



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

www.sslocsd.org

AGENDA

BOARD OF DIRECTORS MEETING

City of Arroyo Grande, City Council Chambers

215 East Branch Street

Arroyo Grande, California 93420

Wednesday, November 20, 2013 at 6:00 P.M.

Board Members

Matthew Guerrero, Chair

Tony Ferrara, Vice Chair

Debbie Peterson, Director

Agencies

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

Alternate Board Members

Mary Lucey, Director

Jim Guthrie, Director

Glenn Marshall, Director

Oceano Community Services District

City of Arroyo Grande

City of Grover Beach

1. CALL TO ORDER AND ROLL CALL

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

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

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

Please adhere to the following procedures when addressing the Board:

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

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

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 to change the recommended course of action. The Board may approve the remainder of the Consent Agenda on one motion.

3A. Review and Approval of the Minutes of the November 6, 2013 meeting

3B. Review and Approval of Warrants

3C. Review of Financial Report ending October 31, 2013

4. PLANT SUPERINTENDENT'S REPORT

5. BOARD ACTION ON INDIVIDUAL ITEMS:

A. FY 2013/14 BUDGET REVIEW AT END OF 1ST QUARTER

Staff recommends the Board review the 1st Quarter Budget Review and adopt Resolution No. 2014-316 authorizing the recommended budget adjustments.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

B. Miscellaneous Written Communications

7. PUBLIC COMMENT ON CLOSED SESSION

8. CLOSED SESSION

- (1) Pursuant to Government Code Section 549567: Discussion of appointment or employment of public employee – District Manager

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

10. ADJOURNMENT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

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

1. CALL TO ORDER AND ROLL CALL

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

District Staff in Attendance: Paul J. Karp, Interim District Manager; Mike Seitz, District Counsel; John Clemons, Plant Superintendent.

2. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

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

3. CONSENT AGENDA

Counsel Seitz suggested that Consent Items be separated as Director Guthrie was not present at the last Board meeting.

3A. Review and Approval of the Minutes of the October 16, 2013 meeting

3B. Review and Approval of the Warrants

Action: It was moved by Director Peterson moved to approve the minutes of the October 16, 2013 Board meeting as presented. Director Guerrero seconded, and the motion was carried 2-0.

3B. Review and Approval of the Warrants

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

4. PLANT SUPERINTENDENT'S REPORT

Plant Superintendent Clemons presented the Plant Superintendent's Report which shows that the Plant is in compliance with its permit requirements.

Mr. Clemons spoke about the high BOD value of 67.5 mg/L. Mr. Clemons said that he is not confident in that value because originally the outside lab reported the BOD value as 139 mg/L and then later changed that value to 67.5 mg/L. Mr. Karp said that staff believes that it is actually lower due to the suspended solids values and fecal coliform numbers being low. Mr. Clemons said that he had spoken with Katie DiSimone at the Regional Water Board about the high reading. He said that she was not overly concerned with that high BOD lab result.

Mr. Clemons spoke about the maintenance projects at the Plant, safety training and training sessions including tailgate meetings attended by District staff. Director Peterson asked about the tailgate meetings. Mr. Clemons explained that these are safety and preparation meetings for the staff to go over project procedures.

Director Peterson asked about the tool inventory. Mr. Clemons said that a complete inventory has not yet been finished. He said that it is a high priority but the Plant is short-staffed since there are a couple of staff members who have not yet returned to work.

Director Guerrero said that he had noticed that the numbers seem to be going up a bit when compared to the summer. Mr. Clemons said that he is not super concerned because he would expect elevated numbers with the maintenance projects being performed at the Plant. He said that it is a testament to the process that there have not been exceedances of the permitted values.

Action: The Board received and filed the Plant Superintendent's report.

5. BOARD ACTION ON INDIVIDUAL ITEMS

A. AWARDING OF BOILER CONSTRUCTION PROJECT CONTRACT

Interim District Manager Karp presented the staff recommendation that the Board award the contract for the construction of the boiler for the sludge heating system to Johnson's Boiler & Control, Inc. in the amount of \$109,500.00.

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

Action: Director Peterson moved that the Board award the contract as recommended. Director Guthrie seconded, and the motion was carried 3-0.

B. BALLOT FOR ALTERNATE LAFCO SPECIAL DISTRICT MEMBER

Interim District Manager Karp asked if the Board would like staff to cast a ballot on the Board's behalf for one of the candidates to fill the vacant Local Agency Formation Commission (LAFCO) Alternate Special District Member position.

Director Guerrero said that he noticed that Mr. Dan Gaddis is from Nipomo and having someone local could be an advantage. Director Guthrie said that Mr. Gaddis has been very involved since he moved to Nipomo. Director Peterson said that she supports Director Guthrie's decision.

