



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

<http://sslocsd.org/>

Agenda

Board of Directors Meeting

1655 Front Street

Oceano, California 93445

Wednesday, August 3, 2011 at 6:00 PM

Board Members

Bill Nicolls, Chairman

Lori Angello, Director

Tony Ferrara, Director

Alternates

Karen Bright, Director

Mary Lucey, Director

Jim Guthrie, Director

Agencies

City of Grover Beach

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

Oceano Community Services District

City of Arroyo Grande

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 that 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 Chairman 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 agenda.

Please adhere to the following procedures when addressing the Board:

- Comments should be limited to 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. 1655 Front Street, Oceano, California. Consistent with the Americans with Disabilities Act 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 the modification or accommodation in order to participate at the above referenced public meeting by contacting the District Administrator or Administrative Assistant at 805-544-4011.

3. CONSENT AGENDA

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 Any Board Member may request that any item be withdrawn from the Consent Agenda to permit discussion or change the recommended course of action.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

3a. Review and Approval of Minutes of July 20, 2011 Meeting

3b. Review and Approval of Warrants

4. PLANT SUPERINTENDENT'S REPORT**5. BOARD ACTION ON INDIVIDUAL ITEMS:****A. DISTRICT TRUNK LINE INFLOW AND INFILTRATION FINAL STUDY**

Staff recommends the Board receive the final draft of the District's Trunk Line Inflow and Infiltration Study Report and provide staff with any comments or additional direction.

B. CONSIDERATION AND ADOPTION OF FISCAL YEAR 2011-12 BUDGET

Staff recommends the Board open the public hearing and take any public testimony; close the public hearing; direct staff to make any adjustments or changes to the proposed budget; adopt the final budget for Fiscal Year 2011-12 and resolutions contained therein, if no further changes are directed to staff.

6. MISCELLANEOUS ITEMS

a. Miscellaneous Oral Communications

b. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION**8. CLOSED SESSION**

Conference with legal counsel regarding liability claims pursuant to Govt. Code §54956.95: Claimant Jeff Appleton

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 Wednesday, July 20, 2011
6:00 P.M.

1. ROLL CALL

Present: Chairman Bill Nicolls, City of Grover Beach; Director Lori Angello, Oceano Community Services District, Tony Ferrara, City of Arroyo Grande.

Others in Attendance: John Wallace, District Administrator; Mike Seitz, District Counsel; Bob Barlogio, Interim Plant Superintendent.

2. PUBLIC COMMENT ON ITEMS NOT APPEARING ON AGENDA

Mr. Gere Sibbach introduced himself as the San Luis Obispo County Auditor/Controller. He provided information pertaining to the Grand Jury's request that his department perform a partial audit of the South San Luis Obispo County Sanitation District. He stated that in response to that request his department will be performing a limited Internal Control Review which is not intended to replace the District's annual financial audit. He expected the audit to commence on August 8, 2011.

Mr. Sibbach also introduced Ms. Kerrie Bailey, Chief of Internal Audits, who will be heading the audit. He also informed the Board that Mr. Jim Erb, Assistant Auditor-Controller will be in overall control of the audit.

Chairman Nicolls thanked Mr. Sibbach for attending the meeting and performing the audit.

Director Ferrara stated that the Board would be available at any time should Ms. Bailey or Mr. Erb have questions or need assistance.

Director Angello asked if the updated Wallace Group contracts were needed in order to complete the audit. Mr. Sibbach replied that he would like to see them before the audit is completed.

Mr. Jeff Edwards stated that the County Board of Supervisors met on July 19, 2011 and discussed the flooding and drainage issues in Oceano as part of their regular agenda regarding a short term Meadow Creek Lagoon Mitigation Alternatives. Mr. Edwards voiced doubts regarding the effectiveness of the mitigation alternatives proposed. He suggested an agenda item to detail the flooding issues and in particular the Meadow Creek Lagoon Mitigation Alternatives.

Mr. Tom Geaslen introduced himself as the Interim General Manager of the Oceano Community Services District.

Director Ferrara requested that staff request the County to provide a presentation at a future meeting regarding the flood proposals referred to by Mr. Edwards.

3. CONSENT AGENDA

- A. Review and Approval of Minutes from the Meeting of July 6, 2011.
- B. Review and Approval of Warrants.
- C. Financial Report ending June 30, 2011

It was moved by Director Angello, seconded by Chairman Nicolls to approve Consent Agenda item 3A as presented. Motion carried with Director Ferrara not voting due to his absence at that meeting.

It was moved by Director Ferrara, seconded by Chairman Nicolls to approve Consent Agenda items 3B and 3C as presented. Motion carried.

4. PLANT SUPERINTENDENTS REPORT

Interim Plant Superintendent Barlogio reported that the plant was running well. In order to characterize flow for the Water Quality Control Board, sampling is occurring every day during July for BOD and Suspended Solids. The Plant is staying in compliance.

Staff did a chlorinated flush on July 7th with a second flush scheduled for July 21, 2011.

Staff also replaced three six-inch, old and worn plug valves on the sludge pump piping for the No. 2 primary clarifier.

Administrator Wallace commented that the District is sampling every day in July on a voluntary basis in order to better characterize the effluent. The same voluntary sampling was done in January.

5. BOARD ACTION ON INDIVIDUAL ITEMS

- A. FFR Pump Refurbishment, 09 MBI 01

Administrator Wallace reported that Staff has installed the new FFR pump directly into the old pump position during a short night-time shutdown and staff is now preparing to ship pump No. 1 back to the manufacturer for a thorough refurbishment. Once this first pump is back online, the last pump can be sent in for refurbishment. While the last pump is out for refurbishment, the third pump train pad can be constructed, the electrical and VFD cabinet installed, and be waiting for the pump's return. This part of the project will be bid separately at a later date and will be brought back to the Board.

Flo Systems is the exclusive manufacturer's sales representative for Fairbanks-Morse, and as such, this is a sole source service. Due to past delays on the part of the supplier, and other considerations, staff was able to negotiate reducing the cost of the service from \$29,721 to \$22,535.

Director Ferrara asked if the reconditioned pump had a warranty and if so, is the warranty still effective with staff performing the installation.

Interim Plant Superintendent Barlogio stated that a manufacturer's representative will be present during pump start up which will serve to validate the warranty.

It was moved by Director Ferrara, seconded by Director Angello to approve the refurbishment of FFR Pump No. 1 for an amount not to exceed \$25,273.00. Motion carried.

B. Environmental and Public Health Impact Assessments for the December 19, 2010 Sanitary Sewer Overflow.

Administrator Wallace reviewed the requirements of the Notice of Violation issued by the State on April 18, 2011 as a result of the Sanitary Sewer Overflow on December 19, 2010. As required, the District submitted a technical report under section 13267 of the California Water Code on May 31, 2011. Item No. 4 of the NOV required an assessment of the short and long-term impacts to public health, animal and plant communities after the SSO.

With regard to this item, the District planned to work with a qualified professional (Mr. Douglas Rischbieter) to perform the required public health, animal, and plant communities assessment. Mr. Rischbieter was interviewed by District staff on June 15, 2011 and is not available to perform the work required.

