



**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**

Grover Beach City Hall Chambers
154 South 8th Street
Grover Beach, California 93433

Wednesday, January 4, 2017, at 6:00 p.m.

Board Members

John Shoals, Chair
Linda Austin, Vice Chair
Jim Hill, Director

Agencies

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

Alternate Board Members

Karen White, 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 December 21, 2016

5B. Approval of Warrants

5C. Financial Review at November 30, 2016

5D. Surplus List

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Staff recommends the Board receive and file this report.

7. ACTION ITEM:

RECYCLED WATER FACILITIES PLANNING STUDY (STUDY)

Staff recommends the Board:

- 1.) Hear a presentation by District staff and consultants for the Study
- 2.) Direct staff to submit the Study to the State Water Resources Control Board (SWRCB) Division of Financial Assistance per the District's obligations under the grant agreement

8. CLOSED SESSION:

CONFERENCE WITH LABOR NEGOTIATORS pursuant to Government Code Section

54957.6. Agency designated representative: District Administrator

Employee Organizations: Service Employees International Union (SEIU) Local 620, Non-represented Management and Non-Represented Employees.

9. ADJOURN MEETING

The next regularly scheduled Board meeting on January 18th, 2017, 6 pm at the Grover Beach City Hall Chambers, 154 South 8th Street, Grover Beach, California 93433

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

OCSD Board Room
1655 Front Street
Oceano, California 93445

Minutes of the Meeting of Wednesday December 21, 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; Director Linda Austin, Oceano Community Services District

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

2. FLAG SALUTE

3. AGENDA REVIEW

Approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened public comment period.

Julie Tacker commented on Cambria CSD's Brine Disposal project, the Recycling Project, and capital funding for the Redundancy Project.

Chairman Shoals closed public comment.

5. CONSENT AGENDA

5A. Approval of Minutes of Meeting of November 16, 2016

5B. Approval of Minutes of Meeting of December 07, 2016

5C. Approval of Warrants

Administrator Hubner informed the Board that he has directed staff to return the Washer/Dryer listed on the Warrant Register, and a refund/credit will appear on a future statement.

Chairman Shoals opened public comment period.

Julie Tacker commented on Item 7B, minutes from December 07, 2016 Board meeting, and the Jessica Matson warrant.

Chairman Shoals closed the comment period.

Motion: Director Hill made a motion to approve the Consent Agenda with one modification to December 07 meeting. Item 7B Public Comment has been

corrected to reflect that various individuals spoke against Item 7B.

Second: Director Austin

Action: Approved unanimously by roll call vote.

6. DISTRICT ADMINISTRATOR AND PLANT SUPERINTENDENT'S REPORT

Administrator Hubner provided update on NPDES permit renewal, Grit Removal Project, Satellite Facility Grant Study, Coastal Development Permit waiver for the Admin. Trailer and the Sea-Train, Regional Efforts, Personnel Policy Manual, and announced Fanny Mui received the Tri Counties Lab Person of the Year Award.

The Board had a discussion on the update of the Personnel Policy and Job Descriptions and having that work expedited. A majority of the Board did not direct staff to expedite the schedule for updating the PPM and job descriptions, rather to follow the schedule contained in the adopted Resolution on the subject.

Plant Superintendent reported on effluent plant data, operational maintenance, and training.

Chairman Shoals opened public comment period.

Julie Tacker and Ron Arnoldsen commented on District Administrator and Plant Superintendent's Report.

Chairman Shoals closed public comment.

The Board received clarification on the Cambria CSD Brine Project. The Board will be briefed once an application is received.

Action: The Board received and filed this report.

7. ACTION ITEMS:

7A. APPROVAL OF WASTEWATER BILLING AND CONNECTION FEE AGREEMENT(S) WITH THE CITIES OF GROVER BEACH AND ARROYO GRANDE

1. Approve the City of Grover Beach Billing Agreement
2. Approve the City of Arroyo Grande Billing and Collection Fee Agreement

There was no public comment on this item.

Motion: Director Hill made a motion for approval of 7A as presented.

Second: Director Austin

Action: Approved unanimously by roll call vote.

7B. ELECTION OF CALENDAR YEAR 2017 BOARD OFFICERS

Consider and elect a Chair and Vice-Chair for 2017 Calendar Year

Chairman Shoals opened public comment period.

Julie Tacker and Patricia Price spoke in favor of Director Hill being Chairman.

Nancy McNeil and Mary Lucey spoke in favor of Director Shoals continuing as Chairman.

Chairman Shoals closed public comment.

Motion: Director Austin made a motion to elect Chairman Shoals as Chairman.

Second: Chairman Shoals

Action: Approved unanimously by roll call vote.

Motion: Chairman Shoals made a motion to elect Director Austin as Vice Chair.

Second: Director Hill

Action: Approved unanimously by roll call vote.

8. MISCELLANEOUS WRITTEN COMMUNICATIONS

1. Letter from Mary Lucey

Administrator Hubner announced that there were three more letters submitted.

Chairman Shoals opened public comment period.

Julie London, Julie Tacker, Nancy McNeil, and Patricia Price commented on this item.

Mary Lucey read her letter into the record and submitted a signature page.

Chairman Shoals closed public comment.

Administrator Hubner announced that future meetings will be held in Grover Beach City Hall Chambers located at 154 South 8th Street, Grover Beach.

9. ADJOURN MEETING

This meeting adjourned at 7:30 pm.

The next regularly scheduled Board meeting on January 04, 2017 6 pm at the Grover Beach City Hall Chamber located at 154 South 8th Street, Grover Beach, 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
01/04/17 FY 2016/17

	BUDGET LINE ITEM		WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ARAMARK	UNIFORMS	12/16; 12/23	010417-1849	7025	356.14	573.68
	SAFETY SUPPLIES	17161964.00		8056	217.54	
ATLAS PERFORMANCE IND.	ADMIN OFFICE SPACE	12/17/16-01/16/17	1850	7040	450.00	450.00
AT&T	COMMUNICATIONS	12/08/16-01/07/17	1851	7013	286.18	286.18
BRENN TAG	PLANT CHEMICALS	BPI687669	1852	8050	5,824.90	5,824.90
BRISCO LUMBAR	EQUIPMENT MAINTENANCE	166402	1853	8030	33.27	33.27
CA WATER ENVIRON. ASSOC.	MEMBERSHIPS	ARIAS	1854	7050	172.00	172.00
CA WATER ENVIRON. ASSOC.	MEMBERSHIPS	DE LEON	1855	7050	172.00	172.00
CHARTER	COMMUNICATIONS	12/29/16-01/28/16	1856	7013	371.28	371.28
CHARTER	COMMUNICATIONS	12/21/16-01/20/17	1857	7013	144.96	144.96
CHERRY LANE NURSERY	EQUIPMENT MAINTENANCE	40471	1858	8030	194.38	194.38
CITY OF GROVER BEACH	BILLING	DECEMBER	1859	7081	1,752.25	1,752.25
CULLIGAN CCWT	EQUIPMENT RENTAL	39552	1860	7032	180.00	180.00
FARM SUPPLY	EQUIPMENT MAINTENANCE	42268	1861	8030	44.02	44.02
I.I. SUPPLY	EQUIPMENT MAINTENANCE	43010	1862	8030	81.66	91.94
	SAFETY SUPPLIES	42933		8056	10.28	
JB DEWAR	FUEL	833595	1863	8020	100.73	100.73
JIM HILL	BOARD SERVICE	DECEMBER	1864	7075	200.00	200.00
JOHN SHOALS	BOARD SERVICE	DECEMBER	1865	7075	200.00	200.00
JOSLYN HODSON ACCOUNTING	FISCAL SERVICES	14-38; 14-39	1866	7083	975.00	975.00
KEMIRA WATER SOLUTIONS	PLANT CHEMICALS	901525697	1867	8050	7,532.66	7,532.66
LIEBERT, CASSIDY WHITMORE	OUTSIDE COUNSEL	1432628; 1432428	1868	7070	27,594.40	27,594.40
LINDA AUSTIN	BOARD SERVICE	DECEMBER	1869	7075	200.00	200.00
MICHAEL K NUNLEY	REDUNDANCY PROJECT	2905; 2906	1870	20-7080	126.25	3,893.47
	GRIT REMOVAL	2922		20-8015	3,767.22	
OILFIELD & ENVIRO. COMPLIANCE	CHEMICAL ANALYSIS	1604730	1871	7078	45.00	228.00
	BRINE SAMPLING	1604649		7086	183.00	
SAFETY-KLEEN	CHEMICAL ANALYSIS	72140461	1872	7078	372.06	372.06
SPRINT	COMMUNICATIONS	11/04/16-12/03/16	1873	7014	219.30	219.30
USA BLUEBOOK	SAFETY SUPPLIES	129214	1874	8056	715.84	715.84
VWR	LAB SUPPLIES	2016-909; 2016-910	1875	8040	459.00	459.00
SUB TOTAL					\$ 52,981.32	\$ 52,981.32
PAYROLL	12/23/16	\$29,744.27				
GRAND TOTAL					\$ 52,981.32	\$ 52,981.32

