



**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.us](http://www.sslocsd.us)

**AGENDA**  
**BOARD OF DIRECTORS MEETING**  
City of Arroyo Grande, City Council Chambers  
215 East Branch Street  
Arroyo Grande, California 93420

**Wednesday, May 18, 2016 at 6:00 p.m.**

**Board Members**

John Shoals, Chair  
Mary Lucey, Director  
Jim Hill, Director

**Agencies**

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

**Alternate Board Members**

Matthew Guerrero, Director  
Tim Brown, Director  
Barbara Nicolls, Director

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

- 
- 1. CALL TO ORDER AND ROLL CALL**
  - 2. PLEDGE OF ALLEGIANCE**
  - 3. AGENDA REVIEW**
  - 4. 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.
- Direct Staff 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 District Administrator or Bookkeeper/Secretary at (805) 481-6903. So that the District may address your request in a timely manner, please contact the District two business days in advance of the meeting.

**5. 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.

**5A. Approval of Minutes of Meeting of May 04, 2016**

**5B. Approval of Warrants**

**5C. Financial Review at April 29, 2016**

**6. ACTION ITEMS:**

**6A. Information Technology Integration into Wastewater Operations**

1. Hear a presentation and demonstration of recently completed and deployed IT integration project for our wastewater operations; and
2. Receive and File Report

**6B. Proposed Draft Budget for Fiscal Year 2016-17 Budget**

1. Receive a presentation on a proposed Draft Budget for Fiscal Year 2016-17 beginning July 1, 2016;
2. Provide staff with Board member feedback and direction, as appropriate; and
3. Direct staff to return to the June 1, 2016 Board meeting with a Final Budget for Fiscal Year 2016-17 for consideration and adoption.

**6C. Update on Homeless Issue and Impact of Trash on District and Surrounding Properties.**

1. Hear an update on District efforts working with the Oceano neighborhood near our facility, on the homeless sand transit population, and the impacts of trash/debris on District and surrounding properties.
2. Direct staff, as appropriate, to expend time and resources to assist with future cleanups.

**7. DISTRICT ADMINSTRATOR AND PLANT SUPERINTENDENT’S REPORT**

Staff recommends the Board receive and file this report.

**8. PUBLIC COMMENT ON CLOSED SESSION**

**9. CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

[Paragraph (1) of subdivision (d) of Government Code Section 54956.9]; (two cases).

*(1) South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) case number 34-2012-80001209-CU-WM-GDS)*

CONFERENCE WITH LABOR NEGOTIATORS

*Agency designated representative: (District Administrator)*

*Employee organization: (Unrepresented employees)*

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

## **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 May 04, 2016  
6 P.M.

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

Present: Chairman John Shoals, City of Grover Beach; Director Mary Lucey, Oceano Community Services District; Director Jim Hill, City of Arroyo Grande

District Staff in Attendance: Mr. Hubner, District Administrator; John Clemons, Plant Superintendent; Wendy Stockton, District Legal Counsel; Amy Simpson, District Secretary/Bookkeeper

### **2. FLAG SALUTE**

#### **SWEARING-IN CEREMONY**

Bookkeeper/Secretary Amy Simpson, administered the Oath of Office to District Administrator Mr. Hubner.

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

Chairman Shoals opened the public comment period.

Julie Tacker asks the Board to get out of the litigation business and stop giving lawyers business. She spoke to the Oceano complaint against John Clemons and the cost of legal to research the complaint. She requested the Board ask CPS HR Consulting for the resumes and other documents related to hiring a District Administrator. She believes it is unethical to have an attorney texting an alternate during a meeting. She feels it would have been unethical to have Alternate Guerrero sit in Closed Session when the Director of OCSD was at the meeting.

Patty Welsh wants the benefits package on the next agenda. She wanted the District Administrator to be on a probation period. She is upset that a Vice Chairman has not been elected. She would like to see a five member Board. She feels legal counsel texting during the meeting should not be tolerated.

Sharon Brown asked when the Vice Chair will be elected.

Chairman Shoals asked legal counsel about Mr. Hubner's resume.

Legal Counsel confirmed she had responded to Ms. Tacker's request and had nothing further to add.

Chairman Shoals asked staff about the Benefits Package.

District Administrator responded that staff has met several times with our Human Resources consultant. He knows that it is an important priority. The subject matter is complicated because there are vesting and employee relations are involved. The options for revisions to benefits need to be fair, equitable, sustainable, lawful and mindful of labor



relations when they are presented.

Director Hill echoes the request for a timely and thorough benefits package report. He believes Other Post Employment Benefits may be unsustainable. He also requested Mr. Hubner provide a copy of his resume to the District.

Chairman Shoals agreed with requesting a copy of Mr. Hubner's resume.

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

#### **4. CONSENT AGENDA**

##### **4A. Review and Approval of Minutes of Meeting of April 20, 2016**

##### **4B. Review and Approval of Warrants**

Chairman Shoals opened the public comment period.

Marc London asks if the Board is prepared to repay the ratepayers for the legal expenses.

Patty Welsh is unhappy with the legal bills. She asked if the John F. Rickenbach invoice had been reviewed.

Julie Tacker asks the Board to expand what the members of the public say in the minutes. She asks that the \$5,000 retainer be removed and the Board pull the John F. Rickenbach warrant until after his Action Item is discussed.

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

Director Hill requests that the \$5,000 Downey Brand retainer be removed from the warrant register and that John F. Rickenbach warrant be pulled until after this Action Item is discussed.

**Motion:** Director Hill made a motion to approve the minutes of April 20, 2016 and the Warrant Register with the exception of the \$5,000 Downey Brand Retainer. And to pull the John F. Rickenbach warrant until after discussion of Action Item 6C.

**Second:** Director Lucey

**Action:** Approved unanimously

Director Lucey commended staff on the new format of the Board Agenda Package.

#### **5. ACTION ITEMS:**

##### **5A. FISCAL YEAR 2015/16 THIRD (3<sup>RD</sup>) QUARTER BUDGET PERFORMANCE REVIEW**

Mr. Hubner introduced this item with a Power Point presentation. He highlighted the good news that this report shows the District has expended 65% of the budgeted expenditures (at the 75% benchmark) and the District has received 81% of budgeted revenue. He is recommending no budget changes at this time.

The Board appreciated this item not being on Consent Agenda. They appreciated the good news of being at the 65% at the 3<sup>rd</sup> Quarter. Staff will look to fixing several items that were budgeted too low during the next development budget.

Chairman Shoals opened the item to public comment.

Beatrice Spencer appreciates the review and would like to see the legal fees eliminated.

Julie Tacker congratulated Mr. Clemons for his leadership throughout this time period. She reminded the Board that it is because he charged \$800/month for his services as the Administrator that the District is in a good position.

Chairman Shoals closed the public comment period.

**Action:** Received and Filed

**5B. UPDATE ON EFFORTS TO PLACE DISTRICT'S BILLING SERVICES ON COUNTY TAX ROLL AND POTENTIAL OPTIONS FOR PROCEEDING**

Mr. Hubner introduced this report in a power point presentation. He highlighted the chronology of the events, the fiscal considerations, and laid out five different options for consideration to move forward with this item.

Director Lucey reminded the Board and audience that OCSD rate payers are customers of the Sanitation District. OCSD only provides administrative services to the SSLOCSD customers. She also stated that collection on the tax rolls would be hardest on the Oceano customers.

Chairman Shoals asked how to collect the lost revenue of the OCSD customers.

Legal Counsel stated that it could be collected by:

- Filing a small claims suit for every delinquent account; and
- Sending the accounts to a collection agency and receiving a portion of whatever delinquent amounts the agency could collect.

Chairman Shoals confirmed that the Board has taken action two times on this item.

Chairman Shoals opened the item to public comment.

Beatrice Spencer asked if NBS would be charging \$3,500 or \$10,000 for data management. She is in favor of OCSD going to tax roll and AG and GB continue billing as usual.

Ron Arnoldson believes the county tax roll will be more expensive to rate payers and there will be no local control of things.

Patty Welsh is in favor of OCSD on tax roll and AG and GB continue billing as usual.

Sharon Brown asked the Board to be fair and equitable to all stake holders and member agencies. She believes the only options are all three agencies on the tax roll or the hybrid option of OCSD on tax roll and AG and GB continue billing as usual.