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

Action: Director Guthrie moved that the Board vote for Dan Allen Gaddis for the LAFCO Alternative Special District Member position. Director Peterson seconded, and the motion was carried 3-0.

6. MISCELLANEOUS ITEMS

A. Miscellaneous Oral Communications

Director Guerrero shared his recent experience with the Local Agency Investment Fund (LAIF) transfer for payroll. He said that he had had to call LAIF a number of times to finally speak to someone to setup the transfer.

B. Miscellaneous Written Communications

There was no discussion.

8. CLOSED SESSION

- (1) Pursuant to Government Code Section 549567: Discussion of appointment or employment of public employee – District Manager

9. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Director Guerrero reported that there was no reportable action taken by the Board in closed session.

10. ADJOURNMENT

There being no further business to come before the Board, Director Guerrero adjourned the meeting at approximately 6:38 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
11/20/2013 FY 2013/14

ISSUED TO	PURCHASE/SERVICE	INV. # / SERVICE PERIOD	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABBA EMPLOYER SERVICES	CONTRACT LABOR	19517 19521	112013-8139	6085	730.40	730.40
ADAMSKI MOROSKI MADDEN CUMBERLAND & GREE	LEGAL SERVICES	32238	40	7070	1,693.00	1,693.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	DECEMBER	41	6025	1,003.76	1,003.76
AMERICAN INDUSTRIAL SUPPLY	MISC SUPPLIES	0257039-IN	42	8055	42.36	42.36
ANDRE, MORRIS & BUTTERY	LEGAL SERVICES	OCTOBER	43	7070	8,913.70	8,913.70
ARAMARK UNIFORMS	EMPLOYEE UNIFORMS	8293091 8310057	44	7025	480.00	480.00
AUTOSYS, INC.	SCADA INTEGRATION	526	45	20/8010	1,085.00	1,085.00
CENTRAL COAST WATER TRTMNT	LAB SUPPLIES FOR NOVEMBER	16509	46	8040	60.00	60.00
CITY OF ARROYO GRANDE	CLEANING OF CLARIFIER	13-030	47	8060	1,136.85	1,136.85
DAN CHRISTENSEN	LAB EQUIPMENT CALIBRATION	9-3-2013	48	8040	210.00	210.00
DIAL LONG DISTANCE, INC.	LONG DISTANCE SERVICE	38311	49	7013	51.02	51.02
ENGEL & GRAY, INC.	BIOSOLIDS HANDLING	73050	50	7085	2,191.91	2,191.91
FEDEX	SHIPPING	2-459-10042	51	8045	37.95	37.95
FGL ENVIRONMENTAL	CHEMICAL ANALYSIS	383856A 383889A 384036A	52	7078	252.00	252.00
GARING, TAYLOR & ASSOCIATES	DISTRICT ENGINEERING SERVICES	12368	53	7077	1,904.28	1,904.28
GAS COMPANY	GAS SERVICE	10/01/13 - 10/29/13	54	7092	1,798.50	1,798.50
I.I. SUPPLY	MISC SUPPLIES	21724	55	8060	206.36	452.47
	BOILER GAS LINE SUPPLIES	21697		26/8065	246.11	
JB DEWAR INC	VEHICLE FUEL	42880	56	8020	288.03	288.03
McMASTER CARR	TACHOMETER AND SUPPLIES	63885903	57	8030	240.35	240.35
MINERS ACE	MAINTENANCE SUPPLIES	OCTOBER	58	8030	120.87	120.87
MUNICIPAL COLLECTION SYSTEM CONSULTING	COLLECTION SYSTEM CERTIFICATION PREP COURSE	131113	59	7050	95.00	95.00
NESTLE PURE LIFE	LAB WATER FOR OCTOBER	13J0012917373	60	8040	142.85	142.85
PERS	EMPLOYEE MEDICAL	DECEMBER	61	6010	15,391.91	18,242.99
	EMPLOYEE RETIREMENT	PPE 11/1/2013		6060	2,851.08	
PG&E	ELECTRICITY SERVICE	10/10/13 - 11/11/13	62	7091	16,421.79	16,421.79
SAFETY KLEEN	PARTS WASHER SOLVENT	62005030	63	8030	331.50	331.50
SCHINDLER LAW GROUP	LEGAL SERVICES	101786	64	7070	416.39	416.39
SHIPSEY & SEITZ	DISTRICT COUNSEL SERVICES	OCTOBER	65	7071	1,901.00	5,029.00
	LITIGATION			7070	3,128.00	
SM TIRE	FORKLIFT TIRES	701962	66	8030	373.50	373.50
SO CO SANITARY SERVICE	TRASH SERVICE	NOVEMBER	67	7093	118.23	118.23
SPRINT	CELL PHONE SERVICE	OCTOBER	68	7013	70.50	70.50
STANLEY SECURITY	SECURITY - DECEMBER	10774401	69	7011	62.20	62.20
STATE WATER RESOURCES CONTROL BOARD	ANNUAL PERMIT FEES	WD-0088546 WD-0091534	70	7068	16,033.00	16,033.00
US POSTAL SERVICE	PO BOX RENTAL FEE	2013-2014	71	8045	140.00	140.00
VWR	LAB SUPPLIES	8055748903	72	8040	6.34	6.34
WALLACE GROUP	REIMBURSABLE EXPENSES	OCTOBER	73	various	2,111.06	2,111.06
SUB TOTAL					82,286.80	82,286.80
PAYROLL	PPE 11/01/2013				20,501.94	20,501.94
GRAND TOTAL					102,788.74	102,788.74

