

## **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 17, 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

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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 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 26, 2011 Special Meeting and August 3, 2011 Regular Meeting**
- 3b. Review and Approval of Warrants**
- 3c. Financial Report ending July 31, 2010**

**4. PLANT SUPERINTENDENT'S REPORT****5. BOARD ACTION ON INDIVIDUAL ITEMS:****A. NEW CENTRIFUGE 2A, BROUGH CONSTRUCTION PROGRESS PAYMENT NO. 9**

Staff recommends the Board approve Progress Payment No. 9 to Brough Construction, Inc. in the amount of **\$55,002.00**. (\$49,501.80 net payment with retention deducted) and approve payment to Stanley Security in the amount of **\$1,582.03** for material cost.

**B. SURPLUS MATERIAL**

Staff recommends the Board declare surplus, unusable FFR media and direct staff to make available to other agencies or dispose of as trash.

**C. OCEANO LAGOON ENVIRONMENTAL ASSESSMENT - REQUEST FOR PROPOSAL UPDATE AND SCHEDULE FOR FUTURE PRESENTATION BY SLO COUNTY DPW REGARDING FLOOD PROTECTION MEASURES**

Staff recommends the Board receive an update on requests for proposals for environmental

**D. FINANCIAL TRANSACTIONS - SIGNATURES**

Staff recommends the Board adopt Resolution 2011-291 authorizing the Board of Directors to make transactions with LAIF and approve signatures for the District's Rabobank checking account

**E. 2010-11 SAN LUIS OBISPO GRAND JURY RESPONSE**

Staff recommends the Board review the final draft, approve the response and direct the Chairman to sign on behalf of the District

**6. MISCELLANEOUS ITEMS**

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

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

- 1. Conference with legal counsel regarding liability claims pursuant to Govt. Code §54956.95: Claimant Jeff Appleton
- 2. Conference with labor negotiators pursuant to Govt. Code §54957.6  
Designated representatives John Wallace and Michael Seitz  
Unrepresented Employee: Robert Barlogio

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

**10. EMPLOYMENT AGREEMENT WITH ROBERT BARLOGIO, PLANT SUPERINTENDENT**

Staff recommends the Board approve an amended employment agreement with Robert Barlogio as the District's Plant Superintendent and Chief Plant Operator

**11. ADJOURNMENT**

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

Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

## **SPECIAL MEETING**

Minutes of Tuesday, July 26, 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; Interim Plant Superintendent Bob Barlogio.

### **2. RESPONSE TO GRAND JURY REPORT**

Administrator Wallace presented the draft response to the Grand Jury Report for Board review, stating the final response is due August 29, 2011.

District Counsel Seitz suggested that the second to last paragraph be modified.

The Board discussed several changes to the response including comments related to the Grand Jury Handbook; other comments included:

Broader sources of information to conduct research, including but not limited to the review of prior Grand Jury reports on the same subject matter;

Capital Projects are determined by the Board as part of the annual budget based upon "staff input" and the District's long range plan;

Assignments regarding professional services are included in the budget "and specific project budgets" which are routinely reviewed by the Board;

The District Administrator provides general policy guidance for the Plant Superintendent and manages the District's finances in a manner consistent with the provisions of his contract "and Board approved policies";

All payment for services are processed by the County/Auditor Controller. "District staff also reconciles payments with the budget".

The annual budget is reviewed by the Board in specific detail during the Budget adoption process. Each expenditure is reviewed through the warrant approval process at each Board meeting, updates are also provided quarterly and financial reports are provided to the Board at each Board meeting. This is probably a more detailed process than most agencies the size of the Sanitation District.

Mr. Thomas carefully researched the Professional Services Contract in which the Wallace Group is operating. "Mr. Thomas also reviewed the Budget information, staff reports from the projects, purchase orders and billings from these projects, the Grand Jury did not do this to the degree necessary".

Counsel Seitz stated that he would make the discussed changes and provide copies to the Board for further review and approval.

3. PUBLIC COMMENT ON CLOSED SESSION

There were no public comments at this time.

4. CLOSED SESSION ITEMS

Conference with Legal Counsel: - Significant exposure to litigation (Gov. Code, 54956.9(b). No. of cases 1. Facts and circumstances not known to potential plaintiff which indicate significant exposure to litigation.

5. RETURN TO OPEN SESSION, REPORT ON CLOSED SESSION

The Board reconvened and announced that no reportable actions had been taken.

6. ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at approximately 7:30 p.m.

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

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

Oceano Community Services District  
1655 Front Street  
Oceano, CA 93445

Minutes of Wednesday, August 3, 2011  
6:00 P.M.

### **1. ROLL CALL**

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

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

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

Mr. Jeff Edwards commented on the County of San Luis Obispo plans regarding flooding and drainage in Oceano. He urged the Board to take the County's actions seriously and provide District input.

Administrator Wallace responded that he is in contact with Mr. Ogren with the County of San Luis Obispo and he will be giving a presentation at a meeting in September.

### **3. CONSENT AGENDA**

- A. Review and Approval of Minutes from the Meeting of July 20, 2011.
- B. Review and Approval of Warrants.

**It was moved by Director Ferrara, seconded by Director Angello to approve Consent Agenda items 3A and 3B as presented. Motion carried.**

### **4. PLANT SUPERINTENDENTS REPORT**

Plant Superintendent Barlogio reported that the average daily flow for the month to date is 2.66 MGD. The average BOD was 44 mg/l, the average total suspended solids was 31 mg/l. The District is currently violating the BOD monthly average; hopefully additional data which is expected will bring the average down.

Plant Superintendent Barlogio also provided information regarding the first meeting of the Peer Review Committee on July 27, 2011.

Staff did a chlorinated flush on the FFR on July 21<sup>st</sup>. Because of the higher loading during the summer, staff plans to flush the FFR every week, with a chlorinated flush every other week for insect control.

Director Ferrara questioned if the BOD violation would be fineable. Plant Superintendent Barlogio reported that it would most likely be fineable since the District has had other violations this year.

## 5. BOARD ACTION ON INDIVIDUAL ITEMS

## A. District Trunk Line Inflow and Infiltration Final Study

Administrator Wallace reported that the District has recently completed a comprehensive first-phase Inflow and Infiltration (I/I) study for the District trunk sewer. A copy of the final report prepared in conjunction with this study was presented for Board review and comment.

He introduced Mr. Aaron Yonker and Ms. Valerie Huff of the Wallace Group who provided a brief presentation regarding the study.

Results from the study indicated that the District treatment plant is subjected to varying levels of I/I during rain events.

Report Conclusions are as follows:

Arroyo Grande Basin: The Arroyo Grande basin contributed the largest volume of I/I during the flow monitoring period. The 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: The Grover Beach 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 I/I.

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 monitoring studies within the Arroyo Grande Basin during the 2011-12 rainy season.
2. Provide additional future flow monitoring studies within the Oceano Community Services District Basin during the 2011-12 rainy season.
3. Exclude the Grover Beach basin at this time from future wet weather flow monitoring studies based on relatively minor I/I contributions observed; and
4. Confirm calibration of the influent and effluent flow meters at the District treatment plant relative to the minor discrepancies noted between flow variations occurring during this study.

Director Ferrara questioned how far downstream manhole C18 was from the Arroyo Grande Creek. Mr. Yonker stated it was adjacent to the creek, near a farm field.

Director Ferrara questioned if runoff from the farm field could contribute to the I/I. Mr.

Yonker stated it was a possibility although the manhole was recently raised and fitted with a gasket cover.

Chairman Nicolls opened the meeting to public comment.

Mr. Tom Geaslen, Oceano Community Services District Manager first commended Mr. Yonker and Ms. Huff for contacting him to review the report with him personally. He then asked if they were able to quantify the amount of water going in to the lift station.

Ms. Huff replied that they were not able to quantify a hard number at this point of the study.

Mr. Geaslen then asked if the I/I problems could be the result of a lack of maintenance.

Mr. Yonker recommended that manholes be cleaned and inspected regularly.

Mr. Jeff Edwards asked how surface waters flow during a storm event is characterized.

Mr. Yonker stated that the primary components of I/I is inflow entering the system through the normal sewer system, infiltration is surface flow that percolates into the sewer through the ground.

Mr. Edwards also asked about field inspections, asking if he had walked the plant site in order to ascertain where water could enter physically.

Mr. Yonker replied that this particular study was looking at the trunk system in general so it was not specifically an onsite investigation of surface flows.

Ms. Julie Tacker asked when this study was approved and the costs.

Administrator Wallace replied that this was a Major Budget Item which was authorized by the Board in the amount of \$30,500. and that to date approximately \$25,000 has been expended. The study was approved at the February 16, 2011 Board Meeting.

Chairman Nicolls asked if adequate funds remained in the budget for future work regarding this study.

Administrator Wallace replied that would depend on what actions the individual agencies wanted to take, as much of the recommendations pertain to Member Agencies actions.

The report and presentation were received and filed by the Board.

#### B. Consideration and Adoption of Fiscal Year 2011-12 Budget

Administrator Wallace presented the proposed 2011-12 Fiscal Year Budget for Board review and adoption. He provided a summary of the proposed budget as follows as well as going through each section of the budget providing background information:

**Operating Budget:** 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 ahead" 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 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. As experience is gained in administering these contracts, further refinement of the budget document will be done.

**Personnel Compensation:** No salary adjustments 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 the benchmark salary with other jurisdictions, this increase will only place the District at or below the average of other comparable jurisdictions.

**Administrative vs. Engineering Items:** 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.

Director Ferrara referred to page 17 of the Budget and suggested that an explanation regarding the deficit balance be inserted.

Director Ferrara also suggested looking at alternative investment venues for District Funds and also looking into the League of Cities program for supplies purchasing.

Director Ferrara also commented on several Major Budget Items: 11 MBI 06 Gas Treatment Awning and 11 MBI 07 IT System Upgrade.

Director Angello questioned if the awning would be installed by Staff.

Plant Superintendent Barlogio replied that it is possible that Staff could do the install, but currently the plant is short staffed.

Director Ferrara also questioned 06 MBI 04 and 06 MBI 05 Primary Clarifier No. 1 and No. 2 Catwalk. It was explained that the difference in cost is due to structural damage on Primary Clarifier No. 1.

Director Ferrara suggested that the District consider purchasing a used vehicle for 09 MBI 04 Vehicle Replacement.

Director Angello asked if 10 MBI 05 Front Gate Recoating is a project that can be done by Staff.

Administrator Wallace replied that several options for less cost are being considered.

Director Angello also questioned 08 MBI 25 Lagoon Lining Project.

Administrator Wallace replied that this is a project being looked at in anticipation of the Water Board requiring more formal drying beds.

Chairman Nicolls asked if the Project Detail Sheets would be part of the formal budget.

Administrator Wallace replied that is to be determined by the Board.

Chairman Nicolls felt it was redundant information that would be provided when the projects are brought back to the Board for final approval.

Director Ferrara agreed that it would be more appropriate to provide this information at time of project approval.

Chairman Nicolls opened the meeting to public comment regarding the FY 2011-12 Budget.

Mr. Tom Geaslen, General Manager of the Oceano Community Services District, commended Administrator Wallace and staff regarding the detail of the budget. He added that OCSD is also budgeting \$10,000 for IT software updates. He also stated that his District has already purchased a scanner for archiving purposes and perhaps could coordinate with the Sanitation District for it's use.

Chairman Nicolls closed the public hearing and entertained a motion regarding the FY 2011-12 Budget.

**It was moved by Director Ferrara, seconded by Director Angello to approve Resolution No. 2011-288 "A RESOLUTION ADOPTING THE 2011-12 FISCAL YEAR BUDGET" and on the following roll call vote to wit:**

**AYES:** Chairman Nicolls, Director Angello, Director Ferrara

**NOES:** None

**ABSENT:** None

**The foregoing resolution was passed and adopted the 3<sup>rd</sup> day of August 2011.**

**It was moved by Director Ferrara, seconded by Director Angello to approve Resolution No. 2011-289 "A RESOLUTION ADOPTING AN EMPLOYEE COMPENSATION PACKAGE INCLUDING A SALARY SCHEDULE, POSITION CLASSIFICATIONS AND SALARY STEPS WITHIN THE PERSPECTIVE RANGES FOR THE 2011-12 FISCAL YEAR" and on the following roll call vote to wit:**

**AYES:** Chairman Nicolls, Director Angello, Director Ferrara

**NOES:** None

**ABSENT:** None

**The foregoing resolution was passed and adopted the 3<sup>rd</sup> day of August 2011.**

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

Administrator Wallace provided an update regarding the upcoming audit to be performed by the County Auditor/Controllers office, as well as a brief report regarding the Peer Review status.

Chairman Nicolls stated that he was very impressed with the members of the Peer Review Committee.

Counsel Seitz stated he will not be able to attend the 2<sup>nd</sup> meeting scheduled for September.

Counsel Seitz also reminded the Board that the Grand Jury Response needed to be on the next agenda in order to comply with the required response date.

The Board appointed Director Ferrara to work with Counsel Seitz in order to complete the response.

B. Miscellaneous Written Communications

Administrator Wallace provided the Board with a state-wide report from the State Water Resources Control Board which detailed enforcement issues during January and February of 2011.

7. PUBLIC COMMENT ON CLOSED SESSION

There were no comments at this time.

8. CLOSED SESSION ITEMS

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

The Board reconvened and Counsel Seitz announced no reportable actions had been taken.

10. ADJOURNMENT

There being no further business to come before the Board the meeting was adjourned at approximately 8:30 p.m.

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

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
WARRANT REGISTER  
8/17/2011

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AARON ALLEN	MEDICAL REIMBURSE		081711-5804	8075	500.00	500.00
ABALONE COAST BACT	CHEMICAL ANALYSIS	JULY	05	7078	4,798.20	4,798.20
AIRGAS WEST	MISC SUPPLIES	9001780563	06	8055	218.52	218.52
ALLIED ADMINISTRATOR	EMPLOYEE DENTAL	AUGUST	07	6025	679.67	679.67
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	6158826 639907	08	7025	411.76	411.76
ARROWHEAD WATER	LAB WATER	01G0012917373	09	8040	87.79	87.79
B&B STEEL & SUPPLY	STEEL	370377	10	8060	90.63	90.63
BRENNTAG PACIFIC, INC	CHEMICALS	117554 118494	11	8050	9,380.56	9,380.56
BROUGH CONSTRUCTION	05MB106 CENTRIFUGE	PROG PAY 9	12	20/8065	49,501.80	49,501.80
CA ELEC SUPPLY	ELEC SUPPLIES	455257 455910 455729 454213	13	8060	693.01	693.01
CARQUEST	MISC VEHIC SUPPLIES	498954 499167 49967	14	8032	143.07	143.07
CENTRAL COAST WATER	LAB WATER	10974	15	8040	60.00	60.00
CHARTER COMMUNICATIONS	INTERNET SERVICE	AUGUST	16	7011	54.99	54.99
CHEMSEARCH	MISC SUPPLIES	696252	17	8060	80.80	80.80
E&J AUTO PARTS	AUTO PARTS	314256	18	8032	71.44	71.44
FERGUSON ENTERPRISES	FLANGE	7401340	19	8060	163.03	163.03
FLO SYSTEMS INC	PUMP REPAIR	F12539-114251	20	8060	5,568.39	5,568.39
FGL ENVIRONMENTAL	CHEM ANALYSIS	181845A 181838A	21	7078	84.00	84.00
GAS COMPANY	SERVICE	JULY	22	7092	2,419.60	2,419.60
GRAINGER	MISC SUPPLIES	9592285507	23	8030	191.08	191.08
I.I. SUPPLY	MISC SUPPLIES	10877 10878	24	8060	430.55	430.55
JB DEWAR	VEHICLE FUEL&OIL	761000 937894 937597 768806	25	8020	4,173.05	4,173.05
JERRY'S PLUMBING	AIR CONDITIONER SER	46953	26	8060	115.00	115.00
JOHN DEER LANDSCAPES	LANDSCAPE SUPPLIES	58703252	27	8060	63.36	63.36
KEYLOCK SECURITY	REPAIR LOCK	84988	28	8060	110.00	110.00
MC MASTER CARR	MISC SUPPLIES	90665340 91926349	29	8056	10.41	68.26
				8055	57.85	
MINERS ACE HARDWARE	MISC SUPPLIES	JULY	30	8035	131.22	1,218.00
				8055	41.36	
				8060	1,045.40	
NEXTEL	CELL PHONE SERV	205201234-073	31	7011	73.83	73.83
NICK'S TELECOM	TELE & GATE REPAIR	4289 4468 4474	32	8060	457.92	457.92
OCSO	WATER SERVICE	JULY	33	7094	87.76	87.76
OFFICE DEPOT	OFFICE SUPPLIES	JULY	34	7045	441.13	521.92
				7015	80.79	
POLYDYNE INC	CLARIFLOC	620301	35	8050	6,738.52	6,738.52
PRAXAIR DISTRIBUTION	WELDING SUPPLIES	401223437	36	8060	39.75	39.75
RICE HVAC	INSTALL ALUM	1249	37	8060	541.25	541.25
SANTA MARIA DIESEL	MISC SUPPLIES	16591	38	8055	71.20	71.20
SANTA MARIA TIRE	TIRES	566196	39	8032	168.32	168.32
SCOTT O'BRIEN	FIRE EXTING SERVICE	33334 33335	40	8056	656.31	656.31
SLO NEWSPAPERS	BUDGET NOTICE	6951968	41	7005	78.90	78.90
SHERWIN WILLIAMS	PAINT	9785-7	42	8060	1,243.01	1,243.01
SOFTSMART	SOFTWARE LICENSE	KAPERSKY	43	7015	295.00	295.00
SO CO SANITARY SERV	TRASH SERV		44	7093	82.77	82.77
STANLEY CONVERGENT SEC	05MB106 CENTRIFUGE	SECURITY	45	20/8065	1,582.03	1,582.03
STATE FUND COMPENSATION	WORK COMP	JULY	46	8080	3,633.88	3,633.88
TITAN INDUSTRIAL&SAFETY	MISC SUPPLIES	1046449,1046514	47	8056	52.55	228.39
				8060	175.84	
UNDERGROUND SERVICE ALER	DIG ALERT SERVICE	11070803	48	7011	297.00	297.00
UNITED STAFFING	CONTRACT LABOR	051176 151602 0511924 052570 052737	49	6085	7,510.00	7,510.00
USA BLUEBOOK	MISC SUPPLIES	449572	50	8040	170.49	170.49
WEST COAST INDUSTRIAL	MISC SUPPLIES	23364	51	8060	551.87	551.87
WOESTE ELECTRIC INC	ELEC MAINT	5971 5973 5974	52	8060	1,620.00	1,620.00
WALLACE GROUP	Admin Services	July	53	7076	13,727.45	58,980.80
	Operation Services	July		various	13,365.08	
	Reimburseable Projects	July		various	3,041.45	
	Legal Reimbursement	July		various	3,072.16	
	Major Projects	July		various	25,774.66	
Sub Total					167,007.48	167,007.48
PAYROLL	PPE 7/29/11				17,751.00	17,751.00
GRAND TOTAL					184,758.48	184,758.48

