oxygen demand. In addition, the turnaround time for contract lab analyzed Biological Oxygen Demand (BOD) samples is prohibitively long when addressing changing conditions. By creating a position that is part laboratory technician, part operator, this staff person can assist with plant operation when needed, but can serve to maintain regulatory and process control sampling in a timely and cost-effective manner.

#### Add – Operator-in-Training Intern

With the addition of a Laboratory Technician/Operator, the number of operators will meet the number of personnel indicated by the facility documentation when fully available. However, health or retirement issues can easily place the District at risk of being understaffed. Rather than include an additional full time, permanent operator position, it is recommended that the District include an Operator-in-Training position. This position can be filled when circumstances indicate that there will be a vacancy in the near future, so that the new operator can be brought up to speed prior to the position vacancy. The internship would be limited to one year, which is long enough to obtain certification, but not permanent if the need for the trained operator does not materialize at the end of the internship. This provides the plant management the flexibility to plan for future staffing needs without being overstaffed on a permanent basis, or having vacancies that have the appearance to a regulatory agency that the facility is not sufficiently staffed.

#### Remove – One Maintenance Position, Upon Attrition

The current maintenance staff is more suited to the treatment plant needs prior to and during the process improvement plan than to its future needs. As the plant achieves a more reliable operation, the need for two maintenance staff will diminish, to the point where one maintenance position will not need to be refilled after attrition. This position should be eliminated upon attrition.

### **Cost Implications**

As the permanent staff are hired, the costs currently being spent on temporary staff and laboratory services would be reduced accordingly. The cost implications as the recommended modifications are implemented are as follows:

<b>Arrangement</b>	<b>Total Cost</b>
Current staffing	\$893,000
Add Laboratory Technician/Operator	\$867,000
Add Operator-in-Training Intern	\$942,000
Remove Maintenance Position	\$867,000



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

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## **Staff Report**

**To:** Board of Directors  
**From:** Paul J. Karp, Interim General Manager  
**Date:** June 5, 2013  
**Subject:** Draft Request for Proposals (RFP) for Financial Consulting

### **Recommendation:**

It is the staff recommendation that the Directors review the attached draft RFP soliciting proposals from financial consultants to study rates and financing options.

### **Funding:**

Not applicable.

### **Discussion:**

At the May 1, 2013 meeting, the Board agreed with Director Ferrara's offer to provide feedback regarding a draft Request for Proposals (RFP) for financial consultants. Staff produced a draft RFP to which Director Ferrara suggested some minor changes be made. His recommendations have been incorporated into the present draft. The District will eventually employ a final version of this RFP to solicit the aid of a financial consultant who will work with the Board in developing a financial plan and who will make recommendations with regard to rate modifications to be implemented before the 2014-15 fiscal year's budget is adopted.

### **Attachments:**

Draft Request for Proposals for Financial Consulting (9 pages)



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT**  
**1600 ALOHA PL / P.O. BOX 339**  
**OCEANO, CA 93475**  
**(805) 489-6666**

**June xx, 2013**

**Subject:     Request for Proposals**  
Wastewater Rate, Fee and Alternative Financing Study

The South San Luis Obispo County Sanitation District (SSLOCSO) or DISTRICT, is soliciting proposals in accordance with the attached "Request for Proposal" to prepare a Wastewater Rate and Fee and Alternative Financing Study for the DISTRICT.

Interested firms must submit **five** copies of the proposals to:

Matthew Haber  
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
P.O. Box 339  
Oceano, CA 93475

The proposals must be submitted to the above address no later than 4:00 p.m. on July xx, 2013. Submitted Proposals shall be clearly identified in the lower left hand corner of the envelope with "Proposal: Wastewater Rate and Fee Study".

If you have any questions, please contact Mr. Haber at:

Phone: 805-481-6903  
Fax: 805-489-2765  
Email: [matthew@sslocsd.us](mailto:matthew@sslocsd.us)



# **REQUEST FOR PROPOSALS FOR A WASTEWATER RATE, FEE AND ALTERNATIVE FINANCING STUDY**

## **I. INTRODUCTION**

The DISTRICT is soliciting proposals to prepare a wastewater rate, fee and alternative financing study, by 4:00 p.m., July xx, 2013, from qualified professional consulting firms. The selected consultant shall perform the tasks specified in the "Scope of Work" section of this Request for Proposals (RFP). You are hereby invited to submit a proposal based upon the requirements and conditions set forth in this RFP.