We hereby certify that the demands numbered serially from 01042017-1849 to 01042017-1875 together with the supporting evidence have been examined, and that they comply with the requirements of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT. The demands are hereby approved by motion of the SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT, together with warrants authorizing and ordering the issuance of checks numbered identically with the particular demands and warrants.

BOARD OF DIRECTORS:

DATE: _____

Chairman

Board Member

Board Member

Secretary



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Date: January 04, 2017
To: Board of Directors
From: Amy Simpson, District Bookkeeper/Secretary
Via: Gerhardt Hubner, District Administrator
Subject: **Financial Review as of November 30, 2016**

Overall Financial Summary

As of November 30, 2016, the District has received total revenues of \$1,714,855. Of this amount, \$1,648,482 is for operating revenues, and \$66,373 is for non-operating revenues.

District operating expenses as of this date totaled \$2,730,447. Operating expenses totaled \$1,919,820 and non-operating expenses totaled \$810,267 as of November 30, 2016.

Local Agency Investment Fund

The balance in the District's LAIF account was \$2,426,475 as of November 30, 2016.

County of San Luis Obispo Treasury Pool

As of November 30, 2016, the reconciled cash balance with the County of San Luis Obispo Treasury Pool was \$1,799,199. 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 November 30, 2016, the reconciled cash balance in the District's Rabobank account totaled \$164,698. This account has been used to process the District's contracted payroll provider service and other District expenditures.

Account for Oceano FY 15/16 Revenue

At November 30, 2016, the reconciled cash balance in this account totaled \$116,462. This account has been used as a pass thru account to receive Oceano community prior year revenue.

Cash Balance at 10/31/16	5,245,729.91
Deposits	\$ 273,630.45
Deposits from Property Tax Current	\$ 40,539.66
Deposits from Property Tax Delinquent	\$ 3,552.22
Adjustment NBS Tax Roll	\$ (7,486.79)
Warrant Register 11/16/16	(1,053,730.56)
Pay Roll 10/28/16	(28,445.05)
Pay Roll 11/11/16	(29,318.29)
Pay Roll 11/25/16	(30,345.02)
CalPers Retirement	(7,701.87)
CalPers Medical	(15,887.36)
Rabobank November Activity	(165.35)
Total November Activity	(855,357.96)
Cash Balance at 11/30/16	4,390,371.95
Cash by Institution	CASH BALANCE
	@ 11/30/2016
Cash with County Treasury	1,799,198.82
Cash with LAIF	2,426,474.87
Cash with Rabobank	164,698.23
	\$ 4,390,371.92



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Date: January 4, 2017
To: Board of Directors
From: John Clemons, Plant Superintendent
Subject: **SURPLUS LIST**

RECOMMENDATION

Staff recommends that the Board of Directors declare all items on Attachment 1 surplus items and direct Staff to dispose of surplus items.

BACKGROUND

During a recent equipment inventory staff identified and listed equipment that is no longer in use (outdated, replaced, no practical use, etc). Although most of the items on the list may still be serviceable, they have no practical function at the treatment plant anymore. With the exception of the natural gas boiler and the co-generation engine, all items are well beyond their useful life expectancy.

DISCUSSION

The Ford F-350 is twenty years old. The purchase of a new 2016 F-350 this past summer makes the 1996 F-350 flatbed eligible for disposal. The co-generation engine was first purchased in 2009 and rebuilt at least once in 2012. The co-gen project was halted by this District in November of 2012. The engine has been rebuilt, however the District has abandoned the co-gen project altogether. This item has no practical usage for this District. The natural gas boiler was replaced in 2014 by a dual gas boiler which uses digester gas and natural gas as fuel.

All items on the attachment have some potential value, therefore staff intends to dispose of them by selling each item at a surplus sale. Scrap metal will be sold to a local metal recycler at the best available rates.

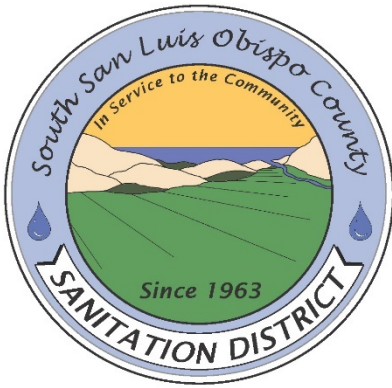
FISCAL CONSIDERATIONS

Funds acquired through the disposal of items on surplus list will be attributed to the District revenues fund.

ATTACHMENT - Surplus List

ITEMS FOR 2016 SURPLUS

- 1 1- Overhead Projector
- 2 1 - Gold Star Microwave
- 3 2 - old laptops
- 4 1 - F-350 Flatbed w/crane
- 5 14 - Chairs
- 6 1-1Panasonic Palmcorder
- 7 1- Sony Video Camera
- 8 1- Dymo Label Write
- 9 1- Co Gen Engine
- 10 4 - Old Chemical Pumps
- 11 1 - Wood Bridge
- 12 1 - Natural Gas Boiler
- 13 1 - Clarifier Gear Box
- 14 2 - Glass Doors
- 15 4 - Old VFD Supplies
- 16 2 - Old motors
- 17 Old light fixture
- 18 1 - Server
- 19 3 - Empty tool Cases
- 20 2 - Old portable eye wash
- 21 2 - Portable samplers
- 22 5 - Ice Chests
- 23 Old work boots
- 24 Old lab Equipment
- 25 1- Portable Flow Meter
- 26 4 - Monitors
- 27 1 - Old Compressor
- 28 Scrap Metal
- 29 1 - 2" pump
- 30 1 - 3" pump
- 31 2 - Desktop Computers
- 32 Office furnture
- 33 1 - Electric cart
- 34 2 - Mini Voice Recorders



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Date: January 4, 2017
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 NPDES Permit Renewal: District and RWQCB staff met (in conjunction with another meeting) on December 15th at the RWQCB's office to discuss the District permit renewal process and schedule. At this point, a draft permit will not be released for public review any sooner than mid to late 2017.