We hereby certify that the demands numbered serially from 081711-5804 to 081711-5853 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

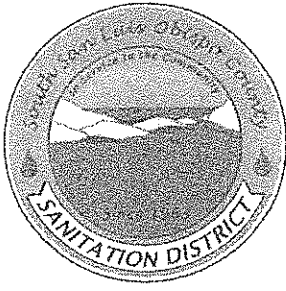
DATE: \_\_\_\_\_

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Board Member

\_\_\_\_\_  
Secretary



**SOUTH SAN LUIS OBISPO COUNTY  
SANITATION DISTRICT**

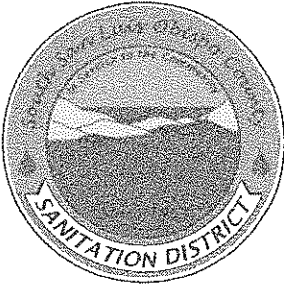
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**Please note that the financial report was not  
available in time for the final board packet  
and will be presented at the meeting on  
August 17, 2011.**



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Date: Aug 10, 2011

To: John Wallace 

From: Bob Barlogio, acting CPO

Re: Superintendent's Report

For the month of July 2011, the following data was complied:

The average daily flow was 2.66 million gallons per day, with a maximum daily flow of 2.91. Average influent BOD was 353 mg/l, with a maximum of 480 mg/l. Total Suspended Solids was 362mg/l with a maximum of 808 mg/l.

The average effluent BOD was 43 mg/l, maximum was 78 mg/l.

The average effluent Total Suspended Solids (TSS) was 30 mg/, with a maximum of 62 mg/l.

The maximum results are due to flushing of the FFR, but that was only twice last month. We also had some abnormal high results which we are still investigating. We also had some very high BOD and TSS coming into the plant.

Our limit is 40 mg/l, monthly average on each. We violated on our BOD limit.

Average BOD removal rate, was 88%, TSS removal was 92%.

The fecal coliform bacteria level, 7 day median was 2 mpn, with a high of 40 mpn. Our limit is 200 fecal coliform for a 7 day median. (mpn = most probable number)

The plant ran well with the exception of the BOD violation.

For the month of August, 2011, we do not have much data yet. BOD and TSS coming in is around 400 mg/l and 325 mg/l. Going out is 38 mg/l and 35 mg/l. We had one fecal coliform of 240 mpn (single number limit is 2,000 mpn), with a 7 day median of <2 as of the writing of this report. Please see chart at bottom of this report.

We are continuing the FFR flushing, every week. We will do a chlorinated flush to reduce the insect population. The following week, we will do a hydraulic flush. This will remove excess sloughing. The FFR is similar to you lawn. In the summer, it grows fast. And you must mow it often. In the cooler months, you mow it less. In the summer, the higher strength loading, also increases the growth spurt. The loading in the summer is almost twice the winter loading.

We completed the sampling every day for July of this year. We are doing this to characterize the influent and effluent BOD and TSS. We plan to next year, sample very day for the months of

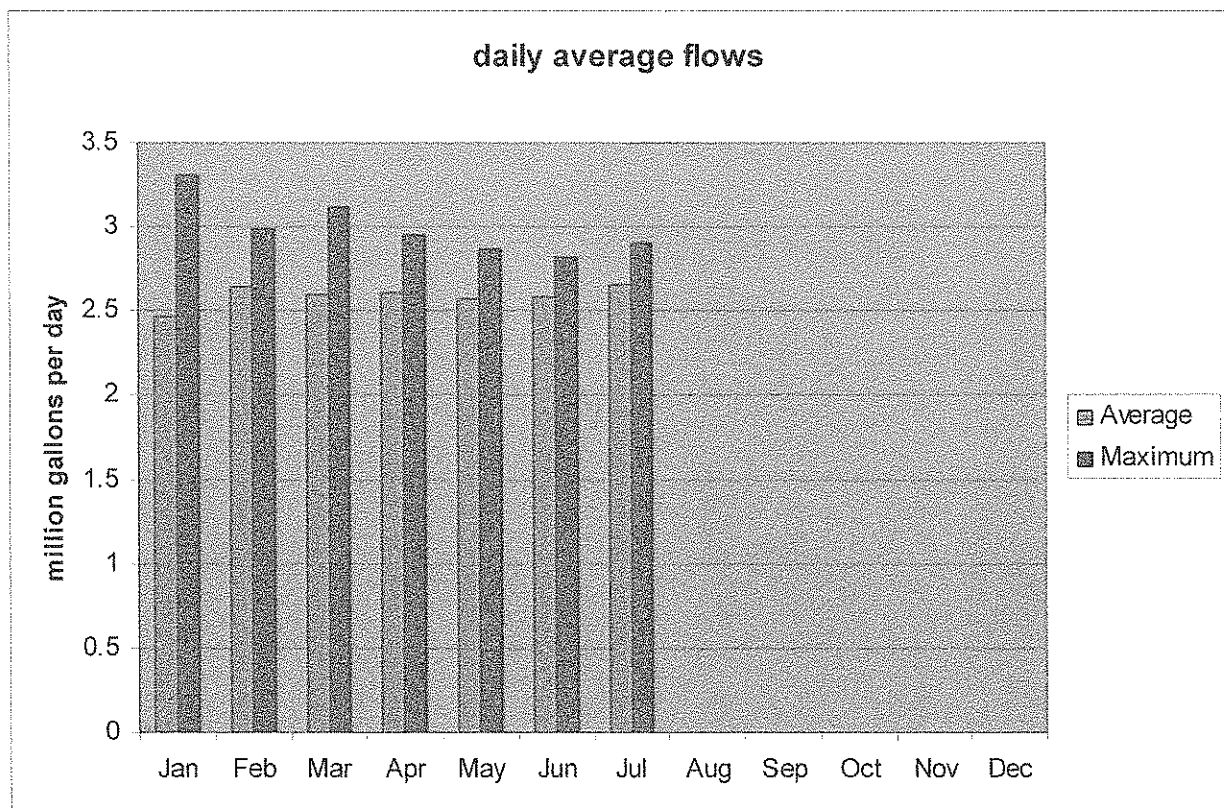
February and August. We are required to sample at a minimum, every week. We try and sample every 6 days, plus we sample when ever we are doing something that could/would affect final effluent. For an example, when we flush the FFR, we run the composite samplers. The flush usually results in higher BOD and TSS readings. These, along with the regular sampling results are submitted to the water board.

We are sending off some duplicate BOD and TSS samples to Fruit Growers Lab, to compare to our contract lab. This will increase the confidence in our contract lab.

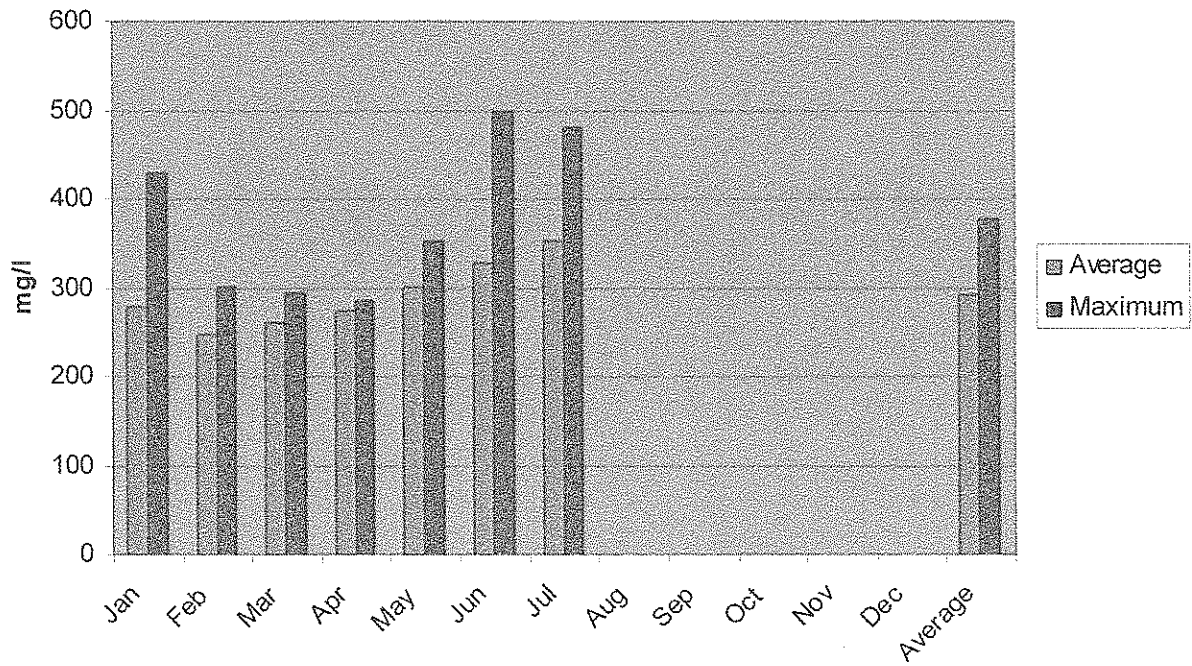
The centrifuge project is about completed. Staff are painting the floor, polishing the centrifuge, touching up the paint.

The reconductoring of the influent pump station is going good. Woeste Electric has the contract. They should be done by Aug 12. At the time of writing this report, they have cleaned the conduits out, preparing for the new wiring. Installed a stainless steel junction box on the flood wall, for penetrating the concrete barrier. Installed conduit seal offs, to prevent water from entering the electric motors like it did last December.

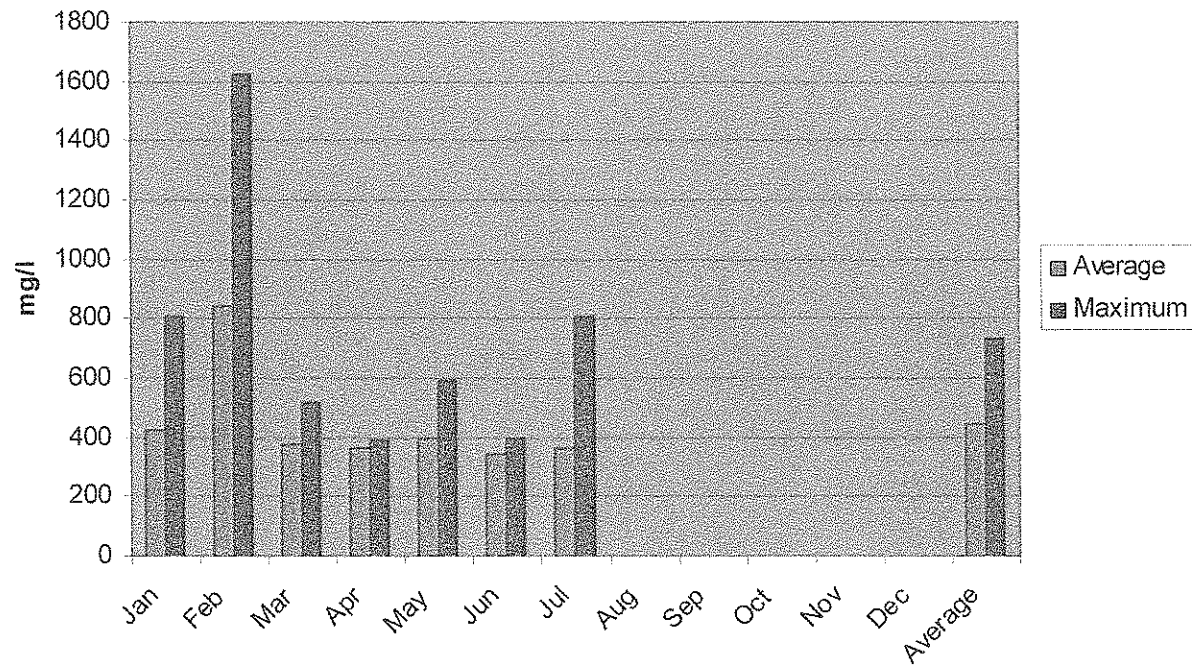
We are over one-half way through the year 2011. Attached are some graphs, showing loadings and flow.