Julie Tacker supports putting OCSD on tax roll and AG and GB continue billing as usual. She asks the Board to revisit the \$15,000 flat rate when renegotiating new agreements with AG and GB.

Chairman Shoals closed the public comment period.

Chairman Shoals asked for clarification of data base management cost.

Mr. Clemons clarified that it is \$3,500 for OCSD and \$10,000 for all agencies data base to be managed.

Director Hill stated three goals to be considered.

1. Reliable income stream
2. Avoiding a cash crunch
3. Minimizing cost to rate payers.

He sees converting all agencies to the tax roll this year would put the District in a cash crunch. He is in favor of putting OCSD on the tax roll and AG and GB continuing to bill on behalf of the District. He would like to establish new contracts at a rate not to exceed \$3.25 per customer per year per parcel to keep the cost fair to all agencies.

Director Lucey stated OCSD is more than open to looking at a new contract. She stated OCSD never received a contract.

Chairman Shoals asked mentioned the change in cash position of the District. He wants to make sure no one that is providing a service to the District is subsidized.

Mr. Clemons reminded the Board and audience that when this item was presented originally, it was a year the District had no major projects in the works. Now there are five different projects and penalty the District is preparing to pay this year and that is when the cash flow was reconsidered.

**Motion:** Director Hill made a motion to adopt a hybrid billing plan where the residents of Oceano Community Services District would be placed on the county tax roll and have the cities of Arroyo Grande and Grover Beach continue to do the billing on behalf of the District. He further moved that the cities bill at a cost more in keeping with the traditional cost of billing that the cities have charged, but not to exceed \$3.25 per parcel per year which would be the all in cost of moving all communities to the county tax roll. He also authorized the District Administrator to negotiate fees with the cities such that the cost will be minimized to District rate payers.

**Second:** Chairman Shoals seconded the motion but cannot make a commitment to the \$3.25. He requested the motion be amended to also directed staff to renegotiate the contracts with the member agencies and bring these negotiated contracts back to the Board for final approval.

**Action:** The two agencies of AG and GB will continue to bill on behalf of the District and OCSD will be placed on the county tax roll. The

second part of the motion is to renegotiate new contracts with the agencies with no set dollar amount at this time.  
Approved 2-1 by roll vote.

Hill	Yes
Shoals	Yes
Lucey	No

**5C. REVIEW OF JOHN F. RICKENBACH CONSULTING INVOICE FROM THE DISTRICT'S APRIL 20, 2016 WARRANT FOR SERVICES PROVIDED TO DATE**

Mr. Hubner introduced this item. He stated that staff has looked at the invoice and services provided and do feel that it is appropriate to pay this invoice.

Mr. Nunley with MKN updated the Board and audience on the need for the Redundancy Project.

Mr. Rickenbach with JFR Consulting was also present and gave a presentation to bring the Board and audience up to date on the permitting approach and strategy.

The Board had a brief discussion on addressing sea level rise, the Negative Mitigation Declaration, the timeline and asked if Mr. Rickenbach knew if he would stay in the budgeted amount to which he responded yes.

Chairman Shoals opened the item to public comment.

Julie Tacker feels the time period on the invoice is not accurate. She feels the information in the Coastal Commission Application does not match the Financing Application. She would like to have the contract and response from Coastal Commission attached to this staff report.

**Motion:** Director Lucey made a motion to approve payment of John F. Rickenbach Consulting invoice for the amount of \$11,400.  
**Second:** Chairman Hill  
**Action:** Approved unanimously

**6. DISTRICT ADMINSTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Mr. Hubner presented this report.

Director Lucey stated that she is open to hearing ideas on Regional approaches and collaborations. She thanked Mr. Hubner for attending the IRWM and RAQ meetings.

Julie Tacker reminded the Board that the District is not a water purveyor. She says a regional approach lies in the Boards hands. She does not feel Mr. Hubner should be paid to attend IRWM meetings.

**Action:** Received and Filed

**7. PUBLIC COMMENT ON CLOSED SESSION**

Chairman Shoals opened the public comment period.

Sharon Brown, Beatrice Spencer, Julie Tacker and Patty Welsh all commented on the Closed Session items.

Chairman Shoals closed the public comment period.

**8. CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [Paragraph (1) of subdivision (d) of Government Code Section 54956.9]; (two cases).

- (1) *South San Luis Obispo County Sanitation District v. Special District Risk Management Authority, Case No.: CV130473*
- (2) *South San Luis Obispo County Sanitation District v. State Water Resources Control Board (Superior Court of Sacramento) case number 34-2012-80001209-CU-WM-GDS)*

CONFERENCE WITH LABOR NEGOTIATORS

*Agency designated representative: (District Administrator)*  
*Employee organization: (Unrepresented employees)*

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

Legal Counsel stated that the Board had met in closed session regarding all three of the items on the closed session agenda, and took no reportable action with regard to any of them.

There being no further business to come before the Board, Chairman Shoals adjourned the meeting at approximately 10 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

05/18/2016 FY 2015/16

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
AGP VIDEO	PROF. SERVICES	APRIL	051816-1272	7080	1,410.00	1,410.00
ALLIED ADMINISTRATORS	DENTAL INSURANCE	JUNE	73	6025	1,149.67	1,149.67
ALLSTAR INDUSTRIAL	SAFETY SUPPLIES	1666	74	8056	539.65	539.65
AQUATIC BIOASSAY		SLO0416.0383	75	7078	3,215.00	3,215.00
ARAMARK	UNIFORMS	05/06; 05/13	76	7025	365.43	365.43
AUTOSYS, INC	SCADA	902	77	20-8010	4,990.35	4,990.35
BANK OF THE WEST	SEMINARS	APRIL	78	7050	1,378.91	4,082.86
	SCADA	APRIL		20-8010	1,158.05	
	HOUSEHOLD SUPPLIES	APRIL		8035	75.77	
	OFFICE SUPPLIES	APRIL		8045	599.69	
	OFFICE EQUIPMENT	APRIL		7015	763.68	
	EQUIPMENT MAINTENANCE	APRIL		8030	61.00	
	GAS AND FUEL	APRIL		8020	45.76	
BC PUMP	GAS AND FUEL	30740	79	8020	285.66	285.66
	EQUIPMENT MAINTENANCE	30721		8030	2,492.77	2,492.77
BRENNTAG	PLANT CHEMICALS	BPI620969;BPI622762	80	8050	9,787.62	9,787.62
CAL ELECTRIC, SUPPLY	CAPITAL EQUIPMENT	647437	81	26-8010	5,966.25	5,966.25
	EQUIPMENT MAINTENANCE	647732		8030	196.26	196.26
CALPERS	UNFUNDED ACCRUED LIABILITY		82	6065	2,291.00	2,291.00
CCWT	EQUIPMENT RENTAL	34786	83	7032	60.00	60.00
CULLIGAN WATER	EQUIPMENT RENTAL	80648	84	7032	17.50	17.50
DIGITAL MENTOR INC.	INFO TRUCK	20200	85	20-8065	5,000.00	5,000.00
DOCTORS MED PLUS	SAFETY	03/18/16	86	8056	135.00	135.00
EDD STATE OF CALIFORNIA	UNEMPLOYMENT INSURANCE	JANUARY-MARCH	87	6095	3,435.77	3,435.77
FED EX	OFFICE EXPENSE	5-400-72588	88	8045	16.55	16.55
FERGUSON	EQUIPMENT MAINTENANCE	3279301; 3266867	89	8030	1,207.51	1,207.51
GARING TAYLOR & ASSOC	FFR SPREADER	13573	90	7077	197.50	5,708.75
	SEWER PIPE BRIDGE	13633		26-8065	5,511.25	
GAS COMPANY	UTILITIES; GAS	04/04-05/03	91	7092	1,431.34	1,431.34
GILBERT A, TRUJILLO, ESQ.	LITIGATION	APRIL	92	7070	1,155.00	5,232.50
	RETAINER			7071	4,077.50	
HOPKINS	CAPITAL EQUIPMENT	3616300548	93	8010	3,843.97	3,843.97
JB DEWAR	FUEL	812284	94	8020	173.40	173.40
JERRY'S PLUMBING AND HEATING	STRUCTURE MAINTENANCE	70957	95	8060	230.00	230.00
KROESCHE/SCHINDLER, LLP	OUTSIDE LEGAL	2242	96	7070	4.53	4.53
LEXIS NEXIS	LEGAL COUNSEL	MARCH	97	7071	250.00	250.00
MICHAEL K NUNLEY & ASSOC., INC.	REDUNDANCY PROJECT	2173	98	20-7080	6,431.92	10,139.42
	GRIT REMOVAL IMPROVEMENT	2153		20-8015	1,032.50	
	HEADWORKS	2151		26-8065	1,857.50	
	GENERAL ENGINEERING	2174		7077	817.50	
MINERS	HOUSEHOLD	APRIL	99	8035	315.56	315.56
NBS	TAX ROLL ADMINISTRATION	416000144	00	7074	3,745.00	3,745.00
PERRY'S	STRUCTURE MAINTENANCE	19309	01	26-8061	903.88	903.88
PG&E	ELECTRICITY	04/08-05/09	02	7091	11,058.52	11,058.52
POOR RICHARDS PRESS	OFFICE SUPPLIES	270747	03	8045	114.86	114.86
PRAXAIR	EQUIPMENT RENTAL	55101625	04	7032	29.42	29.42
READY REFRESH	HOUSEHOLD	16D0012917373	05	8035	128.54	128.54
ROYAL WHOLESALE ELECTRIC	SCADA	MULTIPLE	06	20-8010	5,174.09	5,174.09
SHIELDS COMMUNICATIONS	COMMUNICATIONS	3937	07	7013	475.41	475.41
SOUTH COUNTY SANITARY	GARBAGE	MAY	08	7093	117.80	117.80
SPRINT	COMMUNICATIONS, CELL PHONES	APRIL	09	7014	165.17	165.17
STANLEY	COMMUNICATIONS, ALARMS	APRIL	10	7011	64.06	64.06
STATE FUND	WORK COMP INSURANCE	MAY	11	6080	4,754.17	4,754.17
USA BLUEBOOK	LAB SUPPLIES	935211	12	8040	38.69	38.69
VWR	LAB SUPPLIES	MULTIPLE	13	8040	790.75	2,769.90
	CAPITAL EQUIPMENT	WATER BATH		26-8010	1,979.15	
WENDY STOCKTON, ESQ.	LEGAL COUNSEL	APRIL	14	7071	3,500.00	3,500.00
<b>SUB TOTAL</b>					<b>\$ 107,013.83</b>	<b>\$ 107,013.83</b>
SO. SLO CO. SANITATION DISTRICT	PAYROLL	4/1/16	15		24,972.02	55,510.95
	PAYROLL	4/15/16			24,278.42	
	PAYROLL PROCESSING FEE	APRIL		6090	216.80	
	CALPERS RETIREMENT	MARCH		6060	5,425.36	
	COMPUTER SUPPORT	MARCH		7082	370.00	
	WEB HOSTING	MARCH		7011	153.35	
	MEMBERSHIPS/TRAINING/SEMINARS	CWEA		7050	95.00	
SO. SLO CO. SANITATION DISTRICT	PETTY CASH REIMBURSE	STAMPS FOR OCSD BILLING	16	7074	47.00	47.00
<b>SUB TOTAL</b>					<b>\$ 55,557.95</b>	<b>\$ 55,557.95</b>
	PAYROLL 04/29/16	34,753.57				
<b>GRAND TOTAL</b>					<b>\$ 162,571.78</b>	<b>\$ 162,571.78</b>

