



**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

**AGENDA
BOARD OF DIRECTORS MEETING**

OCSD Board Room
1655 Front Street
Oceano, California 93445

Wednesday, November 16, 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 October 05, 2016

5B. Approval of Minutes of Meeting of October 19, 2016

5B. Approval of Warrants

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Staff recommends the Board receive and file this report.

7. ACTION ITEMS:

7A. FISCAL YEAR 2016/17 FIRST (1ST) QUARTER BUDGET PERFORMANCE REVIEW

1. Receive a report on the 1st Quarter Budget Performance and review of the recommended budget adjustments; and
2. Adopt Resolution No. 2016-361 authorizing the budgetary adjustments as detailed in Exhibit A.

7B. NEW DISTRICT WEBSITE

Staff recommends the Board receive and file this report.

7C. FINAL SETTLEMENT AND ORDER ENDING LITIGATION FROM DISTRICT'S 2010 SEWAGE SPILL

Staff recommends the Board receive and file this report.

8. CLOSED SESSION

8A. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one potential case).

9. CLOSED SESSION REPORT BY DISTRICT COUNSEL

10. ADJOURN MEETING

The next regularly scheduled Board meeting on December 07, 2016 Oceano, California

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday October 05, 2016
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

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

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

2. FLAG SALUTE

3. AGENDA REVIEW

Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Julie Tacker spoke on the settlement. She believes the District is not getting the best bang for the buck. She distributed a 3-page letter she sent to the Central Coast Water Board regarding the settlement.

Beatrice Spencer is dissatisfied with what was allowed to happen at the last meeting and the fact the Board did not stop what happened. She recommends a lesson in employee rights before it is allowed to happen again.

Ron Arnoldson spoke to the unpermitted Administration trailer.

John Carter gave a presentation on the homeless and vagrant issues near Oceano Beach. He asks the Board to consider installing a high chain link fence with a lockable gate to control access to the footbridge and the SF & FCC properties.

Chairman Shoals closed the public comment.

The Board asked staff to check District property lines and work with Mr. Carter to investigate if a fence is a viable alternative.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of September 21, 2016

5B. Approval of Warrants

Chairman Shoals spoke to public comment on *Item 7B*. He asked for change in the minute's language where stated that a *motion that the Board formally repudiate Director Lucey comments* was made, since no second occurred on that motion.

Chairman Shoals opened the public comment period.

Julie Tacker asked that the minutes capture the comments from the community. She asked for the original email with the origin and the banner that is Attachment No. 4 of the minutes. She spoke about the Downey Brand, Lara HR Services, Gerhardt Hubner and Water System Consulting warrants. She looks forward to the report from WSC.

Chairman Shoals closed the public comment.

Motion: Alternate Brown

Second: Director Lucey

Action: Approved unanimously by roll call vote.

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

District Administrator Hubner presented this report giving updates on the RWQCB and District Settlement of the 2010 Spill, Cherry Ave Bridge Project, Grit Removal System, Mechanical Bar Screen, Secondary Process Redundancy Project, Satellite Water Resource Recovery Facilities Grant, temporary construction trailer for administration space and Regional Efforts.

Superintendent Clemons presented the Superintendent's report. He highlighted the cost savings in the reduction of chlorine. He presented results from ocean sampling taken at the District's outfall.

Chairman Shoals opened public comment period.

Julie Tacker spoke to certification of staff and promotional process. She also feels permit applications have been submitted that are incomplete and inaccurate.

Chairman Shoals closed the public comment.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. REQUEST FOR AUTHORIZATION TO PROCEED WITH CONTRACT WITH BARTLE WELLS ASSOCIATES, TO ASSIST WITH FINANCIAL PORTION OF STATE REVOLVING FUND CONSTRUCTION LOAN APPLICATION AND TO PROVIDE ADDITIONAL FINANCIAL ALTERNATIVES FOR FUNDING THE DISTRICT'S REDUNDANCY PROJECT

District Administrator Hubner presented this item in power point. He gave background information from the Wastewater Financial Plan and Rate Study conducted by Bartle Wells in 2016. He noted the Board passed a rate increase that included debt service for a future State Revolving Fund (SRF) loan that would be used to fund the Redundancy Project. He highlighted Task A, which involves financial assistance for SRF construction loan financing and Task B which identifies and evaluates financing alternatives. Both these tasks would be completed by the end of January 2017 under the BWA proposal.

Chairman Shoals opened the public comment period.

Julie Tacker believes the application for Coastal Commission and application for SRF loan appear to speak of two different projects.

Chairman Shoals closed the public comment.

Motion: Director Lucey moved to authorize the District Administrator to proceed to execute a contract with Bartle Wells Associates (BWA) for professional consultant services to complete the financing portion for a State Revolving Fund loan construction application package.

Second: Chairman Shoals

Action: Motion approved unanimously by roll call vote.

7B. NEWLY INSTALLED SCADA SYSTEM PROJECT

Superintendent Clemons gave a verbal presentation on the Supervisory Control and Data Acquisition project. This is a project that has been in the works since 1999. The budget was \$110,000 in 2010. To date, the project has spent \$99,000. Operational staff has been involved in the process since 2013. The benefit being, this system will be owned and maintained by the staff using it on a daily basis. Two components still needed are historian software to preserve trend charts and software for alarm dial out needs.

Chairman Shoals opened the item to public comment.

Ron Arnoldson and Beatrice Spencer both recognized the value of District staff for keeping this project in house.

Chairman Shoals closed the public comment.

Action: The Board received and filed this report.

8. CORRESPONDENCE RECEIVED

Letter received from Special District Risk Management Authority (SDRMA) Re: No Paid Property/Liability Claims in 2015-16

Julie Tacker read the first paragraph of this letter which “acknowledged the dedicated efforts of the Governing Body, management and staff towards proactive risk management and loss prevention training.”

9. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - PENDING LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one case).

Legal Counsel Stockton announced Closed Session and provided a memo that documents the District received this threat of litigation outside of a public meeting.

Julie Tacker spoke to the agenda item *Anticipated Litigation* and Legal Counsel announced *Pending Litigation*.

10. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION

Legal Counsel Stockton announced that the Board heard a report from legal counsel, took direction from the Board and had no reportable action.

10. ADJOURN MEETING

This meeting adjourned at 8:20 pm.

The next regularly scheduled Board meeting on October 19, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

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

DRAFT

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday October 19, 2016
6:00 P.M.

1. CALL. TO ORDER AND ROLL CALL

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

District Staff in Attendance: John Clemons, Plant Superintendent; Gerhardt Hubner, District Administrator; Gilbert Trujillo, District Legal Counsel; Amy Simpson, Bookkeeper/Secretary

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented unanimously by roll call vote.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Patty Welsh commented on the District getting out of litigation business.

Julie Tacker requested the un-redacted email Director Lucey presented as evidence in her request to censure Director Hill at the meeting of September 21. She also commented that a change order of \$17,000 for the Grit Removal Project should have been brought before the Board.

Debbie Peterson commented on the meeting room for Closed Session. The Board might want to consider holding Closed Session at the front of the OCSD building.

Patricia Price referred to the meeting of September 21. She noted her concern with the Board not reprimanding Director Lucey for the negative comments about the District. She would like to see staff working together for the rate payers.

Tim Brown referred to the meeting of September 21 specifically when Chairman Shoals said that "we would rectify the record at a later date". He requests the Board follow through with rectifying the record.

Chairman Shoals closed the public comment.