### Influent Biological Oxygen Demand

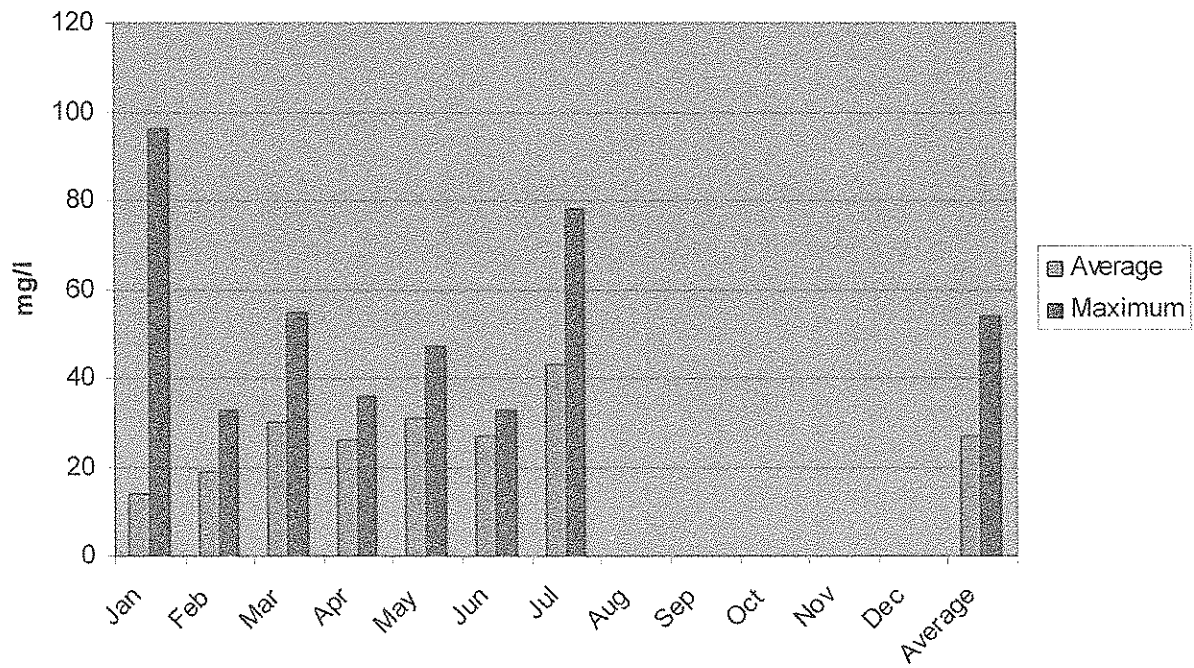


### Influent Total Suspended Solids

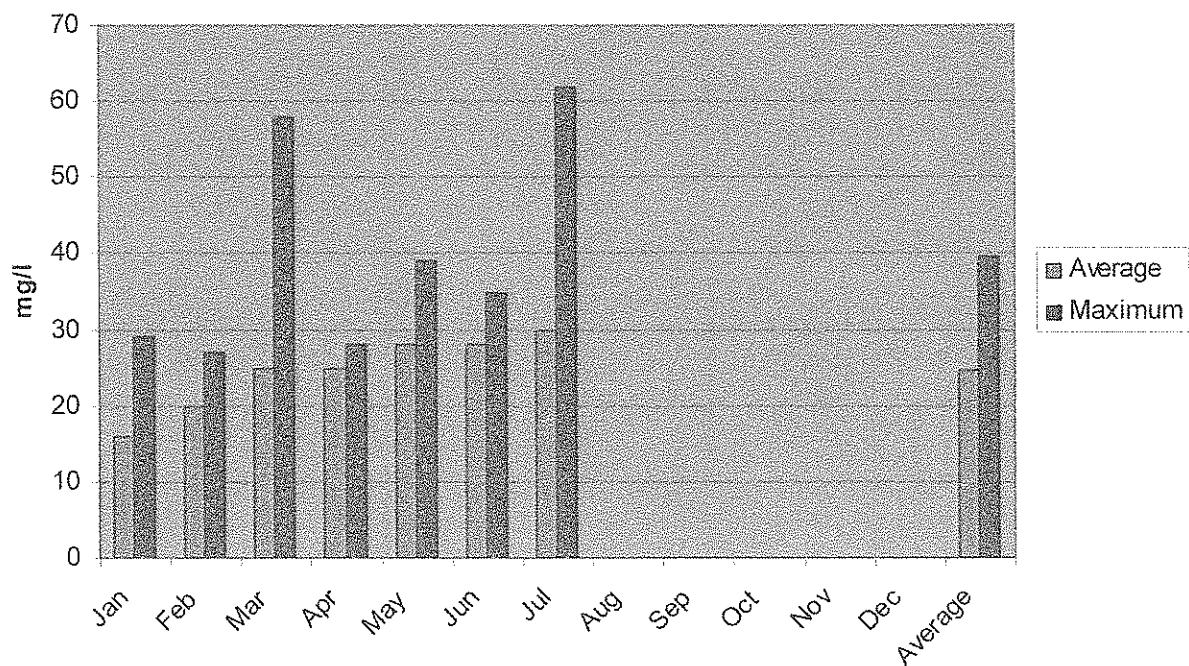




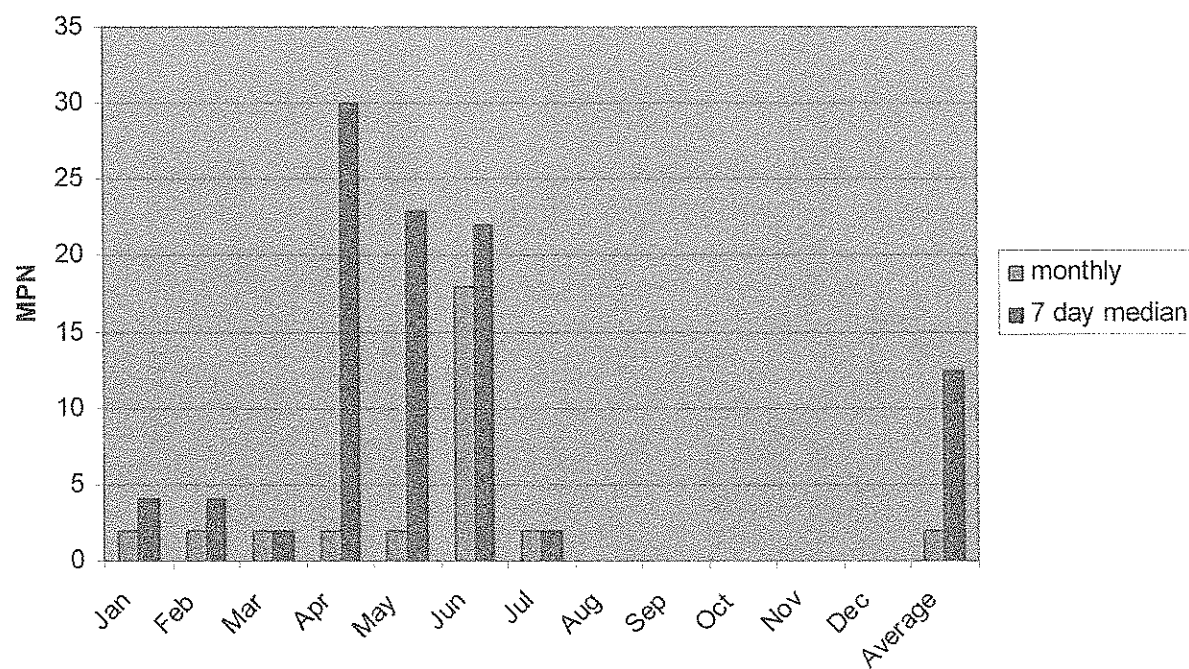
## Effluent Biological Oxygen Demand

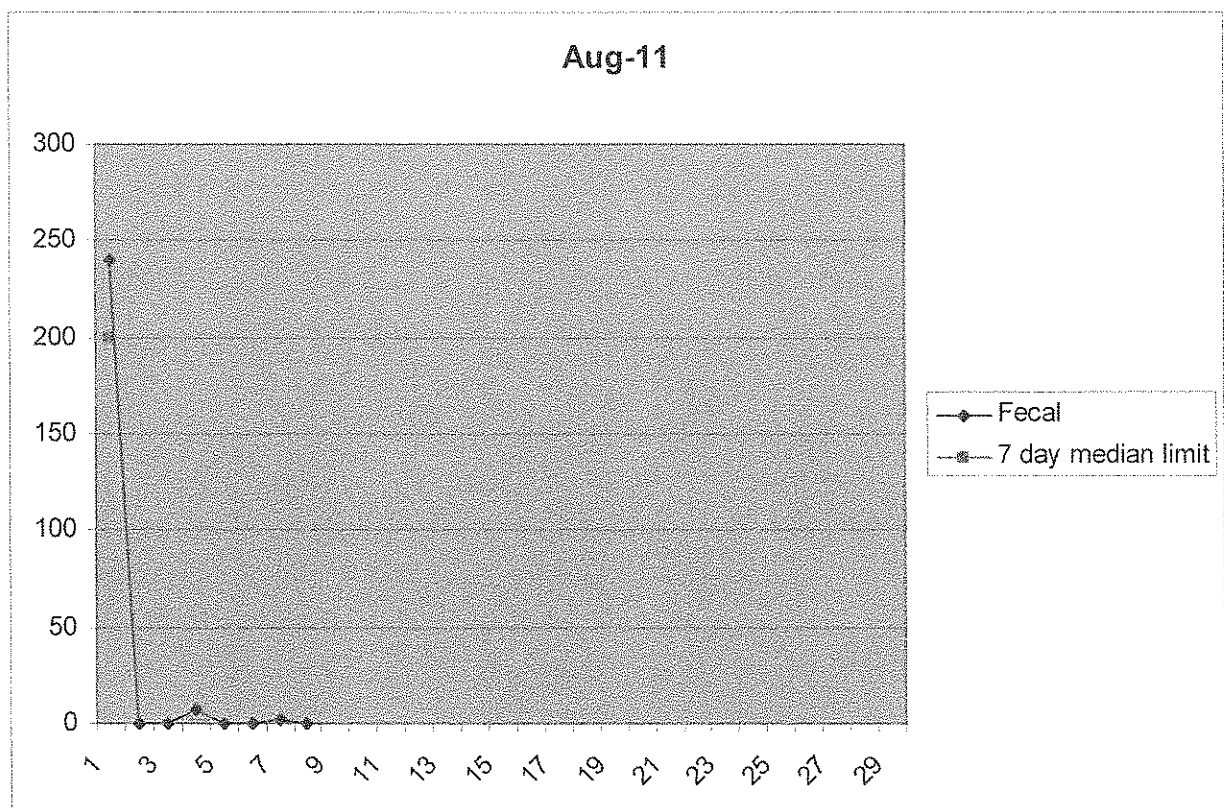
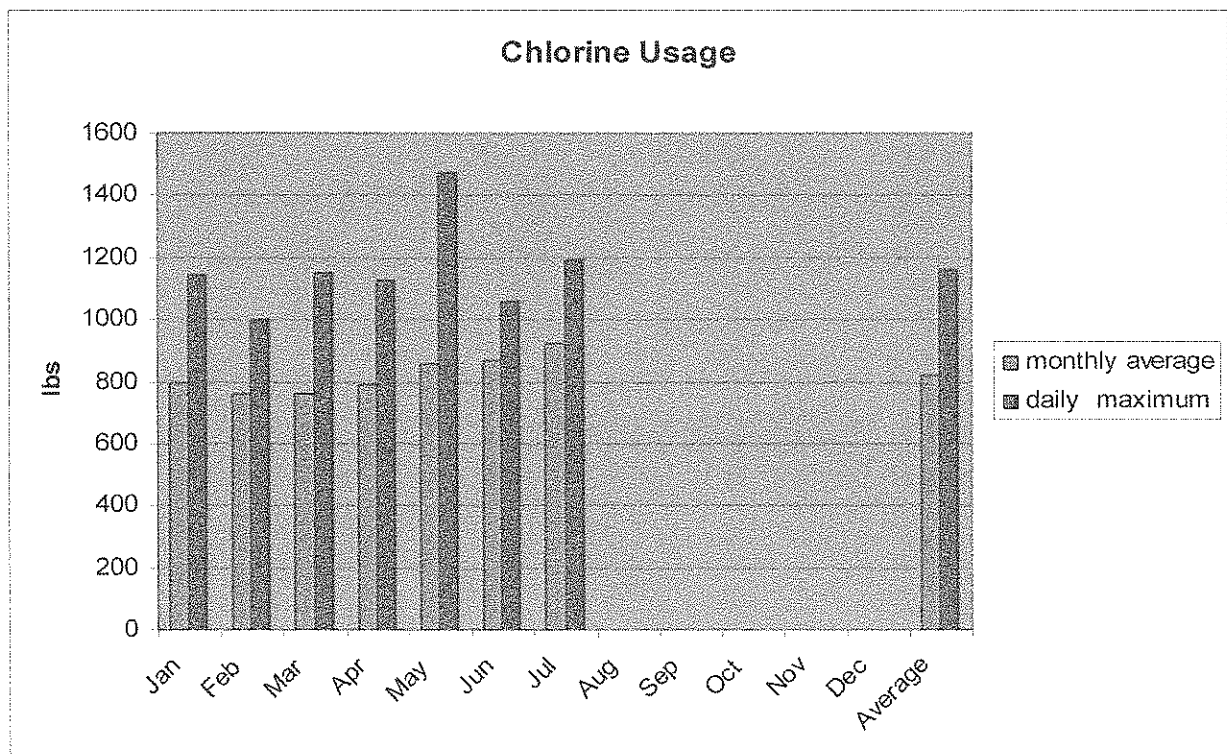


### Effluent Total Suspended Solids



### Fecal Coliform







# 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/>

## Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*  
**Date:** August 17, 2011

**Subject:** New Centrifuge 2A, Brough Construction Progress Payment No. 9

### Recommendation:

1. Approve Progress Payment No. 9 to Brough Construction, Inc. in the amount of **\$55,002.00**. (**\$49,501.80** net payment with retention deducted), and authorize the Contract Change Orders (CCO) Numbers 8, 10, 15, and 17-29 for a total amount of **\$55,002.00**.
2. Approve Payment to Stanley Security in the amount of **\$1,582.03** for material cost.

### Funding:

The MBI Budget includes Major Budget Item 05 MBI 06 – New Centrifuge Building 2A – in the amount of **\$1,917,581.26**. To date the following expenditures have occurred:

- **\$320,814.24** on Capital Equipment;
- **\$7,857.13** on Testing/Troubleshooting;
- **\$479,664.94** on Design, Project Management and Survey;
- **\$125,202.83** on Contract Administration;
- **\$890,296.14** on Construction;

for a total of **\$1,823,835.28**, leaving a balance of **\$93,745.98** as of August 3, 2011.

### Discussion:

Monthly progress payment No. 9 includes compensation for Contract Change Orders associated with this project. Tasks and percentage complete for this period are listed in the following table. Staff has closely monitored work performed under this contract and believes the invoice reflects the actual work performed by Brough Construction.

The following Contract Change Orders (CCO) were required to meet operational needs or accommodate changed conditions. The Contractor was directed by Operations Staff to perform most of the following tasks. Some CCOs, such as No. 20, 21 and 27, were to correct unforeseen situations when the plans were produced. Some, such as No. 15, 18, and 22 were requested to modify the existing design and provide a better working product for Plant Staff. CCO No. 28 was required because the quantity of glass lined pipe was greater than was previously estimated. This is expensive piping and the increase in length caused a subsequent higher cost to furnish the additional material.

Some COOs, CCO Nos 23 and 29 were credits due to reductions in contract scope. Each change order is itemized below with a description of the work.

CCO	Change Order Description	Unit Price	Contract Amount	Completed This Period	Cost This Period
8	Relocate Pump Disconnect Switches	\$421.20	N/A	100%	\$421.20
10	Temporary Relocation Pump VFD Panels	\$5,629.20	N/A	100%	\$5,629.20
15	Stainless Steel Fiber Optics Pull Box	\$1,282.80	N/A	100%	\$1,282.80



CCO	Change Order Description	Unit Price	Contract Amount	Completed This Period	Cost This Period
17	Provide and Install Red Rock at Bin Wall	\$3,500.00	N/A	100%	\$3,500.00
18	Revise ¾" Conduit to a 2" Conduit at Plant Request	\$1,132.80	N/A	100%	\$1,132.80
19	Provide Emergency Exit Signs in the Centrifuge Building	\$1,803.60	N/A	100%	\$1,803.60
20	Relocate H&M Building Exhaust Fan Power Supply	\$1,063.20	N/A	100%	\$1,063.20
21	Relocate Centrifuge Building Electrical Panels	\$2,784.00	N/A	100%	\$2,784.00
22	Install Centrifuge Vent and Cover for Conveyor Opening	\$2,544.80	N/A	100%	\$2,544.80
23	Credit for Temporary Sludge Transfer Pumps	-\$6,350.00	N/A	100%	-\$6,350.00
24	Install Buck Boost Transformer	\$1,996.80	N/A	100%	\$1,996.80
25	Pull Security Cables	\$670.80	N/A	100%	\$670.80
26	Motor Control Center COMM Panel	\$1,777.20	N/A	100%	\$1,777.20
27	Overhead Conduit for #2 Sludge Pump	\$819.60	N/A	100%	\$819.60
28	Line Item Quantity Change – Glass Lined Pipe	\$36,360.00	N/A	100%	\$36,360.00
29	Credit for Reduction of Galvanized Piping	-\$434.00	N/A	100%	-\$434.00
<b>Monthly Sub-Total</b>					<b>\$55,002.00</b>
<b>Retainage (10%)</b>					<b>\$5,500.20</b>
<b>Net Total</b>					<b>\$49,501.80</b>

Also included as a separate payment from Stanley Security in this report is an invoice for cable previously provided (Material only) prior to replacing Stanley on the security installation later completed by another contractor.

Staff recommends that The Board approve:

1. The change orders above, and Progress Payment No. 9 to Brough Construction, Inc., in the amount of **\$55,002.00**. A 10% retainage of **\$5,500.20** is withheld resulting in a net payable amount of **\$49,501.80**.
2. Payment to Stanley Security in the amount of **\$1,582.03** for material cost.