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. On November 30th, District staff received a Notice of Applicability (general permit) from the RWQCB. One regulatory permit from the California Department of Fish and Wildlife remains in order for the project to proceed to the next step, preparation of final specifications.
- **Grit Removal System** – On Tuesday November 22nd our Grit Removal System project was officially turned on and operational. *On December 22nd, a meeting to over the final punch list was conducted. The remaining steps are completion of a continuous 15-day operational period, final record drawings, and contract close out.*
- **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. The contractor has ordered the Headworks parts, and we are awaiting delivery (*expected in late January*).

- **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 providing answers to questions posed, and updated project facility design plans. The later also included project descriptions and project design plans on past and proposed projects at the District WWTP site. *We await word from Coastal Commission staff as to the final disposition of our application and scheduling of the CDP for consideration in front of the full Commission in 2017.*

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. *A workshop on the Study is being held today as a separate item.*
- **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.
- **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.

The current effort is directed toward replace the existing flooring, and staff is working to obtain quotes for future Board consideration and approval.

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.
- 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. *Via email on December 27, 2016, County staff informed various stakeholders that: “Tuesday, January 3, County Public Works Department will begin to install temporary levee protection along the south levee. The planned temporary levee protection will involve covering 2,500 feet of the south levee immediately east of the 22nd Street Bridge. These protection measures are being installed to reduce the likelihood of a catastrophic levee failure, as in the 2001 levee system breach. The erosion control devices will remain in place through the rainy season, or April 15, 2017.”*
- 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.

- 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.
- 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. *The group’s next meeting is January 16th.*
- 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. *At a future meeting, District staff intend to bring for consideration a letter of intent and options for the District to participate in funding a joint EIR.*

- 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 latest meeting was held December 16th at the County's offices.*

Programmatic Initiatives

- Outreach Initiative: At the September 21, 2016 Board meeting the Board approved moving forward with distribution of our Fall 2016 Newsletter. *A separate flyer for the Oceano community highlighting the Redundancy project was distributed to Oceano residents adjacent to our facility, and is now posted on the District's 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.
- Human Resources/Personal Policy Manual Update: Significant progress is being made to update the District's Personnel Policy Manual. Currently, review of and proposed revisions, have completed on draft Sections 100-5000. Work will now shift to Section 5000+, and then an update to some of our job descriptions. At this time staff has not decided whether to bring the entire revised Manual, or a partial Manual to the Board for consideration and approval. Note, the proposed revised sections of the Manual will also need further vetting internally, and through a "meet and confer process" with employee union representatives. We currently are on schedule to meet the Board's six-month deadline for completion.
- Strategic Planning Initiative: *A Strategic Planning Workshop is scheduled for February 1st. The Workshop is tentatively scheduled to be the major item of this regular board meeting, with an earlier start time. Prior to the meeting, Board members and staff will be interviewed and/or surveyed through written input on questions such as: what is the future mission of the District, long term vision, strengths, weaknesses (or limitations), opportunities and threats to the District, most important guiding values, priority goals and key outcomes to be achieve in the next five years.*

Superintendent's Report

During this reporting period (December 1st through December 29th) 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 (Monthly Data as Available December 29th), 2016

December 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	2.40	3.68	474	31	461	38	2.2	173	93
High	2.88	4.8	545	37	494	41	6.8	424	
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

- Cleaned digester heat exchanger
- Troubleshoot digester heating problem.
- Replaced cap and gel on chlorine probe. Calibrated probe.
- Staff performed a FOG inspection.
- Replaced heating element in electric water heater maintained for Sodium Bisulfite warming.
- Underground Service Alerts.

Training

- Operator II Michael Arias completed four consecutive weeks of training in the lab.
- Staff attended a fire safety class conducted by Five Cities Fire Authority.



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STAFF REPORT

Date: January 4, 2017
To: Board of Directors
From: Gerhardt Hubner
Subject: **RECYCLED WATER FACILITIES PLANNING STUDY (STUDY)**

RECOMMENDATION

Staff recommends the Board:

- 1.) Hear a presentation by District staff and consultants for the Study
- 2.) Direct staff to submit the Study to the State Water Resources Control Board (SWRCB) Division of Financial Assistance per the District's obligations under the grant agreement

BACKGROUND

As the drought and impacts continued into its third year, District member agencies sought additional options and opportunities to supplement their water supply portfolios, including the potential to capture wastewater currently being discharged to the ocean, further treat it and deliver it back to the community for beneficial reuse as recycled water.

Thus, in February 2015, the District applied for, and later received, a grant from the SWRCB under their Water Facilities Planning Grant program. The application requested a grant amount not to exceed \$75,000. The Board approved, through Resolution No. 2015-324 (Attachment No. 1), submittal of the grant application.

The total amount of the Study was approximately \$150,000, with 50% local match required under the SWRCB program. The grant match of \$75,000 is being equally shared (50% each) between the District and the City of Arroyo Grande.

To complete the Study, the District selected and entered into a contract with a local consulting firm, Water System Consulting (WSC).

The original scope for the Study was to evaluate and select a preferred alternative for a Satellite Water Resource Recovery Facility (SWRRF) or scalping plant within the District's collection system. The idea was to develop recycled water as a supplemental water supply source for the area, and improve the water supply reliability for the member agencies.

In February of this year, an Investment Analysis was completed. That Analysis determined that the SWRRF concept was not cost effective. Consequently, the District and the City determined to rescope the Study and evaluate other recycling options.

At the March 2, 2016, Board meeting the Board approved rescoping the Study. Follow-up conversations with SWRCB staff provided concurrence with the rescoping effort since the focus and purpose still remained the same...recycled water. Thus, no amendment to the grant agreement was needed by either party.

The rescoped Study focus now is on an evaluation of the engineering and economic potential for two options for an advanced treatment facility, either at the District facility or an off-site location. Furthermore, the Study explores and evaluates various types of recycled water to be provided (groundwater recharge/injection or agriculture irrigation), costs, distribution and

DISCUSSION

Today was a happy to report a major milestone with the Study. The past eight months, District staff has been busy working with WSC, and with our partner the City of Arroyo Grande, to complete the Draft Study. A number of meetings and discussions were held to review progress and interim work products. Progress on the Study was also regularly reported to the Board since April of this year through the District Administrator's Report. The Study is now available, and the Executive Summary is attached (Attachment No. 2) to this staff report. A full copy of the Study will be posted on the District's website.

The recommendations from the Study (per the Executive Summary):

Both the onsite and offsite alternatives meet the goal of diversifying the RGSP Stakeholders water supply portfolio by developing a local, resilient water supply and providing a new source of recharge to the SMGB. Based on the results of the alternatives analysis, it is recommended that the District and the RGSP Stakeholders move forward with an Environmental Impact Report (EIR) that evaluates both the onsite and offsite options.

Onsite Alternative Pros and Cons

With the onsite alternatives, less infrastructure is required to convey secondary effluent from the existing WWTPs to the ATP, reducing capital and O&M costs. Additionally, there is no additional cost to purchase property for the ATP for the onsite alternatives.