The intent of the study is to independently assess and evaluate the DISTRICT's existing sewer rates and fees and recommend appropriate rates and fees to support operations and capital improvements.

Recommendations should support the broad objective which is to adequately fund wastewater utility operations and capital costs while minimizing rates. The study will be based on a comprehensive review of the DISTRICT's wastewater funds, budgets, engineering studies, customer classes, current usage data, future planned growth and any other information deemed necessary.

## **II. BACKGROUND OF SSLOCS AND MEMBER AGENCIES**

The original plant design has been substantially upgraded as follows:

In 1978, an entirely new and longer outfall line was constructed to replace the initial outfall that underwent serious damage during successive major storm events.

In 1979, the plant was upgraded to include new sludge drying beds, a sludge thickener, a new maintenance building and the installation of standby power to provide for continued treatment in the event of a local power failure.

In 1986, a major plant enlargement was constructed which led to the addition of a new fixed film reactor and the conversion of the original aeration tank and final clarifier structure into a single, enlarged final clarifier unit. Additionally, a new power generation building was constructed. These projects resulted in increasing the plant capacity from the initial 2.5 MGD to 3.3 MGD.

In 1990, the plant was expanded once again to include the addition of a second anaerobic digester along with a second primary clarifier unit. This expansion increased the overall treatment flow capacity from 3.3 MGD to 5.0 MGD.

In 2005, the most recent wastewater treatment plant improvement occurred with the addition of a new chlorine contact chamber. This chamber was constructed to meet new effluent requirements as stipulated in the District's NPDES Permit R3-2004-0050 providing for adequate disinfection prior to release from the plant.

### **Service Area**

The South San Luis Obispo County Sanitation District encompasses a geographic area of 165 square miles. It is located within an area known as the Five Cities area in the southwestern portion of San Luis Obispo County and is located 15 miles south of the City of San Luis Obispo.

The District provides its services to the residents of the City of Arroyo Grande, the City of Grover Beach and the Oceano Community Services District. In addition, there is a small County population of approximately 50 residences that are not incorporated within the communities listed above who also

receive those services offered by the District.

#### **Member Agencies**

The District provides wastewater collection, treatment and disposal services to the three Member Agencies listed below. The combined average, annual raw wastewater flow to the District from these agencies is in the order of 2.9 million gallons per day. In addition to collection and treatment services, the District also assists in providing source control programs and inspection services on behalf of the Member Agencies. These additional services include an Industrial/Commercial Pretreatment Program and a Fats, Oils and Grease (FOG) Control Program. Information about each of the Member Agencies can be found below or by following the respective link for that agency.

#### ***City of Arroyo Grande*** (<http://www.arroyogrande.org>)

The City of Arroyo Grande is a community encompassing 5.45 square miles of diverse landscapes ranging from gentle rolling suburbs to scenic canyon lands. The current population of Arroyo Grande is estimated to be 17,395 which represents approximately 45% of the total District's population. Arroyo Grande currently contributes approximately 1.26 million gallons per day of average annual raw wastewater flow to the District. Arroyo Grande's General Plan emphasizes the community's desire to maintain a rural, small town character. The majority of Arroyo Grande is residential in use. Approximately 82% of the land area is occupied by housing. Southwest of Hwy 101 the land is relatively flat and suburban in character. Arroyo Grande has recently experienced a considerable increase in commercial/retail development along the Hwy 101 corridor. There are approximately 18 acres of DISTRICT land devoted to light industrial and business park to be developed. The projected build out population of 20,000 residents is anticipated to be reached around the year 2030.