South San Luis Obispo County Sanitation District CENTRIFUGE 2A BUILDING				SSLOCSD PARTIAL PAYMENT ESTIMATE NO. 9	
OWNER: SSLOCSD		CONTRACTOR: Brough Construction, Inc.		PERIOD OF ESTIMATE FROM 7/01/11 TO 7/31/2011	

CONTRACT CHANGE ORDER SUMMARY				ESTIMATE	
No.	Owner Approved Date	Amount			
		Additions	Deductions		
1	12/1/2010		\$ (508.14)	1. Original Contract	\$ 827,134.00
2	12/1/2010	\$ 27,590.00		2. Change Orders	\$ 131,307.58
3	1/8/2011	\$ 18,700.00		3. Revised Contract (1 + 2)	\$ 969,441.58
4	2/2/2011	\$ 4,294.55		4. Work Completed* (Incl. CCO work)	\$ 981,529.03
5	2/2/2011	\$ 5,179.58		5. Stored Materials	\$ -
6	4/8/2011		\$ (2,300.00)	6. Subtotal (4 + 5)	\$ 981,529.03
7	4/8/2011		\$ (92.70)	7. Retainage to date	\$ 98,067.33
8	5/4/2011	\$ 1,814.00		8. Previous Payments	\$ 982,948.53
9	5/4/2011	\$ 2,318.25		9. Amount Due (8-09-11)	\$ 49,501.80
10	5/4/2011	Add 21 Raindays		Detailed breakdown attached	
11	8/3/2011	\$ 421.20			
Alternate Bid	4/8/2011	\$ 18,700.00			
12	8/17/2011	\$ 5,628.20			
13	8/17/2011	\$ 3,500.00			
14	8/3/2011	\$ 1,132.80			
15	8/3/2011	\$ 1,803.00			
16	8/3/2011	\$ 1,633.20			
17	8/3/2011	\$ 2,784.00			
18	8/3/2011	\$ 2,544.00			
19	8/3/2011		\$ (6,350.00)		
20	8/3/2011	\$ 1,282.00			
21	8/3/2011	\$ 1,986.80			
22	8/3/2011	\$ 570.00			
23	8/3/2011	\$ 1,777.20			
24	8/3/2011	\$ 819.50			
25	8/3/2011	\$ 38,380.00			
26	8/3/2011		\$ (434.00)		
TOTALS		\$ 141,390.42	\$ (10,082.84)		
NET CHANGE			\$ 131,307.58		

CONTRACT TIME			
Original (calendar days) 150	Revised 40	Remaining 0	On Schedule <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
			Starting Date 10/11/10 Project Completion 8/17/11

<b>CONTRACTOR'S CERTIFICATION:</b> The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the contract documents, and that all amounts have been paid by the contractor for work for which previous payment estimated was issued and payments received from the owner, and that current payment shown herein is now due.  CONTRACTOR: BROUGH CONSTRUCTION, INC.  By <u>[Signature]</u> Date <u>8/10/11</u>	<b>CONTRACT ADMINISTRATOR:</b> The undersigned certifies that the work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the work has been performed in accordance with the contract documents.  WALLACE GROUP, Contract Administrator By <u>[Signature]</u> Date <u>8/11/11</u>
<b>RECOMMENDED BY ENGINEER:</b>  ENGINEER: <u>Eileen Stephens</u> By <u>Eileen Stephens</u> Date <u>8/11/11</u>	<b>APPROVED BY DISTRICT:</b>  Owner: SSLOCSD By _____ Date _____



634 Printz Road  
ARROYO GRANDE CA 93420

805-489-7779 Phone  
805-473-2479 Fax

### \*\*\* Contract Invoice \*\*\*

To: South SLO Sanitation District  
1600 Aloha Place  
OCEANO CA 93445

Invoice No: 100339  
Invoice Date: 07/31/2011

Estimate No: 100339  
Completed Thru: 07/31/2011  
Owner Job No: 10033

Contract: 10033 Centrifuge 2A Building Project

Phase	Description of Work	Contract Values			Previously Completed		This Invoice		Total To-Date	
		Quantity	Unit Price	\$ Amount			Quantity	\$ Amount	Quantity	\$ Amount
01	Mobilization/Demo/Clean	1.000 LS	31500.0000	31500.00	1.000	31500.00	0.000	0.00	1.000	31500.00
02	Project Demo/Removal	1.000 LS	10600.0000	10600.00	1.000	10600.00	0.000	0.00	1.000	10600.00
03	Survey of Site	1.000 LS	2600.0000	2600.00	1.000	2600.00	0.000	0.00	1.000	2600.00
04	Earthwork and Grading	1.000 LS	32900.0000	32900.00	1.000	32900.00	0.000	0.00	1.000	32900.00
05	New Concrete Blding Sla	1620.000 SF	20.0000	32400.00	1620.000	32400.00	0.000	0.00	1620.000	32400.00
06	New Concrete Driveway	280.000 SF	18.5000	5180.00	280.000	5180.00	0.000	0.00	280.000	5180.00
07	New Concrete Flatwork	540.000 SF	9.5000	5130.00	540.000	5130.00	0.000	0.00	540.000	5130.00
08	Concrete Retaining Bin	147.000 LF	440.0000	64680.00	147.000	64680.00	0.000	0.00	147.000	64680.00
09	CMU Flood Wall	150.000 LF	62.5000	9375.00	150.000	9375.00	0.000	0.00	150.000	9375.00
10A	Flood gates on mandooors	2.000 EA	5860.0000	11720.00	2.000	11720.00	0.000	0.00	2.000	11720.00
10B	Flood gates on rollup d	1.000 EA	13800.0000	13800.00	1.000	13800.00	0.000	0.00	1.000	13800.00
11	Pre-engineered Metal Bl	1.000 LS	54840.0000	54840.00	1.000	54840.00	0.000	0.00	1.000	54840.00
12	Centrifuge relocation	1.000 LS	34000.0000	34000.00	1.000	34000.00	0.000	0.00	1.000	34000.00
13	Asphalt Paving/Patching	3270.000 SF	12.0000	39240.00	6100.000	73200.00	0.000	0.00	6100.000	73200.00
14	Shoring/Sheeting/Platin	1.000 LS	500.0000	500.00	1.000	500.00	0.000	0.00	1.000	500.00
15	8"PVC SDR 35 Pipe	290.000 LF	45.0000	13050.00	290.000	13050.00	0.000	0.00	290.000	13050.00
16	6" DI Sludge Pipe	110.000 LF	697.0000	76670.00	110.000	76670.00	0.000	0.00	110.000	76670.00
17	6"PVC Sch 80 Drain Pipe	40.000 LF	56.0000	2240.00	40.000	2240.00	0.000	0.00	40.000	2240.00
18	3" DI Sludge Pipe	2.000 LF	1543.0000	3086.00	2.000	3086.00	0.000	0.00	2.000	3086.00
19	4"PVC Sch 80 Floor Dra	50.000 LF	31.0000	1550.00	50.000	1550.00	0.000	0.00	50.000	1550.00
20	2"PVC Sch 80 Undergroun	300.000 LF	8.0000	2400.00	300.000	2400.00	0.000	0.00	300.000	2400.00
21	1"PVC Sch 80 Undergroun	32.000 LF	19.0000	608.00	10.000	190.00	0.000	0.00	10.000	190.00
22	2"ASTM A53 Galv Steel P	15.000 LF	62.0000	930.00	15.000	930.00	0.000	0.00	15.000	930.00
23	1"ASTM A53 Galv Steel P	65.000 LF	16.0000	1040.00	65.000	1040.00	0.000	0.00	65.000	1040.00
24	Centrate Piping manhole	1.000 LS	785.0000	785.00	1.000	785.00	0.000	0.00	1.000	785.00
25	Combo eyewash/safety sh	1.000 LS	2300.0000	2300.00	0.000	0.00	0.000	0.00	0.000	0.00
26	Piping Pressure Testing	1.000 LS	3300.0000	3300.00	1.000	3300.00	0.000	0.00	1.000	3300.00
27	New pumps/grinder pedst	3.000 EA	1480.0000	4440.00	3.000	4440.00	0.000	0.00	3.000	4440.00
28A	New Sludge Feed Pumps	2.000 EA	39000.0000	78000.00	2.000	78000.00	0.000	0.00	2.000	78000.00
28B	In-Line Grinder	1.000 EA	22400.0000	22400.00	1.000	22400.00	0.000	0.00	1.000	22400.00
29A	New Valves-Five 4" Valv	5.000 EA	830.0000	4150.00	5.000	4150.00	0.000	0.00	5.000	4150.00
29B	New Valves-Thirteen 6"	13.000 EA	1700.0000	22100.00	13.000	22100.00	0.000	0.00	13.000	22100.00
30	14" Plug Valve	1.000 EA	7200.0000	7200.00	1.000	7200.00	0.000	0.00	1.000	7200.00
31	Temp Sludge Pumps/Pipin	1.000 LS	6350.0000	6350.00	0.000	0.00	0.000	0.00	0.000	0.00
32	Tie-in of valves/piping	1.000 LS	6400.0000	6400.00	1.000	6400.00	0.000	0.00	1.000	6400.00
33	Sludge Feed Pump/VFD Pn	1.000 LS	10200.0000	10200.00	1.000	10200.00	0.000	0.00	1.000	10200.00
34	Local Power Dist Panel	1.000 LS	14770.0000	14770.00	1.000	14770.00	0.000	0.00	1.000	14770.00



634 Printz Road  
ARROYO GRANDE CA 93420

805-489-7779 Phone  
805-473-2479 Fax

\*\*\* Contract Invoice \*\*\*

To: South SLO Sanitation District  
1600 Aloha Place  
OCEANO CA 93445

Invoice No: 100339  
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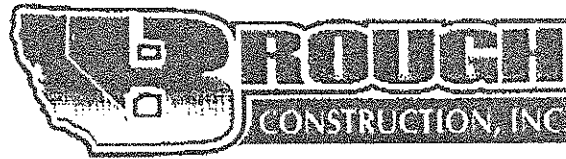
Contract: 10033 Centrifuge 2A Building Project

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Phase	Description of Work	Contract Values			Previously Completed		This Invoice		Total To-Date	
		Quantity	Unit Price	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount
35	Power/Communication Wir	1.000 LS	20400.0000	20400.00	1.000	20400.00	0.000	0.00	1.000	20400.00
36	Power/Communication Con	1.000 LS	32400.0000	32400.00	1.000	32400.00	0.000	0.00	1.000	32400.00
37	Power Wiring-New Bldg	1.000 LS	17000.0000	17000.00	1.000	17000.00	0.000	0.00	1.000	17000.00
38	Reroute PG&E Main Site	1.000 LS	11500.0000	11500.00	1.000	11500.00	0.000	0.00	1.000	11500.00
39	Design/Install SCADA Sy	1.000 LS	102000.0000	102000.00	1.000	102000.00	0.000	0.00	1.000	102000.00
40	Design/Install Graphics	20.000 EA	570.0000	11400.00	13.150	7495.50	0.000	0.00	13.150	7495.50
Original Contract Total:				827,134.00	848,121.50		0.00		848,121.50	
60	C/O #1-Vault Lid Credit	-1.000 LS	906.1400	-906.14	-1.000	-906.14	0.000	0.00	-1.000	-906.14
60	C/O #4-Crushed Rock	1.000 LS	4294.5500	4294.55	1.000	4294.55	0.000	0.00	1.000	4294.55
60	C/O #2-3-Dewatering	43.000 Days	1100.0000	47300.00	42.000	46200.00	0.000	0.00	42.000	46200.00
60	C/O #5-Encase Conduits	1.000 LS	6179.5900	6179.59	1.000	6179.59	0.000	0.00	1.000	6179.59
60	C/O #7-Potholing	1.000 EA	1914.0000	1914.00	1.000	1914.00	0.000	0.00	1.000	1914.00
60	Relocate Pump Switches	1.000 LS	421.2000	421.20	0.000	0.00	1.000	421.20	1.000	421.20
60	C/O #9 - Vault Install	1.000 EA	2316.2800	2316.28	1.000	2316.28	0.000	0.00	1.000	2316.28
60	Temp Relocation Pump VF	1.000 LS	5629.2000	5629.20	0.000	0.00	1.000	5629.20	1.000	5629.20
60	C/O #5 - Dewatering	17.000 Days	1100.0000	18700.00	17.000	18700.00	0.000	0.00	17.000	18700.00
60	C/O #14-Eyewash Station	-1.000 LS	2300.0000	-2300.00	-1.000	-2300.00	0.000	0.00	-1.000	-2300.00
60	Fiber Optics Pull Box	1.000 LS	1282.8000	1282.80	0.000	0.00	1.000	1282.80	1.000	1282.80
60	C/O #16-Anchor Bolt Cre	-1.000 LS	92.7000	-92.70	-1.000	-92.70	0.000	0.00	-1.000	-92.70
60	Red Rock at Bin Wall	1.000 LS	3500.0000	3500.00	0.000	0.00	1.000	3500.00	1.000	3500.00
60	Revise 3/4" conduit to	1.000 LS	1132.8000	1132.80	0.000	0.00	1.000	1132.80	1.000	1132.80
60	Emergency Exit Signs	1.000 LS	1803.6000	1803.60	0.000	0.00	1.000	1803.60	1.000	1803.60
60	Relocate HMM Building	1.000 LS	1063.2000	1063.20	0.000	0.00	1.000	1063.20	1.000	1063.20
60	Relocate Electrical Pan	1.000 LS	2784.0000	2784.00	0.000	0.00	1.000	2784.00	1.000	2784.00
60	Install Vent and Cover	1.000 LS	2544.8000	2544.80	0.000	0.00	1.000	2544.80	1.000	2544.80
60	Temp Sludge Transfer Pu	-1.000 LS	6350.0000	-6350.00	0.000	0.00	-1.000	-6350.00	-1.000	-6350.00
60	Buck Boost Transformer	1.000 LS	1996.8000	1996.80	0.000	0.00	1.000	1996.80	1.000	1996.80
60	Pull Security Cables	1.000 LS	670.8000	670.80	0.000	0.00	1.000	670.80	1.000	670.80
60	Control Center COMM Pan	1.000 LS	1777.2000	1777.20	0.000	0.00	1.000	1777.20	1.000	1777.20
60	Conduit for #2 Sludge P	1.000 LS	819.6000	819.60	0.000	0.00	1.000	819.60	1.000	819.60
60	Glass Lined Pipe-Qty Ch	1.000 LS	36360.0000	36360.00	0.000	0.00	1.000	36360.00	1.000	36360.00
60	Reduction of Galvned Pi	-1.000 LS	434.0000	-434.00	0.000	0.00	-1.000	-434.00	-1.000	-434.00

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ARROYO GRANDE CA 93420

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Invoice No: 100339  
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Estimate No: 100339  
Completed Thru: 07/31/2011  
Owner Job No: 10033

Contract: 10033 Centrifuge 2A Building Project

Phase	Description of Work	Contract Values			Previously Completed		This Invoice		Total To-Date	
		Quantity	Unit Price	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount	Quantity	\$ Amount
	Total Change Orders:			132,407.58		76,305.58		55,002.00		131,307.58
	Total Contract To-Date:			959,541.58		924,427.08		55,002.00		979,429.08

Work Completed To-Date:	979,429.08
Less Retention:	97,942.91
	881,486.17
Less Previous Billing:	831,984.37
Current Payment Due:	49,501.80

**(Release Form 1)****Conditional Waiver and Release  
Upon Progress Payment**

Upon receipt by the undersigned of a check from:

South SLO Sanitation District in the sum of \$49,501.80 payable to: Brough Construction, Inc. and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, stop notice, or bond right the undersigned has on the job of: South SLO Sanitation District

Located at: Centrifuge 2A Building Project  
1600 Aloha Place  
OCEANO, CA

to the following extent.

This release covers a progress payment for labor, services, equipment or material furnished to: South SLO Sanitation District through 07/31/2011 only and does not cover any retention retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment or material was not compensated by the progress payment. Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

Dated: 08/11/2011 Brough Construction, Inc.

By: 

Title: Sec/CFO

Note: This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This form is intended to meet the requirements of California Civil Code Section 3262(d)(1) as of January 1, 1994.