To date the District has not received a response to the technical report from the State Board; however, staff anticipates a response that will include a timeframe to comply with this requirement.

To complete this task, staff is recommending that the Board authorize staff to create a Request for Proposal, and bring back to the Board a recommendation for selection of a qualified professional to perform the required impact assessments

Mr. Tom Geaslen asked if it is anticipated that this report will be instrumental in determining if the District will receive fines.

Administrator Wallace stated that the report would be one factor in the Water Board's decision making process.

It was moved by Director Ferrara, seconded by Director Angello to receive the report and direct staff to develop a scope of work to meet the requirements discussed below and to issue Requests for Proposals for the required professional services. Motion carried.

C. Election of Special District Risk Management Authority

Administrator Wallace presented information from the Special District Risk Management Authority regarding their upcoming election. Seven candidates met the qualification requirements and those names are included on the Official Election Resolution and Ballot.

As a member of SDRMA, the SSLOCSD Board of Directors may select three of the seven candidates from the official ballot sent by SDRMA Board of Directors and a ballot delivered to SDRMA by September 16, 2011.

It was moved by Director Ferrara, seconded by Director Angello to cast the South San Luis Obispo County Sanitation District vote in the election of Special District Risk Management Authority Board of Directors for Mike Scheafer, Ed Gray, and Terry Burkhart. Motion carried by unanimous roll call vote.

D. Influent Pump Reconductoring Contract Award 04 MBI 16.

Administrator Wallace stated the cost for Reconductoring the Influent Pump is a smaller phase of the entire project. This work was removed from the entire electrical upgrade project because of

the critical nature of electrically isolating each influent pump.

The construction contract for this project was selectively bid to six electrical companies. Two companies responded with bids that were received and opened on July 13, 2011. Woeste Electric was the low bidder in the amount of \$28,790.00.

It was moved by Director Angello, seconded by Director Ferrara to award a construction contract to Woeste Electric for the Influent Pump Reconductoring Project in the amount of \$28,790.00. Motion carried.

E. Mechanical Seal Repairs Purchase

Administrator Wallace stated that the seals used in the wastewater pumps use water to lubricate and cool internal parts of the seal. Installing the Spiral Trac will extend the life of the mechanical seals by diverting material found in the wastewater from the face of the seal. It is also noted that Plant Superintendent Barlogio would retain a factory representative in the amount of \$500. to give hands-on training to staff, on the proper installation and rebuilding of the mechanical seals used throughout the plant. Staff could rebuild the seals themselves and have spare parts on the shelf at 1/5th the cost of another mechanical seal.

It was moved by Director Ferrara, seconded by Director Angello to approve the purchase of Spiral Trac from Chesterton for the estimated amount of \$636.61. Motion carried.

F. 12 -Inch Valves Purchase.

Administrator Wallace informed the Board that staff used three 12-inch valves during the FFR pump replacement project that were originally intended for the headworks project. This purchase would now allow the influent pump replacement project to move forward.

It was moved by Director Angello, seconded by Director Ferrara to approve the purchase of three 12-inch flanged gate valves with hand wheel from Ferguson Enterprises, Inc for the estimated amount \$5,360.36. Motion carried.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

Director Ferrara informed the Board that the Emergency Response Plan is approximately 30% complete.

7. PUBLIC COMMENT ON CLOSED SESSION

Mr. Tom Geaslen, OCSD Interim General Manager, urged the Board not to go forward with the consideration of the Professional Services Contract at this meeting. He stated the Administrative Contract as presented at tonight's meeting does not reference a salary amount and the Engineering Contract rates which are referenced are significantly lower than industry standards. He asked that action not be taken until these issues are clarified.

8. CLOSED SESSION ITEMS

Conference with labor negotiators Pursuant to government Code Section 54957.6: Agency designated representatives: Mike Seitz, Tony Ferrara; Unrepresented Contractor: John

Wallace.

9. RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION

The Board reconvened and Counsel Seitz announced changes made to the contract previously provided to the public.

10. CONSIDERATION OF AMENDED CONTRACTS FOR DISTRICT ADMINISTRATOR JOHN WALLACE AND DISTRICT ENGINEER WALLACE GROUP

It was moved by Chairman Nicolls, seconded by Director Ferrara to accept the contract, with discussed changes, for the District Administrator Professional Services. Motion carried by roll call vote with Director Angello voting no.

It was moved by Chairman Nicolls, seconded by Director Ferrara to accept the contract, with discussed changes for the District Engineer Professional Services. Motion carried by roll call vote with Director Angello voting no.

11. ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at approximately 8:00 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
8/3/2011

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST BACT	TCDD Dioxins	11-2857	080311-5774	7078	2,000.00	2,000.00
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	6102555 6121151	75	7025	355.30	355.30
AT&T	TELEPHONE SERVICE	JULY	76	7011	441.02	441.02
BILL NICOLLS	BOARD SERVICE	JULY	77	7075	200.00	200.00
BRENNTAG PACIFIC, INC	CHEMICALS	114677 115054 113437 113438	78	8050	18,964.35	18,964.35
CALIFORNIA ELEC SUPPLY	ELEC SUPPLIES	454644 454636 454634	79	8060	407.55	407.55
CHERRY LANE NURSERY	LANDSCAPE SUPPLIES	30735	80	8060	258.56	258.56
JB DEWAR INC	VEHICLE FUEL	766228 767522	81	8020	379.39	379.39
FEDEX	SHIPPING	7 562 30198	82	8045	25.08	25.08
GRAINGER	MISC SUPPLIES	9586598188 9587824922	83	8055	188.28	188.28
HOPKINS TECHNICAL PROD	11MBI03 PUMP	201116711	84	19/8010	3,104.17	3,104.17
I.I. SUPPLY	MISC SUPPLIES	10661 10571	85	8060	160.13	160.13
JWC ENVIRONMENTAL	GRINDER BAGS	41823	86	8030	300.48	300.48
LAB SAFETY SUPPLY	CLEANING SUPPLIES	1017614178	87	8035	88.37	88.37
LIBERTY COMPOSTING INC	SOLIDS REMOVAL	004108	88	7085	15,954.64	15,954.64
LIEBERT CASSIDY WHITMORE	LEGAL FEES	135479 135480	89	7071	822.00	822.00
LORI ANGELLO	BOARD SERVICE	JULY	90	7075	200.00	200.00
PG&E	ELEC SERVICE	JULY	91	7091	15,271.76	15,271.76
CALPERS MEDICAL	EMPLOYEE MEDICAL	AUGUST	92	6010	10,041.55	10,041.55
SAN LUIS POWERHOUSE	GENERATOR CHECK	ANNUAL 2873	93	8060	1,695.00	1,695.00
STANLEY CONVERGENT SEC	ALARM SERVICE	8435694	94	7011	62.20	62.20
TELEDYNE ISCO, INC.	DISCHARGE TUBING	964656 964655	95	8040	474.36	474.36
TIGER DIRECT	COMPUTER SUPPLIES	F64497630101	96	7015	28.68	28.68
TITAN INDUSTRIAL	MISC SUPPLIES	1046224 1046288 1046288 1046317	97	8056 8060	100.90 163.62	264.52
TONY FERRARA	BOARD SERVICE	JULY	98	7075	100.00	100.00
UNITED STAFFING	CONTRACT LABOR	052158 052350	99	8060	3,960.00	3,960.00
USA BLUEBOOK	MISC SUPPLIES	441666 442332	5800	8060	175.77	175.77
WALLACE GROUP	AMB LEGAL FEES	32014	5803	7071	5,775.53	5,775.53
WOESTE ELECTRIC INC	ELEC SERVICES	5960 5962 5963 5967 5968	5801	8060	4,085.00	4,085.00
WONDERWARE WEST	SCADA SUPPORT	48595	5802	7015	3,072.77	3,072.77
SUB TOTAL					88,856.46	88,856.46
PAYROLL	PPE 7/15/11				17,823.87	17,823.87
GRAND TOTAL					106,680.33	106,680.33