We hereby certify that the demands numbered serially from 051816-1272 to 051816-1316 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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Date: May 18, 2016  
To: Board of Directors  
From: Amy Simpson, District Bookkeeper/Secretary  
Via: Gerhardt Hubner, District Administrator  
Subject: **Financial Review as of April 29, 2016**

### **Overall Financial Summary**

As of April 29, 2016, the District has recognized total revenues of \$2,761,232. Of this amount, \$2,595,401 is for operating revenues, and \$165,831 is for non-operating revenues.

District operating expenses totaled \$2,887,198. Operating expenses totaled \$2,088,560 and non-operating expenses totaled \$798,638 as of April 29, 2016.

### **Local Agency Investment Fund**

The balance in the District's LAIF account was \$2,419,502 as of April 29, 2016.

### **County of San Luis Obispo Treasury Pool**

As of April 29, 2016, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$3,065,922. 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**

At April 29, 2016, the reconciled cash balance in the District's Rabobank account totaled \$85,197. This account has been used to process the District's contracted payroll provider service and other District expenditures.



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SANITATION DISTRICT**

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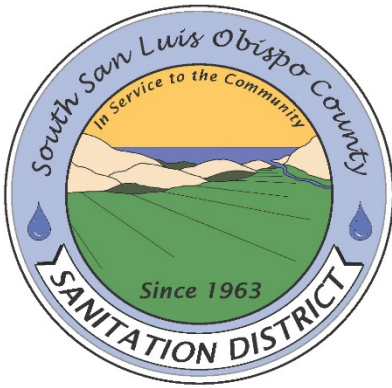
**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
MONTHLY CASH REPORT APRIL 2016**

<b>Cash Balance at 03/30/16</b>	5,569,428.63
Deposits	\$ 271,028.26
Quarterly Interest County Treasury	\$ 4,046.49
Quarterly Interest LAIF	\$ 2,789.65
Warrant Register 04/06/16	(146,594.30)
Downey Brand Retainer	5,000.00
Warrant Register 04/20/16	(95,966.55)
Downey Brand Retainer	5,000.00
John Rickenbach	11,400.00
Pay Roll 04/01/16	(25,084.42)
Pay Roll 04/15/16	(24,382.82)
Calpers	(5,425.36)
Rabobank April Activity	(618.35)
<b>Total March Activity</b>	<b>1,192.60</b>

**Cash Balance at 04/30/16** 5,570,621.23

	<b>CASH BALANCE</b>
<b>Cash by Institution</b>	<b>@ 04/30/16</b>
Cash with County Treasury	3,065,922.59
Cash with LAIF	2,419,501.90
Cash with Rabobank	85,196.74
	<b>\$ 5,570,621.23</b>





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

1600 Aloha Oceano, California 93445-9735  
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Date: May 18, 2016  
To: Board of Directors  
From: Gerhardt Hubner, District Administrator  
Via: Michael Arias, Plant Operator  
Subject: **Information Technology Integration into the District's Wastewater Operations**

### **Recommendations:**

1. Hear a presentation and demonstration of recently completed and deployed IT integration project for our wastewater operations; and
2. Receive and File Report

### **Background:**

In 2014, staff had an idea about how to utilize information technology to improve day to day wastewater operations. As staff began formulating how we would like to see this implementation take place, a company entitled Digital Mentor approached us in 2015, and shared their business proposal with us. As a matter of introduction, Digital Mentor is a company that helps businesses implement current technology into business operations; educates their clients on how the implementation of technology can positively impact their business; demonstrates implementation by other businesses in the same or similar field; and brainstorms ideas with clients on how technology can improve operations in their respective fields.

### **Discussion:**

Today's report presents a "success story" regarding a completed District project that integrates state of the art information technology into the District's day to day operations.

The project involved converting our paper wastewater manuals and plant operations and maintenance information into digital form such as:

- Staff meeting Sign-In sheets
- Plant drawings
- Permit information

- Meeting notes, project organization
- Contact lists
- Standard Operating Procedures

Note this information is now available on portable tablets for operator's ease of access in the field vs accessing heavy paper binders or other paper documents.

Benefits include:

- Environmentally friendly. Reduces our carbon footprint by decreasing reliance on written documents.
- Documents Online:
  - Standard Operating Procedures
  - Daily Round Sheets
  - Videos
  - Plant information
- Reduction in time to track down information.
- Multiple all-in-one tools: camera and video capability, custom note taking application can incorporate photos (giving greater detail), soundwave measurement application, spreadsheet application, and document scanning application.
- Backup files on cloud storage.

**Conclusion**

To date, costs are approximately \$20,000 (includes cost of 2 iPad, set up of iPad, staff training, custom videos, scanning and organizing of plant information including O&M, Standard Operating Procedures, permits). We believe that this tool will continue to evolve and grow. New applications are available on a regular basis that can further improve efficiency. As noted throughout this staff report we believe the benefits of this program will have a continuing return on investment that exceeds its initial cost.



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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## Staff Report

To: Board of Directors

From: Gerhardt Hubner, District Administrator

Date: May 18, 2015

Subject: **Proposed Draft Budget For Fiscal Year 2016-17 Budget**

### RECOMMENDATIONS:

1. Receive a presentation on a proposed Draft Budget for Fiscal Year 2016-17 beginning July 1, 2016;
2. Provide staff with Board member feedback and direction, as appropriate; and
3. Direct staff to return to the June 1, 2016 Board meeting with a Final Budget for Fiscal Year 2016-17 for consideration and adoption.