## Contract Rider

This agreement between Stanley Convergent Security Solutions, Inc. ("SCSS") and SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT WASTE WATER TREATMENT PLANT ("Customer") supplements and amends the Contract Agreement between the parties dated 5/4/2011 (the "Agreement") covering the furnishing of service and equipment to the Customer's premises at 1600 ALOHA PL, OCEANO, CA 93445 intending to be legally bound, the parties further agree that:

1. The initial term of the Agreement is hereby extended for a period of sixty (60) months from the date hereof and shall thereafter automatically renew as set forth in the Agreement.
2. If additional service and equipment are to be furnished to the Customer at said premises, then only such additional service and equipment shall be furnished as is described in the Terms and Conditions set forth below (or in a separately attached Terms and Agreements). In such event Customer agrees to pay to Stanley Convergent Security Solutions, Inc. the installation charges indicated below by paying an amount equal to 50% of the total installation charges at the time of signing this Agreement and by paying the amount of the BALANCE DUE upon completion of the installation. Further, the Customer agrees to pay to Stanley Convergent Security Solutions, Inc. the amount of the additional Recurring Service Charge indicated below, in advance during the term of this Agreement on the same periodic payment schedule as the other recurring service charges set forth in the Agreement.
  - (a) Any additional service and equipment provided pursuant to this Rider shall be governed by the provisions of the Agreement, including without limitation the provision of Section 4 ("Liquidated Damages and SCSS Limits of Liability").
3. To the extent the agreement is modified other than as set forth in Section 2 hereof, such modifications, if any, will be set forth in the Schedule of Service and Protection section hereof.

### Equipment

Quantity	Equipment	Part Number
1	Wire / Plenum / Specialty: UNDERGROUND WIRE	

### Services

### Special Instructions / Notes

2 500FT ROLLS OF DIRECT BURIEL WIRE FOR UNDERGROUND PULL

### Pricing & Deposit Terms

Total Installation Price	USD 1,582.03	Deposit (In-Hand)	
Sales Tax (If Applicable)		Balance Due Upon Completion	USD 1,582.03
Total Price	USD 1,582.03	Total Monthly Fee	USD 0.00
		Payment Frequency	Monthly in Advance

The Agreement shall remain in full force and effect in accordance with all the terms and conditions thereof, modified only to the extent herein specifically provided for. Said Agreement as so modified constitutes the entire agreement between the parties, which Agreement cannot be further modified except by another written agreement executed by the parties as herein set forth.

The Rider is not binding unless approved in writing by an Authorized Representative of SCSS. If such approval is not obtained, SCSS only liability shall be to return to Customer the amount, if any, paid to Stanley Convergent Security Solutions, Inc. upon the signing of this Rider by its Security Representative.

Accepted By

SCSS Security Representative

Date

Customer

Quotation Reference: Q-00159013

Page 1 of 1

SCSS Authorized Representative

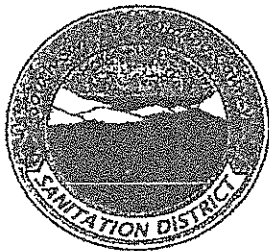
Date

Customer Signature

Title

Date

License Information as of 7/15/10: AL 10-888; 10-847; 10-1278; 10-1322, Alabama Electronic Security Board of Licensure, 7956 Vaughn Rd., Montgomery, AL 36116 (334) 264-9388; AR E2010 0017 AZ ROC201975; CA ACO6055 Alarm company operators are licensed and regulated by the Bureau of Security & Investigative Services, Dept. of Consumer Affairs, Sacramento, CA 95814; 848019 C7.C10; DE 04-158; FAL-0001; FL EF20000495; EF00001117; EF00000772; GA GA REG. LVU405586; KY LMPD LIC 338 IL 1270001274; 124000430; LA F875; F1162; F1277; MD 107-1174, Maryland state police, licensing division, 7751 Washington Blvd, Jessup, MD 20794; MA C1533; MI 5103306; 3601203772; MN TS01238; MT 399; NV 0071034; F100; F401; NJ HP000172; NY 12000293169, Licensed by NYS Dept. of State; NC 714-CSA, Alarm Systems Licensing Bd., 1631 Midtown Pl., Ste. 104, Raleigh, NC 27609 (919) 875-3611; 25035-SP-LV; OH 53-89-1512; OK 953; OR 161567; RI 4217; TN C-1180; 1446; 1448; 1461; TX B02140 Texas Comm on Private Security, 5205 Lamar Blvd., Austin, TX 78723; ACR2639; ECR1821; UT 5704068-6504; VA 14-5481 Commonwealth of Virginia, Dept of Criminal Justice Services, 805 East Broad Street, 9th FL., Richmond, VA 23219; 2705-687235A; WA STANLCS925M2; WY LV-A-32; LV-G-23879.



## **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/>

### **Staff Report**

**To:** Board of Directors  
**From:** Bob Barlogio, Plant Superintendent  
**Date:** August 17, 2011  
**Subject:** Surplus Material

*Barlogio*

#### **Recommendation:**

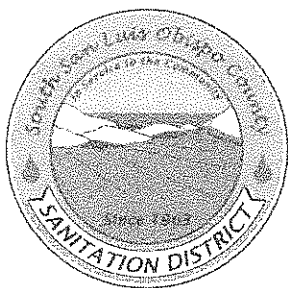
It is recommended that the Board declare unusable FFR media surplus and direct staff to make it available for use by other agencies and if not reusable, to dispose of it at a landfill or recycling center.

#### **Funding:**

N/A

#### **Discussion:**

During recent replacement of the netting on the Fixed Film Reactor, some damaged media in the FFR was in need of replacement. When staff inspected the older media that had been surplus at the time the FFR was built in 1986 and was stored for over 20 years, it was discovered to be too brittle for the District's use. Therefore it was scheduled to be hauled to the County landfill. However, it may be able to be utilized by another district, e.g. Avila Beach CSD. If so, the District should declare it surplus. If other Districts determine it is unusable, it will be hauled to the County landfill or appropriate recycling center.



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### Staff Report

**To:** Board of Directors

**From:** John Wallace, *District Administrator*

**Date:** August 17, 2011

**Subject:** Oceano Lagoon Environmental Assessment - Request for Proposals. Update and schedule for future presentation by SLO County DPW regarding flood protection measures.

### Recommendation:

1. Receive this update on the status of the State Water Board's Investigative Order, Section 4- *Impacts of the Unauthorized Discharge of Untreated Sewage*;
2. Direct Staff to continue to evaluate the benefits associated with entering into a reimbursement agreement with San Luis Obispo County for professional environmental services relating to the proposed County Request for Proposal described below.
3. Receive an update on the SLO County DPW schedule for presenting flood protection measures for the Oceano Lagoon and Arroyo Grande Creek.

### Funding:

Funding for this study would be provided from Fund 19-7079; (\$20,000 balance) but will most likely need to draw from reserves when proposals are received.

### Discussion:

Subsequent to the December 19, 2010 rain event that resulted in an overflow of untreated sewage from the District trunk sewer and the Oceano Community Services District collection system, the State Water Resources Control Board issued to the District a written Investigative Order. The intent of the investigative order was to request additional information deemed necessary to "*effectively evaluate the nature, circumstances, extent, and gravity of the unauthorized discharge of untreated sewage.*" The District responded to the investigative order by providing the State Water Board a written technical report (currently under review by the State Water Board). The District's technical report addressed, by section, each of the items requested in the investigative report. Most response sections provided in the District's response to the Water Board were provided in full and are therefore considered "complete" by the District. A few of the response items provided to the Water Board described the current status of the District's efforts to date to complete the specific task items. One such section that remains in progress is Section 4 – *Impacts of the Unauthorized Discharge of Untreated Sewage*.

Pursuant to Section 4 of the State Water Board's investigative order, the following information was requested of the District:

#### *4. Impacts of the Unauthorized Discharge of Untreated Sewage:*

- a. An assessment of the potential short- and long-term impacts of the discharge on public health, animal and plant communities (including*

*sensitive and/or endangered species), and on the overall ecosystem downstream of the discharge. The assessment must include:*

- i. Summary of all threatened and endangered species located downstream of the spill site within or adjacent to Arroyo Grande creek on Strand Way, Oceano lagoon along Maui Circle, Aloha Place, Pismo State Beach and the Pacific Ocean.*
- ii. A description of all observations and sampling activities conducted by or on behalf of the Discharger associated with potential short-term and long-term impacts to human health, vegetation and wildlife from the spill and an evaluation of these impacts.*
- b. This assessment must be prepared by a technical professional qualified to evaluate the short and long term impacts of the discharge on ecological receptors.*
- c. A detailed discussion of the Discharger's efforts to date to obtain the necessary permits, develop mitigation plans, and restore any environmental impacts as a result of the untreated sewage discharge. This discussion shall include any correspondence or applications submitted to other resource/regulatory agencies.*

In an effort to meet the requirements of the above stated conditions, District Staff discussed current status of Lagoon studies with Environmental Scientist and Certified Fisheries Professional Douglas Rischbieter (California State Parks), with the intent of retaining Mr. Rischbieter to provide the necessary professional services. Mr. Rischbieter has performed extensive surveys over the prior 8 years on the Arroyo Grande Lagoon (immediately downstream of the County flap gates) and in the Arroyo Grande Creek (0.2 miles upstream from the County flap gates and immediately behind the treatment plant). The ongoing surveys performed by Mr. Rischbieter had the following purpose 1) evaluate the composition and significance of the fishery in the AG Creek associated with the State Park habitat, and 2) gauge the impact (if any) of the SVRA vehicle traffic on the aquatic resources. Towards these goals, the surveys have included routine collection and identification of fish species, condition, and quantity observed.

Unfortunately, due to his employ with the Department of Water Resources, Mr. Rischbieter is unable to provide professional services to the District. None the less, Mr. Rischbieter remains a valuable resource to District Staff, openly sharing his knowledge of the local aquatic resources and making his reports available for review. The extent of the data however does not include information relative upstream the flaps in to the Oceano Lagoon (primary receiving location from the December spill event). The information made available by Mr. Rischbieter will however be a valuable resource for the technical professional performing the impact assessment described above.

Concurrently, the San Luis Obispo County Flood Control and Water Conservation District (County Flood Control) is preparing a Request for Proposals (RFP) from qualified firms for environmental consulting services including biological investigations within the Oceano Lagoon on Meadow Creek. The purpose of the County RFP is to assess potential impacts to the Oceano Lagoon relative to one or more actions currently under consideration by the County. These actions are intended to prevent or reduce the potential for flood water from the Oceano Lagoon to impact adjacent residences and industrial land uses during

future significant rain events (as was noted during the prior December, 2010 rain event). A primary task of the environmental consultant will include developing a base inventory of aquatic resources found within the Oceano Lagoon prior as a first step in performing an assessment on potential impact to those resources by proposed County action.

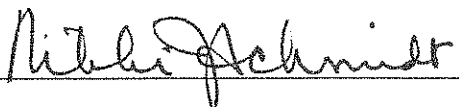
In order to comply with Section 4 of the State Water Board's investigative order, the District will be required to initiate a similar base inventory of aquatic resources within the Oceano Lagoon. For this reason, there is a clear benefit to partnering with the County during their proposal process. Under such an arrangement, the two agencies would cost share project expenses, each receiving a separate report specific to the individual needs of the agency and each paying the portion of expenses relative to the services provided.

District Staff has initiated discussions with County Public Works staff relating to such an arrangement. Under such an arrangement, the County would most likely front the overall project expenditures, and the District would enter into a reimbursement agreement for District specific services.

It is recommended that the Board authorize District Staff to continue to coordinate with County Staff relating to the proposed County RFP and continue to evaluate the economic benefits of partnering under such an arrangement with the intent of satisfying Section 4 of the State Water Board investigative Order.

Finally, as requested by the Board, staff has asked and the County Director of Public Works has accepted, an invitation to present the County's plans for increasing the level of flood protection in the Oceano Lagoon and Arroyo Grande Creek. Mr. Ogren will present to your Board at your September 7, 2011 regular board meeting. Attached is a Board of Supervisors report dated July 19, 2011 outlining the current alternatives being considered.

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE July 19, 2011	(3) CONTACT/PHONE Jill Ogren, Utilities Project Engineer (805) 781-5263	
(4) SUBJECT Oceano Community Drainage and Flood Mitigation Efforts – Update to Board of Supervisors May 24, 2011 Discussion			
(5) SUMMARY OF REQUEST This item is intended to provide an update on the recent efforts to develop flooding and drainage mitigation for the problem areas in the Meadow Creek Lagoon and Arroyo Grande Creek Channel Areas within the community of Oceano.			
(6) RECOMMENDED ACTION It is our recommendation that your Honorable Board, acting as the San Luis Obispo County Flood Control and Water Conservation District (District) hear and discuss the recent efforts as presented to mitigate drainage and flooding problems in the Meadow Creek Lagoon and Arroyo Grande Creek Channel Areas of Oceano.			
(7) FUNDING SOURCE(S) Flood Control District	(8) CURRENT YEAR FINANCIAL IMPACT \$0	(9) ANNUAL FINANCIAL IMPACT N/A	(10) BUDGETED? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
(11) OTHER AGENCY INVOLVEMENT/IMPACT (LIST): Oceano Airport, County Parks and Planning Departments, Office of Emergency Services, Caltrans, South County Sanitation District, State Parks Department, Oceano Community Services District, Zone 1/1A Advisory Committee, and County Counsel			
(12) WILL REQUEST REQUIRE ADDITIONAL STAFF? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes, How Many? ____ <input type="checkbox"/> Permanent ____ <input type="checkbox"/> Limited Term ____ <input type="checkbox"/> Contract ____ <input type="checkbox"/> Temporary Help ____			
(13) SUPERVISOR DISTRICT(S) <input type="checkbox"/> 1st, <input type="checkbox"/> 2nd, <input type="checkbox"/> 3rd, <input checked="" type="checkbox"/> 4th, <input type="checkbox"/> 5th, <input type="checkbox"/> All	(14) LOCATION MAP <input checked="" type="checkbox"/> Attached <input type="checkbox"/> N/A	(15) MADDY ACT APPOINTMENTS Signed-off by Clerk of the Board: <input checked="" type="checkbox"/> N/A	
(16) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Presentation <input checked="" type="checkbox"/> Board Business (Time Est. 30 min)	(17) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions (Orig) <input type="checkbox"/> Contracts (Orig + 3 Copies) <input type="checkbox"/> Ordinances (Orig) <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Email Resolution and Ordinance to CR_Board_Clerk (in MS Word)		
(18) NEED EXTRA EXECUTED COPIES? <input type="checkbox"/> Number: ____ <input type="checkbox"/> Attached <input checked="" type="checkbox"/> N/A	(19) BUDGET ADJUSTMENT REQUIRED? <input type="checkbox"/> BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A		
(20) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A	(21) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	(22) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 5/24/2011	
(23) ADMINISTRATIVE OFFICE REVIEW  			

Reference: 11JUL19-BB-1

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July 19, 2011





SAN LUIS OBISPO COUNTY  
**DEPARTMENT OF PUBLIC WORKS**

Paavo Ogren, Director

---

County Government Center, Room 207 • San Luis Obispo, CA 93408 • (805) 781-5252

Fax (805) 781-1229

email address: [pwd@co.slo.ca.us](mailto:pwd@co.slo.ca.us)

**TO:** Board of Supervisors of the San Luis Obispo County Flood Control and Water Conservation District

**FROM:** Jill Ogren, Utilities Project Engineer *J.O.*

**VIA:** Dean Benedix, Utilities Division Manager

**DATE:** July 19, 2011

**SUBJECT:** Oceano Community Drainage and Flood Mitigation Efforts – Update to Board of Supervisors May 24, 2011 Discussion

**Recommendation**

It is our recommendation that your Honorable Board, acting as the San Luis Obispo County Flood Control and Water Conservation District (District) hear and discuss the recent efforts as presented to mitigate drainage and flooding problems in the Meadow Creek Lagoon and Arroyo Grande Creek Channel Areas of Oceano.

**Discussion**

On May 24, 2011 your Board considered a presentation on flooding that occurred in Oceano during December 2010 and the priorities associated with efforts to mitigate future flooding from Meadow Creek and Arroyo Grande Creek. During your Board's discussions, you generally directed staff to return as soon as possible with recommendations on specific efforts and funding requirements needed to develop mitigation measures for the upcoming 2011/12 storm season.

Since May 24th, staff has approved purchase orders and conferred with engineering consultants CSD (dba Cannon) and Waterways Inc., to develop preliminary alternatives and rough cost estimates associated with both Creek areas. Cannon was chosen since they are the current engineering firm under contract with the County working on the Highway One/13<sup>th</sup> Street drainage project and from that work has existing knowledge of drainage flows and flood risks in the vicinity. Cannon was originally chosen for the Highway 1/13<sup>th</sup> Street design contract through a competitive solicitation process for on call engineering services. Waterways Inc. was chosen because they are the authors of the Arroyo Grande Creek Channel Waterway Management Program and have extensive knowledge on the Arroyo Grande Creek Channel hydrology and hydraulics.