Alternate Guerrero stated he no longer has keys to hold Closed Session in the meeting room at the front of the OCSD building.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of October 05, 2016

5B. Approval of Warrants

5C. Financial Review at September 30, 2016

Chairman Shoals opened the public comment period.

Debbie Peterson, and Julie Tacker commented on the legal bills.

Chairman Shoals closed public comment.

Motion: Director Hill made a motion to approve Items 5B and 5C

Second: Alternate Guerrero

Action: Approved unanimously by roll call vote.

Item 5A, Minutes of October 05, 2016, will be continued at next scheduled Board meeting.

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

District Administrator Hubner presented this report giving updates on the RWQCB and District Settlement of 2010 spill, Redundancy Project, SRF funding loan, Satellite Recovery Grant, Regional Groundwater Sustainability Project meeting, and the website overhaul.

Plant Superintendent Clemons presented his portion of the report showing the facility continues to meet permit limitations. He highlighted Fecal Coli number going down from 67 MPN/100 ml last year to 5 MPN/100 ml this year. He gave updates on operation and maintenance, training and call outs.

Chairman Shoals opened the public comment period.

Julie Tacker commented on the District's Bookkeeper/Secretary receive regulatory update training in areas of Payroll and CalPers. She spoke to the timeline and cost of permitting with the Coastal Development Permit, and about moving the plant before any more money is spent on the Redundancy Project.

Debbie Peterson asked why the Board had not approved \$10,000 for completion of SCADA.

Patty Welsh highlighted the SDRMA letter that commended staff for no reportable accidents.

Beatrice Spencer gave kudos to staff, but believes something is wrong when the legal bills are so high.

Chairman Shoals closed the public comment.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. CONSIDERATION OF RESOLUTION NO. 2016-358, AUTHORIZING AN ANNUAL TRANSFER TO A DEDICATED RESERVE ACCOUNT, AND DIRECTING THE DISTRICT ADMINISTRATOR TO TRANSFER MONEY PER THE DISTRICT'S RESERVE POLICY

Chairman Shoals opened the item to public comment.

Julie Tacker commented on using unaudited financials and stated that it sets a precedent for the transfer not to be brought to Board annually.

Chairman Shoals closed the public comment.

Motion: Alternate Guerrero made a motion to Adopt Resolution No. 2016-358, authorizing annual transfers to the Reserve Account, and transferring \$248,990 from the beginning fund balance available in Operating Fund 19 to new Account No. 19-1011 with the deletion of "Whereas, in addition to its standard operations, the District is now proceeding with significant capital and updating projects including a redundancy project, and wishes to implement a prudent reserve to assure success of these efforts."

Second: Chairman Shoals

Action: Motion approved unanimously by roll call vote.

7B. GRIEVANCES FILED BY DISTRICT OPERATORS MR. MICHAEL ARIAS AND MR. MYCHAL JONES

District Counsel informed the Board and public that District Policy as it relates to grievances has been followed and implemented and recommend this item be held in Open Session.

The Board discussed their duty on this item. They are to identify where the interpretation by the District Administrator is in any conflict with the personnel policy and then take appropriate action.

Chairman Shoals opened the item to public comment.

Patty Welsh, Beatrice Spencer, Julie Tacker, Ron Holt, and Mark McKibben all spoke in support of the grievances.

Patty Welsh, Tim Brown, Beatrice Spencer, Ron Arnoldson, Julie Tacker, Debbie Peterson, and Mark McKibben spoke to the interpretation of District policy and believe that a public hearing for grievances is not best practice.

Chairman Shoals closed the public comment. The Board took a recess.

The Board came back from recess to Open Session and the Chairman announced that based on information provided by the employees which includes sensitive personnel information, he recommended the Board hold a Closed hearing with both grievants with their concurrence. The Chair acknowledged for the record that this recommendation was contrary to legal counsel's advice.

Mr. Arias and Mr. Jones concurred to hold a Closed hearing.

The Board went into a Closed hearing to review the grievance and documents submitted by Mr. Arias and Mr. Jones.

CLOSED HEARING ON GRIEVANCES

RETURN TO OPEN SESSION

District Counsel announced that the Board would be meeting in Closed Session to discuss three items.

8A. PUBLIC EMPLOYEE APPOINTMENT

Title: Operator III

8B. EMPLOYEE PERFORMANCE EVALUATION

Title: District Administrator

8C. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: (one potential case).

PUBLIC COMMENT ON CLOSED SESSION

Chairman Shoals opened the public comment period.

Julie Tacker, Patty Welsh, Beatrice Spencer, and Patricia Price all spoke to Item 8B Personnel Evaluation of District Administrator, and their dissatisfaction with the District Administrator.

Patricia Price spoke to Item 8A. She is in favor of the Operators and not in favor of the District Administrators interpretation of the Personnel Policy.

Chairman Shoals closed the comment period.

The Board went into Closed Session.

8. CLOSED SESSION

RETURN TO OPEN SESSION; CLOSED SESSION REPORT BY DISTRICT COUNSEL

8B. EMPLOYEE PERFORMANCE EVALUATION

No reportable action.

8C. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

No reportable action.

8A. PUBLIC EMPLOYEE APPOINTMENT

By unanimous vote, motion by Director Hill, and second by Director Guerrero, the Board adopted resolutions denying the grievances filed by Mr. Jones and Mr. Arias and directed staff to update the Personnel Policy Manual within six months, including a review of the job descriptions, and upon adoption by the Board, that staff implement a competitive promotional process to fill the Operator III positions currently authorized by the Board.

Chairman Shoals added a few comments. He said the Board was unanimous in that the Administrator has the authority to approve or deny recommendations and there are no guarantees with recommendations from the Plant Superintendent that he is acting in the capacity that he was hired too. When following past bad practices, it is not advisable or acceptable. All operators are being compensated commiserate with their performance and certification. They have received pay increases where warranted. It is obvious the operator III job description and the grievance policy are not sufficient and need to be updated. The Board does believe in promoting from within the organization when possible, but it should be a competitive process, open to all qualified employees.

9. ADJOURN MEETING

This meeting adjourned at 11:15 pm.

The next regularly scheduled Board meeting on November 16, 2016, 6 pm at the Oceano Community Service District Board Room, 1655 Front Street, Oceano, California