However, while the onsite alternatives require less conveyance infrastructure and have lower unit costs, there may be regulatory constraints that could limit the District and the RGSP Stakeholders from obtaining the necessary permits to develop FAT (Full Advanced Treatment) upgrades at the existing District WWTP site. Ongoing discussion with the Coastal Commission regarding infrastructure upgrades at the District WWTP site will help inform the District and its RGSP Stakeholders on the viability of the onsite alternatives.

Offsite Alternative Pros and Cons

With the offsite alternatives, the District will have fewer regulatory constraints associated with obtaining the permits to develop the ATP facilities. However, the offsite alternatives require more infrastructure to convey secondary effluent from the existing WWTPs to the ATP, increasing capital and O&M costs. Also, there will be the additional cost of purchasing property for the offsite ATP.

Groundwater Recharge Only

In comparison to the hybrid alternatives, the groundwater recharge alternatives have a lower capital cost because infrastructure to convey recycled water to the agriculture irrigation customers is not required.

However, the groundwater recharge alternatives have a higher O&M cost due to the need to treat all of the water through the FAT process. Also, it is estimated that approximately 30% of the water injected will not be recoverable due to flow to the north, south and west. This increases the unit cost on the basis of water put to beneficial use, but does not account for the additional basin capacity that is made available by alleviating the threat of seawater intrusion. Additional hydrogeologic investigation being performed for the RGSP will help to compare the benefits to the groundwater basin from groundwater recharge versus offsetting groundwater pumping through delivery of recycled water to agriculture irrigation customers.

Groundwater Recharge and Agriculture Irrigation

In comparison to the groundwater recharge alternatives, even with the increased capital costs the hybrid alternatives have lower unit costs (i.e. \$/AF) due to the increase yield assumed for the agriculture irrigation alternatives and the lower O&M costs associated with tertiary treatment.

One additional consideration is that while the Hybrid alternatives could present the opportunity for lower unit costs (i.e. \$/AF), developing a framework for ensuring that benefiting agencies and individuals are contributing to the cost of the project is more complicated than in the groundwater recharge only alternatives, therefore it may make the hybrid alternatives more difficult to implement.

Conclusion

The completion of the Study will aid and compliment other efforts to promote recycling within the South San Luis Obispo County area. Additional work is being completed as part of the RGSP and will help the participating agencies better understand the advantages and disadvantages of the onsite and offsite locations. Table 1-6 of the Executive Summary outlines the ongoing and upcoming initiatives, the lead agencies and the timelines that will allow the RGSP Stakeholders to implement the RGSP. Additional information regarding these initiatives is provided in Section 8 of the Executive Summary.

Today we are providing the Board and public with a presentation an overview and highlights on the Study. We seek your feedback and input, and request authorization to submit the Study to the SWRCB to further complete our obligations under the grant agreement.

Attachment

1. Resolution No. 2015-324, Approving the Adoption for a Submittal of a Grant Application for a Planning Study for a Water Recycled Water Project
2. Executive Summary – Recycled Water Planning Study

RESOLUTION NO. 2015-324

A RESOLUTION OF THE SOUTH SAN LUIS OBISPO
COUNTY SANITATION DISTRICT BOARD OF DIRECTORS
APPROVING THE ADOPTION FOR A SUBMITTAL OF A GRANT APPLICATION
FOR PREPARATION OF PLANNING STUDY FOR A RECYCLED WATER PROJECT

BE IT RESOLVED by the South San Luis Obispo County Sanitation District that the District Manager or his designee is hereby authorized and directed to sign and file, for and on behalf of the South San Luis Obispo County Sanitation District, a Water Recycling Facilities Planning Grant Application for a grant from the State Water Resources Control Board in the amount not to exceed \$75,000 for a facilities planning study of a Recycled Water Project, and

BE IT RESOLVED that the South San Luis Obispo County Sanitation District hereby agrees and further does authorize the aforementioned representative or his designee to certify that the Agency has and will comply with all applicable state statutory and regulatory requirements related to any state grant funds received, and

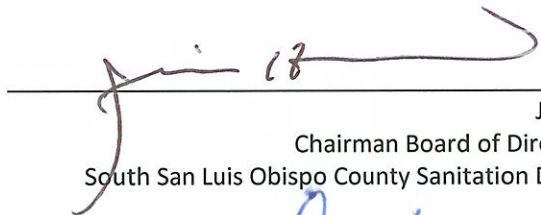
BE IT FURTHER RESOLVED that the District Manager or his designee of the South San Luis Obispo County Sanitation District is hereby authorized to negotiate and execute a grant contract and any amendments or change orders thereto on behalf of the South San Luis Obispo County Sanitation District.

CERTIFICATION

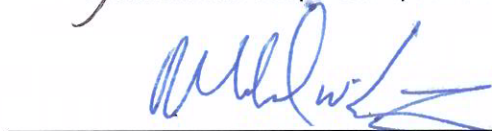
I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the South San Luis Obispo County Sanitation District held on February 4, 2015.



Richard Sweet
District Manager



Jim Hill
Chairman Board of Directors,
South San Luis Obispo County Sanitation District



Michael W. Seitz
District Legal Counsel

1 EXECUTIVE SUMMARY

1.1 INTRODUCTION

South San Luis Obispo County Sanitation District (District) and the City of Arroyo Grande (City) contracted with Water Systems Consulting (WSC) to develop a Recycled Water Facilities Planning Study (RW Study). The purpose of the RW Study is to investigate alternatives for constructing a recycled water (RW) system to provide supplemental water for the region. The District's current Wastewater Treatment Plant (WWTP) treats approximately 2.5 million gallons per day (MGD) of wastewater from the Oceano Community Services District (Oceano CSD) and the Cities of Arroyo Grande and Grover Beach. The plant currently discharges the effluent to the ocean through a joint outfall, shared with the City of Pismo Beach Wastewater Treatment Plant (PB WWTP).

This study is envisioned as an integral component of a potential larger regional recycled water project; the Regional Groundwater Sustainability Project (RGSP). The RGSP is a phased project that will utilize advanced treated recycled water to recharge the SMGB and provide supplemental water for the region through indirect potable reuse (IPR). The RGSP stakeholder agencies, which include the District, the Cities of Arroyo Grande, Pismo Beach and Grover Beach and the Oceano CSD, are working collaboratively to implement the project. The current vision for the RGSP is that the first phase of the project (Phase 1) will include construction of an Advanced Treatment Plant and injection of flows from the PB WWTP and that Phase 2 will include expansion of the RGSP to treat and inject flows from the District's WWTP flows. This Study focuses on two options by analyzing both onsite (i.e. at the District's WWTP) and offsite alternatives for the construction of an Advanced Treatment Plant and potential opportunities to utilize the treated effluent to improve the sustainability of the groundwater basin through groundwater recharge or direct delivery to agriculture irrigation customers to offset groundwater pumping.

This Study was funded in part by a Water Recycling Facilities Planning Grant from the California State Water Resources Control Board (SWRCB) Water Recycling Funding Program. The grant provided fifty percent of the funding required for the study, with the remaining fifty percent being split equally by the City and the District.

1.2 GOALS FOR AND OBJECTIVES RECYCLED WATER

The following goals and objectives for this study were identified as a part of this study and were used to evaluate the alternatives.