The following is a status of current efforts:

#### Arroyo Grande Creek Priority

“Evaluate the increased risk of flooding in the event that Lopez Dam is spilling and additional storm preparation that may be needed in 2011/12.”

Work since May 24<sup>th</sup>:

- Estimated peak flows spilling from Lopez lake
- Estimated existing inflow capacity of the Zone 1/1A levee system
- Estimated existing flow capacity through the Zone 1/1A levee system
- Estimated anticipated uncontrolled flows under existing conditions
- Determined locations of probable uncontrolled overflows under existing conditions
- Recommended sites for controlled overflows
- Developed design concepts for controlling overflows – see Attachments 1 and 2
- Developed preliminary cost estimates for design concepts

#### Meadow Creek Priorities:

Priority #1 – “Pursue approval of permits for sand bar management where Arroyo Grande Creek flows into the Pacific Ocean, which will improve drainage from Meadow creek during storm events such as those of December 2010.”

Work since May 24<sup>th</sup>:

- Researched existing approved permits for sand bar management
- Researched construction methods for sand bar management
- Conducted background biological research for the Arroyo Grande Creek lagoon area
- Initial permit agency contacts
- Initiated survey of finished floor elevations of homes in the “Island” area

Priority #2 – “Prepare a watershed hydraulic analysis to determine peak storm flows and other technical information needed to evaluate project and program alternatives for mitigating flooding from the Meadow Creek watershed.”

- Developed 8 short-term conceptual alternatives to mitigate flooding from Meadow Creek – see Attachments 3 and 4
- Developed preliminary cost estimates
- Developed a draft scope of work for a detailed hydraulic analysis for long-term projects and/or programs

Priority #3 – “Prepare an Oceano Community Drainage and Flood Control Protection Plan which evaluates alternatives, identifies preferred projects and/or programs and will serve as a basis for funding, permit and environmental reporting needs.”

- Deferred

It is our intention to return to your Board at a later date to recommend approval of a sole-source agreement with CSD Engineering (dba Cannon) for professional engineering services to evaluate alternatives and develop design plans for immediate/short term flood control projects along Arroyo Grande Creek within the Zone 1/1A levee system and the Oceano lagoon vicinity. If funding is available we will be recommending implementation of selected projects prior to this winter's storm season.

### **Financial Considerations**

At this time no funding is being requested, subsequent actions related to the recommended sole-source agreement with Cannon may require a budget adjustment from District reserves, which is the only significant source of funding available. It is staffs' intent to address the overall unmet needs later in the calendar year to discuss the overall priorities of the Flood Control District and the extent to which reserves may be approved by your Board to consider the multitude of unfunded needs.

### **Other Agency Involvement**

The following agencies have been actively coordinating with Public Works on the current efforts on Oceano Drainage: Oceano Airport, County Parks and Planning Departments, OES, OCSD, CalTrans, South County Sanitation District, State Parks Department and the Zone 1/1A Advisory Committee.

In 1989 a study of the Meadow Creek watershed was completed for the California State Parks Department to determine causes and solutions to the flooding that frequently occurs at the State campgrounds on Hwy 1. Discussions with State Parks staff have been productive since the December floods. Projects and other efforts involving State Parks will require significant outreach to policy makers since local State Parks staff has the general direction to allow State Park facilities to naturally regenerate habitat, and efforts to mitigate flooding may require exceptions to those existing general policies and /or practices.

Numerous permitting agencies will be involved in future consideration of program and project applications.

### **Results**

Today's discussion is intended to update your Board on our recent efforts to evaluate short term alternatives to mitigate flooding in the Meadow Creek lagoon and Arroyo Grande Creek Channel areas and to provide background discussion prior to returning to your Board with a sole-source agreement for professional services to develop design plans for short term projects in preparation of the 2011-12 winter. This will ensure a safe and healthy

community by improving protection against flooding in the Oceano area.

Attachments: Vicinity Map

Attachment 1 - Arroyo Grande Creek Levee Protection Alternatives (Figure)

Attachment 2 - Arroyo Grande Creek Levee Protection Alternatives  
(Ranking Table)

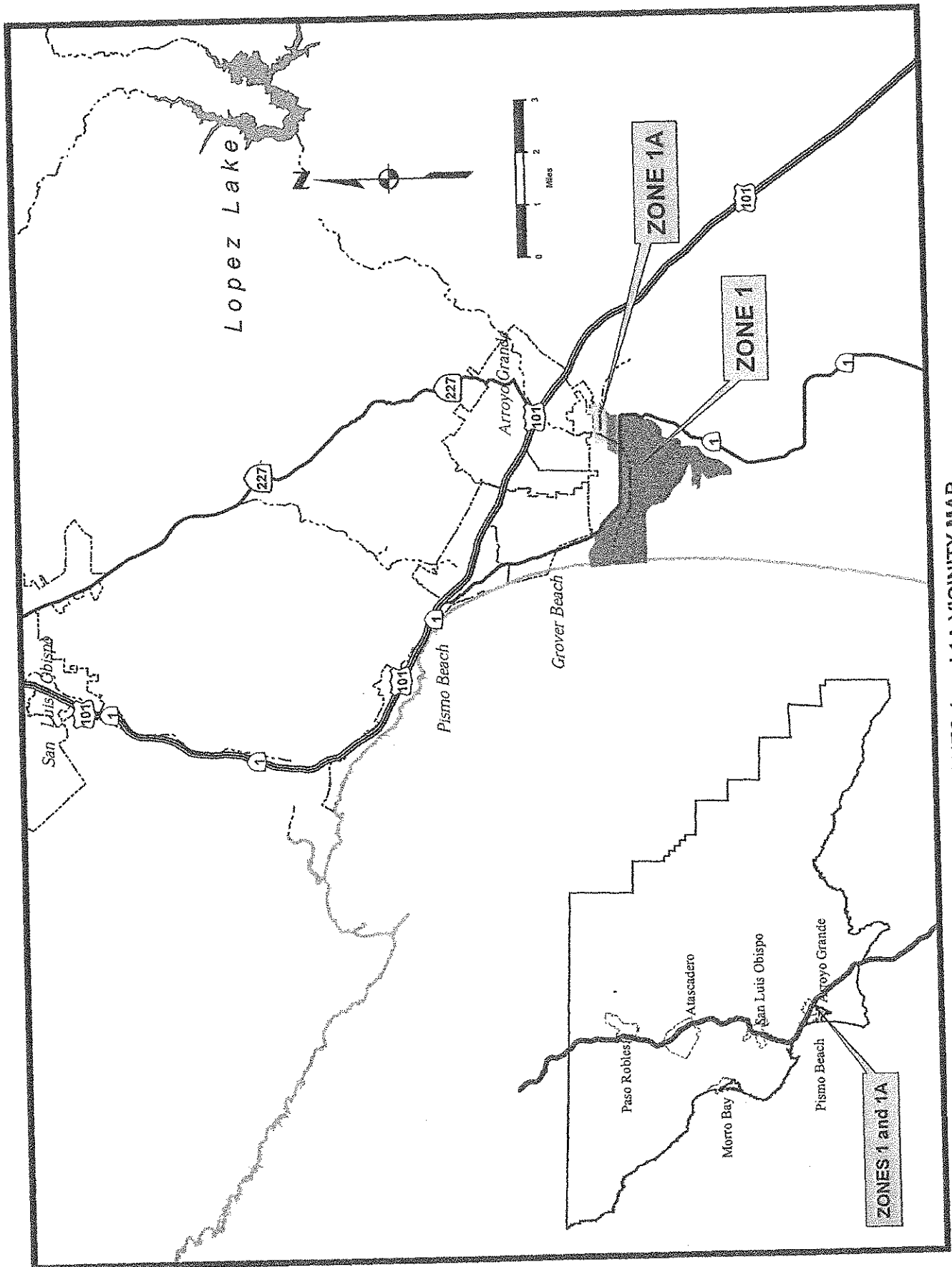
Attachment 3 - Short Term Meadow Creek Lagoon Flood Mitigation  
Alternatives (Figure)

Attachment 4 - Short Term Meadow Creek Lagoon Flood Mitigation  
Alternatives (Ranking Table)

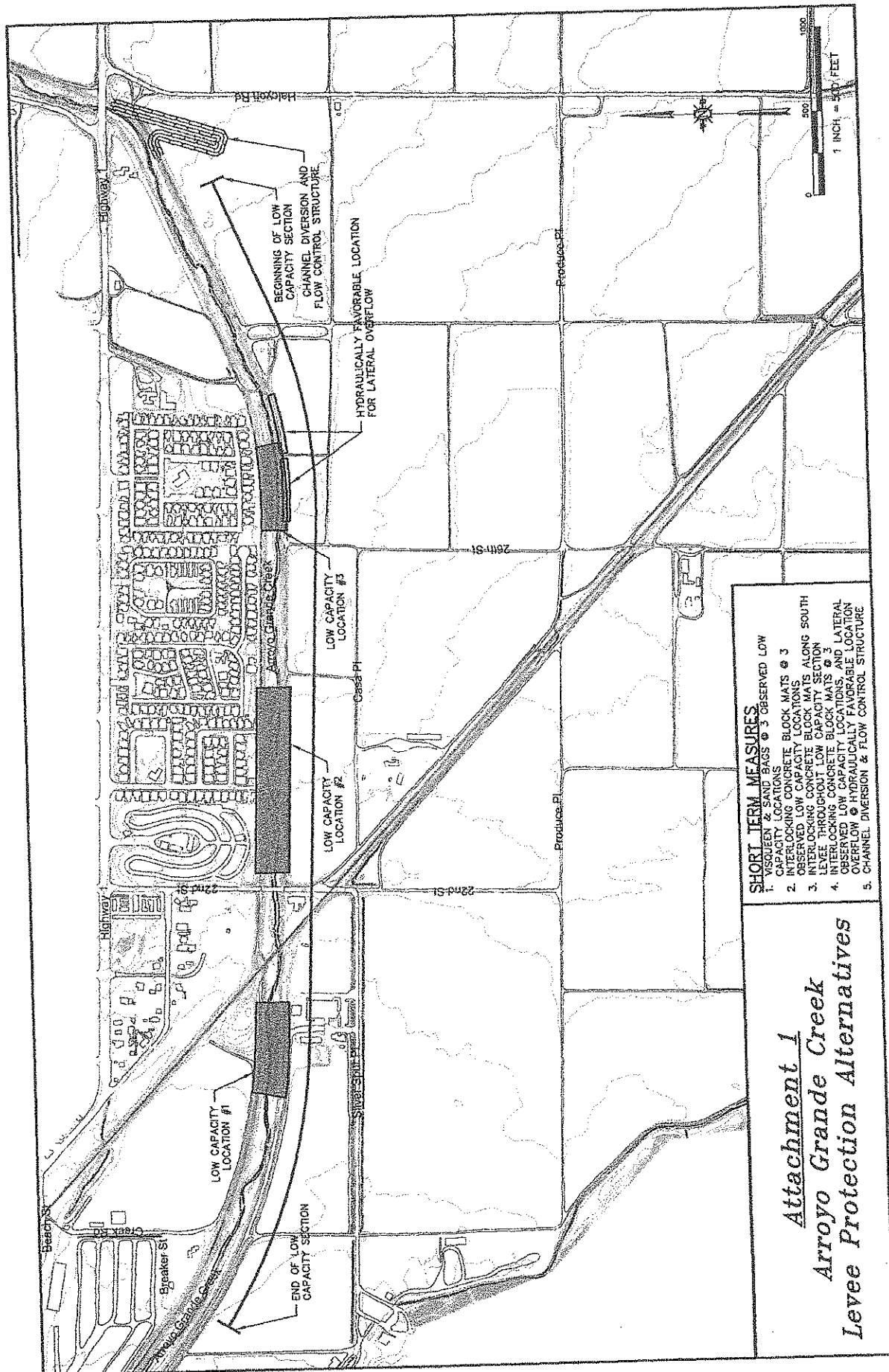
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**ZONES 1 and 1A VICINITY MAP**  
 SAN LUIS OBISPO COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT



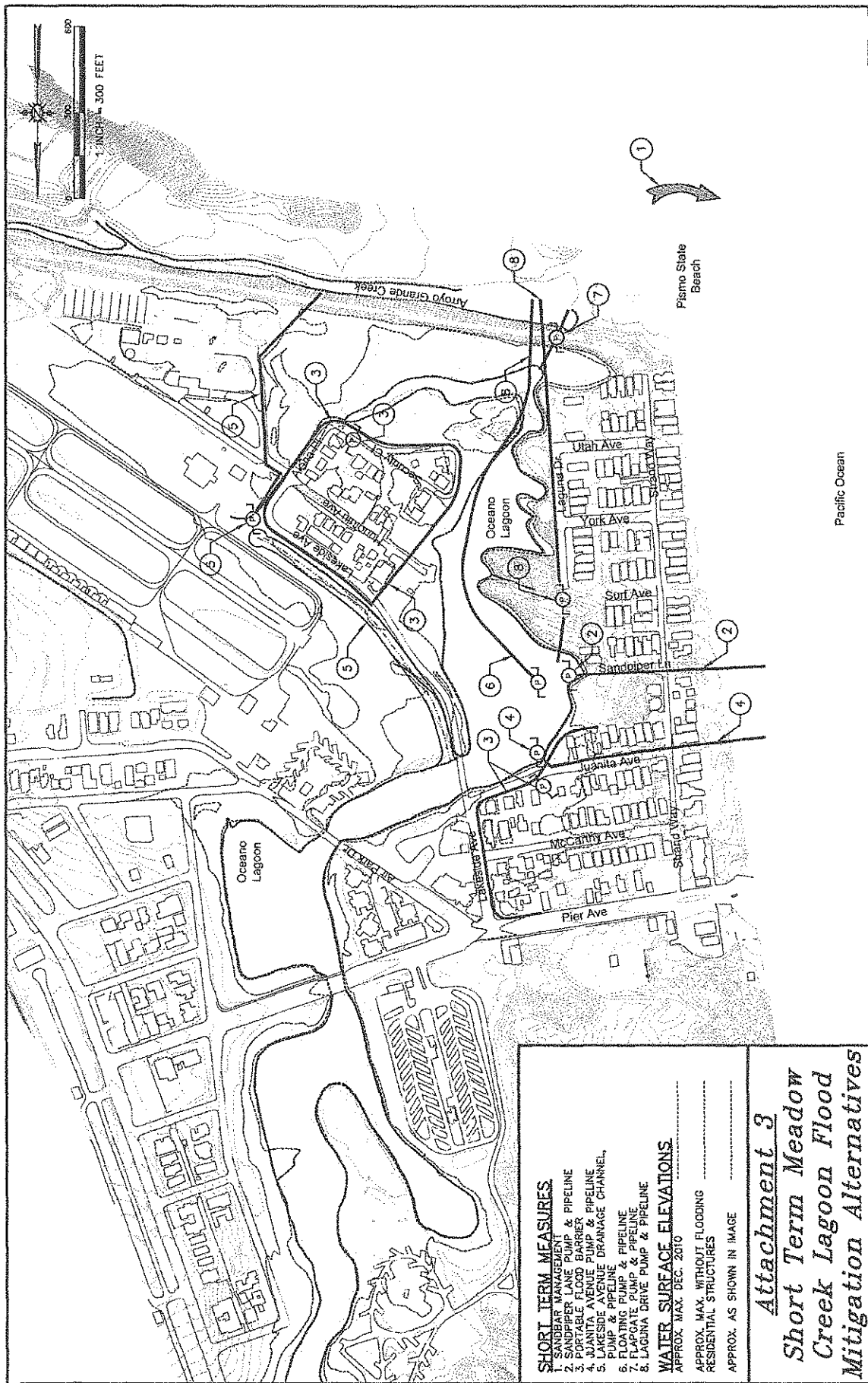
- SHORT TERM MEASURES**
1. VISQUEEN & SAND BAGS @ 3 OBSERVED LOW CAPACITY LOCATIONS
  2. INTERLOCKING CONCRETE BLOCK MATS @ 3 OBSERVED LOW CAPACITY LOCATIONS
  3. INTERLOCKING CONCRETE BLOCK MATS ALONG SOUTH LATERAL OVERFLOW LOW CAPACITY SECTION
  4. INTERLOCKING CONCRETE BLOCK MATS @ 3 OBSERVED LOW CAPACITY LOCATIONS, AND LATERAL OVERFLOW @ HYDRAULICALLY FAVORABLE LOCATION
  5. CHANNEL DIVERSION & FLOW CONTROL STRUCTURE

**Attachment 1**  
**Arroyo Grande Creek**  
**Levee Protection Alternatives**

Attachment 2 - Arroyo Grande Creek Levee Protection Alternatives											
Short Term Measures	Levee Protection Effectiveness (1=L, 2=M, 3=H)		Environmental Permitting (1=H, 2=M, 3=L)		Cost (1=H, 2=M, 3=L)		Downstream Impacts (1=H, 2=M, 3=L)		Implementation Difficulty (1=H, 2=M, 3=L)		Overall Score
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	
1 Visqueen & sand bags @ 3 observed low capacity locations	None <sup>1</sup>	0	Low	3	High <sup>2</sup>	1	High	1	Low	3	8
2 Interlocking concrete block mats @ 3 observed low capacity locations	Low	1	Low	3	Medium	2	Medium	2	Low	3	11
3 Interlocking concrete block mats along south levee throughout low capacity section	High	3	Low	3	High	1	Low	3	Medium	2	12
4 Interlocking concrete block mats @ 3 observed low capacity locations, and lateral overflow @ hydraulically favorable location	High	3	Low	3	Medium	2	Medium	2	Medium	2	12
5 Channel diversion & flow control structure	High	3	High	1	Medium	2	Medium	2	High	1	9

1 - It is likely the levee will fail if overtopped.