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
11/16/2016 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ABALONE COAST ANALYTICAL	CHEMICAL ANALYSIS	16-6013	111616-1713	7078	215.00	215.00
AGP VIDEO	PROF. SERVICES	OCTOBER	1714	7080	1,907.50	1,907.50
AIRFLOW FILTER SERVICES	EQUIPMENT MAINTENANCE	OCTOBER	1715	8030	48.00	48.00
ALLIED ADMINISTRATORS	EMPLOYEE DENTAL	DECEMBER	1716	6025	815.10	815.10
ALLSTAR INDUSTRIAL SUPPLY	SAFETY SUPPLIES	1829	1717	8056	562.49	562.49
AMERICAN BUSINESS MACHINES	OFFICE SUPPLIES	295821; 294737	1718	8045	493.86	493.86
AMIAD WATER SYSTEMS	EQUIPMENT MAINTENANCE	7300039740	1719	8030	131.21	131.21
AMY SIMPSON	SEMINARS	PER DIEM	1720	7050	64.00	64.00
AQUATIC BIOASSAY	OUTFALL INSPECTION	SLO1116.0982	1721	7060	20,162.50	20,162.50
ARAMARK	UNIFORMS	10/14; 10/21; 10/28 11/04	1722	7025	838.03	838.03
ATLAS PERFORMANCE IND.	ADMIN OFFICE SPACE	10/17/16-11/16/16	1723	7040	450.00	450.00
AUTOSYS, INC.	EQUIPMENT MAINTENANCE	975	1724	8030	1,615.00	1,615.00
BANK OF THE WEST	TRAINING	OCTOBER	1725	7050	1,565.35	2,175.39
	OFFICE SUPPLIES	OCTOBER		8045	610.04	
BAY FOUNDATION OF MORRO BAY	RWQCB FINE	CCAMP-GAP	1726	7066	110,981.28	110,981.28
BAY FOUNDATION OF MORRO BAY	RWQCB FINE	GROUNDWATER BASIN MODEL	1727	7066	221,962.56	221,962.56
BRENNTAG	PLANT CHEMICALS	BPI673198; BPI674692	1728	8050	9,839.02	9,839.02
CARQUEST	AUTOMOTIVE	883346; 883355	1729	8032	114.55	114.55
CARRS BOOTS	UNIFORMS	0237; 0238	1730	7025	232.16	232.16
CENTRAL COAST TECHNOLOGY	COMPUTER SUPPORT	681; 635; 514	1731	7082	1,206.86	1,206.86
CHARTER	COMMUNICATIONS	10/29/16-11/28/16	1732	7013	367.91	367.91
CITY OF ARROYO GRANDE	STRUCTURE MAINTENANCE	16-032	1733	8060	692.52	692.52
COUNTY OF SLO	PERMIT FEES	ENVIRONMENTAL HEALTH SERVICES	1734	7068	895.00	895.00
CULLIGAN CCWT	EQUIPMENT RENTAL	38664	1735	7032	60.00	60.00
CULLIGAN SANTA MARIA	EQUIPMENT RENTAL	32726	1736	7032	17.50	17.50
EPPENDORF	LAB SUPPLIES	4009105695	1737	8040	118.60	118.60
EVERYWHERE RIGHT NOW, INC	COMPUTER SUPPORT	1773	1738	7082	2,000.00	2,000.00
FARM SUPPLY	HOUSEHOLD SUPPLIES	41163	1739	9035	172.78	172.78
FED EX	CHEMICAL ANALYSIS	5-600-23469	1740	7078	19.32	19.32
FERGUSON ENT.	STRUCTURE MAINTENANCE	3891000	1741	8060	1,990.37	1,990.37
GARING TAYLOR ASSOC.	CHERRY AVE BRIDGE PROJECT	OCTOBER	1742	26-8065	316.25	316.25
GILBERT TRUJILLO	GENERAL LEGAL SERVICES	OCTOBER	1743	7071	8,785.00	8,785.00
GRAINGER	SAFETY SUPPLIES	9245953774	1744	8056	166.21	166.21
GRAYLIFT	EQUIPMENT MAINTENANCE	00640241	1745	8030	280.75	280.75
I.I. SUPPLY	EQUIPMENT MAINTENANCE	41993; 42082	1746	8030	572.08	572.08
INTERSTATE BATTERIES	EQUIPMENT MAINTENANCE	11/02/16	1747	8030	755.27	755.27
JB DEWAR	FUEL	828571; 829816	1748	8020	326.52	326.52
JESSICA MATSON	SOURCE CONTROL PROGRAM	OCTOBER	1749	7065	315.00	315.00
JIM HILL	BOARD SERVICE	OCTOBER	1750	7075	100.00	100.00
JOHN SHOALS	BOARD SERVICE	OCTOBER	1751	7075	200.00	200.00
KENNEDY JENKS	REDUNDANCY PROJECT	OCTOBER	1752	20-7080	1,050.00	1,050.00
LEXIS NEXIS	SUBSCRIPTION	OCTOBER	1753	7071	250.00	250.00
LIEBERT, CASSIDY WHITMORE	OUTSIDE COUNSEL	SEPTEMBER	1754	7070	4,844.80	4,844.80
MARY LUCEY	BOARD SERVICE	OCTOBER	1755	7075	100.00	100.00
MATTHEW GUERRERO	BOARD SERVICE	OCTOBER	1756	7075	100.00	100.00
MECHTRONIC RESOURCES	EQUIPMENT MAINTENANCE	505591	1757	8030	1,723.43	1,723.43
MICHAEL K NUNLEY	SITE ALTERNATIVES EVAL	2770	1758	7015	552.50	9,771.92
	REDUNDANCY PROJECT	2769		20-7080	463.07	
	GRIT REMOVAL	2733		20-8015	3,973.85	
	BIO SOLIDS HANDLING FACILITY	2777		7077	3,545.00	
	HEADWORKS IMPROVEMENT	2725		26-8065	1,237.50	
MINERS	HOUSEHOLD SUPPLIES	OCTOBER	1759	8035	305.61	305.61
NOBLE SAW	EQUIPMENT MAINTENANCE	311881	1760	8030	14.75	14.75
OILFIELD & ENVIRO. COMPLIANCE	CHEMICAL ANALYSIS	1603905	1761	7078	45.00	411.00
	BRINE SAMPLING	160826; 1603839		7086	366.00	
PG&E	ELECTRICITY	10/09/16-11/07/16	1762	7091	11,701.03	11,701.03
PRAXAIR	EQUIPMENT RENTAL	74774742	1763	7032	28.80	28.80
RODOLFO MARQUEZ	CONNECTION REVENUE REFUND	CANCELLED PERMIT	1764	20-4030	4,950.00	4,950.00
SLOCO DATA, INC	OCEANO BILLING	37690	1765	7074	909.01	909.01
SO CAL GAS	GAS	09/03/16-10/27/16	1766	7092	1,250.55	1,250.55
SO. CO. SANITARY SERV.	GARBAGE	NOVEMBER	1767	7093	117.80	117.80
SPEISS CONSTRUCTION CO. INC.	GRIT REMOVAL	216155	1768	20-8015	56,196.50	56,196.50
STANLEY SECURITY	ALARMS	13975101; 14029629	1769	7011	273.56	273.56
TIM BROWN	BOARD SERVICE	OCTOBER	1770	7075	100.00	100.00
US POSTAL SERVICE	OFFICE SUPPLIES	PO BOX 339	1771	8045	170.00	170.00
VWR	LAB SUPPLIES	2016-894; 2016-896	1772	8040	676.17	676.17
WATER SYSTEMS CONSULTING	RECYCLED WATER FACILITIES	2221	1773	20-7090	8,435.00	8,435.00
WENDY STOCKTON, ESQ.	LEGAL COUNSEL	OCTOBER	1774	7071	3,430.00	3,430.00
WEST COAST INDUSTRIAL SUPPLY	EQUIPMENT MAINTENANCE	44844	1775	8030	48.64	48.64
SUB TOTAL					\$ 498,824.16	\$ 498,824.16
STATE WATER RES. CONT. BOARD	RWQCB ACL FINE	ORDER NO. R3-2012-0041	111616-1712		\$ 554,906.40	\$ 554,906.40
SO. SLO CO. SANITATION DISTRICT	RABOBANK REIMB. FOR OCTOBER	WEBHOSTING	1776	7011	165.35	84,845.97
		PAYROLL 10/14; 10/28			57,968.42	
		CALPERS MEDICAL		6010	15,230.46	
		CALPERS RETIREMENT		6060	11,481.74	
SUB TOTAL					\$ 84,845.97	\$ 84,845.97
SO SLO CO SAN DIST. REIMB						
GRAND TOTAL					\$ 1,138,576.53	\$ 1,138,576.53

We hereby certify that the demands numbered serially from 111616-1712 to 111616-1776 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

1600 Aloha Oceano, California 93445-9735
Telephone (805) 489-6666 FAX (805) 489-2765

Date: November 16, 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 latest District 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 since the last report are provided in italics below:*

RWQCB and District Settlement of 2010 Spill

As announced at the August 3rd Board Meeting, the RWQCB and the District has agreed to settle their litigation over the Administrative Civil Liability (ACL) penalty issued to the District regarding the 2010 Spill at the District's facility. Both parties agreed to resolve this matter without further litigation and without an admission of liability for the \$1,109,812.80 ACL penalty amount, with approximately 50% of the total penalty amount going towards regional and local projects, including two supplemental environmental, and one enhanced.