We hereby certify that the demands numbered serially from 080311-5774 to 080311-5802 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:

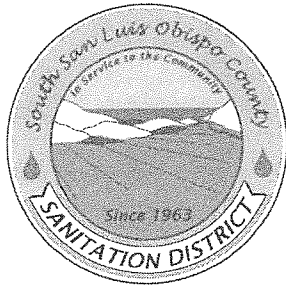
DATE: _____

Chairman

Board Member

Board Member

Secretary



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<http://www.sslocsd.org/>

Date: July 28, 2011

To: John Wallace 

From: Bob Barlogio, acting CPO

Re: Superintendent's Report

As of Jul 28, 2011, the data we have received is as follows:

The average daily flow was 2.66 million gallons per day.

Average influent BOD was 354 mg/l, Total Suspended Solids was 364mg/l.

The average effluent BOD was 44 mg/l.

The average effluent Total Suspended Solids (TSS) was 31 mg/l.

Our limit is 40 mg/l, monthly average on each. We currently are violating the BOD monthly average. We are waiting for more data, hopefully to bring the average down within limits.

Average BOD removal rate, was 88%, TSS removal was 91%.

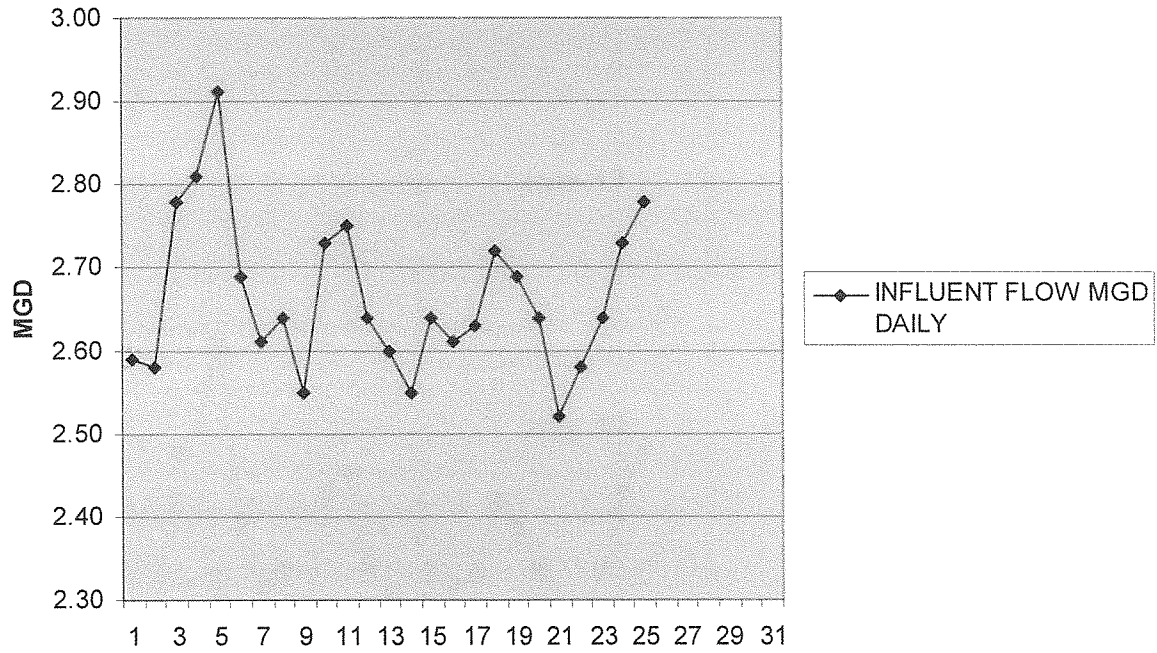
Staff met with the peer review group on July 27, 2011. We had some good discussion.

We did a chlorinated flush on the FFR, July 21th. Because of the higher loading during the summer, staff plan to flush the FFR every week, with a chlorinated flush every other week for insect control..

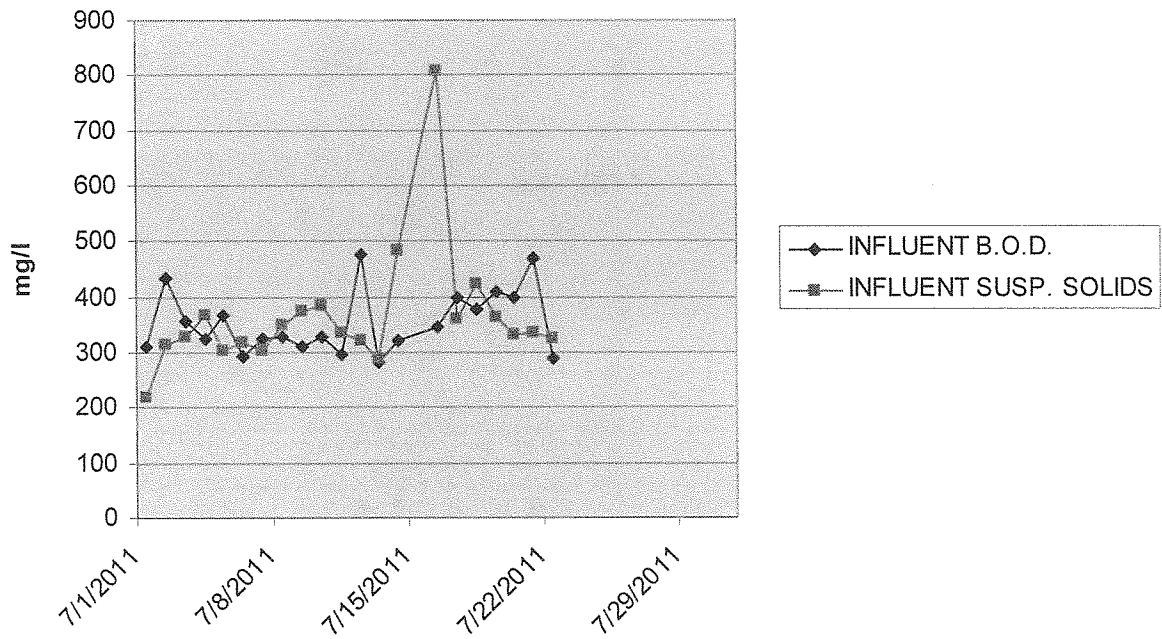
We are meeting the limits as per our NPDES permit except BODs. Please see attached graphs. We have been discussing the BOD results with the contract lab and considering sending out some duplicate samples with another lab, to compare results.