2 - High cost is due to levee repair in the event of overtopping



# **SHORT TERM MEASURES**

1. SANDBAR MANAGEMENT
2. PORTABLE FLOOD BARRIER & PIPELINE
3. JUANITA AVENUE PUMP & PIPELINE
4. LAKESIDE AVENUE DRAINAGE CHANNEL, PUMP & PIPELINE
5. FLOATING PUMP & PIPELINE
6. FLAPGATE PUMP & PIPELINE
7. LAGUNA DRIVE PUMP & PIPELINE
8. LAGUNA DRIVE PUMP & PIPELINE

## **WATER SURFACE ELEVATIONS**

APPROX. MAX. DEC. 2010

APPROX. MAX. WITHOUT FLOODING

RESIDENTIAL STRUCTURES

APPROX. AS SHOWN IN IMAGE

## **Attachment 3**

# **Short Term Meadow Creek Lagoon Flood Mitigation Alternatives**



Attachment 4 - Short Term Meadow Creek Lagoon Flood Mitigation Alternatives									
Short Term Measures	Flood Control Effectiveness (1=L, 2=M, 3=H)		Environmental Permitting (1=H, 2=M, 3=L)		Cost (1=H, 2=M, 3=L)		Implementation Difficulty (1=H, 2=M, 3=L)		Overall Score
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	
1 Sandbar Management	High	3	High	1	Low	3	Low	3	10
2 Sandpiper Ln Pump & Pipeline	Medium	2	High	1	Medium	2	Low	3	8
3 Portable Flood Barrier Systems	High	3	Medium	2	High	1	High	1	7
4 Juanita Ave Pump & Pipeline	Medium	2	High	1	Medium	2	Low	3	8
5 Lakeside Ave Channel, Pump & Pipeline	Medium	2	High	1	High	1	High	1	5
6 Floating Pump & Pipeline	Medium	2	Medium	2	Medium	2	High	1	7
7 Flapgate Pump & Pipeline	Low	1	Medium	2	Low	3	Low	3	9
8 Laguna Dr Pump & Pipeline	Medium	2	Medium	2	Medium	2	Medium	2	8



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


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

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

**To:** Board of Directors

**From:** John Wallace 

**Date:** August 17, 2011

**Subject:** Financial Transactions; Resolution No. 2011-291, a Resolution authorizing investment of South San Luis Obispo County Sanitation District Monies in the Local Agency Investment Fund (LAIF); Rabobank checking account signatures

### **Recommendation:**

Staff recommends that the Board adopt Resolution No. 2011-291 authorizing signatures for transaction with LAIF and that the Board also adopt a minute order authorizing the Board's signatures on the District's Rabobank checking account. Also approve the Plant Superintendent's signature for authorization to use the District's debit card for transactions within his authorized spending limit (\$1,500) subject to the District's adopted purchasing policies

### **Funding:**

N/A

### **Discussion:**

Previously, in 1994, the District entered into arrangements with LAIF to allow for the deposits and withdrawals of District monies. Prior to that time, the District had only used the County of San Luis Obispo as a depository, but with variations in interest rates, it was decided that the District should also make use of LAIF for a District depository.

The previous resolution provided by LAIF included the District Administrator, the Board members and their successors to make deposits and withdrawals between LAIF and the County. It is now being recommended that the Board members continue and the District Administrator drop off the resolution.

Similarly, Rabobank does not necessarily require a resolution but only a minute order for establishing signature authorizations on that account, which is primarily used for payroll payments to our payroll processing center. The District's debit card (tied to the checking account) provides for small purchases at vendors where the District does not have an account and for making "on-line purchases". It is also sometimes necessary for making travel arrangements such as registration fees and lodging when staff travels to authorized training conferences.

Therefore by approving the resolution and minute order, new signature forms will be provided to both financial institutions to effectuate these changes.

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
RESOLUTION NO. 2011 - 291**

**A RESOLUTION AUTHORIZING INVESTMENT OF SOUTH  
SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
MONIES IN THE LOCAL AGENCY INVESTMENT FUND**

**WHEREAS**, Pursuant to Chapter 730 of the statutes of 1976, Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

**WHEREAS**, The Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the South San Luis Obispo County Sanitation District.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors does hereby authorize the deposit and withdrawal of South San Luis Obispo County Sanitation District monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein.

**BE IT FURTHER RESOLVED**, that the following South San Luis Obispo County Sanitation District officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund (two signatures required):

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(NAME)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(SIGNATURE)

\_\_\_\_\_  
(SIGNATURE)

PASSED AND ADOPTED, by the Board of Directors of the South San Luis Obispo County Sanitation District, State of California.

On motion of Board Member \_\_\_\_\_, seconded by Board Member \_\_\_\_\_,

and the following roll call vote, to wit:

AYES:

NOES:

ABSENT:

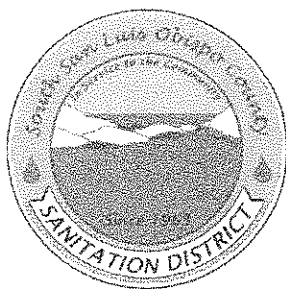
ABSTAINING: None

the foregoing Resolution is hereby adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_  
Bill Nicolls  
Chairman of the Board of Directors

ATTEST:

\_\_\_\_\_  
JOHN WALLACE, Secretary to the Board



## 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://ssloesd.org/>

### Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*   
**Date:** August 17, 2011  
**Subject:** Grand Jury Response

#### Recommendation:

Staff recommends the Board review the attached final draft of the District's response to the San Luis Obispo County Grand Jury, direct the Chairman to sign on behalf of the District and forward the letter as required.

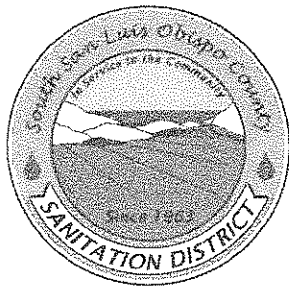
#### Funding:

N/A

#### Discussion:

The Board has previously provided comments and direction to staff in order to finalize a response for the Chairman's signature by August 29, 2011 to the Grand Jury. Attached is the final draft incorporating the changes from comments received at the Board's Special Meeting held on July 26, 2011.

At this time, the Board should indicate if there are any final changes to be made, direct staff to incorporate those changes into a final letter to be signed by the Chairman and forward the letter to Judge Crandall and the Grand Jury.



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

August 18, 2011

Hon. Charles S. Crandall  
SUPERIOR COURT OF CALIFORNIA  
1035 Palm Street, Room 385  
San Luis Obispo, CA 93408

RE: South San Luis Obispo County Sanitation District  
Grand Jury Report of May 31, 2011

Dear Judge Crandall:

Please accept this correspondence as a response by the South San Luis Obispo County Sanitation District ("SSLOCSD") regarding the Grand Jury Report dated May 31, 2011. This response addresses the principal components of the Grand Jury Report as follows:

- Response to Introductory Comments and General Narrative
- Response to Findings
- Response to Recommendations
- Concluding Remarks

### **Response to Introductory Comments and General Narrative:**

Respectfully, the SSLOCSD Board of Directors strongly believes that the Grand Jury commentary, assertions, and conclusions were largely inaccurate. Since 1986, the District has contracted with an outside engineering company (Wallace Group) to provide the administration and engineering services to the District. The duties, responsibilities, rights and obligations of each party, (District and the engineering group), were set forth in the initial contract and have been further refined over time. Services of this nature provided to a special district are not uncommon. This form of contractual relationship was reviewed and affirmed by a Grand Jury in a 1993 report in its examination of the San Simeon Community Services District. A copy of this report is attached for your reference.

The 1992-93 Grand Jury submitted the following finding:

*"Based upon the provisions of Government codes 1090 and 87100, the Grand Jury finds SSCSD free of any conflicts of interest. The General Manager receives income from the District under the terms of his employment but he does not affect any decisions that enhance or increase his economic position" (Grand Jury Report, January 25, 1993, at page 3).*

The SSLOCSD Board of Directors is charged by the rate payers in Arroyo Grande, Grover Beach, and Oceano, with the responsibility to ensure that the Sanitation District operates efficiently. As such, the Board has determined that the District does not require a full-time salaried Administrator. It does however, require general administrative oversight and budget management, as well as civil engineering expertise specific to water and waste water systems. For many years, the Board has opted to contract with Mr. Wallace to perform general administrative duties, and to employ the Wallace Group on a contractual basis to perform civil engineering duties necessary to sustain daily operations at the Sanitation Plant. Together, these contractual relationships provide the best means of achieving and maintaining efficient and economical operations at the District.

It is important to note that because the District Administrator and District Engineer are contractors, the Board of Directors has recognized the need to be the primary authority for the approval of all engineering services. This has been the practice of the District since the original contract was put into effect in 1986. The Board further determines which Capital Projects should be included in the annual budget based upon staff's input as well as the District's Long Range Plan. The Board also approves projects and services necessary to meet the District's NPDES permit requirements. Once budgeted, each project returns to the Board for final approval. The Board is kept informed of the status of each ongoing project routinely at scheduled Board meetings. Project status information includes a summary of the total budget amount, project costs to date, as well as requests and justification for additional project related funding should it become necessary.

The SSLOCSD Board of Directors believes that this form of oversight provides for *"continued vigilance"* in a manner consistent with the recommendation in the 1993 Grand Jury Report. (GJR 1/23/93 at page 4)

It should be noted that the original 1986 contract was between the District and John Wallace & Associates (JWA). JWA has in recent years, become legally reconstituted as the Wallace Group. Both Mr. Wallace and the Wallace Group serve at the pleasure of the District Board. The Board at anytime, with or without cause, may, by majority vote terminate the contracts with no rights or entitlements to John Wallace or the Wallace Group.

The Board of Directors consists of the mayors, (or his or her designate), of the cities of Arroyo Grande and Grover Beach, and the president, (or his or her designate), of the Oceano Community Services District. The Board of Directors meets on the 1<sup>st</sup> and 3<sup>rd</sup> Wednesday of each month at the Oceano Community Services District Board Room. Additionally, Board members on occasion will visit the Sanitation Plant and view its operation.

With regard to the Board of Directors, the Grand Jury Report inaccurately asserts the following: *"the Board is dependent solely on the District Administrator for information or reviews in order to fulfill its oversight role and to make policy decisions,"* The Board typically asks questions or seeks clarification from the Plant Superintendent as well as other District employees who frequently attend meetings. In many instances, the District Administrator will defer to the Plant Superintendent on matters pertaining to plant operations. It is important to note that the Plant Superintendent is the licensed operator of the Sanitation Plant and as such routinely provides the Board with important information that assists them in determining budget priorities or District policy.

The Grand Jury's depiction of the Board of Directors as being generally *"unaware"* is both inaccurate and offensive. The Board believes that the most compelling evidence of the success of both the contractual relationships at the District as well as the Board's oversight role can be found in the current rate structure. Service rates for the District are the lowest in San Luis Obispo County. Despite the unfortunate spill that occurred during the height of the storm season last December, the District has the fewest number of operational violations of any sanitation plant in San Luis Obispo County.

Upon receipt of the Grand Jury's Report (May, 2011), the Board conducted a public hearing at their next regularly scheduled Board meeting. During the discussion the District Counsel provided a preliminary verbal response to the Report referencing the previously mentioned 1993 Grand Jury Report, and citing its findings as being contrary to those set forth in the current Report specific to conflicts of interest. The Grand Jury Foreperson attended this meeting. During public comment, the Foreperson stated that the Grand Jury was instructed to disregard previous reports or references and to focus their findings only on their interpretation of current conditions or situations.

The current Grand Jury Handbook at page 36 refutes this statement: *"The reports of previous Grand Juries are a useful source of information."* Had the Foreperson and other members of the Grand Jury expanded their research and referenced this earlier report, they may well have reached a different conclusion and altered their findings accordingly.



On pages 21 through 23 of the Grand Jury Report, certain "determinations" have been made with regard to the reports prepared for the District by Thomas Investigations. The Board, along with District Counsel contracted with Thomas Investigations to thoroughly investigate allegations made against the Wallace Group by a former employee. These allegations falsely characterized the Wallace Groups' involvement in (2) capital projects. The Grand Jury apparently relied solely upon Meeting Minutes and Agendas regarding the two projects in question. The Grand Jury formulated their determinations without referencing the accompanying Staff Reports to the Board concerning these projects. Had they done so, the history and complexity of these projects would have been clear. Further, the Grand Jury Report did not consider or reflect the number of meetings and budget cycles in which those projects were discussed. A complete review of the documents provided to the Grand Jury would have established that the Board received project updates over three (3) budgetary cycles.

As such, the Grand Jury reached the conclusion that the Board was "*not made aware of the total cost*" of the projects and that the Thomas investigation was not thorough in its examination of the matter. This conclusion is patently false. The Grand Jury went further in their determinations, inferring that Mr. Wallace may have intentionally tried to withhold budget information from the Board. The tone and context of the Grand Jury narrative in this instance was completely inappropriate and potentially damaging to the District, Mr. Wallace, and the Wallace Group. Unsubstantiated determinations of this nature can result in severe consequences for the parties involved and they have no place in a Grand Jury Report.

#### **Response to Findings:**

The Board of Directors of the South San Luis Obispo County Sanitation District responds to the Grand Jury Findings as follows:

1. The service contract between the District and the District Administrator has been in effect since 1986 and has not been modified except to increase hourly billing rates.

#### **District Response:**

*The 1986 Contract between the District and John Wallace / Wallace Group was and is in the process of being updated and bifurcated. This bifurcation now separates the District Administration and District Engineering into two contracts. This action resulted from a Board Directive given months before the Grand Jury submitted its report. Members of the Grand Jury were at the meeting when the Board gave direction to District Counsel and Board Member Ferrara to begin the*

*bifurcation process. There is no mention of these actions in the Grand Jury Finding.*

2. The District Administrator is the majority owner of the Wallace Group.

**District Response:**

*The District Board of Directors was and is fully aware of the fact that John Wallace was the majority owner of John L. Wallace and Associates, and is now the majority owner of the Wallace Group.*

3. The contract allows the District Administrator to provide the District with Engineering and Administrative services by means of assigning work to the Wallace Group.

**District Response:**

*The District Administrator assigns work to the Wallace Group as necessary to fulfill his administrative duties. Such tasks include the preparation of bid documents, construction / project management, preparing regulatory compliance documents, and other related tasks necessary for the daily operation of District facilities. These assignments are included in the professional services contract budget as well as specific project budgets, and are routinely reviewed by the Board. The Board is fully aware of the need for expedient, economical, and professional engineering services for routine work. That is and was the intent of the professional services contract. It should be noted that under the new agreement, the Wallace Group cannot be compensated for any form of engineering, to include routine work, without Board approval.*

4. The District Bylaws provide that the District Administrator also supervises the District's facilities and services, and supervises the District's finances.

**District Response:**

*The District's Policy Manual defines the role of the District Administrator as stated in Finding #4. However, it also provides for specific job descriptions for District employees. It should be noted that the Policy Manual is very clear with regard to responsibilities. As indicated earlier, the Plant Superintendent is the licensed operator of the Plant and has direct supervision over District employees as well as overall plant operations. The District Administrator provides general policy guidance for the Plant Superintendent and manages the District's finances in a manner consistent with approved Board policies as well as the provisions of his contract.*

5. The District Administrator maintains the budget and expenditures records and provides the Board with the budget and budget tracking information it uses to manage the budget.