We hereby certify that the demands numbered serially from 112013-8139 to 112013-8173 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:

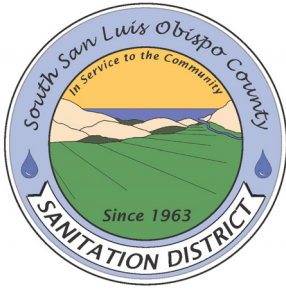
DATE: _____

Chairman

Board Member

Board Member

Secretary



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339
1600 Aloha Place, Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765
www.sslocsd.org

TO: Board of Directors
FROM: Matthew Haber, District Bookkeeper/Secretary
VIA: Paul J. Karp, Interim District Manager
DATE: November 20, 2013
SUBJECT: Monthly Financial Review (October 2013)

Overall Monthly Summary

During the month of October, the District recognized total revenues of \$331,826. Of this, \$303,759 was earned for sewer service with the following breakdown: \$98,960 was earned from the City of Arroyo Grande for September, \$181,933 was earned from the City of Grover Beach for August and September, and \$22,866 was earned from OCSD for September. \$7,425 was earned from connection fees from Arroyo Grande, and \$2,475 from Grover Beach. \$2,070 was earned for the AT&T cell-tower lease for October. District reimbursable amounts billed to the Member Agencies totaled \$13,889. Interest on the County Treasury Pool for the first quarter amounted to \$417, and \$1,792 was earned on the District's LAIF account.

District operating expenses totaled \$181,696 for the month of October. Non-operating expenses totaled \$8,508.

Local Agency Investment Fund

The balance in the District's LAIF account was \$ 2,676,861 at October 31, 2013.

County of San Luis Obispo Treasury Pool

As of October 31, 2013, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$ 1,434,943. The County issues the majority of the District's checks, and the majority of the District's revenues are deposited with this agency. As such, the County provides 'banking services' to the District and provides some accounting documents for internal control purposes.

Rabobank Funds

As of October 31, 2013, the reconciled cash balance in the District's Rabobank account totaled \$11,525. This account is used to process LAIF transfers and for the issuance of payroll checks through the District's contracted payroll provider service. Funds are transferred periodically from LAIF in order to cover these expenses.

	FUND 19 OPERATING	FUND 20 EXPANSION	FUND 26 REPLACEMENT	DISTRICT- WIDE
Cash with County Treasury				1,434,943
Cash with LAIF				2,676,861
Cash with Rabobank				11,525
Cash allocated to Medical Trust				<u>4,062</u>
CONSOLIDATED CASH BALANCE				4,127,392
TOTAL DEPOSITS				
Current - County Treasury Pool	320,341	9,900		330,241
LONG-TERM DEBT				
Energy Project Principal Amount		296,347		296,347
REVENUES:				
OPERATING				
Current	317,648			317,648
Year-to-date	426,393			426,393
NON-OPERATING				
Current Period				
FEMA Funding				
Connection Fees		9,900		9,900
Interest	417	1,792		2,208
Lease Income (AT&T Cell)	2,070			2,070
Brine Disposal				
Transfers				
Other reimbursements				
Total - Current Period	2,486	11,692		14,178
Year-to-Date				
FEMA Funding				
Connection Fees		12,375		12,375
Interest	417	1,792		2,208
Lease Income (AT&T Cell)	6,110			6,110
Brine Disposal	5,668			5,668
Transfers			37,035	37,035
Other reimbursements				
Total - YTD	12,195	14,167	37,035	63,396
TOTAL REVENUES:				
Current Period	320,134	11,692		331,826
Year-to-date	758,305	14,167	37,035	809,507
EXPENSES:				
Current Period	181,696	4,326	4,182	190,204
Year-to-date	704,941	15,383	50,706	771,029
Net Income (Loss) - Current Period	138,439	7,366	(4,182)	141,622
Net Income (Loss) - YTD	53,364	(1,216)	(13,671)	38,478