Attached also is a graph showing how the BODs is trending higher during the summer months. This could account for the higher BODs in the effluent.

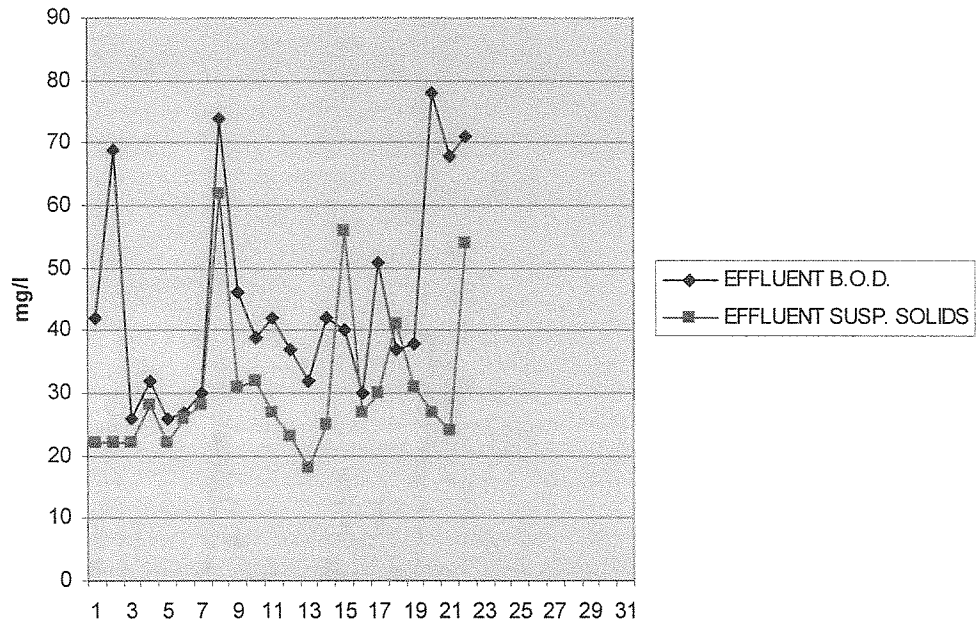
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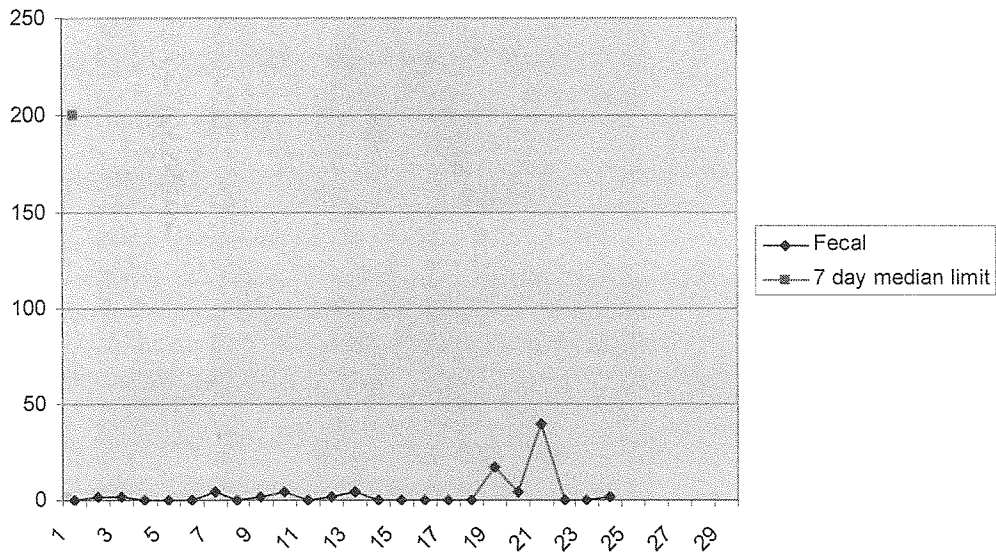
July 2011



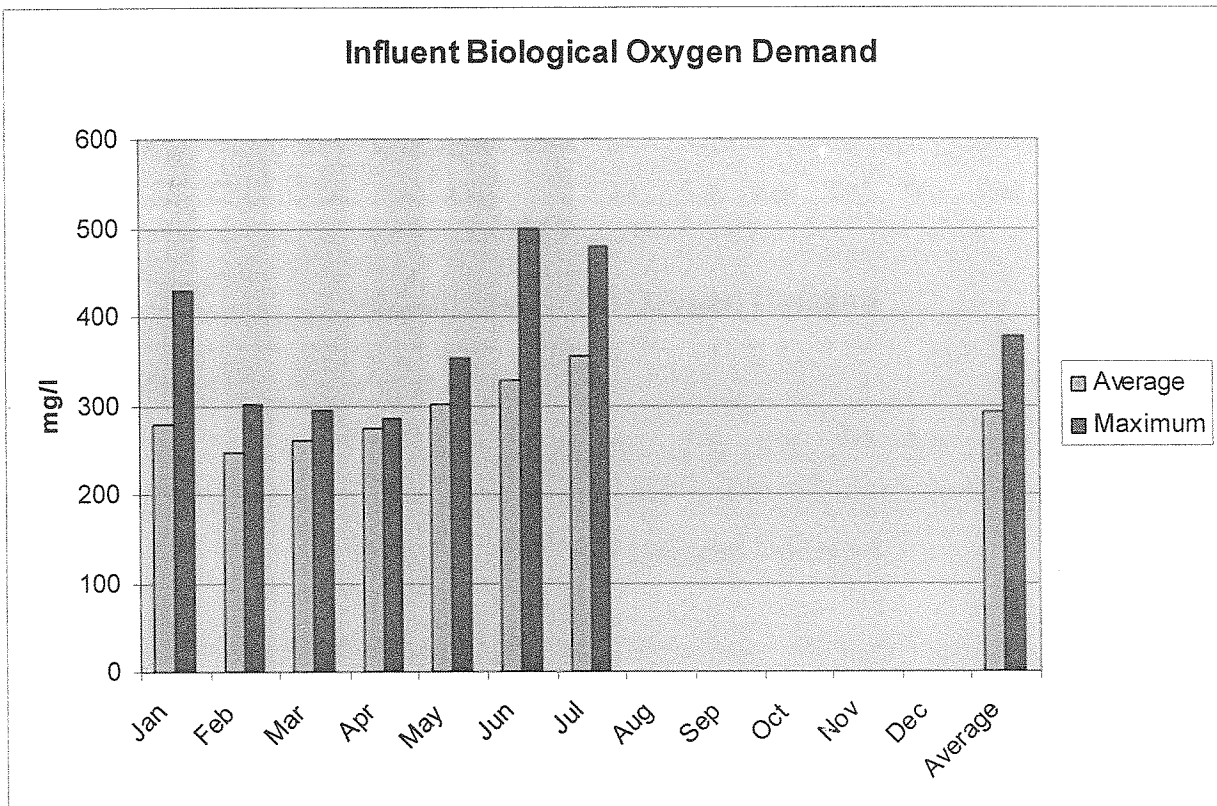
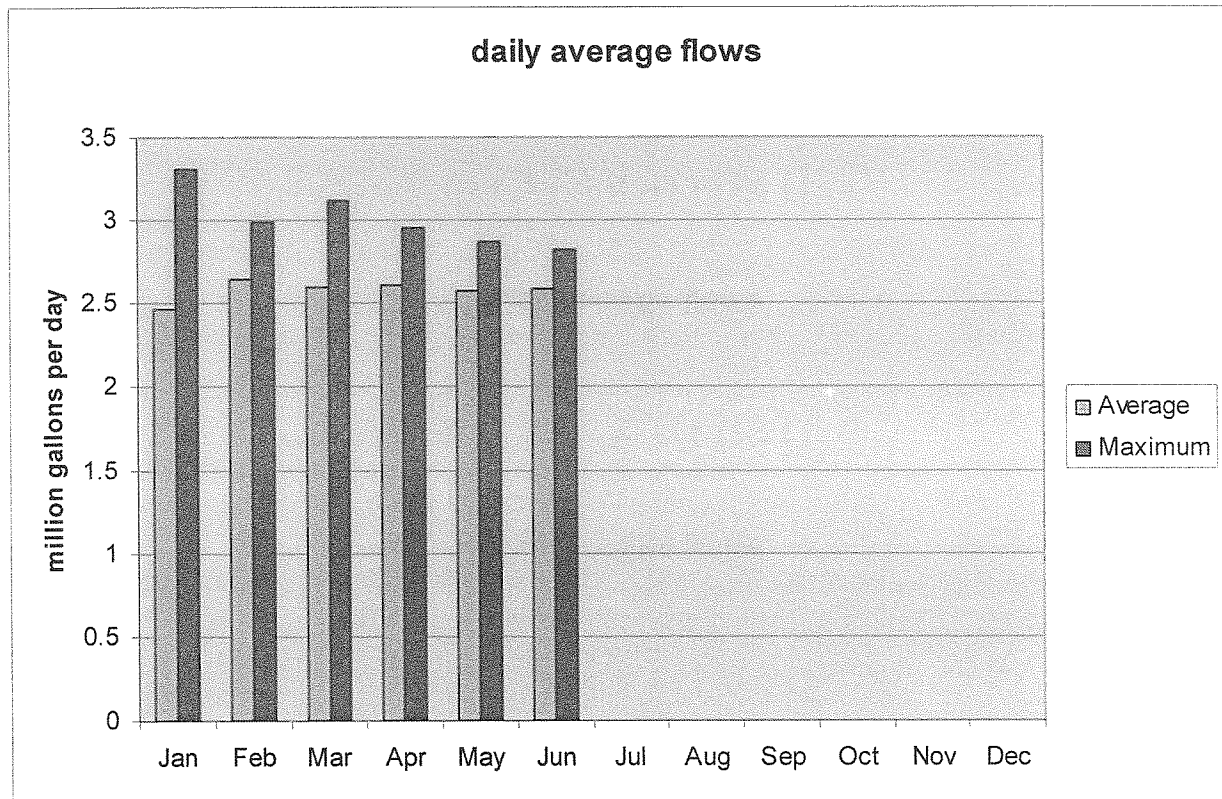
July 2011