#### ***City of Grover Beach*** (<http://www.grover.org>)

Grover Beach is an incorporated, oceanfront city encompassing approximately 2.25 square miles of gently rolling hills, urban and suburban neighborhoods. The current population of Grover Beach is estimated to be 13,211 which represents approximately 34% of the total District population. Grover Beach currently contributes approximately 1.03 million gallons per day of average annual raw wastewater flow to the District. Grover Beach's General Plan seeks to "...preserve and promote an economically diverse town influenced by the natural benefits of its location on the hills and valleys, reaching out to the coastal dunes, the beach, and the Pacific Ocean." Most of the city appears commercial, suburban and recreational in character. There is little light industry and no heavy industry. Commercial/Retail uses are located primarily on the Grand Avenue corridor. The projected future build out population of 15,076 is anticipated to be reached around the year 2030.

#### ***Oceano Community Services District*** (<http://oceanocsd.org>)

Oceano is an unincorporated area of San Luis Obispo County governed by the Oceano Community Services District (OCSO). The OCSO boundary encompasses an area approximately 1.7 square miles and includes both the town of Oceano and community of Halcyon. The current population of Oceano is estimated to be 8,300 which represents approximately 21% of the total District population. Oceano currently contributes approximately 0.59 million gallons per day of average annual raw wastewater flow to the District. The County's San Luis Bay Area Plan governs land use and development in Oceano which is comprised of large open space areas in the form of beach land, the Oceano Airport, and several agricultural fields totaling about 126 acres. The community is approximately 42% residential. Commercial areas are located along the railroad/Highway 1 corridor and along Pier Avenue. These areas account for about 20% of the total land area. A limited amount of light industrial uses are also located along the railroad corridor.

These uses occupy about 20 acres of land. The projected build out population within the current boundaries is 8,739.

### **Rates, Current and Future**

Of the ten public agencies that provide wastewater treatment in San Luis Obispo County, the agencies that are served by the District (the City of Arroyo Grande, the City of Grover Beach and the Oceano Community Services District) have the lowest wastewater rates. When comparing District rates against the 18 agencies in Santa Barbara County, only two have lower rates.

Historically, the District has been able to keep rates low without significant increases for long periods of time. There are no plans at this time to increase rates beyond any CPI increases outlined in the 2006 rate study. The last increase was May 1, 2010. Given the age of the plant and the need to continue to meet changing regulations, it is likely rates will need to increase at some point in the near future.

**Comment [MGH1]:** The 2006 rate study called for CPI increases, but no implementation has occurred.

### **III. SCOPE OF SERVICES**

The consultant shall prepare and produce a detailed comprehensive Wastewater Rate and Fee Study to allow the DISTRICT to set and collect revenues in compliance with all applicable Federal (EPA) and State (State Water Resources Control Board) Revenue Program Guidelines. The proposed rates and fees shall comply with statutory and government conservation structures including the "San Marcos Decision", Mitigation Fees Act, and Proposition 218. The revenue program must reflect a rate structure that fairly and equitably charges each sewer class user.

The scope of work for the study shall include the following:

1. Provide a comparative review of the DISTRICT's current rate and fee structure. This review is to discuss total, single-family home rates for the collection, treatment and disposal of wastewater from the City of San Luis Obispo, the City of Paso Robles, the City of Atascadero, Laguna Sanitation District, the Nipomo Community Services District, the City of Santa Maria, the City of Morro Bay/Cayucos Sanitation District, the City of Arroyo Grande, the City of Grover Beach and the Oceano Community Services District.
2. Determine current and projected wastewater revenue requirements for the next 10 years (for both operations and capital improvements)
3. Allocate costs between rates and connection fees
4. Allocate costs among user classes through the conduct of a cost of service study
5. Support acquisition of grant funding and other, multiple financing options for planning, design, and construction of wastewater treatment and/or recycled water facilities. The projects listed in the District spreadsheet analysis may be considered a first phase of necessary improvements in a series of possible improvements which eventually may lead to the development of producing reclaimed water for use within District boundaries and adjacent areas.
6. Address the District's industrial customers (only 2 currently exist) with respect to rates based on CTR limits as prescribed by the RWQCB.
7. As the Member Agencies deal with water shortages in the future, it is conceivable that resulting actions could limit or slow full build out. Please discuss and evaluate a strategy appropriate to manage such impacts while implementing financing strategies to address requirements for the District capital construction.