NEW CONNECTIONS	CURRENT NUMBER	CURRENT REVENUE	FY 2013/14 YEAR-TO-DATE	FY 2013/14 YTD REVENUE
Arroyo Grande	3	7,425	4	9,900
Grover Beach	1	2,475	1	2,475
Oceano	0	0	0	0
TOTAL NEW DISTRICT CONNECTIONS	4	9,900	5	12,375



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha Oceano, California 93445-9735

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

www.sslocsd.org

Staff Report

To: Board of Directors
From: John L. Clemons, Plant Superintendent
Via: Paul J. Karp, Interim District Manager
Date: November 20, 2013
Subject: Plant Superintendent's Report

Chart 1 – Plant Data

Oct. 2013	FLOW MGD	Peak MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	
Average	2.50	4.1	342	31.1	358	32.7	<13	253	
High	3.16	5.0	431	67.5	395	40.0	130	810	
Limit	5.0			40		40	2000		
Nov. 2013									
Average	*2.41	*4.2	**297	**17.7	**381	**30.0	*<8	354	
High	*2.58	*4.8	**308	**25.1	**414	**27.0	*30	272	

* Thru November 15, 2013

** Thru November 5, 2013

Corrective Maintenance

- Repaired(welded) sludge sweeper arm on clarifier #2.
- Greased rear drive bearing on centrifuge due to overheating.
- Installed polymer pump on centrifuge.
- Cleared plugged sludge line.
- Repaired leak on FFR pump #1
- Collected samples at La Sage dump station.

Scheduled Maintenance

- Inspected #2 primary clarifier after it was drained.
- Cleaned and greased grinders at headworks.
- Installed compressor on sludge line.
- Test ran 10 MGD emergency back up pump.
- Replaced Chlorine analyzer buffer.
- Replaced panels on Centrifuge building.

Safety

- Staff attended a safety meeting on completing accident report forms.
- Staff attended a tailgate meeting for clarifier project(confined space entry).

Training

- Staff attended a class on calculating BODs.

The plant is currently operating with only the #1 primary clarifier in operation. The #2 clarifier was taken down on October 30th for inspection and repair. The # 2 clarifier will remain down until it is needed to maintain acceptable water quality.

Staff is preparing to replace the FFR pump motors. The pumps which were installed over the past year do not have the needed capacity in case of increased flow, or in the event that one of the pumps fails.

Moving the centrifuge discharge to the west side of the centrifuge building has worked out well. Staff is now planning to install a conveyor to the sludge drying beds.

Staff has completed the installation of the boiler gas line and compressor unit. Flame arrestor, fusible plug, and drip traps have also been installed.

District staff is currently working with State Parks to determine the terms of a discharge permit for the La Sage Dump Station.

Staff has completed the Laboratory Accreditation process and is waiting for a certificate for expanded testing.

District Staff continues to perform Plant Improvement projects while maintaining good effluent quality. At the same time staff has been able to operate within a reduced budget (compared to previous years). First Quarter expenditures were only 10% of the proposed budget for this fiscal year.

Training

- Staff was trained on use of new primary sludge pump controllers.



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Post Office Box 339, Oceano, California 93475-0339

1600 Aloha, Oceano, California 93445-9735

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

www.sslocsd.org

Staff Report

To: Board of Directors
From: Matthew Haber, District Bookkeeper/Secretary
Via: Paul J. Karp, Interim District Manager
Date: November 20, 2013
Subject: Fiscal Year 2013/14 Budget Review at the End of the 1st Quarter

Recommendation:

1. Review the attached Profit and Loss Statements comparing actual revenues and expenses with budgeted amounts;
2. Review the recommended budget adjustments which can all be accommodated internally within each of the three Funds without drawdown from Fund Balance as described below; and
3. Adopt Resolution No. 2014-316 authorizing the budgetary adjustments.

Funding:

Although actual, total District revenues are about 5% lower than expected revenues by the end of this quarter, no budgetary changes regarding revenues are being recommended at this time.

Revenues

	FY 2013/14 Budget	Earned as of 09-30-13		Recommended 1 st -Quarter Adjustments	Recommended Budget at 1 st Quarter
		Amount	Percent		
Fund 19	\$ 3,116,370	\$ 756,236	24.3%	\$ 0	\$ 3,116,370
Fund 20	\$ 161,125	\$ 14,167	8.8%	\$ 0	\$ 161,125
Fund 26	\$ 672,709	\$ 37,035	5.5%	\$ 0	\$ 672,709
Total	\$ 4,002,009	\$ 807,438	20.2%	\$ 0	\$ 4,002,009