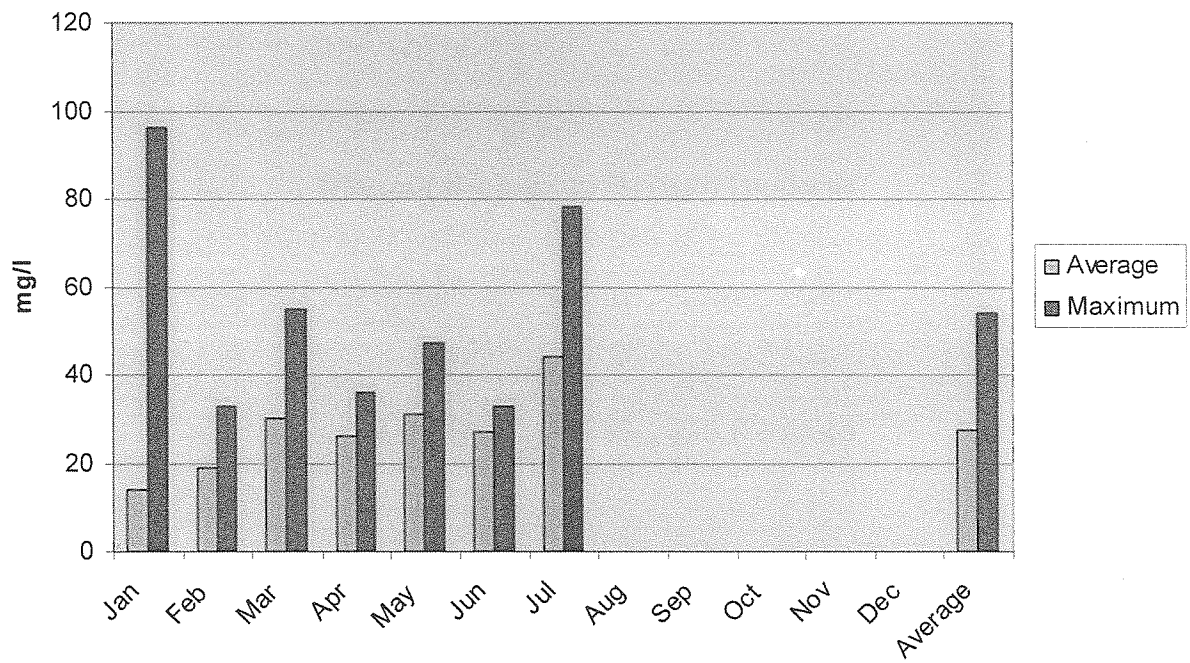
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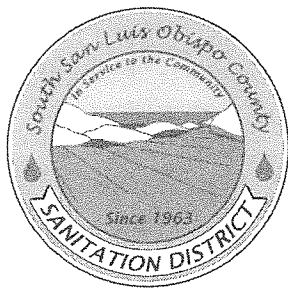


2011 YEAR TO DATE



Effluent Biological Oxygen Demand





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Staff Report

To: Board of Directors
From: John Wallace, *District Administrator*
Date: August 03, 2011

Subject: District Trunk Line Inflow and Infiltration Study – Final Report

Recommendation:

1. Receive final District Trunk Line Inflow and Infiltration Study Report.
2. Review recommendations contained in the summary below and provide Staff with any comments or additional direction.

Funding:

The MBI Budget includes Major Budget Item 10 MBI 17 – Inflow and Infiltration Study – in the amount of **\$30,500**. To date the following expenditures have occurred:

- **\$777.35** on Design and Survey;
- **\$624.25** on Contract Administration;
- **\$17,045.00** on Construction;
- **\$1,365.00** on Flow Monitoring Administration;
- **\$5,667.25** on Engineering Assessment;

for a total of **\$25,478.85**, leaving a balance of **\$5,021.15** as of July 20, 2011.

Discussion:

District Staff has recently completed a comprehensive first-phase Inflow and Infiltration (I/I) study within the District trunk sewer. A copy of the final report prepared in conjunction with this study is attached for Board review and comment. District Staff has briefly discussed the results of this study with the Public Works departments of each Member Agency and a copy of the report has been forwarded for their review and comment.