Today we have included an item with staff report that provided more detail on the Settlement and SEP/ECA projects.

Project Updates:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project** – The purpose of this project is to perform regular maintenance on the existing structure, remove paint and debris and replace its anti-corrosion coating. At the Board's September 7th Board meeting the Board approved the Mitigated Negative Declaration for this project. A completed Notice of Determination has been filed with the County of San Luis Obispo, and necessary permit applications to the CA Department of Fish and Wildlife (CDFW), and Regional Water Quality Control Board. *The later agency had additional questions, and staff resubmitted a revised application form, description and requested supplemental information. A letter, dated November 10th was sent to CDFW further defining the projects and conditions the project maintenance will be conducted (Attachment No. 1)*

- **Grit Removal System** – On April 28, 2016, the Board approved a contract with Spiess Construction Company for \$492,100. *The foundation for the project is complete and the equipment has been installed. The final electrical work is anticipated this week with startup anticipated on November 21st.*
- **Mechanical Bar Screen** – At the September 7th Board meeting, the Board approved an award of contract for this project. *A Notice to Proceed was issued to the contractor on November 2nd, with a start date of November 8th. A kickoff meeting with the contractor's representatives from FRM was held on Friday November 4th at the District's facility.*
- **Secondary Process Redundancy Project** – On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. On August 5, 2016, a cover letter outlining our response(s) to the Coastal Commission staff's April 15th letter to our Coastal Development Permit application was sent to Coastal Commission staff, including five attachments (which included site plans, biological surveys, sea level rise analysis, flood risk mitigation strategy, and site photos). Subsequently on August 16th, upon receipt by us, a one-page form from the County of San Luis Obispo on its permitting determination was transmitted to Coastal Commission staff.

At the September 7th Board meeting, the Board approved an Addendum to the 2010 Mitigation Negative Declaration. This action updated the Redundancy Project's CEQA status. Subsequently, on September 9, 2016, we transmitted this Addendum, and supplemental information requested by Coastal Commission staff, via a cover letter. *On October 13, 2016, we received a response from Coastal Commission staff to our September 8th submittal. Staff responded to this letter in short order on October 21st, with a cover letter (Attachment No. 2) providing answers to questions posed, and updated project facility design plans. The letter also included project descriptions and project design plans on past and proposed projects at the District WWTP site.*

State Revolving Funding (SRF) Loan Program - On August 30th, District staff participated in three meetings in Sacramento with SWRCB Division of Financial Assistance staff. At the October 5th Board meeting, the Board approved authorization to proceed with a contract with Bartle Wells Associates for assistance in preparing the financial package and evaluating other financial options.

- **Satellite Water Resource Recovery Facilities Grant** – The Board approved a re-scoping of this grant funded project at its March 30, 2016. Regular monthly meetings are held with the consultant and City of Arroyo Grande staff, where project schedule, milestone and progress on report components are discussed. District staff met face to face in Sacramento in late August with the SWRCB's grant project manager to discuss the re-scoping of this study, its deliverable schedule, and overall purpose of the study in conjunction with ongoing regional recycling efforts in south San Luis Obispo County. *A meeting to discuss the study/grant progress and interim work products was held on November 7th at the WSC office in San Luis Obispo. A workshop on the draft Report is now tentatively planned for the Board's December 21st meeting.*
- **Energy Cost Reduction/Conservation Project, Co-Generation Unit** – Staff continue to work with representatives of PG&E, MKN and Enviser on the feasibility of a co-generation system at the District's facility. Significant benefits of a co-generation system may include future saving on facility electricity costs, and a reduced carbon footprint (eliminated

flare)/greenhouse gases. On August 30th, the District's Plant Superintendent attended and was provided a tour of a similar PG&E co-generation project recently constructed and operating at the City of San Luis Obispo WWTP.

- ***District Control Building and Office*** – Significant issues and problems are evident in the District's Operational and Administrative Building. Identified issues include: Strong and persistent odors, noise and disruption from brine disposal trucks, 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.

On August 11th, a temporary construction trailer for administrative staff was delivered to the plant site, adjacent to the C-Train (containing a majority of the District's files). A completed CDP application was submitted to Coastal Commission staff in compliance with local and state requirements.

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. Unfortunately, staff was not able to attend the most recent meeting held on September 28th.
- Zone 1-1A Flood Control Advisory Committee – The Committee 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. At the June 15th Board meeting, the Board approved District staff participation. The last meeting of this committee was held on October 18th at the Oceano CSD office with updates on annual channel maintenance, Waterway Management Program projects, and the long-term rain forecast.
- 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

At the July 6th Board meeting the Board approved the District's participation in the IRWM program through adoption of a Resolution and becoming signatory under the existing Memorandum of Understanding. *The Water Resource Advisory Committee held its latest meeting on November 2nd where the District Administrator was invited to speak regarding a successful off-stream groundwater recharge project in Ventura County he was involved in, lessons learned and how that project may be applicable to similar proposed projects within the San Luis Obispo's IRWM program.*

- 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. *The next meeting will be November 15th in San Luis Obispo and will include a presentation on direct potable reuse (DPR). A tour of the Pure Water Facility in Monterey is scheduled for November 29th.*
- 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. 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. At the meetings, group members share hydrologic and water resources data and information, and water conservation efforts. *On November 4th, the group met again, this time with a County and Nipomo CSD representative, to further coordinate and leverage efforts on a comprehensive groundwater model for the Santa Maria groundwater basin between various parties.*
- Regional Groundwater Sustainability Project: Staff participates in meeting with the various cities to collaborate on a potential regional recycling project in the South San Luis Obispo county and how might the District participate. The third meeting of this group was held on October 12th in Grover Beach, with topics that included updates on a collaboration structure, efforts to develop a groundwater model, a joint EIR, and the site selection process. District staff was asked and provided an update on progress with our recycling grant study.
- Countywide Water Action Team/Water Management Efforts: A Countywide Water Action Team has formed, with water managers throughout San Luis Obispo County convening to discuss and collaborate on water supply management solutions, especially in light of the severe drought. The next meeting is scheduled for December 16th.
- *Outreach Initiative* – The District Administrator provided a formal presentation on the District and its initiatives to the Arroyo Grande City Council on July 26th, the Oceano CSD on July 27th, and the Regional Water Quality Control Board on July 28th. At the September 21, 2016 Board meeting the Board approved moving forward with distribution of our Fall 2016 Newsletter. *Staff continues to make progress working with each of our member agencies on how best to include this newsletter with their utility bills. A draft flyer for the Oceano community highlighting the Redundancy project is also under review.*

Today we have an item, and staff report on the agenda further describing our new website.