1. Identify ways the District can contribute to developing a resilient water supply portfolio for southern San Luis Obispo County;
2. Investigate and document potential regulatory, scientific, financing, jurisdictional, and public acceptance constraints to the District developing a recycled water system;
3. Identify opportunities for the District, its member agencies, and regional stakeholders to overcome these constraints and outline a strategy for developing an additional, resilient, drought-proof source of water supply;

4. Provide an opportunity to educate the public and project stakeholders about recycled opportunities in the region; and
5. Coordinate with other local efforts to develop a regional recycled water program.

1.3 WATER SUPPLY

The water supply for the District member agencies currently consists of a combination of groundwater and local and imported surface water. Each of the water purveyors rely upon their own specific combination of these water sources. The specific sources of supply and their baseline (full allotment) amounts are summarized in Table 1-1 in acre-feet (AF). The City of Pismo is not a District member agency but is included due to their role in the RGSP. A more in depth description of the local water supply can be found in Section 3 on page 3-1.

Table 1-1. Local Agency Water Entitlements for 2015

Urban Area	Lopez Lake (AF)	SWP Allocation (AF)	Groundwater Allotment (AF)	Ag Credit (AF)	Other Supplies (AF)	Total (AF)
Arroyo Grande	2,290	0	1,202	121	160	3,773
Grover Beach	800	0	1,198	209	0	2,207
Pismo Beach	892	1,100	700	0	0	2,692
Oceano CSD	303	750	900	0	0	1,953
Total	4,285	1,850	4,000	330	160	10,625

1.4 WASTEWATER CHARACTERIZATION

The District's WWTP receives wastewater from a combination of member agency owned and operated, and District trunk lines. There are smaller municipal lines belonging to the three member agencies that connect into the District's trunk line. The District Trunk Line was constructed as part of the Plant's original design in 1963 and it is comprised of sewer pipe ranging from 15-30 inches in diameter. Due to the naturally sloping topography and the original system design, the District's Trunk Line system is entirely gravity fed. The current treatment train at the District WWTP is shown in Figure 1-1. A description of the treatment processes can be found in Section 4.2 starting on page 4-1.

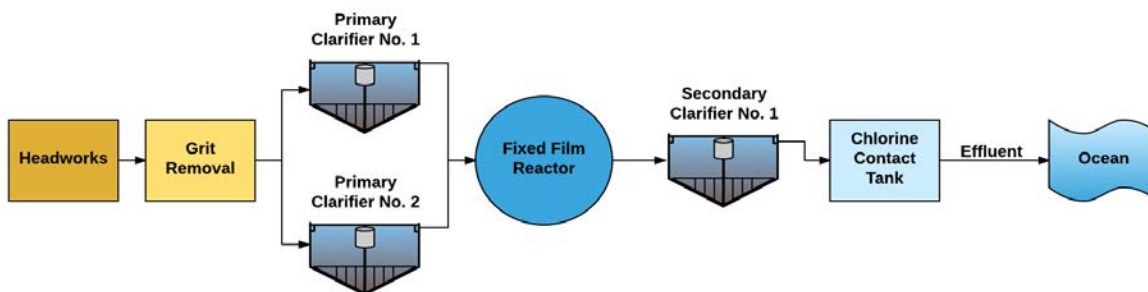


Figure 1-1. Current Treatment Train at the District WWTP

The District is currently working on a project to upgrade their secondary treatment process to provide additional redundancy at the plant. Currently, the WWTP has no redundancy for the secondary treatment process and relies upon a single fixed-film reactor and clarifier. The upgrades are anticipated to include two aeration tanks and an additional secondary clarifier. Construction of the upgrades are scheduled to begin in 2018 and be completed by 2020 pending approval from the California Coastal Commission. The process schematic for the proposed treatment train is shown in Figure 1-2.

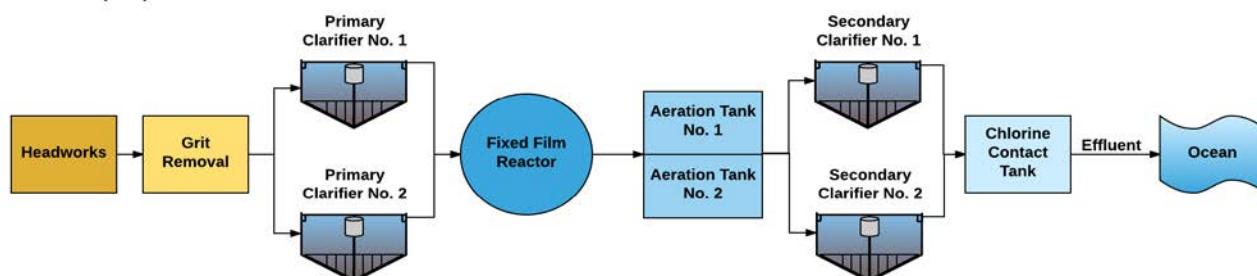


Figure 1-2. Proposed Redundancy Project Treatment Train at the District WWTP

The wastewater characterization performed for this Study includes analysis of flows from both the District and the PB WWTPs. The estimates of Phase 1 flows for the RGSP were based on the historical flows from the PB WWTP and are shown in Table 1-2.

Table 1-2. Phase 1 Flows from PB WWTP

Flow Parameters (MG D)	2010	2011	2012	2013	2014	2015	2010-2015 Average Flows	Peak ing Fact or (to AA)

Average Annual	1.08	1.09	1.08	1.06	1.04	0.97	1.05	1.00
Average Annual Dry Weather	1.04	1.12	1.12	1.12	1.08	1.03	1.09	1.03
Max Month	1.40	1.28	1.26	1.27	1.22	1.16	1.26	1.20

The Phase 2 flows for RGSP were based on the 2040 projected flows from both the PB and the District's WWTP and are shown in Table 1-3.

Table 1-3. Phase 2 Flows from PB WWTP and the District WWTP

Projected Flow Parameters (MGD)	2015	2020	2025	2030	2035	2040
Anticipated Population	45,648	46,859	47,928	49,442	51,157	52,771
Average Annual	3.56	3.66	3.74	3.86	4.00	4.12
Average Annual Dry Weather	3.59	3.68	3.77	3.89	4.02	4.15
Max Month	4.06	4.16	4.26	4.40	4.55	4.70

The wastewater characterization performed for this study is more thoroughly described in Section 4 starting on page 4-5.

1.5 TREATMENT REQUIREMENTS

The types of reuse considered in this study include groundwater recharge and agricultural irrigation. Both reuse types require different levels of treatment. Figure 1-3 below summarizes the current treatment framework for agricultural irrigation (non-potable reuse) and groundwater reuse (Indirect Potable Reuse). Non-potable reuse only requires tertiary treatment whereas indirect potable reuse requires Full Advanced Treatment (FAT). The treatment requirements for the proposed alternatives are described in more detail in Section 5 starting on page 5-1.