Results from the study indicate that the District treatment plant is subjected to varying levels of I/I during rain events. When evaluating flow monitoring data for I/I response relative to rain events there is not a direct linear relationship between overall rainfall and I/I increase into the system/treatment plant. I/I contributions to a treatment plant vary during rain events based on factors such as rainfall intensity and duration, existing groundwater table conditions, antecedent ground moisture conditions affecting stormwater runoff and/or infiltration into soil, and many other parameters. Typically minimum of a full rain season worth of flow monitoring data is required to accurately analyze these types of factors.

Our data review resulted in the following conclusions:

- Review of historical plant data over the prior three years relative to significant rain events indicate that instantaneous I/I contributions into the treatment plant varied from 0.5 to 2.0 million gallons per day during and shortly after the observed rain events.

- Review of the data obtained during the March 2011 flow monitoring study indicate that instantaneous I/I contributions into the treatment plant were approximately 2.5 million gallons per day higher than flow rates during a comparable non-rain date (April 3, 2011).

In comparison, during the December 19, 2011 rain event which resulted in significant localized flooding and the eventual temporary failure of the influent pumping plant, the treatment plant took on an instantaneous I/I contribution of 3.6 million gallons per day when compared to influent flow records for the Sunday prior (December 12th, no rain).

A brief overview of the purpose and summary of the I/I study is provided below.

The District Inflow and Infiltration study was initiated upon discovery of elevated sewer flows at the District treatment plant during the significant rain event of December 18-19, 2010 which resulted in severe localized flooding across much of the Oceano Community, including the plant grounds and ultimately led to the temporary failure of the influent pumping plant. Preliminary review of historical plant throughput records for similar, prior significant rain events also indicated elevated sewer flows during and immediately after precipitation events.

The study consisted of the following primary components:

- Flow monitoring
- Rainfall data review
- Historical in-plant flow review
- Field investigation
- Future recommendations

The purpose of the I/I study was to identify general locations along the District Trunk Sewer, broken down by Member Agency tributary areas, which indicate excessive ground and storm water entry into the District treatment works. To perform this task, wastewater flow monitoring devices were placed at strategic locations throughout the District trunk sewer. Data gathered from the flow monitoring devices was utilized to generate representative dry and wet weather diurnal wastewater flow patterns for the period monitored. Evaluation of the wet-weather flow patterns against representative dry-weather patterns from the same period provided an indication of wastewater flow increases attributed to the influence of precipitation activities relative to the sewer tributaries.

Rain data collected from local area rain gauges provided a datum to which sewer flow variation and response could be evaluated. The timeframe between observed precipitation and increased wastewater flow relative to the representative dry-weather flow patterns provided indication as to the source type of water entering the collection system as a result of the precipitation activities.

Inflow, extraneous water that enters the system primarily through surface inputs and illegal services connections, was identified by an observed rapid flow increase and a quick return to prior flow conditions. Infiltration, extraneous water that enters the system from the ground, primarily through system defects and cracks, was identified by the rather long time that it took the elevated flows to return to prior flow conditions.

Historical plant flow records were assessed in a similar fashion and field investigations were performed to evaluate manholes indicating a high likelihood of contributing ground and storm water to the collections system.

Report Conclusions are as follows:

Arroyo Grande Basin

The Arroyo Grande basin contributed the largest volume of I/I during the flow monitoring period. This basin warrants a more detailed flow monitoring study to locate sources of I/I. The flow monitor located in manhole C18 recorded the highest volume of I/I in the system, and data is indicative of both infiltration and inflow. This flow monitor is located downstream from the Arroyo Grande creek, indicating that the siphon crossing under the Arroyo Grande Creek may be contributing I/I flow to the District Trunk System.

Grover Beach Basin

This basin has minimal I/I for the majority of storm events, and exhibits inflow only during larger storm events. Additional flow monitoring is not warranted at this time. The potential for inflow may be further studied by conducting field investigations to locate manholes in obvious paths of surface flow.

Oceano Basin

Monitoring data exhibits both infiltration and inflow in the Oceano basin. This basin warrants a more detailed study to locate sources of I/I. The area of west Oceano and the portion of the collection system that flows to the lift station exhibit the most likely indications of infiltration. The field investigation identified a few potential locations of both infiltration and inflow.

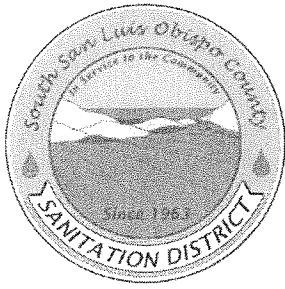
One key point to make regarding this study is that the District trunk is comprised of approximately 9 miles of trunk sewer, with an additional 60-80+/- miles of Member Agency collection system contributing. The primary purpose of this study was to identify general tributary basins along the District Trunk Sewer which indicate excessive ground and storm water entry into the District treatment works and warrant further consideration and review, also identifying those sections which do not warrant additional subsequent field testing and expenditure.

To achieve that goal, Best Management Practices were implemented that focused on providing a cost-effective approach to identifying select areas from within the overall District service area boundary which would benefit most from future I/I site specific investigations. The process of identifying and removing I/I from a collection system is iterative, typically requiring several phases to fully identify the specific sources within a large geographic area.

Based on the conclusions acquired as part of this study the following recommendations were made as part of the Final Report:

1. Provide additional future flow monitoring studies within the Arroyo Grande Basin during the 2011-12 rainy season, and more specifically:
 - Develop a flow monitoring location plan aimed at reducing the Arroyo Grande basin into smaller more manageable basins that could identify areas which show a high prevalence of I/I and exclude areas which due not warrant additional subsequent field testing;
 - Implement techniques that provide information relative to on-trunk and off-trunk (i.e. Arroyo Grande Collection System) source locations;
 - Isolate flow contributions that may be originating from the Arroyo Grande Creek between Manhole C20 and C20a;
 - Coordinate with City staff to review dry weather flow monitoring data currently being implemented as part of the City's 2011 Waste Water Master Plan update and 2011 sewer flow model update;


- Coordinate with City staff to utilize City sewer lift station data in conjunction with future flow monitoring data to more thoroughly identify I/I source locations.
2. Provide additional future flow monitoring studies within the Oceano Community Services District Basin during the 2011-12 rainy season, and more specifically:
 - Develop a flow monitoring location plan aimed at reducing the Oceano basin into smaller more manageable basins that identify areas which could identify areas which show a high prevalence of I/I and exclude areas which due not warrant additional subsequent field testing;
 - Implement techniques that provide information relative to on-trunk and off-trunk (i.e. OCSD Collection System) source locations;
 - Evaluate per-capita municipal water usage against per-capita sewer contributions to determine if elevated per-capita sewer contributions observed in this study are repeatable and if so, evaluate likelihood of potential long-term groundwater infiltration currently being recognized as base sewer flow;
 - Coordinate with OCSD staff to initiate manhole inspections in areas where inflow was observed during field investigation efforts (OCSD Manhole A1-D, A3-A and others);
 3. Exclude the Grover Beach Basin from future wet weather flow monitoring studies based on relatively minor I/I contributions observed.
 4. Confirm calibration of the influent and effluent flow meters at the District treatment relative to the minor discrepancies noted between flow variations occurring during this study, understanding that effluent flow values should be slightly greater than influent flow values due to process return flow re-entering the head works structure downstream of the influent flow meter and due to onsite drainage entering the head works structure downstream of the influent flow meter.
 - If calibration of influent and effluent flow meters indicate that each are recording properly, evaluate likelihood of I/I contributions to the subgrade onsite treatment works process piping subjected to known elevated water tables.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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<http://sslocsd.org/>