### DISCUSSION:

The purpose of today's item is to give the Board a high level summary of the contents of the proposed District draft Budget for Fiscal Year 2016-17. This Fiscal Year covers the period of July 1, 2016 to June 30, 2017.

The draft Fiscal Year 2016-17 Budget, and its supporting attachments purpose and objective are to provide a "blue print" to fund investments in the District's facilities now and into the future, and complete recommendations and reforms identified in the 2016 Knudson Report. It is also intended to fund initiatives needed by the District to fully support its programs including: Board and administrative support, human resources, fiscal management and audits, website/IT/public outreach, and pollution prevention and health and safety programs. Furthermore, this draft budget intent is to catchup and complete several previously neglected programs, policy and housekeeper functions necessary for the District to remain in compliance with health and safety and the wellbeing of its employees, and set the stage for future years.

It should be noted the District operates on a cash basis, in other words, at the end of each fiscal year on June 30<sup>th</sup>, whatever invoices are received and paid are recorded in that year. Invoices for contracts received after that date are recorded in the subsequent fiscal year. For example, some large capital project, in spite of a Board approval in one fiscal year may require being budgeting in subsequent fiscal year(s).

In preparing this draft budget, 3<sup>rd</sup> quarter actuals were used to project end of year balances. Furthermore, each line item was crosschecked with proposed budgeted amount and compared with each actual. In several cases these values were revised downward or upward.

This draft Budget for Fiscal Year 2016-17 was prepared using a conservative approaches and assumptions to not exceed existing revenues, mindful of the need to operate our facility cost effectively, efficiently, effectively, remain in compliance with applicable federal, state and local requirements, using past experiences, and utilizing best professional judgement. Revenue values for wastewater and collection fees were obtained from the District's 2016 Rate Study/Ordinance No. 2016-01 approved by the Board on February 17, 2016.

Lastly, preparation and approval of an annual Budget does not mean that all revenues, nor all budgeted line item amounts will be fully expended by the end of the Fiscal Year.

Below are summary values from the attached Consolidated Budget Spreadsheet:

**Consolidated Budget**  
(Attachment No. 1)

**Starting Fund Balances**

	Fund 19	Fund 20	Fund 26	Totals
	\$1,190,000	\$4,015,000	\$385,000	\$5,590,000

**Revenues by Fund Source**

	Fund 19	Fund 20	Fund 26	Totals
All Sources	\$4,557,200	\$187,000		\$4,685,000
Transfer from Fund 19			\$488,200	

**Expenditures by Fund Source**

	Fund 19	Fund 20	Fund 26	Totals
All Charges	\$2,675,700	\$1,176,000		\$3,851,700
Capital Outlay	\$87,000	\$2,231,700	\$873,200	\$3,191,700
Transfer to Fund 19	\$488,200			
Totals	\$3,635,900	\$3,407,700		
Contingency	\$100,000			

**Projected Ending Balances**

	Fund 19	Fund 20	Fund 26	Totals
	\$2,296,300	\$795,100	0	\$3,091,400

**Fund 19**  
(Attachment No. 2)

Fund 19 revenues are provided primarily from wastewater fees collected from our three member agencies (Cities of Arroyo Grande, Grover Beach and community of Oceano). Additional revenues are collected through brine disposal service and other reimbursements (AT&T lease, fats and grease program, City of Pismo outfall reimbursement)

Fund 19 supports the following general categories of District activities:

- Personnel – Salaries, Wages and Benefits & Other Personnel Costs
- Permits, Fees and Licenses
- Communications (Phones, Webhosting, Alarm)
- Administrative Support (Temporary Labor, Advertisements, Office Space, Insurance, LAFCO, Office and Safety Supplies), Property Tax Payment

- Professional Services – Legal (In-house/Outside), Consultant Services (Scientific, Fiscal Management/Audits, Billing, Source Control, Human Resources, Engineering, Chemical Analysis, Records Management, AGP Video, Computer Support, Strategic Planning), Board Member Support
- Disposal Services (Solids Handling, Brine Sampling)
- Utilities (Electricity, Gas, Rubbish, Water)
- Maintenance, Tools & Replacements – Equipment Maintenance (Schedule A-1), Video logging, Structural Maintenance (Regular and Major)
- Materials, Services and Supplies (Equipment Rentals, Laboratory supplies, Plant chemicals)
- Training, Education and Memberships (Professional Licenses, Training, Memberships, Seminars)
- Capital Outlays – See Schedule A-2
- Transfer of Funds to Support Fund 26 Projects

### Staffing

No changes are proposed for staffing over the coming Fiscal Year. The roster of staff consists of District Administrator, Secretary/Bookkeeper, Plant Superintendent, Shift Supervisor, Plant Operator III (2), Laboratory Technician, Plant Operator II (2) and Operator in Training (0.5) and Maintenance Assistant (0.5). No vacancies current exist.

Funding is being included this year to support our Student Intern program, previously approved by the Board.

### Proposed Initiatives:

- Human Resources: Update approximately twelve policy and procedures including Policy Manual, benefit survey, job descriptions, employer/employee resolutions, and others
- Fiscal Management Assessment: Implementation of recommendations
- Website/Public Outreach: Update and production of newsletter
- District Operation and Administrative Office: Assessment and implementation of recommendations including office structural upgrades and lease of satellite office
- Records Management Assessment: Implementation of recommendations and catalogue C-train files
- Billing: Complete process for placement on County Tax Roll
- Source Control Program: Development of outreach materials, pollution prevention program
- Strategic Planning/Plan: Facilitator, workshop and plan development

### Proposed Operation and Maintenance Projects:

1. Budget of \$140,500 is proposed under Line Item No. 19-8030 (See Schedule A-1 for list of projects)
2. Budget of \$87,000 proposed. (See Schedule A-2 for list of projects)

### Placeholders

- \$40,000 (Outside Special Legal Counsel) – To support outside or special legal counsel if needed and approved by the Board.
- \$100,000 (Contingency) - A new line item, entitled “Contingency” has been added to provide funds to support any miscellaneous or unknown costs that arise or emergencies. To access the contingency fund, Board approval would be required.

**Fund 20**  
(Attachment No. 3)

Fund 20 revenue is provided primarily from connection fees from our three member agencies. A minor amount of revenue is received from interest on the fund balance on account. This year we expect reimbursement for our recycling study grant. This fund traditionally supported capacity, expansion, or replacement projects and studies. However, we believe the Board has discretion to also pay certain charges from this fund.

**Project Major Capital Project List (as listed in Schedule B)**

- SCADA Project: \$10,000 is proposed to complete this project.
- Grit Removal System (and engineering support): On April 28, 2016, the Board approved a contract with Speiss Construction Company. Proposed Budget: \$492,100 for construction and \$23,000 for engineering support. The project is anticipated to begin construction late summer, and completed this fall.
- Secondary Process Redundancy Project (and engineering support): On March 16, 2016 approved a contract with Kennedy Jenks for Phase I of the Project. We anticipate services and budget needed to complete Permitting, Engineering Support and Design. Proposed Budget of \$1.5 million, with \$50,000 in engineering support (i.e. SRF loan, value engineering analysis, others). Board approval will be needed to proceed passed Phase I.
- Satellite Water Resource Recovery Facilities Grant: The Board approved a re-scoping of this grant funded project at its March 30, 2016 meeting. The total project cost is \$156,700 with expected reimbursement of \$75,000 from the State Water Resources Control Board under their Recycled Water Program, and \$40,800 each from the District and the City of Arroyo Grande to cover the grant match.

**Proposed Charges:**

- Cogeneration EISA: Debt Service, Principal and Interest \$76,000. This the second to last payment. Final payment is expected to be made in August 2017.
- 2010 Spill/Administrative Civil Liability Penalty: \$1,100,000 set aside for potential payment and/or settlement.

**Fund 26**  
(Attachment No. 4)

Fund 26 revenues are wholly supported by transfers from Fund 19 (\$488,200) is proposed for transfer). Fund 26 has traditionally supported replacement projects at the District's facility.