#### **IV. SCHEDULE**

As previously stated, rates have not been adjusted since May 2010. In order to provide for the widest possible options for financing the required improvement construction, the issue of rate modifications must be completed within FY 2013-14. Evaluation of the preliminary spreadsheet analysis (District's budgetary pro forma) shall be submitted to the DISTRICT within two (2) weeks after award of contract. The DISTRICT recognizes that performance by consultant is dependent upon performance by DISTRICT. The DISTRICT shall make schedule adjustments to reflect any delays caused by DISTRICT. The draft report shall be submitted to the DISTRICT within 30 days following receipt of comments to the evaluation of the spreadsheet analysis. The final report, in hard copy and in Microsoft Word format on a digital medium, shall be submitted to the DISTRICT within 30 days of receipt of DISTRICT comments.

#### **V. SAMPLE DISTRICT AGREEMENT**

A sample District agreement can be found as Attachment A.

#### **VI. PROPOSALS**

##### **A. Format and Content**

Responding consultants will submit their proposal in sufficient detail to allow for a thorough evaluation and comprehensive analysis. The proposal will not be judged by the volume of material presented and, therefore, should be as brief and concise as possible without sacrificing the clarity of the intended concept. Proposals containing irrelevant material or an abundance of excessively vague language may be penalized in the screening process. Brevity is encouraged. The proposal should include, at a minimum, the following information in sectionalized format:

##### **1. Introduction**

The consultant is expected to present an introduction to the proposal and to describe its basic business philosophy and its understanding of the proposed project.

##### **2. Qualifications**

- a) The consultant should list the credentials, qualifications and experience of the officers of the organization and the credentials, qualifications and experience of the personnel that will be working on this project, specifically their technical experience in the development of Wastewater Rate and Fee and Alternative Funding Studies. Curriculum Vitae or personal resumes will be desirable in this regard.
- b) Professional affiliations and memberships -- please list.
- c) The consultant will be required to furnish a list of three (3) references (at a

minimum) for which similar work was conducted over the last five (5) years. Such listing should include the following:

- 1) Name of organization
- 2) Contact persons
- 3) Period of association with each client
- 4) Project title
- 5) A brief overview of the work performed for that client

3. Personnel

Identify the person to be designated as the Project Manager and provide a detailed summary of his or her background. The Project Manager will be expected to be available on all occasions for discussion with DISTRICT staff.

4. Scope of Work

Provide a detailed and specific scope of all work to be completed by the consultant.

5. Cost Proposal

In a separate sealed package, provide a breakdown of the estimated completion cost. Please include the number of hours per task, and the cost per task, including the hourly fees of the project team members.

6. Schedule

Present a comprehensive schedule to reflect the time frame or period for performing and completing the required work. Specific milestones, which are sequentially interdependent, should be clearly identified.

7. Exceptions to Contract terms

Any exceptions to District contract terms should be noted in this section.

B. Proposal Obligation and Disposition

The contents of the proposal and any clarifications thereto submitted by the successful consultant may become part of the contracted obligation and incorporated into the ensuing contract.

C. Review Procedures

1. **The Consultant's selection will be "Qualifications Based". The qualifications ranking will be established prior to the review of the cost proposals. The cost proposals will remain sealed until the qualifications ranking of the consultants is established.** Proposals will be judged on the basis

of their completeness, clarity of expression and how well they appear to meet the financial needs and desired result objectives of the DISTRICT. The consultant's management style, philosophy and performance of similar projects in similar organizations will be evaluated. The evaluation of responses will consider the qualifications of the consultant and any sub-consultant, the demonstrated experience of the Project Manager and Project Team, the approach for completing the work and the financial implications. Proposals will be evaluated on the basis of, but not limited to:

- a) Project Understanding- Firm understands the project needs and priorities and the DISTRICT's expectations of the selected firm.
  - b) Project Approach – Innovativeness shown on other projects and creative approaches to this project on firm's understanding of the DISTRICT's needs.
  - c) Recent Experience of Key Team Members - Firm's key team members' experience that parallels the DISTRICT's needs.
  - d) Organization-Functional and administrative interface between team members and with the DISTRICT.
  - e) Staff Logistics -Location and availability of staff to be responsive to the DISTRICT on a cost effective basis.
  - f) Quality Assurance/Quality Control Procedures - Policy and Procedures implemented for appropriate reviews and demonstrated reliability.
  - g) Financial Understanding - Understanding of relative manpower demands for various project phases and tasks; reputation for meeting project performance requirements on a cost effective and competitive basis.
2. Consultants may be required to make a detailed oral presentation before a special review panel.
  3. The DISTRICT reserves the right to award this contract not necessarily to the consultant with the lowest cost proposal but to the consultant who will provide the best overall match to the Request for Proposal requirements and who will best serve the interests of the DISTRICT.

## **VII. GENERAL ADMINISTRATIVE INFORMATION**

- A. Each consultant understands and agrees that the DISTRICT, its departments, their officers, employees or agents shall not be liable for:
  1. Any costs incurred by a consultant in the preparation, delivery or presentation of a proposal;
  2. Any costs incurred by a consultant in meeting the criteria as a result of making or submitting a proposal or subsequently in entering into a formal agreement with the DISTRICT ; and

3. Any errors, inaccuracies or misstatements related to the information or data supplied to any consultant by the DISTRICT. The use of such information or data provided by the DISTRICT, its officers, employees or agents is intended to be used at the sole discretion and risk of the firm in the preparation of a proposal pursuant to this Request for Proposal.
- a) It is the consultant's responsibility to carefully examine the requirements, specifications and conditions expressed in the Request for Proposal and fully inform themselves as to the quality and character of services required.
  - b) Any changes made in the Request for Proposal will be made only by written addendum, duly issued by the District Manager to each consultant to whom the Request for Proposal was issued.
  - c) All responses to this Request for Proposal will become the property of the DISTRICT and will be retained or disposed of accordingly. The proposer must identify, in writing, all copyrighted material, trade secrets or other proprietary information that it claims is exempt from disclosure under the Public Records Act, California Government Code Section 6250, et seq. Any proposer claiming such an exemption must also state in its proposal that the proposer agrees to defend any action brought against the DISTRICT for its refusal to disclose such material, trade secrets or other proprietary information to any party making request therefore. Any proposer who fails to include such a statement shall be deemed to have waived its right to an exemption from disclosure as provided by said Act.
  - d) The DISTRICT is an Equal Opportunity Employer.
  - e) The DISTRICT reserves the right to accept or reject, or to modify or cancel in part or in its entirety, this Request for Proposal.
  - f) After expiration of the time to submit proposals and continuing until an agreement has been awarded, all DISTRICT personnel involved in the Request for Proposal process will be specifically directed against holding any meetings, conferences or technical discussions with any proposer, unless in the formal setting of the oral presentation described in Section VIII, subsection
  - g) Proposers shall not communicate in any manner with DISTRICT Board or DISTRICT personnel regarding the Request for Proposal or the proposals during this period of time. Failure to comply with this requirement will automatically terminate further consideration of the bidder's proposal.
  - h) Responses to this Request for Proposal will be made in recognition of, and in conformance with, (a) through (f) above.

## **VIII. SUBMITTAL**

The proposal package must be received no later than 4:00 pm on **July xx, 2013**. Consultants mailing or shipping their proposals must allow sufficient delivery time to ensure timely receipt of their proposals by the time and date specified. Late proposals will not be accepted. The DISTRICT

maintains the right to reject any or all proposals.

Address Request for Proposals to:

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
ATTN: MATTHEW HABER  
P.O. BOX 339  
OCEANO, CA 93475-0339

***Please identify the project on the outside of the package, i.e. Proposal: Wastewater Rate, Fee and Alternative Funding Study.***

The proposals will be opened and recorded on July xx, 2013 at 12:00 p.m. at the District office located at 1600 Aloha Place, Oceano, California. Any respondent or their representative who would like to be present for the proposal opening is welcome to do so.