Staff Report

To: Board of Directors
From: John Wallace, *District Administrator* 
Date: August 3, 2011
Subject: Consideration and Adoption of Fiscal Year 2011-12 Budget

Recommendation:

1. Board discussion and staff responses
2. Open the public hearing and take any public testimony;
3. Close the public hearing;
4. Direct Staff to make any adjustments or changes to the proposed budget;
5. Adopt the Final Budget for Fiscal Year 2011-12 and resolutions contained therein, if no further changes are directed to Staff.

Funding:

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.

Discussion:

As part of the preparation of the FY 2011-12 Budget, the Board completed its initial review of the Preliminary Operating Budget including the first draft of Capital Projects (Major Budget Items) on June 1, 2011.

As on-going preparation of the FY 2011-12 Budget, the Board reviewed and considered the proposed FY 2011-12 Major Budget Items (MBIs) on June 15, 2011. In response to comments received, the amount budgeted for major budget item 10 MBI 07 Emergency Response Plan has been reduced. Also in response to comments received, percentages have now been included on the Budget Allocation Pie Chart for Operating Fund 19. Also, funds have not been budgeted for possible State fines related to the December 2010 storm event as there has been no notification of fines at this time. Should fines be incurred, staff will bring that item to the Board at that time for consideration.

As a result of current status, Table 1 below compares the difference between the Preliminary Budget information and that now presented in the proposed Final Budget.

The past fiscal year, FY 2010-11, projected revenues and expenditures are now better known and are reflected in the Final Budget. The actual net income, and therefore contribution to reserves, is less than that shown in the Preliminary Budget presented at the June 15, 2011 Board meeting. This is due mainly to MBIs such as contract payments for the New Centrifuge being processed sooner than originally anticipated.

Table 1

	Revenue	Expenditures	Net Income
Fund 19			
Preliminary Budget	\$3,064,392	\$2,948,626	\$115,766
Final Budget	\$3,032,559	\$2,885,274	\$147,285
Fund 20			
Preliminary Budget	\$119,915	\$875,651	-\$755,736
Final Budget	\$116,140	\$1,052,482	-\$936,342
Fund 26			
Preliminary Budget	\$6,500	\$243,027	-\$236,527
Final Budget	\$5,389	\$196,997	-\$191,608
Preliminary Budget Totals	\$3,190,807.00	\$4,067,304.00	(\$876,497.00)
Final Budget Totals	<u>\$3,154,088.00</u>	<u>\$4,134,753.00</u>	<u>(\$980,665.00)</u>
Difference	(\$36,719.00)	\$67,449.00	(\$104,168.00)

The carryovers amounts for the MBIs are also now better known. Therefore, the carryover amounts are slightly different than those presented in the Preliminary Budget. MBIs that were projected to have all their budget spent in FY 2010-11 but did not, now appear in the FY 2011-11 budget. It should be noted that only the carryover amounts have changed. The overall project budgets remain the same.

At this time any final changes from the Board's review should be directed to Staff. If there are no changes, it is recommended the Board adopt the budget by resolution at this meeting. If the adoption of the District's Fiscal Year 2011-12 Budget is to be continued from this August 3rd meeting, the Board may elect to continue review and consideration of adoption at its August 17th meeting. In addition, in response to current and upcoming reviews of the District's financial records, further refinement of the FY 2011-12 Budget is anticipated and will be brought forth to the Board for further review and consideration as reformatting of the budget is recommended.

Based upon previous Board direction, the Final FY 2011-12 Budget is being submitted for consideration and approval. A summary of the major highlights of the Budget follows:

Operating Budgets

The proposed budget includes the detailed revenue and expenses for the Operating, Replacement and Expansion Funds and includes anticipated adjustments in operating costs including, employee benefits, chemicals, and other operating costs.

Major Budget Items

The proposed budget includes Major Budget Items that are discussed in detail in terms of scope and cost. Major Budget Items for FY 2011-12 are shown as well as future fiscal year budget items for a four-year look to indicate projects in the near term for planning purposes. It is important to note that each Major Budget Item will come before the Board for final approval prior to initiation of the item at which time the project could be approved or deferred depending upon on the District's financial position and the need to initiate the project.

Also contained in the MBI analysis is a new section entitled “Project Detail” showing the breakdown of costs for a project into its components such as studies, design, construction, contract administration, etc. Each project is different and therefore the categories used to budget for the project also vary depending on the type and extent of services required outside of construction, or in the case of equipment, the purchase of that piece of equipment.

Personnel Compensation

No salary increases have been made since January 2010, but in reviewing comparable salaries in other jurisdictions with similar plants, the proposed budget includes a 3% class adjustment for this fiscal year. In comparing our benchmark salary (i.e. Operator II level) with other jurisdictions, this increase will only place the District at or below the average of other comparable jurisdictions (see attached analysis in Table 2.) Adjustments may be made if decided by the Board in their review and adoption of the personnel compensation resolution regarding this item. As experience is gained in administering these contracts, further refinement of the budget document will be done.

Administrative vs Engineering Items

As described above, several line items in the budget have been provided to better reflect administrative versus engineering expenditures. This better reflects the recently amended professional services contracts executed for these services.

Employee Salary

Class Analysis

SALARY COMPARISON

June 1, 2011

**All figures are currently in effect as of above date.

	5th Step	
	WASTEWATER OP II	MIN MONTH MAX MONTH
California Men's Colony		5685
City of SLO	\$3,579	\$5,397
City of Paso Robles	\$4,212	\$5,351
Morro Bay	\$4,665	\$5,175
City of Santa Maria	\$3,986	\$4,846
City of Pismo Beach	\$3,903	\$4,744
City of Santa Barbara	\$3,866	\$4,699
SSLOCS	\$3,825	\$4,651
City of Atascadero	\$3,679	\$4,472