Expenditures

	FY 2013/14 Budget	Expended as of 09-30-13		Recommended 1 st -Quarter Adjustments	Recommended Budget at 1 st Quarter
		Amount	Percent		
Fund 19	\$ 3,926,429	\$ 569,243	14.5%	\$ 0	\$ 3,926,429
Fund 20	\$ 1,492,000	\$ 11,056	0.7%	\$ 0	\$ 1,492,000
Fund 26	\$ 953,344	\$ 46,524	4.9%	\$ 0	\$ 953,344
Total	\$ 6,371,773	\$ 626,823	9.8%	\$ 0	\$ 6,371,773

Discussion:

Following the end of the first quarter at September 30, 2013 (25% of fiscal year completed), District Staff reviewed the FY 2013/14 account line items under each Fund. Certain accounts stand out as having significantly exceeded their budgeted amounts at the end of the first quarter. In order that the budgeted amounts better reflect actual costs, it is recommended that there be intrafund transfers from those accounts with favorable budget variances to those accounts needing additional funding as explained below.

1. Account 19-6075 Medical Reimbursement: 75.7% of annual budget expended. No increase is recommended at this time, but this account will be further reviewed at the end of the second quarter to see whether a budget adjustment should be recommended at that time.
2. Account 19-7025 Employee Uniforms: 33.9% of annual budget expended. An increase of \$2,500 to this budget line item is being recommended to reflect actual expenditures as of the end of the first quarter. The total budget for this account will be \$14,860. It is recommended that the increase be funded by a transfer from account 19-6080 Workers' Compensation.
3. Account 19-7050 Memberships/Seminars/Meetings: 41.6% of annual budget expended. No increase is recommended at this time, but this account will be further reviewed at the end of the second quarter.
4. Account 19-7078 Professional Services – Chemical Analysis: 115.1% of annual budget expended. The original budgeted amount for this account reflected the planned changeover from chemical analysis testing being done by external laboratories to that testing being performed by the District's own laboratory. As this change had not yet occurred during the first quarter, these actual expenditures reflect the costs of external lab testing. Therefore, an increase of \$10,000 to this budget line item is being recommended to reflect actual expenses as of the end of the first quarter. The total budget for this account will be \$20,000. It is recommended that the increase be funded by a transfer from account 19-6080 Workers' Compensation.
5. Account 19-7083 WDR Reporting (Member Agencies): 100.4% of annual budget expended. This expense account is completely matched with a corresponding revenue account for reimbursement by the Member Agencies. It is unknown at this point exactly how much more will need to be expended from this account, but, since these expenditures are fully reimbursable, no increase to either the matching revenue account or this expense account is recommended at this time.
6. Account 19-7091 Utilities – Electricity: 51.7% of annual budget expended. An increase of \$50,000 to this budget line item is being recommended to reflect actual expenditures as of the end of the first quarter. The total budget for this account will be \$175,000. It is recommended that the increase be funded by a transfer from account 19-8030 Equipment Maintenance - Regular.
7. Account 19-7093 Utilities – Trash: 33.8% of annual budget expended. An increase of \$500 to this budget line item is being recommended to reflect actual expenditures as of the end of the first quarter. The total budget for this account will be \$1,790. It is recommended that the increase be funded by a transfer from account 19-6080 Workers' Compensation.
8. Account 19-7096 Cogeneration (Debt Service): 40.8% of annual budget expended. No increase is needed as this expense amount reflects the first of the two annual payments for the repayment of the long-term debt assumed for the purchase of the cogeneration unit.

9. Account 19-8020 Gas & Oil: 41.5% of annual budget expended. Although the expense amount for this account is higher than expected, no increase is recommended because this amount reflects the purchase of diesel fuel to be used throughout the year.
10. Account 19-8040 Lab Supplies: 69.9% of annual budget expended. The expenditures for the first quarter reflect the initial costs to set up the District's laboratory for additional fields of testing. These setup costs have led to higher initial costs for the first quarter, but it is expected that overall costs for lab supplies will level out throughout the remainder of the year. Therefore, an increase of \$5,000 to this budget line item is being recommended. The total budget for this account will be \$16,850. It is recommended that the increase be funded by a transfer from account 19-6080 Workers' Compensation.

It should be noted that even with the many maintenance and replacement projects performed by District Staff in the first quarter, the District only expended about 10% of its budgeted expenditures. Staff will continue to monitor costs and to be responsible with the expending of District funds in order to have minimal impact on the ratepayers.