**Project Major Capital Project List**

- Arroyo Grande (Cherry Ave) Sewer Bridge Project: On April 28, 2016, the Board approved a contract for environmental review service for this Project. This Project is to perform maintenance on the existing structure, removing paint and debris and replaced its anti-corrosion coating. This year we anticipate completing environmental review and permitting, and initiating/completing construction. Proposed Budget: \$202,100.

- Mechanical Bar Screen: This project is finishing design. The next step will be the issuance of a Request for Proposal (RFP) by the District, leading to construction to commence in Spring of 2017. Proposed Budget: \$577,000.

#### Proposed Maintenance Projects:

A total Budget of \$873,200 is proposed under Line Item No. 26-8065 (See Schedule C for detailed list of projects)

#### **Reserve Account**

Currently no dedicated reserve account has been established for the District. The Board may wish to give direction to staff to formally create such a reserve account. Most agencies and special districts have established dedicated reserve accounts. If the Board desires, such a reserve account could be created, and an appropriate amount set aside each year until a desired reserve goal or amount (or alternatively a desired percentage of the revenues) is reached.

#### **Conclusion**

Above, we have provided a comprehensive narrative summary of the proposed draft Fiscal Year 2016-17 Budget and "Blueprint" for funding the District's operations, projects and initiatives. Today we request Board member and community feedback on this proposed draft Budget and or/its attachments, and the Board provide direction to staff to proceed to return at the June 1, 2016 Board meeting, or another a future meeting to consider its final adoption.

#### Attachments:

Draft FY 2016-17 Budget, including:

1. Consolidated Budget Spreadsheet
2. Fund 19 Budget Spreadsheet, with Attachment A1-A2
3. Fund 20 Budget Spreadsheet, with Attachment B
4. Fund 26 Budget Spreadsheet, with Attachment C



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## FY 2016/17 Budget

### Consolidated

	Fund 19 Fund	Fund 20 Fund	Fund 26 Fund	FY 2016/17 Total
Revenues				
Gross Revenues				
Service Charges and Fees	4,209,000			4,209,000
Connection Fees		66,000		66,000
Interest	10,000	6,000		16,000
Other Revenues	238,200			238,200
Grant Reimbursement		115,800		115,800
<b>Total Revenues</b>	<b>4,457,200</b>	<b>187,800</b>		<b>4,645,000</b>
Expenditures & Other Uses				
Operating Expenditures				
Salaries and Wages	798,200			798,200
Employee Benefits and Other Personnel Costs	499,500			499,500
Permits, Fees and Licenses	25,000			25,000
Communications	16,000			16,000
Computer Support	15,000			15,000
Administrative Costs	136,000			136,000
Professional Services	444,500			444,500
Disposal Services	55,000			55,000
Utilities	163,000			163,000
Maintenance, Tools & Replacements	252,500			252,500
Materials, Services and Supplies	228,000			228,000
Training, Education & Memberships	43,000			43,000
Cogeneration EISA - Debt Principal and Interest		76,000		76,000
<b>Total Operating Expenditures</b>	<b>2,675,700</b>	<b>76,000</b>		<b>2,751,700</b>
Other Charges				
ACL Penalty		1,100,000		1,100,000
Contingency	100,000			100,000
<b>Total Other Charges</b>	<b>100,000</b>	<b>1,176,000</b>		<b>1,276,000</b>
Capital Replacement/Maintenance (Fund 26)				
Capital Outlay				
Capital Equipment	87,000	2,231,700	873,200	3,191,900
Expansion				
<b>Total Capital Outlay</b>	<b>87,000</b>	<b>2,231,700</b>	<b>873,200</b>	<b>3,191,900</b>
Other Financing Sources & Uses				
Transfers Out (In)	488,200		488,200	0
<b>Total Other Financing Sources &amp; Uses</b>	<b>488,200</b>			
Beginning Cash Balance Used for Funding	1,190,000	4,015,000	385,000	5,590,000
<b>Net Change (Deficit)</b>	<b>2,296,300</b>	<b>795,100</b>	<b>0</b>	<b>3,091,400</b>



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## FY 2016/17 BUDGET

		FY 16/17 Proposed Budget	
<b>Fund 19 - Operating Fund</b>			
<b>19-4005 Beginning Fund Balance</b>		1,190,000	
<b>Revenues</b>			
Gross Revenues			
Service Charges and Fees			
19-4015	Arroyo Grande Services	2,007,000	
19-4022	Grover Beach Services	1,492,000	
19-4035	OCSD Services	668,000	
19-4040	Other Service Income	8,000	
19-4045	School Services	34,000	
<b>Total Service Charges and Fees</b>		<b>4,209,000</b>	
19-5015	Interest	10,000	
<b>Total Interest</b>		<b>10,000</b>	
Other Revenues			
19-4050	Brine Disposal Service	190,000	
19-4055	Lease (AT&T)	27,500	
19-5020	Other Reimbursements	0	
19-5023	FOG Reimbursement	500	
	Pismo Reimbursement for Ocean Outfall	20,200	
<b>Total Other Revenues</b>		<b>238,200</b>	
<b>Total Revenues</b>		<b>4,457,200</b>	
19-4005 Beginning Fund Balance		1,190,000	
<b>Fund 19 Total Operating Revenue</b>		<b>5,647,200</b>	
<b>Expenditures &amp; Other Uses</b>			
Operating Expenditures			
19-6030	Plant Operators	570,000	
19-6035	Student Interns	17,000	
19-6040	Bookkeeper/Secretary	57,000	
19-6045	District Administrator	154,200	
<b>Total Salaries and Wages</b>		<b>798,200</b>	

# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## FY 2016/17 BUDGET

Fund 19 - Operating Fund		FY 16/17 Proposed Budget	
Employee Benefits and Other Personnel Costs			
19-6010	Medical Insurance	210,000	
19-6025	Dental Insurance	15,000	
19-6050	Social Security & Medicare	55,000	
19-6055	State Disability Insurance	3,500	
19-6060	State Retirement	90,000	
19-6075	Medical Reimbursement	4,500	
19-6080	Worker's Compensation	60,000	
19-6065	Unfunded Liability	44,000	
19-6090	Payroll Process Fee	3,500	
19-6095	Unemployment Reimbursement	14,000	
19-7025	Employee Uniforms	14,000	
Total Employee Benefits and Other Personnel Costs		<b>499,500</b>	
Permits, Fees and Licenses			
19-7068	Permit Fees	25,000	
<b>Total Permits, Fees and Licenses</b>		<b>25,000</b>	
Communications			
19-7011	Comm (Alarm, Web Hosting)	4,000	
19-7013	Communications - Telephone and Internet	7,000	
19-7014	Communications - Cell Phones	5,000	
<b>Total Communications</b>		<b>16,000</b>	
Computer Support			
19-7015	Office Equipment/Computer/GIS	15,000	
<b>Total Computer Support</b>		<b>15,000</b>	
Administrative Costs			
19-6085	Temporary Labor Services	15,000	
19-7005	Advertisements/Legal & Recruit	10,000	
19-7040	Admin. Office Space	15,000	
19-7043	Insurance Liability - Auto	30,000	
19-7069	LAFCO Budget Share	13,000	
19-7095	Zone 1/1A Property Tax	30,000	
19-8045	Office Supplies and Expense	8,000	
19-8056	Safety Supplies/H&S Exam	15,000	
<b>Total Administrative Costs</b>		<b>136,000</b>	

# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## FY 2016/17 BUDGET

Fund 19 - Operating Fund		FY 16/17 Proposed Budget	
Professional Services			
19-7070	Prof Services - Outside Counsel/Litigation	40,000	
19-7060	Prof Services - Ocean Outfall Maintenance	40,000	
19-7071	Prof Services - Attorney Fee	96,000	
19-7072	Prof Services - Auditing	10,000	
19-7073	Prof Services - AG Billing	22,000	
19-7074	Prof Services - OCSD Bill	20,000	
19-7075	Prof Services - Board Members	7,500	
19-7065	Prof Services- Source Control Program	15,000	
19-7076	Prof Services - Human Resources	25,000	
19-7077	Prof Services - Engineering	50,000	
19-7078	Prof Services - Chemical Analysis	15,000	
19-7079	Prof Services - Records Mngt	10,000	
19-7080	Prof Services - AGP Video	20,000	
19-7081	Prof Services - GB Bill	22,000	
19-7082	Prof Services - Computer Support	12,000	
19-7083	Prof Services - Fiscal Services	10,000	
19-XXXX	Prof Services - Strategic Planning	30,000	
<b>Total Professional Services Cost</b>		<b>444,500</b>	
Disposal Services			
19-7085	Solids Handling	50,000	
19-7086	Brine Disposal Sampling	5,000	
<b>Total Disposal Services</b>		<b>55,000</b>	
Utilities			
19-7091	Utilities - Electricity	150,000	
19-7092	Utilities - Gas	10,000	
19-7093	Utilities - Rubbish	1,500	
19-7094	Utilities - Water	1,500	
<b>Total Utilities</b>		<b>163,000</b>	
Maintenance, Tools & Replacements			
19-8015	Trunk Sewer Video logging	25,000	
19-8030	Equip Maint Reg and Minor Replacement	140,500	Schedule A-1
19-8032	Automotive Maintenance	7,000	
19-8055	Small Tools	5,000	
19-8060	Structure Maintenance - Regular	25,000	
19-8061	Structure Maintenance - Major	50,000	
<b>Total Maintenance, Tools &amp;</b>		<b>252,500</b>	
Materials, Services and Supplies			
19-7032	Equipment Rental - other	10,000	
19-8020	Gas and Oil	11,000	
19-8035	Household Expense	4,000	
19-8040	Laboratory Supplies	23,000	
19-8050	Plant Chemicals	180,000	
<b>Total Materials, Services and Supplies</b>		<b>228,000</b>	

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
FY 2016/17 BUDGET**

<b>Fund 19 - Operating Fund</b>		<b>FY 16/17 Proposed Budget</b>	
Training, Education & Memberships			
19-7055	Prof. Certs./License	3,000	
19-7067	Training	10,000	
19-7050	Memberships/Seminars/Meetings	30,000	
<b>Total Training, Education &amp; Memberships</b>		<b>43,000</b>	
<b>Total Operating Expenditures</b>		<b>2,675,700</b>	
Capital Outlay			
19-8010	Capital Equipment	87,000	Schedule A-2
<b>Total Capital Outlay</b>		<b>87,000</b>	
Other Financing Sources & Uses			
19-8079	Transfer out to fund 26	488,200	
19-XXXX	Contingency	100,000	
<b>Total Other Financing Sources &amp; Uses</b>		<b>588,200</b>	
<b>Total Uses</b>		<b>3,350,900</b>	
<b>Budget Income (Deficit)</b>		2,296,300	
<b>Fund 19 Balance</b>		<b>2,296,300</b>	

**Schedule A-1**  
**Detail List of Equipment Maintenance in Fund 19**

<b>Equipment Maintenance</b>	
	<b>Cost including</b>
Flare	3,000
Boiler	5,000
Centrifuge	20,000
Auger	10,000
Flow Calibration	5,000
Heat Exchanger	1,000
Amiad Filters	1,000
Flow Chart Repair	2,000
scale Calibration	5,000
Moyno Pumps	500
Cart Tires	5,000
Sludge Mixing Pump	1,000
Corrosion Control	5,000
Tree Line Maintenance	5,000
Electrical Maintenance	15,000
Reclaimed Water Station	5,000
Sludge/Water Valves	10,000
Bridge Maintenance	5,000
Front Loader	5,000
Plant Storm Drains/Pumps	5,000
Primary Clarifier #1	5,000
Secondary Clarifier	10,000
Asphalt Repair	5,000
CCT Rising Stem Valve	1,000
Emergency Pump Piping	2,000
Chemical Feed Pumps	1,000
Back Flow Prevention	1,000
Forklift	2,000
<b>Total for Fund 19</b>	<b>\$140,500</b>
<b>TOTAL OF EQUIPMENT MAINTENANCE IN FUND 19</b>	<b>\$140,500</b>

Schedule A-2	
Detail List of Capital Equipment in Fund 19	
Equipment Maintenance	
	Cost including
Belt for Sludge Conveyor	3,000
Digester Gas Flow Meters	5,000
SSO Flow Meter	5,000
Truck Bed and Crane	20,000
Concrete Sludge Lagoon	20,000
Heighten Wall in Sludge Beds	10,000
(2) Moyno Sludge Pumps	13,000
(2) VFD's	7,000
Shed for Emergency Pump	1,500
3" Trash Pump	2,500
<b>Total for Fund 19</b>	<b>\$87,000</b>
<b>TOTAL OF EQUIPMENT MAINTENANCE IN FUND 19</b>	<b>\$87,000</b>

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
FY 2016/7 BUDGET**

<b>Fund 20</b>		<b>FY 2016-17 BUDGET</b>	
Beginning Balance		4,015,000	
Revenues			
Gross Revenues			
Connection Fees			
20-4010	Arroyo Grande Connections	30,000	
20-4020	Grover Beach Connections	30,000	
20-4030	OCSD Connections	6,000	
<b>Total Connection Fees</b>		<b>66,000</b>	
Grant Reimbursement	Grant Reimbursement	115,800	
		<b>115,800</b>	
Interest			
20-5015	Interest Income	6,000	
<b>Total Interest</b>		<b>6,000</b>	
<b>Total Revenues</b>		<b>4,202,800</b>	
Expenditures & Other Uses			
Other Charges			
20-7096	Cogeneration EISA - Debt Principal and Interest	76,000	
20-1010	Transfer to Fund 26	0	
<b>Total Other Charges</b>		<b>76,000</b>	
<b>Capital Outlay</b>			
20-8010	SCADA Prof. - Serv.	10,000	
20-8015	Grit Removal System	492,100	
	Engineering Support	23,000	
20-7080	Redundancy Project	1,500,000	
	Engineering Support	50,000	
20-7090	Water Recycling Study	156,600	
<b>Total Capital Outlay</b>		<b>2,231,700</b>	
<b>ACL/Penalties</b>			
20-XXXX		1,100,000	
		<b>1,100,000</b>	
<b>Total Uses</b>		<b>3,407,700</b>	
<b>Budget Income (Deficit/Use of Fund Balance)</b>		<b>795,100</b>	

# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

## FY 2016/17 BUDGET

Schedule B Detail List of Projects in Fund 20	
<b>Capital Outlay</b>	
Project	Cost including Design/Installation
SCADA Prof. Serv.	10,000
Grit Removal System	492,100
Engineering Support	23,000
Redundancy Project	1,500,000
Engineering Support	50,000
Water Recycling Study	126,000
<b>Total for Fund 20</b>	<b>\$2,201,100</b>
<b>TOTAL OF ALL PROJECTS IN FUND 20</b>	<b>\$2,201,100</b>



**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
FY 2016/17 BUDGET**

<b>Fund 26</b>		<b>FY 2016-17 Proposed Budget</b>
Beginning Balance		385,000
Revenues		
Gross Revenues		
Interest		
26-5015	Interest Income	
<b>Total Interest</b>		
Other Revenues		
26-5040	Transfer from Fund 19	488,200
26-5040	Transfer from Fund 20	
<b>Total Other Revenues</b>		<b>873,200</b>
<b>Total Revenues</b>		<b>873,200</b>
Expenditures & Other Uses		
26-8015	Trunk Sewer Maintenance	
26-8061	Structures/Grounds Maint-Maj	
26-8065	Structures/Grounds Repl/Imp	<b>873,200</b>
26-8070	Emergency Equipment Repair	
<b>Total Expenditures</b>		<b>873,200</b>
<b>Total Uses</b>		<b>873,200</b>
<b>Budget Income (Deficit/Use of Fund Balance)</b>		<b>0</b>

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT  
FY 2016/17 BUDGET**

<b>Schedule C Detail List of Projects in Fund 26</b>	
<b>26-8015 Trunk Sewer Maintenance</b>	
<b>Item</b>	<b>Cost</b>
Trunk Sewer Maintenance	
<b>Total for 26-8061</b>	<b>\$0</b>
<b>26-8061 Structures/Grounds - Major Maintenance</b>	
<b>Item</b>	<b>Cost</b>
<b>Total for 26-8061</b>	
<b>26-8065 Structures/Grounds - Replacement and Improvement</b>	
<b>Item</b>	<b>Cost including Design/Installation</b>
CCT Cat Walk	20,000
Diesel Fuel Tank	10,000
Digester Glass	16,000
District Signage	5,000
ISCO Sampler	2,500
Lab Furnace	3,000
Lab Media Dispenser	1,500
Mechanical Bar Screen/Headworks	577,000
Engineering Support	22,000
Security System	5,000
AG Sewer Bridge Repair	201,200.00
Sludge Pump VFD's	10,000
<b>Total for 26-8065</b>	<b>\$873,200</b>
<b>TOTAL OF ALL PROJECTS IN FUND 26</b>	<b>\$873,200</b>



# SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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**To:** Board of Directors

**From:** Gerhardt Hubner, District Administrator

**Via:** John Clemons, Plant Superintendent

**Date:** May 18, 2016

**Subject:** **Update on Homeless Issue and Impact of Trash on District and Surrounding Properties**

## RECOMMENDATION

1. Hear an update on District efforts working with the Oceano neighborhood near our facility, on the homeless and transit population, and the impacts of trash/debris on District and surrounding properties.
2. Direct staff, as appropriate, to expend time and resources to assist with future cleanups.