Attachments

Attachment A: Sample District Agreement

Attachment B: District Budgetary Pro Forma

Attachment C: District Ordinance No. 2006-01 showing current rate schedule





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

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

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

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To: Board of Directors  
From: Paul J. Karp, Interim General Manager  
Date: May 31, 2013

Subject: Triennial Benthic Sediment and Biota Monitoring and Outfall Inspection

### **Recommendation**

Staff recommends that the Board of Directors enter into a contract with Aquatic Bioassay Consulting and Laboratories, Inc., in the amount of \$35,490.00 to perform the District's triennial benthic sediment and biota monitoring and outfall inspection.

### **Funding**

The District budgeted \$34,000 for the triennial benthic sediment and biota monitoring and outfall inspection, with reimbursement from the City of Pismo Beach, which shares use of the outfall facility and is contractually responsible for half of the cost of the required monitoring.

### **Discussion**

The District's National Pollutant Discharge Elimination System (NPDES) permit requires sampling of the sediment and biota in the vicinity of the discharge point of the treatment plant, including inspection of the outfall structure, every three years. This sampling and inspection were last done in 2010 by Aquatic Bioassay Consulting and Laboratories, Inc.

The District distributed a Request for Proposal (RFP) on April 9, 2013 to four local firms known to be qualified to perform the requested work. The District received two responses before the May 3, 2013 deadline. Although both responsive firms provided data indicating that they would be capable of the work, Aquatic Bioassay Consulting and Laboratories, Inc. was more thorough about how they would be able to meet the requirements of the RFP, provided stronger staff qualifications, and included documentation regarding the accreditation of their laboratory. Their original proposal was \$37,315.00, but they were willing to negotiate their price to \$35,490.00 to more closely align with the District's budget. This cost is in line with similar work performed for Avila Beach. City of Pismo Beach staff participated in the selection process, concur with the selected firm, and have been informed of the negotiated cost.



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

Post Office Box 339, Oceano, California 93475-0339  
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[www.sslocsd.org](http://www.sslocsd.org)

## **Transmittal**

**To:** Board of Directors  
**From:** Paul J. Karp, Interim General Manager  
**Date:** June 5, 2013  
**Subject:** AB 371 (Salas) Update

As the Board Members will recall, the Board directed Staff to send a letter to the Local Government Committee opposing State Assembly Bill 371 (Salas) which would have allowed Kern County to adopt and enforce a ban on the land application of biosolids in that county. With the support of this Board and many others in opposition to this ill-advised draft legislation, the bill is now considered "inactive." The attached letter from the California Association of Sanitation Agencies (CASA) provides details of this process and expresses thanks to those agencies which sent letters opposing AB 371.

## **Major Victory for CASA – AB 371 Moved to Assembly “Inactive File”**

After several weeks of strong lobbying efforts both by the CASA legislative team and significant grassroots efforts from the CASA membership, AB 371 was essentially “parked” when it was placed on the Assembly “Inactive File” during this morning’s Assembly Floor Session. CASA, the City of L.A., San Francisco PUC, LACSD, OCSD, and other groups launched an “all hands on deck” effort this week, lobbying all of the Assemblymembers on the bad precedent that the bill would enact, as well as warning members of the ongoing litigation, and presented sound scientific evidence supporting the land application of biosolids. Of significant impact were the compelling letters sent in from CASA members. Many legislative offices noted that they had received numerous letters from our member agencies in their districts expressing opposition to the bill. The letters from individual agencies were also used by CASA in lobbying efforts, appealing to specific legislators by demonstrating the direct district impact of the bill.

Midway into the Session this morning, AB 371 was procedurally moved from the “Third Reading File” – where bills are set to be eligible for a vote of the entire body – to the “Inactive File” – where bills are sent when they have either failed passage, are no longer being pursued, or are dropped for another reason. While this is a significant victory for CASA and our colleagues, the bill could still technically be moved from the Inactive File in the next few weeks leading up to the deadline for bills to be passed from their House of Origin (May 31<sup>st</sup>), but at this time we believe this is unlikely. This morning’s development is indicative that our efforts have paid off, and the bill probably did not have enough votes for passage.

CASA wants to express sincere gratitude for our members who took the time to write their individual legislators. These letters were the single most important tools in defeating this measure.