Attachments

- Attachment 1: Fund 19 Profit and Loss Statement - Budget vs. Actual
- Attachment 2: Fund 20 Profit and Loss Statement - Budget vs. Actual
- Attachment 3: Fund 26 Profit and Loss Statement - Budget vs. Actual
- Attachment 4: Schedule of Recommended Budget Adjustments
- Attachment 5: Resolution No. 2014-316

SO SAN LUIS OBISPO CO SANITATION DISTRICT - OPERATING (19)

Profit & Loss Budget vs. Actual

July through September 2013

	Actuals July- Sept 2013	Annual Budget @ 25%	Favorable (Unfavorable) Variance (\$)	Annual Budget	Actuals as a % of Annual Budget	Favorable (Unfavorable) Variance (%)
Income						
19-4015 Arroyo Grande Services	356,801	360,125	(3,324)	1,440,500	24.8%	(0.2)
19-4022 Grover Beach Services	281,455	262,500	18,955	1,050,000	26.8%	1.8
19-4035 OCSD Services	91,895	125,000	(33,105)	500,000	18.4%	(6.6)
19-4040 Pismo Beach Reimburse	0	4,436	(4,436)	17,745	0.0%	(25.0)
19-4045 School Services	0	5,750	(5,750)	23,000	0.0%	(25.0)
19-4050 Brine Disposal Service	5,668	5,225	443	20,900	27.1%	2.1
19-4055 Lease (AT&T)	6,110	5,631	479	22,525	27.1%	2.1
19-5015 Interest	417	125	292	500	83.3%	58.3
19-5022 WDR Reimbursement	10,343	2,575	7,768	10,300	100.4%	75.4
19-5023 FOG Reimbursement	3,546	7,725	(4,179)	30,900	11.5%	(13.5)
Total Income	756,236	779,093	(22,857)	3,116,370	24.3%	(0.7)
Expense						
19-6010 Medical Insurance	48,081	61,500	13,419	246,000	19.5%	5.5
19-6025 Dental Insurance	2,557	3,583	1,025	14,330	17.8%	7.2
19-6030 Plant Operators	113,637	147,810	34,173	591,239	19.2%	5.8
19-6040 Secretary/Bookkeeper	12,639	13,214	575	52,856	23.9%	1.1
19-6050 S.S. & Medicare	9,716	12,318	2,602	49,273	19.7%	5.3
19-6055 State Disability Insur	394	805	411	3,220	12.2%	12.8
19-6060 State Retirement	21,863	28,984	7,121	115,937	18.9%	6.1
19-6075 Medical Reimbursement	3,783	1,250	(2,533)	5,000	75.7%	(50.7)
19-6080 Workers Compensation	16,587	28,750	12,163	115,000	14.4%	10.6
19-6085 Temporary Labor Service	3,969	3,250	(719)	13,000	30.5%	(5.5)
19-6090 Payroll Process Fee	702	665	(37)	2,660	26.4%	(1.4)
19-6095 Unemployment Remiburse	0	250	250	1,000	0.0%	25.0
19-7005 Advert/Legal&Recruit	271	515	244	2,060	13.1%	11.9
19-7011 Communications	798	820	22	3,280	24.3%	0.7
19-7013 COMMUNICATIONS-Teleph	1,546	1,523	(23)	6,090	25.4%	(0.4)
19-7014 COMMUNICATIONS-Paging	0	53	53	210	0.0%	25.0
19-7015 Office Equip/Comp Supp	1,931	2,500	569	10,000	19.3%	5.7
19-7025 Employee Uniforms	4,192	3,090	(1,102)	12,360	33.9%	(8.9)
19-7032 Equip Rental Other	0	1,288	1,288	5,150	0.0%	25.0
19-7043 Ins, Liability/Auto	0	7,702	7,702	30,807	0.0%	25.0
19-7050 Membships/Seminars/Mtg	4,835	2,908	(1,928)	11,630	41.6%	(16.6)
19-7060 Ocean Outfall Maint	0	8,873	8,873	35,490	0.0%	25.0
19-7065 Source Ctrl Program	0	3,750	3,750	15,000	0.0%	25.0
19-7068 Permits/Fees/License	622	10,300	9,678	41,200	1.5%	23.5
19-7069 LAFCO Budget Share	0	2,378	2,378	9,510	0.0%	25.0
19-7070 Prof Svcs - Out.Counsel	29,641	100,000	70,359	400,000	7.4%	17.6
19-7071 Prof Serv-Attorney Fee	6,375	11,588	5,213	46,350	13.8%	11.2
19-7072 Prof Serv - Auditing	0	1,453	1,453	5,810	0.0%	25.0

SO SAN LUIS OBISPO CO SANITATION DISTRICT - OPERATING (19)