## BACKGROUND

Staff has recently been requested to provide an update at this Board meeting on our recent and past efforts regarding this issue. Below is a chronology of past events:

- August 2014 – Began contacting SLO County Sheriff's Office (SO) regarding homeless encampment on District property.
- July 2015 – Conversation with SLO County staff and SO regarding homeless encampment on District property.
- August 2015 – Posted "Private Property – No Trespassing" signs in and around homeless camp on District property. Camp was evacuated shortly thereafter.
- August 2015 – Removed debris from abandoned homeless camp. (Attachment No. 1)
- December 2015 – Installed wrought iron fence at front of District property to deter foot traffic.
- January 2016 – Posted "Private Property" signs along hiking trail adjacent to District property.

## DISCUSSION

Since completing the August 2015 cleanup event that removed trash and debris from the abandoned encampment, staff continues to monitor the area. There have been no indications that person(s) has returned to live in the abandoned area. Staff also installed a fence in December 2015 at the entrance to our facility (Aloha Place) to restrict entry onto our property from the street. This fence appears to be effective (Attachment No. 1).

There is also evidence of encampments along a hiking trail that is adjacent to the Sanitation District property line. This hiking trail is not on District property (Attachment No. 2). However, staff did post signs along the trail indicating the area just east of the trail is private property.

Staff also solicited an estimate to place chain link fencing around the perimeter of the District property line. The contractor estimated a cost of approximately \$27,000. This did not include the cost of clearing trees and foliage to create a path for the fence. Nor does it consider permitting issues with the County and potentially with the California Coastal Commission.

On the morning of Friday May 13<sup>th</sup> staff met with three residents of properties adjacent to the facility. Together we walked the trail, noted the debris fields, and followed one path to a site which had a tent set up. There was no one present in the tent at the time. Sanitation District "Private Property" signs were still visible from the trail. We discussed possible clean-up scenarios and potential solutions to homeless settling in this area.

At this point in time the District does not have any issues with homeless person(s) habitation of District property on the west side of our property.

Successful future clean-ups will require a multi-agency effort in conjunction with community participation. For all indications, the bulk of the trash and debris appears to be on San Luis Obispo County property.

District staff are amenable to assisting in this future efforts, but since the issue is now primarily off the District property we believe it should be led by County public safety personnel and staff (with District resources in a supporting role). We look today to your Board for further direction if the Board wishes to provide additional staff time and resources to assist with future efforts.

Attachment:

1. Installed District fence
2. Cleanup of District property, outside of west gate, August 2015
3. Map of District Facility, Property Boundary, and Outline of Trail





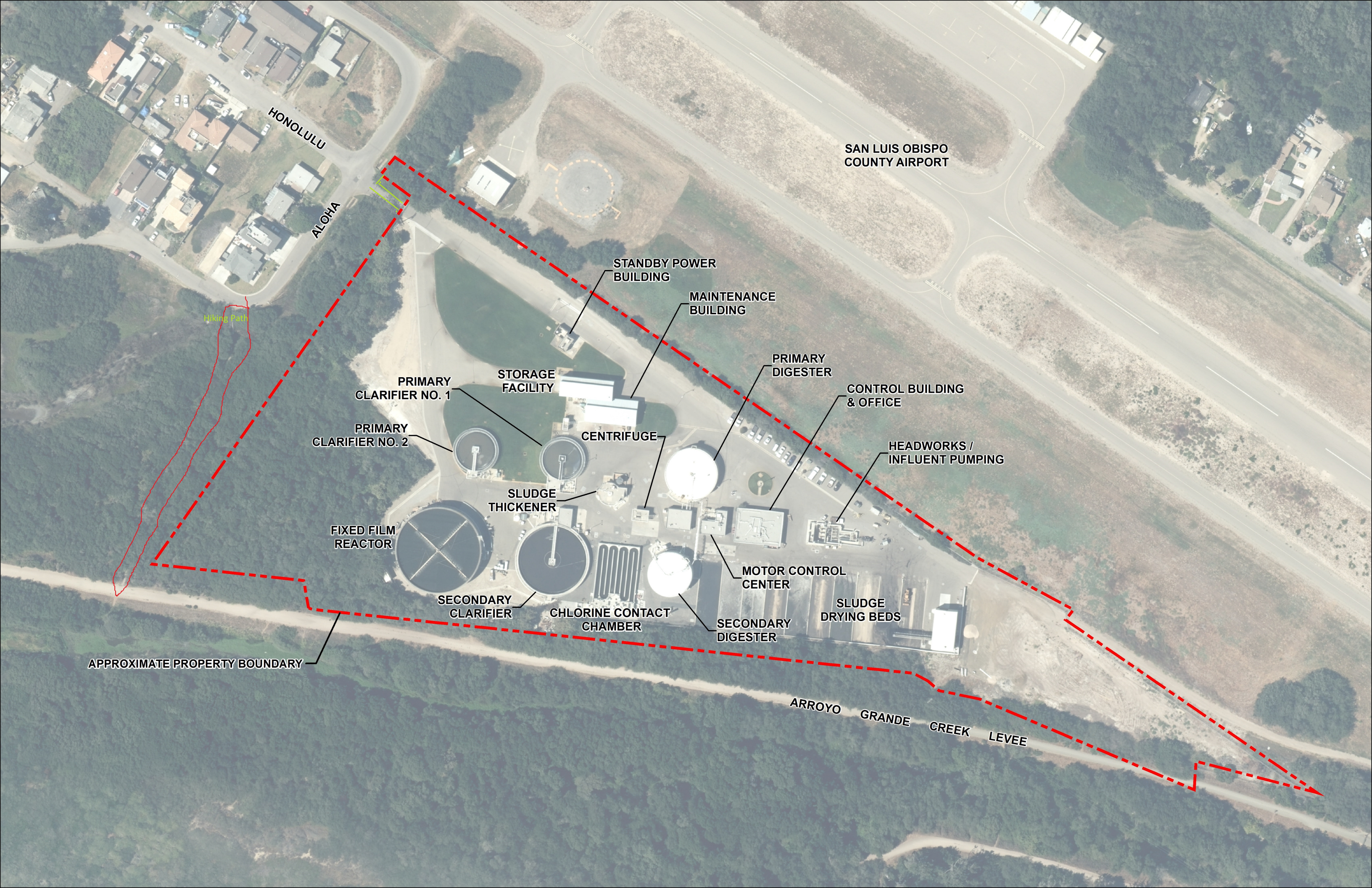
## BEFORE



## AFTER







HONOLULU

ALOHA

SAN LUIS OBISPO  
COUNTY AIRPORT

STANDBY POWER  
BUILDING

MAINTENANCE  
BUILDING

PRIMARY  
DIGESTER

CONTROL BUILDING  
& OFFICE

HEADWORKS /  
INFLUENT PUMPING

MOTOR CONTROL  
CENTER

SLUDGE  
DRYING BEDS

SECONDARY  
DIGESTER

CHLORINE CONTACT  
CHAMBER

SECONDARY  
CLARIFIER

FIXED FILM  
REACTOR

SLUDGE  
THICKENER

CENTRIFUGE

STORAGE  
FACILITY

PRIMARY  
CLARIFIER NO. 1

PRIMARY  
CLARIFIER NO. 2

APPROXIMATE PROPERTY BOUNDARY

ARROYO GRANDE CREEK  
LEVEE

Hiking Path





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

1600 Aloha Oceano, California 93445-9735  
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Date: May 18, 2016  
To: Board of Directors  
From: Gerhardt Hubner, District Administrator & John Clemons, District Superintendent  
Subject: **DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT**