- Record's Management Initiative – As a first step, staff have recently compiled several other agencies' Record's Retention Policies. We intend to evaluate them and compare them to the District's existing Record Retention Policy, and at some future date, come to the Board with an updated Policy for consideration.

Superintendent's Report

During this reporting period (November 1st through November 10th) the District's facility continues to regularly meet its Permit Limitations as required under the State of California's National

Pollution Elimination Discharge (NPDES) Permit issued to the District. All process values (lab test results) were within permit limits.

Plant Data (Data as Available November 10), 2016

November 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	2.21	3.5	438	33	418	35	2.5	176	93
High	2.40	4.20	438	33	440	38	4.5	203	
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

- Troubleshoot Plant water system. Failed pump.
- Repaired torque alarm at secondary clarifier.
- Installed CCTV system at front gate.
- Replaced nozzles on Amiad filters.
- Performed Monthly Safety Inspection.
- Installed sewer flowmeter on Coolidge Dr.
- Inspected District property. Encountered homeless encampments. Notified Sheriff Station. Staff went to encampments with Deputy, and Deputy instructed indigent camp occupant to remove themselves from District property.
- Replaced battery in service cart.
- Cleaned FFR netting and distribution arm ports. Collected oil sample.
- Repaired brine flowmeter.
- Conducted FOG inspections in Oceano.
- Calibrated chlorine probes at CCT stations #2 and #3.
- Repaired scum flush system at Secondary clarifier.
- Set traps for rodents at Administration Trailer. Captured and relocated 2 racoons. API repaired bottom of administration trailer.
- Tore down and rebuilt 2" pump.
- Replaced o-rings on Amiad filters.
- Repaired water leak at irrigation piping.
- Replaced faulty back pressure valve on H/W ferric pump.
- Shortened ISCO suction line from 25' to 19' at final effluent sampler.

Training

- Staff attended a training session on Confined Space Safety.
- Staff attended a training session entitled Process Safety – Protecting Employees.

Miscellaneous

- Staff attended a planning meeting with MKN for the Concrete Sludge Bed Project
- Footpath bridge was removed from location at Security and Court streets in Oceano by San Luis Obispo County public works staff. The bridge was brought onto the WWTP for storage and/or dismantling.
- Staff met with SLO Co. public works staff regarding leased sludge bed.



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

November 10, 2016

Linda Connolly
Senior Environmental Scientist Supervisor
California Department of Fish and Wildlife Region 4
Lake and Streambed Alteration Program
1234 East Shaw Avenue
Fresno, CA 93710

Subject: **Response to Second Incomplete Notification of Lake or Streambed Alteration Notification No. 1600-2015-0097-R4 Cherry Avenue Pipe Bridge Maintenance Project Arroyo Grande Creek – San Luis Obispo County**

Dear Ms. Connolly,

On October 31st, 2016, you sent a Second Incomplete Notification regarding the Project noted above. Below we have included responses to each item:

Section 6: Please refund the appropriate amount.

Section 10: You requested that we describe “a specific method of containment” for this coating removal and re-application project. We would like to be able to provide such a description, but are unable to do so now because our policy towards contracted work projects is to specify the performance requirements of the project, both in terms of finished product and restrictions on processes, leaving the “means and methods” to be decided by the contractor. I am attaching an excerpt from the “Special Provisions” section of our contract for this project which contains the performance requirements for the containment system.

We expect that the contractor will use a rigid scaffolding system suspended from the bridge in conjunction with an enclosed tent-like structure of flexible water-proof materials to fully contain the disturbed coating materials.

May we suggest that a suitable way to address the Department's concerns regarding the containment system is to include a provision in the LSA stating that (1) the contractor shall submit a containment system plan to the Department for approval prior to starting work, and (2) the Department shall agree to approve or deny the proposed containment system within a specific amount of time.

These permit requirements will be included in Section 12 (Environmental Permit Summary Forms) of the Special Provisions, and will also be incorporated into the Containment System specification attached.

Thank you for your attention to this matter. If you have any additional questions, feel free to please call me at 805-602-1733, or email at Gerhardt@ssloscd.us

Sincerely,



Gerhardt Hubner,
District Administrator

Attachments: Excerpted page 39 from Special Provisions



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

October 21, 2016

Daniel Robinson
Coastal Planner
California Coastal Commission
Central Coast District Office
725 Front Street, Suite 300
Santa Cruz, CA 95060

**SUBJECT: SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT'S
(DISTRICT) RESPONSE TO COASTAL COMMISSION STAFF'S OCTOBER 13,
2016 RESPONSE LETTER REGARDING DISTRICT'S COASTAL DEVELOPMENT
PERMIT (CDP) APPLICATION NO. 3-016-0233 FOR THE DISTRICT WASTEWATER
TREATMENT FACILITY REDUNDANCE PROJECT**

Dear Mr. Robinson:

On behalf of the South San Luis Obispo County Sanitation District, I would like to thank you for your ongoing assistance as we move forward with the Redundancy Project.

As stated in the CDP Permit Application (March 11, 2016), South San Luis Obispo County Sanitation District owns and operates a wastewater treatment facility (WWTF) that is permitted under National Pollutant Discharge Elimination System (NPDES) No. CA0048003/Waste Discharge Requirements Order No. R3-2009-0046. The existing plant uses mechanical screens, primary clarifiers, fixed film reactors (FFR), one secondary clarifier, and chlorination to provide secondary treatment with disinfection to treat wastewater. The plant is designed and permitted to treat a peak dry weather flow of 5.0 million gallons per day (MGD).

The existing treatment plant cannot meet effluent limits at the permitted design flow if the FFR or the secondary clarifier is out of service. There is no redundant unit for either process.

The project is intended to provide redundancy to allow these major process units to be removed from service for maintenance or repairs without risking violation of effluent permit limits. The project is not intended to add capacity to handle higher flows than currently permitted, and no additional treatment capacity will be pursued by the District.

In response to your letter dated October 13, 2016, we are attaching several items to address comments and questions. These items include:

- Revised Site Plans (11x17 and Full Size)
- Record Drawings for the 2004 Chlorine Contact Chamber Improvements
- Design Plans for the Grit Removal Equipment Project
- Design Plans for the Biosolids Storage Slab

Questions and comments from the letter are provided in italics below. Specific responses are included beneath the questions and comments

1. Project Description

CC Staff Question: As described in the latest submitted materials and in your letter dated September 9, 2016, the District is proposing to install a variety of components designed for redundancy purposes at the site, as well as other minor flood-proofing improvements including: 1) raising or replacing the existing flood barrier around the "Standby Power Building" to provide an additional two feet of flood protection; 2) installing a new four-foot-high flood barrier around the edge of the "Transformer slab"; and 3) raising or replacing the existing flood barrier around the "Power Generation Station" to provide an additional six inches of flood protection. Are these the only "critical" structures that the proposed project intends to better protect from flooding?

Response: Yes, these are the only critical structures that are necessary for meeting plant effluent goals during and immediately after a flooding event. The attached plan sheets have been revised to indicate the location of the minor flood-proofing components.

CC Staff Question: Lastly, please also include a project description and project plans for any flood-proofing or other work previously done on the site without the necessary Coastal Commission authorized CDP.

Response: The following projects have been added to the site plan and project plans are enclosed, in order to fully disclose other projects that may or may not require a CDP:

1. Chlorine Contact Chamber Improvements: Completed in 2004, the chlorine contact basin improvements included a new chlorine contact tank to meet effluent discharge requirements and a new effluent pump station. Improvement plans are attached. It is not known if a CDP was acquired for this project.