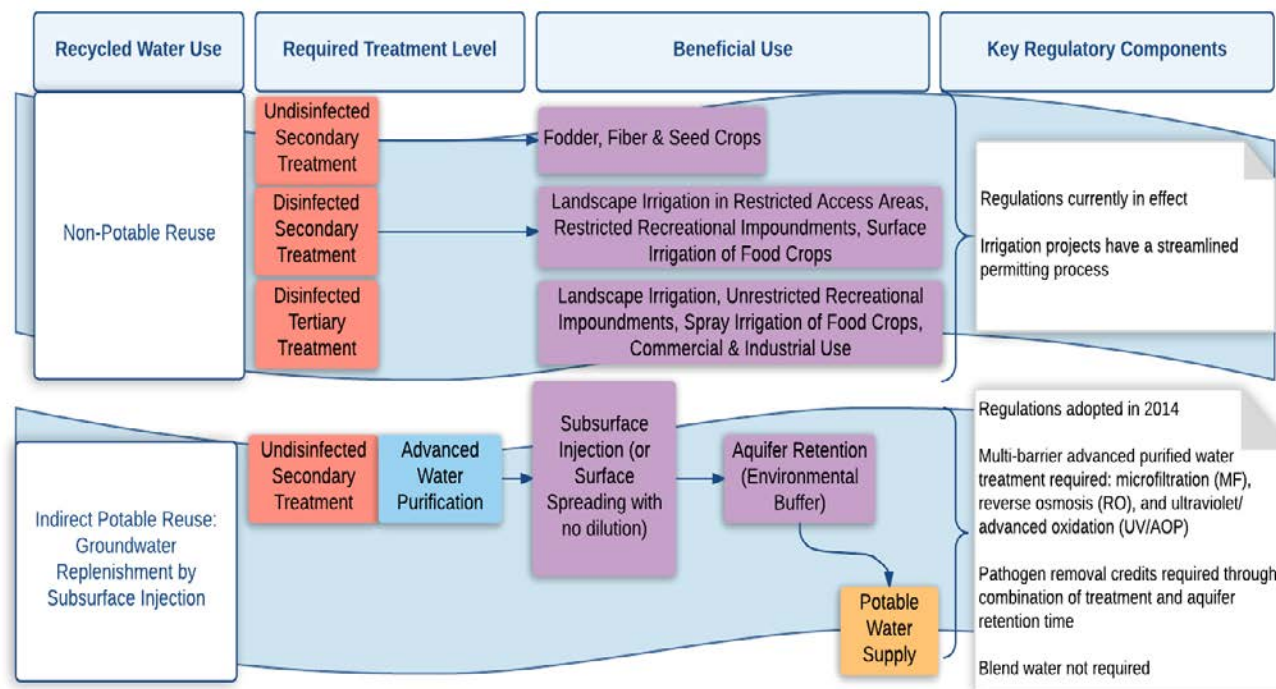


Figure 1-3. Recycled Water Treatment Guide Summary

1.6 ALTERNATIVES ANALYSIS

Based on the results of previous recycled water studies completed for the PB and the District's WWTPs, it was determined that the alternatives analysis for this study should focus on the phased implementation of two options, comparing onsite and offsite Advanced Treatment Plant alternatives. Additional details regarding the alternatives is outlined below and shown in Figure 1-4.

- Alternative A: Development of an onsite Advanced Treatment Plant (ATP) to provide RW for groundwater injection with the possibility of a Hybrid approach that would include agricultural irrigation.
- Alternative B: Development of an offsite Advanced Treatment Plant (ATP) to provide RW for groundwater injection with the possibility of a Hybrid approach that would include agricultural irrigation.

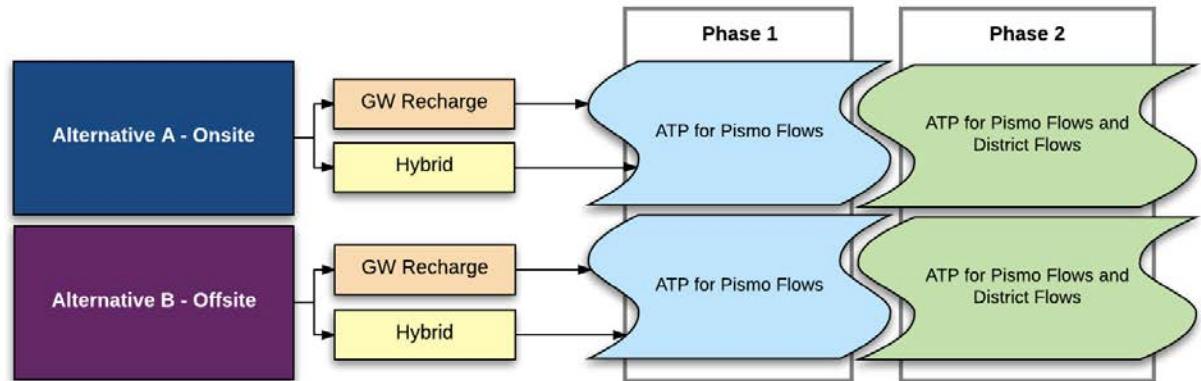


Figure 1-4. Alternatives Summary

A preliminary hydrogeologic analysis done for the RGSP determined that using injection wells were an effective option for recharging the Santa Maria Groundwater Basin (SMGB), which is where the RGSP stakeholders get the majority of their groundwater. These findings helped drive the development of the alternatives for this study. Additionally, due to the close proximity of the District's WWTP to agriculture in the Cienega Valley, this study included an agricultural irrigation component with both alternatives. Because of the potentially limited storage capacity in the portion of the SMGB underlying the District member agencies, the ability to continuously inject water depends upon maintaining similar extraction rates at municipal wells. The hydrogeologic analysis from the RGSP is summarized in Section 6.1.

The alternatives were compared on the basis of capital, O&M and unit costs (i.e. \$/AF) and the results of the quantitative alternatives analysis are included in Table 1-4. Additionally, the alternatives were compared using qualitative criteria, the complete alternatives analysis is presented in Table 1-5. The conveyance infrastructure included in Phase 1, that would be required for Phase 2 was assumed to be sized for Phase 2 future flows and thus contributes the higher capital and unit costs associated with Phase 1. The Annualized Capital estimates were based on a loan term of 30 years and a 5% interest rate. Note that the unit costs (\$/AF) are based on the estimated RW production and yield of each alternative rather than the capacity of the treatment system itself.

Table 1-4. Cost Summary

Phase 1				
	Onsite A - Groundwater Recharge	Onsite A - Hybrid	Offsite B - Groundwater Recharge	Offsite B - Hybrid
Total Capital	\$24,900,000	\$35,300,000	\$29,700,000	\$41,300,000
Annualized Capital	\$1,620,000	\$2,300,000	\$1,930,000	\$2,690,000
Annualized O&M	\$910,000	\$800,000	\$970,000	\$860,000
Total Annualized	\$2,530,000	\$3,100,000	\$2,900,000	\$3,550,000
Yield (Before Injection)	900 AFY	943 AFY	900 AFY	943 AFY
Cost/AF (Before Injection)	\$2,800	\$3,300	\$3,200	\$3,800
Yield (After Injection)	657 AFY	812 AFY	657 AFY	812 AFY
Cost/AF (After Injection)	\$3,900	\$3,800	\$4,400	\$4,400
Phase 2				
	Onsite A - Groundwater Recharge	Onsite A - Hybrid	Offsite B - Groundwater Recharge	Offsite B - Hybrid
Total Capital	\$59,300,000	\$78,000,000	\$66,500,000	\$86,500,000
Annualized Capital	\$3,860,000	\$5,070,000	\$4,330,000	\$5,630,000
Annualized O&M	\$3,380,000	\$2,620,000	\$3,490,000	\$2,930,000
Total Annualized	\$7,240,000	\$7,690,000	\$7,820,000	\$8,560,000
Yield (Before Injection)	3,530 AFY	3,658 AFY	3,530 AFY	3,658 AFY
Cost/AF (Before Injection)	\$2,100	\$2,100	\$2,200	\$2,300
Yield (After Injection)	2,577 AFY	3,031 AFY	2,577 AFY	3,031 AFY
Cost/AF (After Injection)	\$2,800	\$2,500	\$3,000	\$2,800

For the qualitative component of the alternative analysis, each alternative was compared and ranked on the basis of qualitative criteria. Each alternative received a score between 1 and 3, with three being the highest score and 1 being the lowest score.