**District Response:**

*The Board concurs with this finding. The District Administrator also prepares the annual budget and provides regular financial updates for the Board at each Board meeting. Additionally, all payments for services are processed through the County Auditor Controller. As those payments are made, the County reconciles each transaction with the District's budget. Additionally, the District staff also reconciles the District's accounting records with the County's financial reports on a monthly basis. The District's budget is audited annually by an accredited auditing firm, the results of which have repeatedly demonstrated professional and acceptable budget practices.*

6. The District's Board is dependent on the District Administrator for the information it reviews in order to make policy decisions. The Board has limited resources to verify or evaluate this information independently.

**District Response:**

*This finding is grossly inaccurate. The Board does rely on the District Administrator for information. However it also relies on information from the District Counsel, the Plant Superintendent, as well as from regulatory agencies. Additionally, the Board periodically consults with other Special Districts as well as their own jurisdictions regarding major policy decisions.*

7. The District Administrator has a conflict of interest because of his dual simultaneous roles with the District and the Wallace Group.

**District Response:**

*The Board disagrees with this finding and cites the 1993 Grand Jury Report regarding the allegation of a conflict of interest at the San Simeon Community Services District. A copy of this report is attached for your reference.*

8. The contract provides the District with some ability to mitigate a conflict of interest by means of the following clause: "Services rendered pursuant to the Agreement shall be at the direction and request of the District's Board of Directors."

**District Response:**

*The Board disagrees with this finding and cites the 1993 Grand Jury Report regarding the allegation of a conflict of interest at the San Simeon Community Services District. A copy of this report is attached for your reference. Additionally, the clause cited in the finding is precisely the reason why a conflict of interest doesn't exist.*

9. The budget and payment processes do not currently provide the information necessary for the Board to mitigate the District Administrator's conflict of interest.

**District Response:**

*The Board disagrees with this finding and cites the 1993 Grand Jury Report regarding the allegation of a conflict of interest at the San Simeon Community Services District. A copy of this report is attached for your reference. It should be noted that the annual budget is reviewed by the Board in specific detail during the budget adoption process. Expenditures are reviewed through the warrant approval process at each Board meeting. Updates are provided quarterly and financial reports are provided to the Board at each meeting. These budget and accounting practices are more detailed and thorough than many special districts of similar size. Further, the new bifurcated contracts provide even more stringent controls with regard to budget and finances. The Board recognizes that these controls will assist in mitigating the public's perception regarding conflicts of interest.*

10. The Board does not recognize that the dual roles of the District Administrator create a conflict of interest.

**District Response:**

*The Board disagrees with this finding and cites the 1993 Grand Jury Report regarding the allegation of a conflict of interest at the San Simeon Community Services District. A copy of this report is attached for your reference. (Refer to Finding #8).*

11. The Investigation Report commissioned by the Board to investigate allegations of unnecessary Wallace Group work being charged to a District project concluded the allegation was false.

**District Response:**

*The Board concurs with this finding.*

12. The limited facts presented in the Investigation Report were not adequate to support the report's conclusions

**District Response:**

*The Board disagrees with this finding. The Grand Jury received a redacted copy of the Report submitted to the Board by Thomas Investigations. Additional information supporting the Report's conclusions also made reference to on-going personnel matters. Information of this nature is confidential and reserved for closed session discussion. It cannot be made public, nor could it be made available to the Grand Jury. During the course of his investigation, Mr. Thomas interviewed all employees of the District. The Grand Jury did not do this. Mr. Thomas carefully researched the professional services contract under which the Wallace Group was operating. He also reviewed the budget information, staff reports, purchase orders and billing for the life of these projects. The Grand Jury either did not do this, or didn't comprehend the scope of information they were reviewing. The conclusion in the Thomas Report relating to the alleged conflict of interest is supported by Mr. Thomas's detailed research as well as the 1993 Grand Jury Report. (Refer to Finding #7). The Board believes that it is, in fact, the Grand Jury that relied on limited facts to support its conclusions.*

13. The Investigation Report supporting documentation includes evidence that the budget process did not inform the Board of the total Wallace Group costs charged to the maintenance roof capital project.

**District Response:**

*The Board disagrees with this finding. (Refer to narrative on Page 4).*

14. The County of San Luis Obispo's Audit Division has the right to audit the accounts and records of the District.

**District Response:**

*The Board concurs with this finding. (Refer to Finding #5).*

15. The same audit principals have audited the District's financial statements since 1998.

**District Response:**

*The Board concurs with this finding. (Refer to Finding #5).*

**Response to Recommendations:**

1. As long as the District Administrator has a conflict of interest, the District's budget/payment process should be modified to provide the Board with the specific Wallace Group information it needs to mitigate the conflict. (Addresses Findings 2-13)

**District Response:**

*The Board does not believe the District Administrator has a conflict of interest and cites the 1993 Grand Jury Report regarding the allegation of a conflict of interest at the San Simeon Community Services District. Also, please refer to the District's responses to Findings 2-13. Further, the Board of Directors commissioned a "top to bottom" best practices peer review at the same meeting in which the bifurcation of contracts was discussed and approved. Outside agencies participating in this review are in the process of developing a list of recommendations that will include action steps that address the "perception" of a conflict of interest, specific to the budget and payment process. Once again, members of the Grand Jury were in the audience when this action was taken yet there was no mention of it in their report.*

2. The budget/payment process changes required and the manner and timing of reporting Wallace Group charges must be determined independently of the District Administrator. (Addresses Findings 2-13)

**District Response:**

*The Board does not concur with this conclusion. Please refer to the District's responses to Findings 2-13.*

3. The Board should consider hiring independent management for the District in order to eliminate the current District Administrator conflict of interest and to begin the process to review and evaluate the organizational structure of the District. (Addresses Findings 1-7, and 10)

**District Response:**

*The Board does not concur with this conclusion. Please refer to the District's responses to Findings 1-7 and 10).*

4. The Board should evaluate and compare all operational alternatives for the District. This review should include all services provided to the District

below the level of the state-mandated Board of Directors. (Addresses Findings 1-7)

**District Response:**

*The Board is aware of many alternatives regarding administrative oversight and engineering services. The Board believes that the current table of organization and policies at the District do not constitute a conflict of interest. Further, the Board believes that it retains by contract the best skilled, most knowledgeable, and economically feasible administrative and engineering services available in the County. Further, it should be noted that the District relies on outside engineering firms to augment daily operations. Other firms bid on and are awarded larger projects. The District's Long Range Plan along with accompanying cost projections was prepared by an outside firm. Please refer to the District's responses to Findings 1-7.*

5. The Board must review operational alternatives independently of the District Administrator because of his conflict of interest. (Addresses Findings 1-7)

**District Response:**

*The Board does not concur with this conclusion. Please refer to the District's responses to Conclusions 3 and 4.*

6. The County of San Luis Obispo's Audit Division should consider conducting an audit of the District that would include an independent professional assessment of whether the District has the controls in place to mitigate the financial risks inherent in a conflict of interest. (Addresses Findings 5, 9, and 14).

**District Response:**

*While the Board does not agree with the Grand Jury's determination of a conflict of interest, it does concur with the recommended involvement of the services of the County Auditor Controller. It should be noted that a member of the Board of Directors along with the District Counsel contacted the Auditor Controller within 2 business days after receipt of the Grand Jury Report. The Auditor's Office has agreed to review the new bifurcated contracts to ensure that they are consistent with acceptable special district budget related practices. The Auditor, along with the involvement of members of his staff is welcomed by the Board.*

7. The Board should adopt the practice of rotating the District's principal auditor every five years. (Addresses Finding 15)

**District Response:**

*The Board concurs with this conclusion. However, the decision to rotate the District's principal auditor was made months prior to the issuance of the Grand Jury Report. Once again, members of the Grand Jury were present in the audience at the Board meeting where this was discussed. Following a presentation of the 2010 audit results, Board members remarked about the public's perception of the repetitive use of the same auditor to conduct and prepare municipal audits. The Board referred to the problems associated with the City of Bell, and directed the District Administrator to solicit bids from other accounting firms for the 2011 District Audit. Again, there was no mention of this previous action in the Grand Jury Report.*

**Concluding Remarks:**

The District respects the San Luis Obispo County Grand Jury program and process. City and Special District representatives that comprise the South San Luis Obispo County Sanitation District have publicly recognized through annual honorary proclamations the volunteer effort and commitment put forth by Jurors who serve.

While we disagree with many of the findings and conclusions set forth in the 2010-11 Grand Jury Report, we do wish to commend the men and women who served as jurors. As indicated, the District has taken steps consistent with some of the recommendations of the Grand Jury, to improve District operations and to address the public's perception of the alleged conflict of interest.

Our previous experience with Grand Jury reports has been largely positive. We appreciate the fact that most reports offer both constructive criticism and recommendations for improvement that are generally beneficial for all parties.

However, it is the opinion of the District that the unsubstantiated assertions and accusations made in this Grand Jury report against parties associated with the District were both unprofessional and offensive. Further, they are potentially damaging in content and context to the character and reputations of the District's member agencies as well as professional organizations affiliated with the District.

The District is hopeful that the newly seated Grand Jury will seek broader sources of information on matters they are reviewing and/or investigating, including but not limited to, previous Grand Jury Reports regarding the same subject matter. The District



believes that had the 2010-2011 Grand Jury done so, they may well have altered their findings, and as a result, reached different conclusions.

In summary, the District has responded to the Grand Jury findings and conclusions as follows:

1. The District will "continue to be vigilant" on matters relating to the public's perception of a conflict of interest.
2. The Board has bifurcated the contracts for the District Administrator and the District Engineer and integrated additional control and oversight measures into them. (Note: This action was taken well before the Grand Jury Report was published).
3. The Board will likely implement forthcoming recommendations from an Outside Agency Peer Review specific to the budget and payment process to address the public's perception of a conflict of interest. (Note: The action commissioning the peer review was taken well before the Grand Jury Report was published.)
4. The District is preparing bid notices for other auditing firms to review the District's finances for the coming year. (Note: This action was taken well before the Grand Jury Report was published).
5. The District will also continue its budget and financial relationship with the County Auditor Controller.

Hon. Charles S. Crandall  
SUPERIOR COURT OF CALIFORNIA  
August 18, 2011  
Page 13 of 13

The Board is hopeful that the Court will accept these actions collectively, as a constructive and "good faith" response to Grand Jury Report. The District sincerely wishes to move past this matter and thus, allow our very dedicated employees to continue their exemplary service to the District and its rate-payers, free from controversy.

Respectfully,

BILL NICOLLS, Chairman of the Board

Cc: Board of Directors  
San Luis Obispo Grand Jury

BN/val

1036.013



GRAND JURY  
COUNTY GOVERNMENT CENTER  
SAN LUIS OBISPO, CALIFORNIA 93408

FILED

FEB 3 1993

FRANCIS M. COONEY, COUNTY CLERK  
*Francis M. Cooney*  
DEPUTY CLERK

January 25, 1993

Attached herewith for immediate release is a copy of the  
1992-93 Grand Jury Final Report on:

Conflict of Interest / San Simeon Community Services District

*CW Moffatt*

Foreman

FINAL REPORT  
CONFLICT OF INTEREST/SAN SIMEON COMMUNITY SERVICES DISTRICT (SSCSD)

Complaint:

The complaint alleges: a conflict of interest on the part of the San Simeon Community Services District (SSCSD) Board in its relationship with its General Manager and a conflict of interest on the part of the General Manager in connection with his private business. The complaint further charges that the Board and the General Manager are not, to the best of their ability, seeking additional water for San Simeon and are thereby unnecessarily prolonging the moratorium on water hookups, in force since 1989.

Procedure:

The Grand Jury has interviewed the Chairman and the Vice Chairman of the SSCSD Board, as well as the SSCSD General Manager. The Grand Jury has reviewed all documents pertinent to the complaints, including Conflict of Interest forms 730 of the SSCSD board members and General Manager; 1992 Budget and audit report, and the waiting list for water hookups. The Grand Jury further examined past and present efforts to relieve water shortages in the District; reviewed the list of contractors, consultants and firms which provide services to the District in the search for and conservation of water resources. The Grand Jury also consulted with the San Luis Obispo District Attorney's Office, the attorney for the SSCSD and the Fair Political Practices Commission in Sacramento.

Findings:

In 1986 the SSCSD Board hired a professional engineer to serve as both General Manager and District Engineer. It is a part-time position and is paid an hourly rate which has not changed in seven years. The funds budgeted for the position equate to twenty-six hours a month. We found the incumbent far exceeds this allocated time, but he does not charge for the extra hours he works. The General Manager's engineering firm provides services for many other special districts in the County, as well as SSCSD; however, the bulk of his firm's business is with private contractors and developers. The fees his firm has earned from the District represent a small fraction of the District's total engineering budget and a very small portion of his total business interests.

The SSCSD expresses complete confidence in its General Manager/Engineer. A 1992 independent audit found the District's accounting and bookkeeping procedures in compliance with accepted methods.

All documents requested and examined by the Grand Jury were found to be proper and correct. Lists of water hookup requests were found to be up-to-date and accurate. All requests prior to the moratorium

date, some dating back to 1975, could have gone forward if the applicant had wished to proceed.

District budgets are prepared by the board and staff then presented for public input and discussion at general meetings. This conforms to legal budgetary procedures for public agencies.

The Grand Jury has documentation confirming that the SSCSD and its General Manager have made vigorous, consistent and continuing efforts to enhance existing and add new water sources. The goal of these efforts is to solve San Simeon's water shortage and remove the building moratorium at the earliest possible date. In view of the drought of the past six years, it appears everything possible has and is being done to address the District's water problems.

After examining all the Forms 730 and other pertinent documents, the Grand Jury finds no conflicts of interest on the part of any of the SSCSD board members or employees.

#### Conclusions:

The SSCSD Board and General Manager have been diligent and inventive in their efforts to find new sources and to enhance present water supplies. They have been open and above board in their District activities. By retro-fitting all water fittings with low flow devices, the District has saved fifty-one acre feet of water per year. An acre foot equals approximately 300,000 gallons. This is significant, as due to low flow and salt water intrusion, Pico Creek, the main source of water, has only had seventy-eight acre feet available of approximately one hundred forty acre feet allocated the District.

The legal counsel for the District is vigilant in advising the District Board and General Manager in all legal matters, especially insofar as conflicts of interest are concerned and finds no such violations in the District.

Based on the provisions of Government Codes 1090 and 87100, the Grand Jury finds SSCSD free of any conflicts of interest. The General Manager receives income from the district under the terms of his employment, but he does not affect any decisions that enhance or increase his economic position.

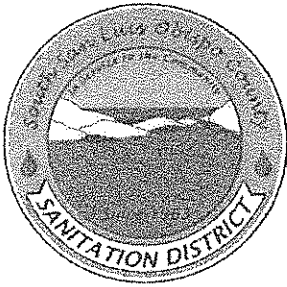
The Grand Jury concludes there are no conflicts of interest as alleged in the complaint and every effort is being made to solve the District's water problems.

#### Recommendations:

The Grand Jury recommends:

1. The SSCSD Board continue its vigilance in its dealings with all employees.


- 3
2. The SSCSD Board continue adhering to legal counsel. In the case of doubts regarding conflict of interest, the Fair Political Practices Commission in Sacramento is ready to assist.
  3. The SSCSD Board annually review Government Code 1090 and 87100 dealing with conflicts of interest and record such review in Board Minutes.
  4. The SSCSD Board continue to vigorously seek new and enhance existing water sources.



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339 Oceano, California 93475-0339  
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## Staff Report

**To:** Board of Directors  
**From:** John Wallace, *District Administrator*   
**Date:** August 17, 2011  
**Subject:** Employment Contract with Robert Barlogio, Grade 4 WWTP Operator as Plant Superintendent

### Recommendation:

Staff recommends the Board approve an amended employment agreement with Robert Barlogio as the District's Plant Superintendent and Chief Plant Operator (CPO)

### Funding:

Funds for this amendment will be provided from the Operating Budget for FY 2010-11, Personnel Expenses

### Discussion:

Mr. Bob Barlogio, a Grade 4 level WWTP Operator, has operated in the capacity of Plant Superintendent since February 2011. Previously, in June 2011, an amended agreement was approved by your Board.

District Counsel is now drafting an amended agreement for Board approval outlining additional terms of employment. The amended contract will be available for distribution at the Board meeting. It is recommended the Board approve, and the Chairman execute the contract on behalf of the District.