2. **Grit Removal Equipment Improvements:** The District is completing installation of a system to remove grit from raw wastewater. The grit removal system replaces an abandoned system that separated grit and snail shells from trickling filter effluent for many years. The system does not require floodproofing because all elements are located above the base flood elevation, except for a grit classifier beneath the unit that is not necessary to function during a flood event. The grit classifier separates grit from waste flows that are released from the grit chamber. Wastewater drains back to plant influent and grit is released to a hopper for offsite disposal. A picture of the grit removal equipment is provided, along with improvement plans.
3. **Headworks Equipment Improvements:** Currently, the District's utilizes an antiquated auger system at its headworks facility which does not represent the best wastewater removal technology. The District is proposing to improve its headworks efficiency by means of replacing the auger with a mechanical bar screen system. This replacement will increase safety and ultimately wastewater effluent by keeping rags and other larger inorganic materials out of the treatment stream. These proposed improvements are within the existing headworks facility footprint, and represent no additional expansion or require any additional floodproofing (beyond what has been already installed or proposed). We believe these improvements, since they involve replacement of equipment, are exempt from CDP permitting. Nevertheless, for full transparency, we are including this project with this submittal.
4. **Biosolids Storage Slab:** The District intends to pave an area (approximately 30'x20') within a dirt lot adjacent to the centrifuge building for temporary storage of dewatered sludge prior to hauling or conveyance to the onsite sludge drying beds. The draft plans for this project are included.

2. Alternatives

CC Staff Question: Specifically, what were the reasons for selecting these three sites as opposed to others? Was it because these were the only areas in the vicinity that had 12 acres or more of space, which is an expected size for a new WWTP? Are there other locations that are outside the District's service area that would be suitable, or would the distance make the site cost-prohibitive? Please provide answers to these questions.

Response: The identified sites were each a minimum of 12 acres, were located well outside of the 100-year floodplain, and were confirmed for zoning as a suitable land use (agriculture, industrial, open space, and public facilities). Twelve acres is the minimum parcel size needed to contain all the necessary WWTP components (headworks, primary and secondary treatment processes units, and necessary associated infrastructure, and access). The only sites outside of the service area with adequate area would have required construction in the 100-year floodplain, requiring floodproofing and other mitigation measures to avoid impacts.

These sites were selected to provide a reasonable range of possible costs because they met these minimum land use compatibility and size criteria, were the closest in proximity to the existing WWTP (to minimize construction cost), were outside the 100-year floodplain, and were each located within a member agency's service area to remove any perceived bias from siting considerations.

CC Staff Question: Please confirm that there is not a more temporary solution to the redundancy project which would enable the District to accomplish its (and the Regional Water Quality Control Board's) goals, while at the same time reducing financial costs to the District.

Response: There is no less costly, temporary solution that will provide the treatment capacity to meet effluent permit limits if either the fixed film reactor or the secondary clarifier is taken out of service. The recommended facilities are the most cost-effective approach to provide secondary treatment process redundancy while also providing a system that is safe and operable, while continuing to protect coastal resources.

Summary

We look forward to discussing the contents of this letter with you at your earliest convenience, and continuing to move our CDP application forward for further processing. We trust you will find the information, data and remedies provided in this letter will assist both the Coastal Commission and the District in our mutual goals of protecting coastal resources, water quality and public health and safety, all core objectives of the District's Redundancy Project. Feel free to contact me at 805-202-8291 or Gerhardt@sslocsd.us if you have any questions or comments or wish to further discuss with me this very important project.

Sincerely,



Gerhardt Hubner
District Administrator

Attachments:

1. Revised Site Plans (Kennedy-Jenks Consultants) – Half-Size and Full-Size Plans (2 copies each)
2. Photos of the Grit Removal Equipment, Chlorine Contact Chamber, and Solids Conveyor
3. Record Drawings for the 2004 Chlorine Contact Chamber Improvements – Half-Size and Full-Size Plans (2 copies each)

**District's Response to
Coastal Commission's
October 13, 2016 Letter**

-5-

4. Design Plans for the Grit Removal Equipment Project – Half-Size and Full-Size Plans (2 copies each)
5. Design Plans for the Biosolids Storage Slab – Half-Size and Full-Size Plans (2 copies each)
6. Headworks Screening Improvements – Half Size and Full-Size Plans (2 copies of each)



**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

Staff Report

Date: November 16, 2016

To: Board of Directors

From: Amy Simpson, District Bookkeeper/Secretary

Via: Gerhardt Hubner, District Administrator

Subject: **FISCAL YEAR 2016/17 FIRST (1ST) QUARTER BUDGET
PERFORMANCE REVIEW AND BUDGET ADJUSTMENT PER
RESOLUTION NO. 2016-361**

Recommendation:

1. Receive a report on the 1st Quarter Budget Performance and review of the recommended budget adjustments; and
2. Adopt Resolution No. 2016-361 authorizing the budgetary adjustments as detailed in Exhibit A.

Executive Summary:

On September 30, 2016, the District Fiscal Year 2016/17 1st Quarter closed. Today's staff report provides an overview of the District's Budget Performance as it pertains to its Revenues, Expenditures, and Cash Balance as of September 30th, 2016. Accounting information for this quarter (July 1, 2016 to September 30, 2016), is contained below in the following tables. Table No. 1 contains the District's performance regarding Revenues, Table No. 2 contains overall expenditure performance through the 1st Quarter, Table No. 3 contains Beginning Fund Balance.

Through the 1st Quarter, the District expended 18% of its budgeted expenditures (at the 25% Benchmark).

No. 1 – Revenues

	FY 2016/17 Budget	Received		Recommended	Recommended
				1st Quarter Adjustments	Budget at 1st Quarter
		Amount	Percent		
Fund 19	\$4,457,200	\$952,732	21%	0	\$4,457,200

Fund 20	\$187,800	\$52,792	28%	0	\$187,800
Fund 26	\$0	\$0	0%	0	\$0
Total	\$4,645,000	\$1,005,524	22%	0	\$4,645,000

No. 2 - Expenses

	FY 2016/17 Budget	Expended as of 09-30-16		Recommended 1st-Quarter Adjustments	Recommended Budget at 1st Quarter
		Amount	Percent		
Fund 19	\$4,472,400	\$683,422	15%	0	\$4,472,400
Fund 20	\$2,383,700	\$655,613	28%	0	\$2,383,700
Fund 26	\$946,200	\$44,471	5%	0	\$946,200
Total	\$7,802,300	\$1,383,506	18%	0	\$7,802,300

Beginning Cash Balance Used for Funding for Fund 19 was estimated at \$1,190,000 prior to the end of the year. The District received a letter from the auditor stating that Fund Balance Available in the County Treasury was \$998,118, a difference of 191,882.

No. 3 - Beginning Fund Balance

	FY 2016/17 Budget	Actual as of 09-30- 16	Recommended 1 st -Quarter Adjustments	Recommended Budget at 1 st Quarter
Fund 19	\$1,190,000	\$998,118	(\$248,991)	\$749,127
Fund 20	\$4,015,000	\$4,015,000	(\$55,000)	\$3,960,000
Fund 26	\$385,000	\$385,000	\$0	\$385,000
Total	\$5,590,000	\$5,398,118	(\$303,991)	\$5,094,127

Analysis:

The following account listed below was significantly less than budgeted amount at close of the 1st quarter.