Profit & Loss Budget vs. Actual

July through September 2013

	Actuals July- Sept 2013	Annual Budget @ 25%	Favorable (Unfavorable) Variance (\$)	Annual Budget	Actuals as a % of Annual Budget	Favorable (Unfavorable) Variance (%)
19-7073 Prof Serv - AG Billing	0	5,500	5,500	22,000	0.0%	25.0
19-7074 Prof Serv - OCSD Bill	0	5,500	5,500	22,000	0.0%	25.0
19-7075 Prof Serv - Brd Member	1,800	1,855	55	7,420	24.3%	0.7
19-7076 Prof Serv-Dist Admin	7,057	21,625	14,568	86,500	8.2%	16.8
19-7077 Prof Serv-Engineering	4,085	25,000	20,915	100,000	4.1%	20.9
19-7078 Prof Serv-Chem Analysis	11,512	2,500	(9,012)	10,000	115.1%	(90.1)
19-7079 Prof Serv-Other Bill	173	2,575	2,402	10,300	1.7%	23.3
19-7081 Prof Serv-GB Bill	0	5,500	5,500	22,000	0.0%	25.0
19-7082 FEMA Expenditures	0	1,288	1,288	5,150	0.0%	25.0
19-7083 WDR Reporting	10,343	2,575	(7,768)	10,300	100.4%	(75.4)
Total 19-7084 FOG (Parent Agencies)	3,546	7,725	4,179	30,900	11.5%	13.5
19-7085 Solids Handling	9,538	21,888	12,350	87,550	10.9%	14.1
19-7086 Brine Disposal Exp	0	1,288	1,288	5,150	0.0%	25.0
19-7087 WDR & SSMP DISTRCT EXP	0	2,664	2,664	10,657	0.0%	25.0
19-7091 Util-Elec	64,613	31,250	(33,363)	125,000	51.7%	(26.7)
19-7092 Util-Gas	4,311	6,053	1,741	24,210	17.8%	7.2
19-7093 Util-Rubbish	436	323	(113)	1,290	33.8%	(8.8)
19-7094 Util-Water	0	258	258	1,030	0.0%	25.0
19-7095 Zone 1/1A Agreement	0	7,340	7,340	29,360	0.0%	25.0
19-7096 CogenEISA(Debt Serv)	31,043	19,000	(12,043)	76,000	40.8%	(15.8)
19-7097 Cogen Service Contract	0	9,013	9,013	36,050	0.0%	25.0
19-8010 Capital Equipment	0	3,750	3,750	15,000	0.0%	25.0
19-8015 Trunk Sewer Maint	0	6,250	6,250	25,000	0.0%	25.0
19-8020 Gas & Oil	4,147	2,500	(1,647)	10,000	41.5%	(16.5)
19-8030 Equipment Maint-Reg	9,262	37,500	28,238	150,000	6.2%	18.8
19-8032 Automotive Maint	211	2,060	1,849	8,240	2.6%	22.4
19-8035 Household Expense	536	903	367	3,610	14.8%	10.2
19-8040 Lab Supplies	8,279	2,963	(5,316)	11,850	69.9%	(44.9)
19-8045 Office Supplies&Exp	1,739	2,060	321	8,240	21.1%	3.9
19-8050 Plant Chemicals	48,519	66,950	18,431	267,800	18.1%	6.9
19-8055 Small Tools	211	3,220	3,009	12,880	1.6%	23.4
19-8056 Safety Supplies	3,707	3,750	43	15,000	24.7%	0.3
19-8060 Structure Maint-Reg	10,780	28,325	17,545	113,300	9.5%	15.5
19-8061 Struct Maint - Major	12,223	11,368	(856)	45,470	26.9%	(1.9)
19-8079 Transfer to Replacement	37,035	168,177	131,142	672,709	5.5%	19.5
Total Expense	569,243	981,607	412,364	3,926,428	14.5%	10.5
Net Income (Loss)	183,195	(202,515)	385,709	(810,058)		

So San Luis Obispo Co Sanitation District-Expansion (20)

Profit & Loss Budget vs. Actual

July through September 2013

	Actuals July- Sept 2013	Annual Budget @ 25%	Favorable (Unfavorable) Variance (\$)	Annual Budget	Actuals as a % of Annual Budget	Favorable (Unfavorable) Variance (%)
Income						
20-4010 AG Connections	9,900	19,181	(9,281)	76,725	12.9%	(12.1)
20-4020 GB Connections	2,475	14,850	(12,375)	59,400	4.2%	(20.8)
20-4030 OCSD Connections	0	4,950	(4,950)	19,800	0.0%	(25.0)
20-5015 Interest Income	1,792	1,300	492	5,200	34.5%	9.5
Total Income	<u>14,167</u>	<u>40,281</u>	<u>(26,114)</u>	<u>161,125</u>	<u>8.8%</u>	<u>(16.2)</u>
Expense						
20-8010 Capital Equipment	0	25,000	25,000	100,000	0.0%	25.0
20-8065 Struct/Grnds Repl-imp	11,056	348,000	336,944	1,392,000	0.8%	24.2
Total Expense	<u>11,056</u>	<u>373,000</u>	<u>361,944</u>	<u>1,492,000</u>	<u>0.7%</u>	<u>24.3</u>
Net Income (Loss)	<u><u>3,110</u></u>	<u><u>(332,719)</u></u>	<u><u>335,829</u></u>	<u><u>(1,330,875)</u></u>		