Today's report presents ongoing information on Direct staff activities of possible interest to the Board and members of the public, project updates, regional efforts, our regular Superintendent report, and operation and maintenance activities. *Updates are provided in italics below:*

### Project Updates:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – On April 28, 2016, the Board approved a contract with Kevin Merk Associates, LLC for environmental review services. This Project is to perform maintenance on the existing structure, removing paint and debris and replaced its anti-corrosion coating. Merk Associates will complete for the District an initial biological assessment, and a Mitigated Negative Declaration under CEQA in preparation for submittal of an application to the California Fish and Wildlife for a Streambed Alteration Agreement. This SAA is necessary for construction to commence, with anticipated construction in mid-September. *The contract for this work has been executed, and work initiated.*
- **Grit Removal System** – On April 28, 2016, the Board approved a contract with Speiss Construction Company for \$492,100. A notice of award was signed and sent to Speiss this week. The next step is for Speiss Construction to provide the District with their bond and insurance information, leading to a notice to proceed being issued. The project is anticipated to begin construction late summer, and completed this fall. *Requirements for bonding and insurance have recently been met allowing the contract with Speiss to be executed.*
- **Mechanical Bar Screen** – This project is finishing design. The next step will be the issuance of a Request for Proposal (RFP) by the District.
- **Secondary Process Redundancy Project** – On March 16, 2016, the Board approved a design contract to Kennedy Jenks for Phase I of this project. As work has now begun on Phase I a meeting was held April 27<sup>th</sup> at the District facility with the Project Team, including



Kennedy Jenks, Cannon Associates and Yeh and Associates. The topics included the location and completing a survey of the current and proposed new facilities, upcoming geotechnical work, and evaluation(s) of any potential flood, and/or biological issues. *Work to complete biological surveys at our facility property, and additional flooding/sea rise analyses will be commencing shortly. This work is anticipated to be completed in the next 60 days.*

- **Satellite Water Resource Recovery Facilities Grant** – The Board approved a re-scoping of this grant funded project at its March 30, 2016. *A meeting with Water Systems Consulting (WSC) and staff with the City of Arroyo Grande was held at the District office on May 11<sup>th</sup>. At this meeting WSC provide District staff with the history and progress under the grant, timeline for completion, and efforts to coordinate/complement this study with the regional recycling project being undertaken by the City of Pismo Beach.*
- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – On April 21st a meeting was held with representatives of PG&E, MKN and Enviser. The purpose of the meeting was to hear an update on a feasibility assessment for a co-generation system at the District's facility. The assessment indicates significant benefits of a co-generation system can be realized including future saving on the District's facility electricity costs, and a reduced carbon footprint (eliminated flare)/greenhouse gases. Low cost financing may also be available. The next step includes more refinement of the Project, and future Board consideration of whether to move forward design and installation. *A Master Agreement was recently provided by PG&E, and currently under review by our legal counsel.*
- **FFR Short-Term Emergency Back-up Plan** – District staff have made substantial progress installing one component of this Plan, through the installation of vertical piping (one of Plan's first components).
- **GIS manhole mapping system** – In progress, with estimated completion in early summer. Awaiting software evaluation/recommendation from consultant.
- **District Control Building and Office** – *As noted in a verbal report to the Board at the May 4<sup>th</sup> meeting, significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, multiple leaks in the ceiling/roof, mold, old desks and chairs (some decades old), old and stained carpets and flooring, infestation of pests, bubbling and peeling paint, break room/kitchen deterioration, identified leaks in the indoor plumbing, insufficient and overlapping utilization of space for administration vs. operations, IT integration, file storage, and others.*

*As a proactive and preventative approach to address these multiple issues we initiated requests for quotes for structure repairs on the roof, and assessment of any potential Health and Safety issues within the building for our employees.*

*On May 11, 2016, an Ergonomic Specialist/Chief Risk Officer from the Special District Risk Management Association conducted and completed an ergonomic assessment of the District office. We expect submittal of that assessment to be available in several weeks.*

*On May 13<sup>th</sup> an Industrial Health and Safety assessment for the office is scheduled. This assessment will look at any potential health and safety issues, and provide us with recommendations for corrections and/or improvements.*

### **Regional Efforts**

- Arroyo Grande Watershed MOU Group – In 2006, various parties, including the District entered into a Memorandum of Understanding. The purpose of this watershed group is to develop programs and policies for the maintenance, protection, and enhancement of Arroyo Grande Watershed and creeks within the Watershed. On April 20<sup>th</sup>, District staff recently participated in the most recent quarterly meeting of the group at the Arroyo Grande City Conference Room, and heard several presentations including one by the City of Pismo Beach on their regional recycled water project.
- Zone 1-1A Flood Control Advisory Committee District is focused on the goal to provide input and coordination on proposed improvement and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. As a result, a long term maintenance plan for the channel called the Arroyo Grande Creek Channel Waterway Management Program (AGWMP) was developed. District staff will be coming to your Board at an upcoming meeting to designate a staff representative and alternate to this Committee in order to participate.
- Integrated Water Resource Management (IRWM) – Integrated Regional Water Management (IRWM) is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale that:
  - Crosses jurisdictional, watershed, and political boundaries
  - Involves multiple agencies, stakeholders, individuals, and groups
  - Addresses regional issues and differing perspectives of all the entities involved through mutually beneficial solutions.
  - Develops multi-benefit solutions

One key additional benefit of IRWM participation includes potential grant opportunities to the District available through the State of California and Proposition 1. The next meeting is scheduled for May 4<sup>th</sup> at the San Luis Obispo City Library. District staff has been asked to attend. *For the District to fully participate and join as a full member, the Board would need to adopt the IRMP through a Resolution and Memorandum of Understanding. At a future meeting, staff intends to bring for Board consideration these documents to provide formal membership in the San Luis Obispo IRWM group.*

- Water Reuse, Central Coast Chapter –The Association is a not-for-profit association (501c6) of utilities, government agencies and industry that advocates for laws, policies and funding to promote water reuse. The Water Reuse Association provides a comprehensive and complementary approach to increasing water reuse in California. In the past District staff have participated on a periodic basis.
- North Cities Management Area Technical Group - The NCMA TG, which includes representatives from the Cities of Arroyo Grande, Grover Beach, Pismo Beach, and the Oceano Community Services District, was formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication. As such, this group is exploring various ways

to protect and enhance future water supplies in the basin through groundwater monitoring, and the collection and analyzing of data pertinent to water supply and demand. *On May 9, by invitation, District staff attended and participated in the NCMA Technical group discussion. The group shared recently hydrologic and water resources data and information, and water conservation efforts.*

### **Superintendent's Report**

During this reporting period (through May 12<sup>th</sup>) the District's facility continues to meet its Permit Limitations as required under the State of California's National Pollution Elimination Discharge (NPDES) Permit issued to the District. The current average effluent total suspended solids value at this moment is higher than our permit limits for monthly average. This value is the result of a large volume of supernatant liquid (from digester) being returned to the headworks. The Plant centrifuge failed resulting in a brief inability to process sludge at the usual rate. This situation has been corrected. Staff expects effluent suspended solids values to return to normal. Staff does expect to meet this and other permit requirements for this month.

**Chart 1 – Plant Data**

May 2016*	INF Flow MGD	Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	INF TSS mg/L	EFF TSS mg/L	Fecal Coli	Cl2 lbs/day	BOD REM Eff. %
Average	2.11	3.31	494	36	439	43.2	11	188	93
High	2.2	3.9	504	39	466	47.8	70	250	
Limit **	5.0			40/60/90		40/60/90	2000		80
CY 2015 Monthly									
Average	2.17	3.42	415	29	438	36	67	194	93
High	2.42	4.8	495	43	494	47	255	402	

\*\* Limit – 40/60/90 represent NPDES Permit limits for the monthly average, weekly average, and instantaneous value for plant effluent BOD and TSS

### **Operation and Maintenance Projects**

- Installed new valve and servo motor on boiler.
- Installed new back-up chemical feed system for sodium bisulfite (dechlorination).
- Installed new chlorination/dechlorination system at Chlorine Contact Chamber.
- Trimmed foliage at tree-line in parking lot.
- Annual calibration of Plant flow meters.
- Installed wireless antenna mount at headworks for SCADA communications.

### **Miscellaneous**

- On May 10, 2016, staff attended a safety training class on Hand and Power Tool Safety.
- On May 6, 2016, the Five Cities Fire Authority practiced rescue and confined space training at Plant.