The recommendations from this analysis were not decided based solely on the lowest cost or the highest qualitative score. Both quantitative and qualitative criteria were considered and the recommendations were developed based on which options provide the best value for the region RGSP Stakeholders. The results of the qualitative and the quantitative analysis is presented in Table 1-5.

Table 1-5. Qualitative and Quantitative Alternative Summary Table

	Assigned Scores					Weighted Scores			
	A		B			A		B	
Qualitative/Non-Economic Criteria	Onsite GWR	Onsite Hybrid	Offsite GWR	Offsite Hybrid	Weight	Onsite GWR	Onsite Hybrid	Offsite GWR	Offsite Hybrid
Community Impact/Construction Complexity	3	2	2	1	3	9	6	6	3
Flood risk	2	2	3	3	1	2	2	3	3
Ease of Operation/Maintenance Requirements	3	2	2	1	1	3	2	2	1
Energy Requirements/Greenhouse Gas Emissions	2	3	1	2	1	2	3	1	2
Operational and beneficial use Flexibility	1	2	2	3	3	3	6	6	9
Governance	3	2	2	1	3	9	6	6	3
Ability to Phase	1	2	2	3	3	3	6	6	9
Permitting Uncertainty/Complexity	1	1	3	3	3	3	3	9	9
Total (Non-Economic/Qualitative)	16	16	17	17		34	34	39	39
Cost/AF (Phase 2, Before Injection)						\$2,100	\$2,100	\$2,200	\$2,300
Cost/AF (Phase 2, After Injection)						\$2,800	\$2,500	\$3,000	\$2,800

1.7 FUNDING AND FINANCING

It is anticipated that the project will be funded through a combination of grants, low interest loans and cost-sharing contributions from partner agencies. The project unit costs presented in Table 1-4 on page 1-7 are based on borrowing 100% of the project cost at 5% interest for a 30-year term, to provide a conservative estimate of project costs. However, it is likely that project financing can be secured at a lower interest rate through current financing programs, and obtaining grants would reduce the required principal. Figure 1-5 and Figure 1-6 illustrate the range of annualized unit costs based on varying interest rates for the onsite and offsite groundwater recharge alternatives. The figures also illustrate the difference in unit cost for the RGSP for Phase 1 (900 AFY total yield, 657 AFY recoverable) and for Phase 2 (3,530 AFY total yield, 2,577 AFY recoverable).