*

Avg. \$3,964 \$5,002

SSLOCS Current Monthly Wages \$4,651
with 3% adjustment \$4,791

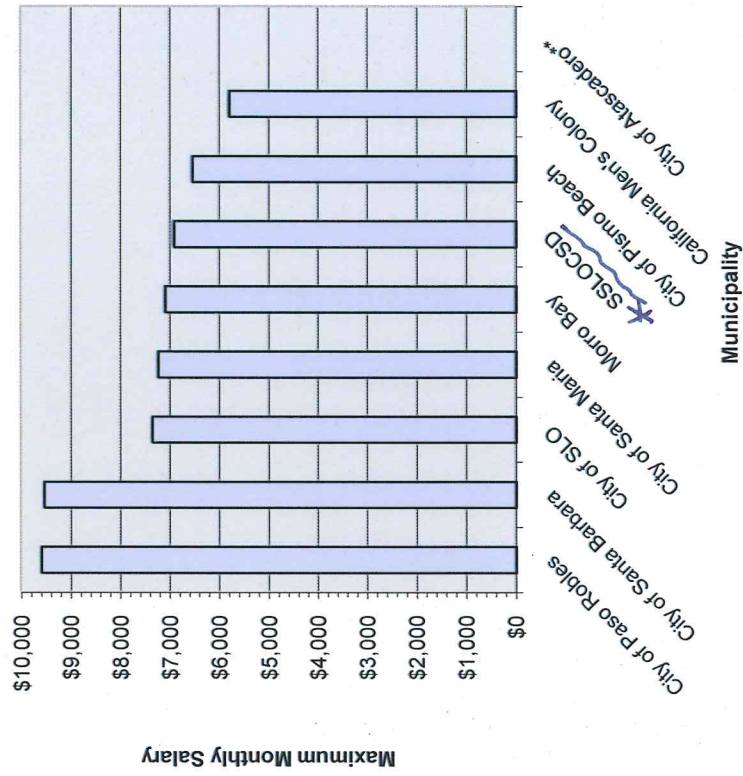
	5th Step	
	PLANT SUPT/CPO	MIN MONTH MAX MONTH
City of Paso Robles		7551 9597
City of Santa Barbara		7850 9541
City of SLO		5884 7353
City of Santa Maria		5947 7229
Morro Bay		7086
SSLOCS	5684	6912
City of Pismo Beach	5380	6540
California Men's Colony		5794
City of Atascadero**		** Not Listed

*

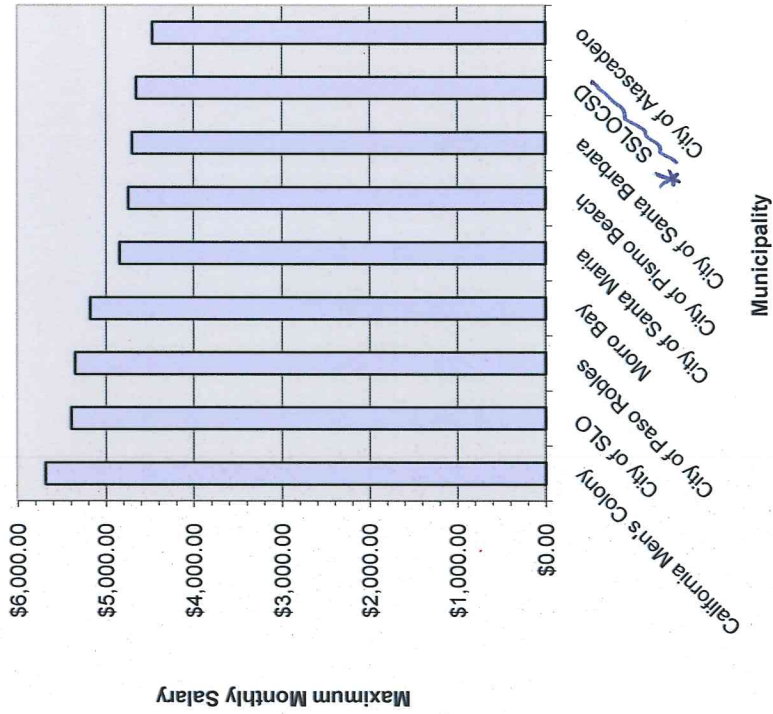
Avg. \$3,843 \$7,507

SSLOCS Current Monthly Wages \$6,912
with 3% adjustment \$7,119

**Wastewater Industry Salary Statistics
For Plant Superintendent - CPO Classification**



**Wastewater Industry Salary Statistics
For Wastewater Operator - II Classification**



Please note that FY 2011-12
Budget documents will be
distributed separately.

South San Luis Obispo County Sanitation District

Fiscal Year Budget

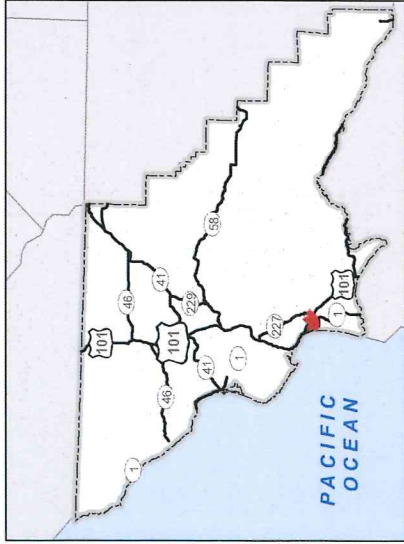
2011 - 2012



MEMBER AGENCIES:

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

1600 Aloha Place/PO Box 339, Oceano, CA 93475



County of San Luis Obispo

SSLOCSD Wastewater Treatment Plant



*South San Luis Obispo County
Sanitation District*

BUDGET
2011-12 Fiscal Year

**MEMBERS OF THE
BOARD OF DIRECTORS:**

Bill Nicolls – Chairman
Lori Angello – Director
Tony Ferrara – Director

South San Luis Obispo County Sanitation District

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SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT RESOLUTION
RESOLUTION NO. 2011-288

A RESOLUTION ADOPTING THE 2011-12 FISCAL YEAR BUDGET

WHEREAS, The District is required, pursuant to State codes, to designate a financial budget for its expenditures and revenues; and

WHEREAS, such budgeting requires that proper methods be used for the acquisition and disbursements of District monies; and

WHEREAS, the District desires to make known its planned activities and associated costs for the 2011-12 fiscal year.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, South San Luis Obispo County Sanitation District, San Luis Obispo County, California, as follows:

1. That the proposed budget entitled, "South San Luis Obispo County Sanitation District, Fiscal Year Budget 2011-12" be adopted as amended.
2. That the final budget be administered as established by past policies and practices.

Upon motion of _____ seconded by _____ and on the following roll call vote to wit:

AYES:

NOES:

ABSENT:

the foregoing resolution was passed and adopted this _____ day of _____ 2011.

Bill Nicolls
Chairman

ATTEST:

John L. Wallace
District Administrator

**NOTICE OF PUBLIC HEARING
SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT
ADOPTION OF FISCAL YEAR 2011-12 BUDGET**

DATE: August 3, 2011
TIME: 6:00 pm
PLACE: Oceano Community Services District
1655 Front Street, Oceano

PLEASE TAKE NOTICE:

- 1. The District Administrator has prepared a proposed final Budget which is available for inspection, during regular District business hours, at the District's Office located at 1600 Aloha Place, Oceano, California.**
- 2. On August 3, 2011, at 6:00pm at the Oceano Community Services District Board Room, located at 1655 Front Street Oceano, California, the South San Luis Obispo County Sanitation District Board of Directors will meet to consider and adopt the final Budget.**
- 3. At the time and place specified in this Notice any person may appear to be heard regarding any item in the Budget, or regarding the addition of any other items.**
- 4. The hearing on the Budget may be continued from time to time.**

If you should have questions related to the Budget, please contact Sabrina Spears, District Secretary at (805) 489-6666 .

South San Luis Obispo County Sanitation District

Accounting Funds