1. Account No. 19-6035 Student Interns: 8%. This reflects a shorter period worked than originally expected. This account has an excess of \$11,040. Staff recommends a transfer to Account No. 19-6080 Workers Compensation in the amount of \$7,000. The new budgeted amount for Student Interns will be \$5,000.

The following accounts listed below were significantly greater than budgeted amount at close of the 1st quarter.

2. Account No. 19-6065 Unfunded Accrued Liability: 95%. The Board authorized an annual prepayment made to CalPERS on July 20, 2016. No adjustment is being recommended at this time.
3. Account No. 19-6080 Workers Compensation: 46%. This reflects increase in estimated annual premium due to District Administer being classified as an Operator not Clerical. We are requesting an increase of \$7,000 for a total budget of \$67,000. This money would be drawn from the Student Intern account.
4. Account 19-7015 Office Supplies and Equipment: 41%. This reflects costs of implementing the GIS System and new hardware for District computer backups. No adjustment is being recommended at this time.
5. Account No. 19-7040 Administrative Office Space: 67%. This reflects a onetime charge for delivery, set up, take down and return costs and there is enough in this budget to cover rent for remainder of this fiscal year. No adjustment is being recommended at this time.
6. Account No. 19-7069 LAFCO Budget Share: 90%. This reflects our annual payment. No adjustment is being recommended at this time.
7. Account No. 19-7072 Auditing: The Board approved a budget adjustment in the amount of \$1,500 from the District's contingency account to cover the remaining contractual amount. The new budget amount for this account is \$11,500.
8. Account No. 19-7083 Fiscal Services: 44.6%. This account reflects onetime costs of preparing for the FY 15/16 audit and the Other Post Employment Benefit evaluation. No adjustment is being recommended at this time.
9. Account No. 19-8061 Structure Maintenance Major: 73%. This account reflects the cost of renovating the men's restroom as well as replacing the duct work in the Administration Building. No budget adjustment is recommended at this time.
10. Account No. 20-7096 CoGen Payment: 49%. The Board authorized an annual prepayment made to City National Bank on July 20, 2016. City National Bank was unwilling to accept this prepayment and returned 50% of the payment. No adjustment is being recommended at this time.
11. Account No. 20-8010 Capital Equipment/SCADA: 154%. This account reflects all services provided from Autosys, Inc. not only SCADA. Staff recommends an increase to this account of \$20,000. This increase would balance Account 20-8010 and allow purchase of supporting software (Historical and Alarm). This money would be drawn from Beginning Fund Balance in Fund 20.
12. Account No. 20-8015 Grit Removal Project: There have been two Change Orders for a total of \$33,506. The total project is now \$525,606.

13. Account No. 26-8065 Structures/Grounds Replacement and Improvement: 5%.
The Board approved purchase of Automated Valve to support Grit Removal Project on July 06, 2016. Staff recommended deferring purchase of Belt for Sludge Conveyor and a Sludge Pump VFD to budget for the new Valve. This is a transfer of money is within account No. 26-8065. Staff may pursue these items at a later day if other projects are not pursued or additional funding is identified.

Conclusion:

Overall, the District expenditures remained well below the adopted Fiscal Year 2016/17 budgeted amounts. As per good fiscal and budget practices, staff continues to monitor costs vs. budgeted amounts, while providing the District and its ratepayers the best cost benefit and investment of District funds. District staff recommends today the Board consider and adopt Resolution 2016-361 with Exhibit A, (Attachment No. 1). We are also providing a Consolidated Budget with proposed adjustments (Attachment No. 2) to indicate the changes that would occur if Resolution No. 2016-361 is adopted.

Attachments:

Attachment No. 1 Resolution 2016-361, with Exhibit A; Schedule of Recommended Budget Adjustments.

Attachment No. 2 Consolidated Budget with Proposed Budget Adjustments.

RESOLUTION NO. 2016-361

**A RESOLUTION OF THE BOARD OF SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT AMENDING THE FY 2016-2017 BUDGET AT FIRST
QUARTER**

WHEREAS, the Board of Directors previously adopted the FY 2016-2017 Budget consisting of Operating Fund 19, Expansion Fund 20, and Replacement/Improvements Fund 26; and

WHEREAS, District staff have reviewed the account line items under each Fund included in the FY 2016-2017 adopted budget; and

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

WHEREAS, the Board approved and authorized certain changes and revisions to the Adopted FY 2016/17 Board in the 1st quarter, and these changes and revisions are now proposed to be incorporated in an amended consolidated budget; and

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

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 2016-2017 budget shall be amended as follows as shown in Exhibit A and described in the Staff Report prepared in conjunction with this Resolution.

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 16th day of November 2016.

John Shoals,
Chairman
Board of Directors
South San Luis Obispo County Sanitation District

APPROVED AS TO FORM

ATTEST:

BY: _____
DISTRICT COUNSEL

DISTRICT SECRETARY

CONTENTS:

BY: _____
DISTRICT ADMINISTRATOR

Exhibit A – Schedule of Recommended Budget Adjustments

ACCOUNT	CURRENT BUDGET	PROPOSED ADJUSTMENT	ADJUSTED BUDGET
---------	----------------	------------------------	--------------------

OPERATING FUND 19 EXPENSE ACCOUNTS			
19-4005 Beginning Fund Balance	\$ 998,118.00	\$ (248,991.00)	\$ 749,127.00
19-1011 Reserve Cash Balance	\$ -	\$ 248,991.00	\$ 248,991.00
19-6035 Student Interns	\$ 12,000.00	\$ (7,000.00)	\$ 5,000.00
19-6080 Workers' Compensation	\$ 60,000.00	\$ 7,000.00	\$ 67,000.00
19-7072 Professional Services - Auditing	\$ 10,000.00	\$ 1,500.00	\$ 11,500.00
19-8077 Contingency	\$ 98,500.00	\$ (1,500.00)	\$ 97,000.00
Net Budgetary Changes to Fund 19		\$ -	

OPERATING FUND 20 EXPENSE ACCOUNTS			
20-4005 Beginning Fund Balance	\$ 4,015,000.00	\$ (55,000.00)	\$ 3,960,000.00
20-8010 Capital Equipment/SCADA	\$ 10,000.00	\$ 20,000.00	\$ 30,000.00
20-8015 Grit Removal System Contingency	\$ -	\$ 35,000.00	\$ 35,000.00
Net Budgetary Changes to Fund 20		\$ -	

OPERATING FUND 26-8065 STRUCTURE/GROUNDS - REPLACEMENT AND IMPROVEMENT			
2016-B1-02 Belt for Sludge Conveyor	\$ 3,000.00	\$ (3,000.00)	\$ (3,000.00)
2016-B1-13 Sludge Pump Variable Freq. Drive	\$ 10,000.00	\$ (10,000.00)	\$ (10,000.00)
2016-B1-15 Automated Valve for Grit Removal	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00
Net Budgetary Changes to Fund 20		\$ -	\$ -