So San Luis Obispo Co Sanitation District - 26 (Replacement)
Profit & Loss Budget vs. Actual
July through September 2013

	Actuals July- Sept 2013	Annual Budget @ 25%	Favorable (Unfavorable) Variance (\$)	Annual Budget	Actuals as a % of Annual Budget	Favorable (Unfavorable) Variance (%)
Income						
26-5040 Transfer from Fund 19	37,034.81	168,177	131,142.44	672,709	5.5%	(19.5)
Total Income	37,034.81	168,177	131,142.44	672,709	5.5%	(19.5)
Expense						
26-8015 Trunk Sewer Maintenanc	0.00	40,000	-40,000.00	160,000	0.0%	25.0
26-8061 Struct/Grnds Maint-Maj	5,325.93	6,750	-1,424.07	27,000	19.7%	5.3
26-8065 Struct/Grnds Repl&Imp	41,197.74	191,586	-150,388.26	766,344	5.4%	19.6
Total Expense	46,523.67	238,336	-191,812.33	953,344	4.9%	20
Net Income (Loss)	(9,488.86)	429,922	-439,410.86	(280,635)		

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
PROPOSED BUDGET ADJUSTMENTS
END OF FIRST QUARTER FY 2013-14

ACCOUNT	CURRENT BUDGET	AMOUNT EXPENDED AS OF 9-30-13	PERCENT EXPENDED AS OF 9-30-13	PROPOSED ADJUSTMENT	ADJUSTED BUDGET
OPERATING FUND 19 EXPENSE ACCOUNTS					
19-6080 Workers' Compensation	\$ 115,000	\$ 16,587	14%	\$ (18,000)	\$ 97,000
19-7025 Employee Uniforms	\$ 12,360	\$ 4,192	34%	\$ 2,500	\$ 14,860
19-7078 Professional Services - Chemical Analysis	\$ 10,000	\$ 11,512	115%	\$ 10,000	\$ 20,000
19-7091 Utilities - Electricity	\$ 125,000	\$ 64,613	52%	\$ 50,000	\$ 175,000
19-7093 Utilities - Rubbish	\$ 1,290	\$ 436	34%	\$ 500	\$ 1,790
19-8030 Equipment Maintenance - Regular	\$ 150,000	\$ 9,262	6%	\$ (50,000)	\$ 100,000
19-8040 Laboratory Supplies	\$ 11,850	\$ 8,279	70%	\$ 5,000	\$ 16,850
Net Budgetary Changes to Fund 19				\$ -	

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
RESOLUTION NO. 2014 – 316**

**A RESOLUTION AMENDING
THE FY 2013-2014 BUDGET AT FIRST QUARTER**

WHEREAS, the Board of Directors has previously adopted the FY 2013-2014 budget consisting of Operating Fund 19, Expansion Fund 20, and Replacement/Improvements Fund 26; and

WHEREAS, District Staff has reviewed the account line items under each Fund included in the FY 2013-2014 adopted budget; and

WHEREAS, District Staff has identified the account line items which will require less monies and the account line items which will require additional monies than originally budgeted; and

WHEREAS, District Staff believes amending these account line items to reflect actuals will produce a trend that can be used for future budgeting efforts; and

WHEREAS, the Board believes the recommended amendments are in the best interest of the public's health, safety and general welfare.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Board of Directors, South San Luis Obispo County Sanitation District, San Luis Obispo County, California, that the FY 2013-2014 budget shall be amended as follows:

1. Operating Fund 19:

- a. Transfer \$2,500 from Account 19-6080 Workers' Compensation to Account 19-7025 Employee Uniforms to better reflect actual expenses as of the end of the first quarter.
- b. Transfer \$10,000 from Account 19-6080 Workers' Compensation to Account 19-7078 Professional Services – Chemical Analysis to better reflect actual expenses as of the end of the first quarter.
- c. Transfer \$50,000 from Account 19-8030 Equipment Maintenance – Regular to Account 19-7091 Utilities – Electricity to better reflect actual expenses as of the end of the first quarter.
- d. Transfer \$500 from Account 19-6080 Workers' Compensation to Account 19-7093 Utilities – Rubbish to better reflect actual expenses as of the end of the first quarter.
- e. Transfer \$5,000 from Account 19-6080 Workers' Compensation to Account 19-8040 Laboratory Supplies to better reflect actual expenses as of the end of the first quarter.

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

AYES:

NOES:

ABSENT:

ABSTAINING:

the foregoing Resolution is hereby adopted this 20th day of November 2013.

MATTHEW GUERRERO, Chair

ATTEST:

PAUL KARP, Secretary to the Board

APPROVED AS TO FORM:

MICHAEL W. SEITZ, District Legal Counsel