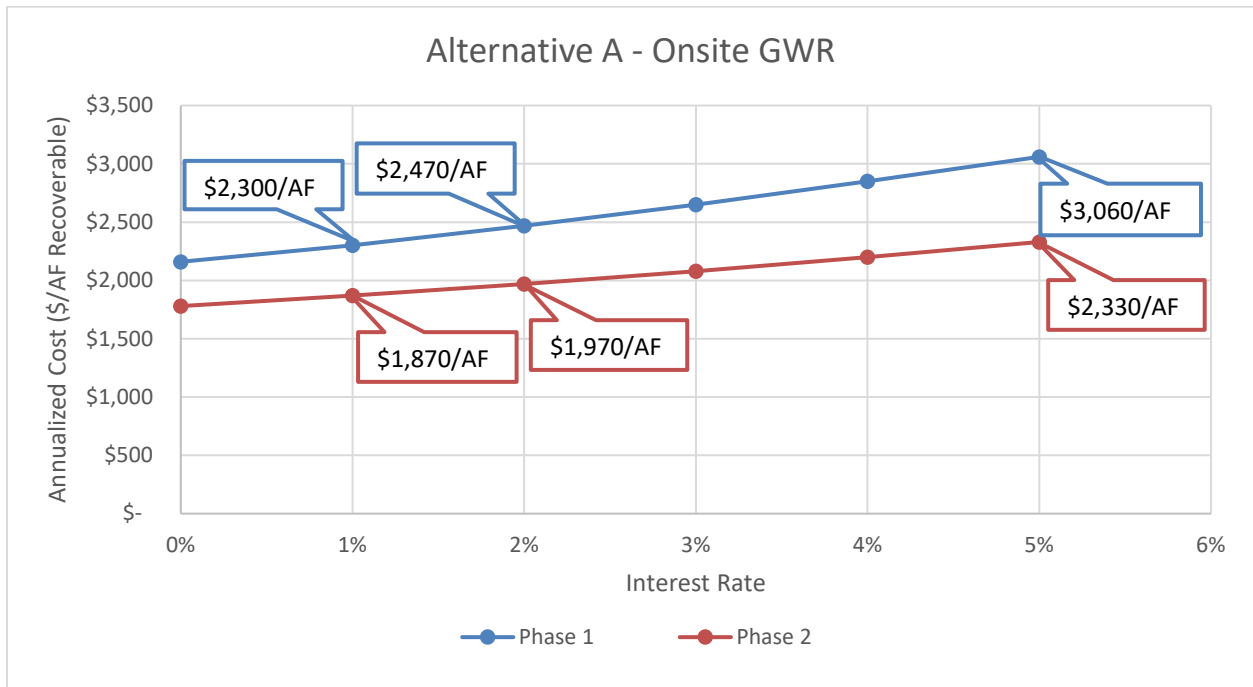


Figure 1-5. Interest Rate and Unit Cost Comparison for Alternative A

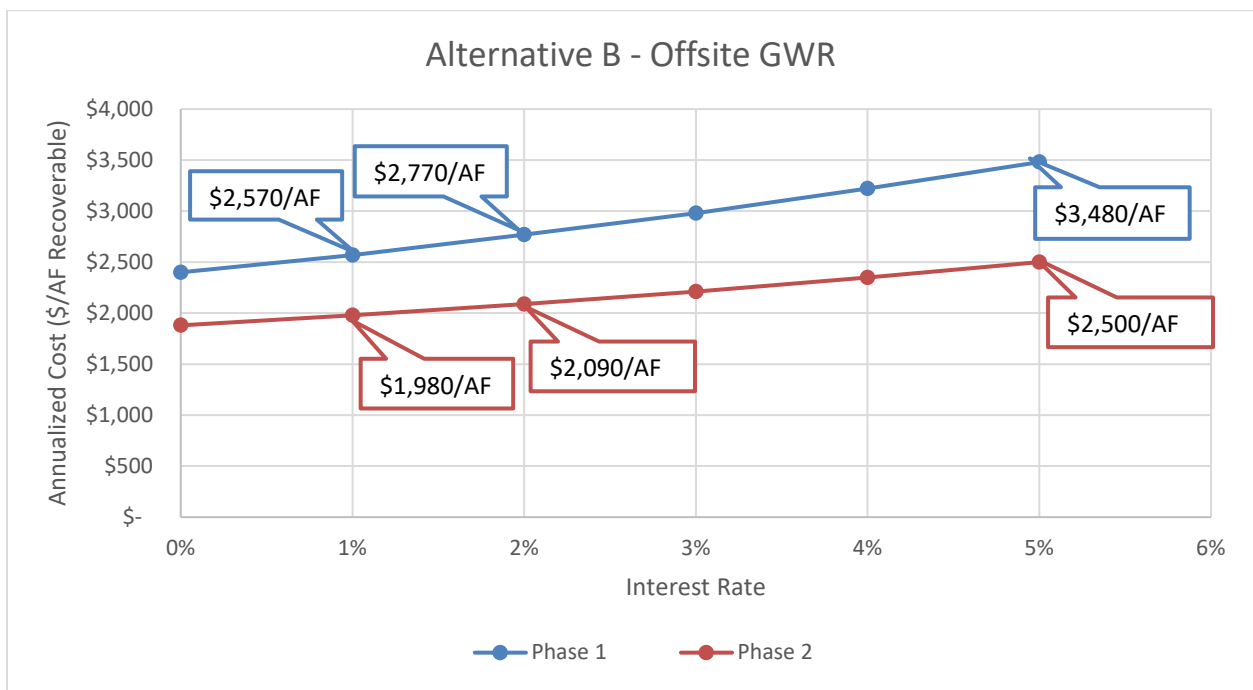


Figure 1-6. Interest Rate and Unit Cost Comparison for Alternative B

1.8 RECOMMENDATIONS

Both the onsite and offsite alternatives meet the goal of diversifying the RGSP Stakeholders water supply portfolio by developing a local, resilient water supply and providing a new source of recharge to the SMGB. Based on the results of the alternatives analysis, it is recommended that the District and the RGSP Stakeholders move forward with an Environmental Impact Report (EIR) that evaluates both the onsite and offsite options.

1.8.1.1 Onsite Alternative Pros and Cons

With the onsite alternatives, less infrastructure is required to convey secondary effluent from the existing WWTPs to the ATP, reducing capital and O&M costs. Additionally, there is no additional cost to purchase property for the ATP for the onsite alternatives.

However, while the onsite alternatives require less conveyance infrastructure and have lower unit costs, there may be regulatory constraints that could limit the District and the RGSP Stakeholders from obtaining the necessary permits to develop FAT upgrades at the existing District WWTP site. Ongoing discussion with the Coastal Commission regarding infrastructure upgrades at the District WWTP site will help inform the District and its RGSP Stakeholders on the viability of the onsite alternatives.

1.8.1.2 Offsite Alternative Pros and Cons

With the offsite alternatives, the District will have fewer regulatory constraints associated with obtaining the permits to develop the ATP facilities. However, the offsite alternatives require more infrastructure to convey secondary effluent from the existing WWTPs to the ATP, increasing capital and O&M costs. Also, there will be the additional cost of purchasing property for the offsite ATP.

1.8.1.3 Groundwater Recharge Only

In comparison to the hybrid alternatives, the groundwater recharge alternatives have a lower capital cost because infrastructure to convey recycled water to the agriculture irrigation customers is not required.

However, the groundwater recharge alternatives have a higher O&M cost due to the need to treat all of the water through the FAT process. Also, it is estimated that approximately 30% of the water injected will not be recoverable due to flow to the north, south and west. This increases the unit cost on the basis of water put to beneficial use, but does not account for the additional basin capacity that is made available by alleviating the threat of seawater intrusion. Additional hydrogeologic investigation being performed for the RGSP will help to compare the benefits to the groundwater basin from groundwater recharge versus offsetting groundwater pumping through delivery of recycled water to agriculture irrigation customers.

1.8.1.4 Groundwater Recharge and Agriculture Irrigation

In comparison to the groundwater recharge alternatives, even with the increased capital costs the hybrid alternatives have lower unit costs (i.e. \$/AF) due to the increase yield assumed for the agriculture irrigation alternatives and the lower O&M costs associated with tertiary treatment.

One additional consideration is that while the Hybrid alternatives could present the opportunity for lower unit costs (i.e. \$/AF), developing a framework for ensuring that benefiting agencies and individuals are

contributing to the cost of the project is more complicated than in the groundwater recharge only alternatives, therefore it may make the hybrid alternatives more difficult to implement.

1.9 NEXT STEPS

Additional work is being completed as part of the RGSP and will help the participating agencies better understand the advantages and disadvantages of the onsite and offsite locations. Table 1-6 outlines the ongoing and upcoming initiatives, the lead agencies and the timelines that will allow the RGSP Stakeholders to implement the RGSP. Additional information regarding these initiatives is provide in Section 8.

Table 1-6. RGSP Near Term Timeline

	RGSP Initiative	Intended Outcome	Lead Agency(ies)	Completion Timeline
Near Term	Expanded EIR	Provide the RGSP stakeholders with the necessary environmental documents to ensure CEQA compliance. Provide additional environmental impact information needed to complete the SWRCB State Revolving Fund and other funding applications.	City of Pismo Beach, District	2017
	Letters of Intent (LOI)	Support letters from the RGSP stakeholders stating a desire to work together to develop a phased groundwater recharge and extraction project.	RGSP Stakeholders	Q1 2017
	Phase 1A of Groundwater Model	Construction, calibration and utilization of a hydraulic model to analyze injection and extraction scenarios for flows from the PB WWTP.	City of Pismo Beach	Q4 2016
	Phase 1B of Groundwater Model	Expand the Phase 1A hydrogeologic model support analysis of recharge and extraction scenarios for the PB and District WWTPs.	City of Pismo Beach, District	Q3 2017
	Offsite RGSP Site Identification	Identify of potential locations for the offsite ATP and allow RGSP Stakeholders to develop purchase/option agreements with property owners for preferred site(s).	City of Pismo Beach, District	Q2 2017
	Coastal Commission Communication	Inform the RGSP stakeholders on the potential to obtain Coastal Development Permits for the ATP upgrades at the existing District WWTP.	District	Q1 2017

Table 1-7. RGSP Long Term Timeline

L O	RGSP Initiative	Intended Outcome	Lead Agency(ies)	Completion Timeline
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n g T e r m	Governance Discussion	Development of a governance framework for the RGSP	RGSP Stakeholders	2017/2018
	RGSP Site Procurement	Procure locations suitable for an offsite ATP (if selected as preferred location) and associated injection wells.	District, City of Pismo Beach	2018
	Test Injection Well	Design and build a test injection well and associated monitoring wells to help inform the RGSP final design.	City of Pismo Beach, District	2017
	Phase 2 of the Groundwater Model	Update and expand the hydrogeologic model to potentially include the Bulletin 118 fringe areas to provide a tool for developing comprehensive water management strategies and assisting with SGMA compliance.	NCMA Agencies, NMMA Parties, SLO County	2018
	Water Quality Sampling	Sample effluent water from the PB WWTP and develop estimates of anticipated District WWTP effluent quality, after the Redundancy Project, to determine the anticipated water for the Phase 1 and Phase 2 ATP influent.	District, City of Pismo Beach	Ongoing
	SNMP/Antidegradation Analysis	Develop a SNMP/Antidegradation Analysis to demonstrate that injected effluent will not detrimentally impact SMGB beneficial uses	District, City of Pismo Beach	2017
	WDR and/or WRR Permits	Submit a Report of Waste Discharge to the RWQCB and an Engineering Report to CCRWQCB and DDW	District	2018
	Infrastructure Permits	Obtain permits to construct the recommended project	District	2018
	Change Petition	Obtain approval from the SWRCB in accordance with the CWC sections 1210-1212	District	2018