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	Adjustments	Proposed Consolidated 11/16/16
Revenues						
Gross Revenues						
Service Charges and Fees	4,209,000			4,209,000		4,209,000
Connection Fees		66,000		66,000		66,000
Interest	10,000	6,000		16,000		16,000
Other Revenues	238,200			238,200		238,200
Grant Reimbursement		115,800		115,800		115,800
Total Revenues	4,457,200	187,800		4,645,000		4,645,000
Expenditures & Other Uses						
Operating Expenditures						
Salaries and Wages	798,200			798,200	(7,000)	791,200
Employee Benefits and Other	513,500			513,500	7,000	520,500
Permits, Fees and Licenses	25,000			25,000		25,000
Communications	16,000			16,000		16,000
Computer Support	15,000			15,000		15,000
Administrative Costs	136,000			136,000		136,000
Professional Services	414,500			414,500	1,500	416,000
Disposal Services	55,000			55,000		55,000
Utilities	163,000			163,000		163,000
Structure Maintenance - Major	45,000			45,000		45,000
Maint., Tools & Replacement	252,500			252,500		252,500
Materials, Services and Supplies	228,000			228,000		228,000
Train, Educ, Mmbrshp	43,000			43,000		43,000
Total Operating Expenditures	2,704,700			2,659,700	1,500	2,661,200
Other Charges						
ACL Penalty	1,100,000			1,100,000		1,100,000
Cogen EISA		76,000		76,000		76,000
Contingency	98,500			98,500	(1,500)	97,000
Total Other Charges	1,198,500	76,000	0	1,274,500	(1,500)	1,273,000
Capital Replacement/Maintenance						
Capital Outlay						
Capital Equipment	51,500	2,307,700	946,200	3,305,400	55,000	3,360,400
Total Capital Outlay	51,500	2,307,700	946,200	3,305,400	55,000	3,360,400
Other Financing Sources & Uses						
Transfers Out (In)	-561,200		561,200	0		0
Total Other Financing Sources & Uses	(561,200)		561,200			
Beginning Cash Balance Used for Funding	998,118	4,015,000	385,000	5,398,118	(303,991)	5,094,127
Dedicated Reserve Fund					248,991	
Net Change (Deficit)	939,418	1,819,100	0	2,758,518	0	2,758,518



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

Date: November 16, 2016
To: Board of Directors
From: Gerhard Hubner
Subject: **NEW DISTRICT WEBSITE**

RECOMMENDATION

Staff recommends the Board receive and file this report.

BACKGROUND

As described in the September 21, 2016 staff report item entitled: "Update on District's Public Outreach Initiative, including Newsletter and Website". As noted in that staff report, the District's current website is inadequate for a variety of reasons, including readability, ability to access and post documents, and ease of use. The website also does not incorporate the latest industry standard website features, website technology and programming that would allow staff, the Board or the public to fully utilize it as a public outreach tool. In July staff contracted with Everywhere Right Now, Inc, a local internet technology and website designer. This contract was executed after staff earlier solicited several quotes from a variety of website designers, both locally, and regionally. This firm was also chosen since they provided a very competitive price, are a local firm, have a demonstrated ability to deliver a website overhaul in a reasonable amount of time, provided low cost hosting and maintenance, and have an understanding of District needs.

DISCUSSION

The consultant has completed a vast majority of the items contained in their contract which included the discovery phase, programming and content migration (past Board agendas, resolutions, documents and reports, etc.). The website went live on November 10th.

The new website has been designed to provide a more user-friendly experience with improved navigation and functionality. The public will be able to easily navigate the site to access Board meeting agendas and minutes, reports, news items, and more. In addition, the upgraded website allows the public to connect with the District by joining the mailing list for important updates and emergency information. The District aims to provide a high quality of service and the new website was designed with the public in mind.

Today we are providing a demonstration as to the capabilities of the District website, and seeking your feedback.



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

Date: November 16, 2016
To: Board of Directors
From: Gerhardt Hubner
Subject: **FINAL SETTLEMENT AND ORDER ENDING LITIGATION FROM DISTRICT'S 2010 SEWAGE SPILL**

RECOMMENDATION

Staff recommends the Board receive and file this report.

BACKGROUND

On July 29, 2016, the South San Luis Obispo County Sanitation District (District) entered into a settlement agreement (Settlement) with the Regional Water Quality Control Board (RWQCB) for its 2010 spill which resulted in a \$1,190,000 Administrative Civil Liability (ACL) issued to the District.

This Settlement was announced at the August 3rd Board Meeting. Both parties agreed to resolve this matter without further litigation and without an admission of liability for the ACL penalty amount, with approximately 50% of the total penalty amount going towards regional and local projects, including two supplemental environmental, and one enhanced compliance project(s).

A Draft Order was subsequently prepared and circulated for public review. On October 13th a Final Order, signed by both parties, was distributed. That version with cover letter was provided to the Board as part of its October 19th agenda package. The Final Order had minor changes (vs. the Draft Order) to allow flexibility to the North Cities Management Group and County in the development of a groundwater model (described below).

District Special Counsel prepared a request for dismissal (Order for Dismissal) for submission to the Superior Court to conclude the litigation, which was accepted and entered on October 20th. The litigation is now officially concluded.

DISCUSSION

With the conclusion of the litigation, today District staff is taking the opportunity to give the Board and the public an update on the contents of the Settlement:

Specific elements of the Settlement include:

1. A cash payment to the State of California Cleanup and Abatement Account in the amount of \$554,906.40. The District will have 30 days after the entry of an Order of Dismissal for transmitting payment for the penalty and supplemental projects. To meet that deadline, a check was issued (via signature from two Directors) and send to the State Water Resources Control Board.
2. Two Supplemental Environmental Projects (SEP) and One Enhanced Compliance Project totaling \$554,906.40. Today's warrant contains invoices and request payment for the SEPs.

The SEP and ECA projects are described in more detail below:

Central Coast Ambient Monitoring Program Groundwater Assessment and Protection (CCAMP-GAP) in the amount of \$110,981.28.

The Groundwater Assessment and Protection program (GAP or CCAMP-GAP) is a new and integral component of the Central Coast Ambient Monitoring Program (CCAMP), the Central Coast Regional Water Quality Control Board's regionally scaled water quality monitoring and assessment program. The purpose of the program is to provide scientific information to Regional Board staff, local water agencies and water purveyors, and the public to protect, restore, and enhance the quality of the waters of central California. Funds will be sent to the Bay Foundation of Morro Bay who administers funds on behalf of CCAMP-GAP.

Groundwater Modeling Assistance for the Northern Cities Management Area in the amount of \$221,962.56.

These funds will assist with the development of a groundwater flow model and modeling analysis for the Northern Cities Management Area (NCMA) of the Santa Maria Groundwater Basin (SMGB). Completion of the model will be a critical step toward improved groundwater resources management and long-term water supply reliability and will assist agencies to confidently plan and manage long term water supply operations and mitigate seawater intrusion. This model will also provide information for a future regional water recycling project involving groundwater injection or groundwater recharge. All three of our member agencies (Cities of Grover Beach, Arroyo Grande and Oceano CSD) participate in the NCMA group and will benefit. District staff will be involved in the model development and providing input as to how the District's participation in a future Regional Reclamation Project will benefit from the model's completion and utilization.

District Enhanced Compliance Action (ECA) Project in the amount of \$221,962.56.

This project was chosen voluntarily by the District to enhance the water quality of the District's effluent, provide more reliable and dependable service to plant operations, and prepare for future water recycling opportunities. Removing fine grit protects downstream equipment, infrastructure, and processes from abrasive wear, sedimentation and damage, increases plant reliability, and reduces maintenance costs. The proposed system will accomplish 95% grit removal, classification, washing, and dewatering. This project is nearly anticipated to be complete in December 2016.

As noted above, this Settlement is a major accomplishment for the District and allows us to move forward on new initiatives including investing in the District's wastewater infrastructure and

exploring ways to use our wastewater for beneficial use through future regional reclamation options.