



**SOUTH SAN LUIS OBISPO COUNTY
SANITATION DISTRICT**

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**AGENDA
BOARD OF DIRECTORS MEETING**

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

Wednesday, June 7, 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

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- 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 Warrants**
- 5B. Approval of Minutes of Meeting of April 5, 2017**
- 5C. Approval of Minutes of Meeting of April 19, 2017**
- 5D. Approval of Minutes of Meeting of May 3, 2017**
- 5E. Request Approval to Purchase a Moyno Sludge Pump and Appurtenances for Primary Clarifier No. 1**

6. ACTION ITEMS:

6A. REQUEST AUTHORIZATION TO PROCEED WITH KENNEDY/JENKS CONSULTANTS FOR DESIGN AND CONSTRUCTION SERVICES FOR DISTRICT'S WASTEWATER REDUNDANCY PROJECT

Consider and authorize Kennedy/Jenks Consultants to proceed with Final Design (and other phases) within its existing contract to provide design and construction services for the District's Wastewater Redundancy Project

6B. MEMORANDUM OF AGREEMENT WITH THE CITY OF PISMO BEACH TO COST SHARE FUNDING AN ENVIRONMENTAL IMPACT REPORT TO SUPPORT THE REGIONAL GROUNDWATER SUSTAINABILITY PROJECT

Consider, approve and authorize the District Administrator to sign a Memorandum of Agreement with the City of Pismo Beach to cost share an Environmental Impact Report to support the Regional Groundwater Sustainability Project

6C. UPDATED 2017 DISTRICT CAPITAL IMPROVEMENT PROJECT (CIP) AND REPLACEMENT SCHEDULE

Receive and File the District's Capital Improvement Project and Replacement Schedule for Calendar Year 2017

6D. THIRD (3RD) QUARTER FISCAL YEAR 2016/17 BUDGET PERFORMANCE REVIEW

Receive and File the District's 3rd Quarter Fiscal Year 2016/17 Budget Performance Review

6E. DRAFT FISCAL YEAR 2017-18 BUDGET

1. Hear a presentation on a proposed Draft Budget for Fiscal Year 2017-18 beginning July 1, 2017;
2. Provide staff with Board member feedback and direction, as appropriate; and
3. Direct staff to return to the June 21, 2017 Board meeting with a Final Budget for Fiscal Year 2017-18 for consideration and adoption.

6F. DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT

Receive and File Report.

7. BOARD MEMBER COMMUNICATIONS

8. CLOSED SESSION

8A. PERFORMANCE EVALUATIONS

Title: District Administrator
Title: District Counsel

8B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraphs (2) of subdivision (d) and (5) of subdivision (e) of Section 54956.9: (one potential case).

9. ADJOURN MEETING

The next regularly scheduled Board meeting on June 21, 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
WARRANT REGISTER

06/07/2017 FY 2016/17						
VENDORS	BUDGET LINE ITEM	DESCRIPTION	WARRANT NO.	ACCT	ACCT BRKDN	TOTAL
ADVANCE FLOW MEASUREMENT	EQUIPMENT MAINTENANCE	2910	06072017-2124	19-8030	686.00	686.00
AGP	PROF SERVICES-AGP	6952	2125	19-7080	1,465.00	1,465.00
ALLIED ADMINISTRATORS	DENTAL INSURANCE	MAY/JUNE 2017	2126	19-6025	1,724.52	1,724.52
APPLIED INDUSTRIAL TECH	EQUIPMENT MAINTENANCE	7010527249	2127	19-8030	72.62	72.62
ARAMARK	UNIFORMS	MAY 2017	2128	19-7025	740.20	740.20
ATLAS PERFORMANCE IND.	ADMIN OFFICE SPACE	R198447	2129	19-7040	450.00	450.00
AT&T	COMMUNICATIONS	MAY 8-JUNE 7 2017	2130	19-7013	333.51	333.51
AQUATIC BIOASSAY	CHEMICAL ANALYSIS	SLO0417.0424	2131	19-7078	3,215.00	3,215.00
AUTOSYS	EQUIPMENT MAINTENANCE	INV #2006/2007	2132	19-8030	2,247.50	2,247.50
BANK OF THE WEST	OFFICE SUPPLIES	OFFICE MAX/USPS	2133	19-8045	592.29	860.15
	EQUIPMENT MAINTENANCE	33857		19-8030	979.67	
	COMMUNICATIONS	CHARTER		19-7013	365.20	
	CREDITS	CREDITS/PAYMENTS/CARRYOVER		19-8045	-1,077.01	
BRENNTAG	PLANT CHEMICALS	BPI731964/BPI731963	2134	19-8050	9,651.46	9,651.46
CAL COAST REFRIGERATION	EQUIPMENT MAINTENANCE	166579	2135	19-8030	331.00	331.00
CALIFORNIA ELECTRIC SUPPLY	EQUIPMENT MAINTENANCE	7826-687088	2136	19-8030	607.04	607.04
CENTRAL COAST TECHNOLOGY	COMPUTER SUPPORT	994/1002/1026	2137	19-7082	793.43	793.43
CITY OF GROVER	BILLING	80518	2138	19-7081	1,847.27	1,847.27
CHARTER	COMMUNICATIONS	8245101010130620	2139	19-7013	44.10	44.10
	COMMUNICATIONS	8245101010085060		19-7013	301.05	301.05
CHERRY LANE NURSERY	EQUIPMENT MAINTENANCE	40799	2140	19-8030	194.38	194.38
CULLIGAN CCWT	EQUIPMENT RENTAL	41945/42195	2141	19-7032	240.00	240.00
CULLIGAN SANTA MARIA	EQUIPMENT RENTAL	64538	2142	19-7032	17.50	17.50
EMPLOYMENT DEVELOP DEPT.	UNEMPLOYMENT REIMBURSEMENT	L1946815776	2143	19-6095	1,420.99	1,420.99
ENDRESS-HAUSER	EQUIPMENT MAINTENANCE	6001883244/6001884214/6001884906	2144	19-8030	2,677.56	2,677.56
ENGEL&GRAY	BIO SOLIDS HANDLING	78592	2145	19-7085	2,720.47	2,720.47
EVERYWHERE RIGHT NOW	COMMUNICATIONS	1864	2146	19-7011	150.00	150.00
FAYE RUSSO E.A TAX ACCOUNTING	PROF SERVICES-FISCAL SERVICES	May-17	2147	19-7083	3,990.00	3,990.00
FEDEX	CHEMICAL ANALYSIS	5-808-30299/5-800-03374	2148	19-7078	33.88	33.88
GARING, TAYLOR & ASSOCIATES	PROF SERVICES-AG SEWER BRIDGE	14332	2149	26-8065	1,960.00	1,960.00
GLADWELL GOVERNMENT SERVICES	PROF SERVICES RECORDS MNGT	3699	2150	19-7079	2,030.00	2,030.00
GROVER BEACH POLICE DEPARTMENT	BOARD SERVICE	0000001	2151	19-7075	199.49	199.49
JB DEWAR	FUEL	84604	2152	19-8020	124.12	124.12
JESSICA MATSON	WEBSITE	APRIL-2017	2153	19-7065	157.50	157.50
JIM HILL	BOARD SERVICE	APRIL/MAY 2017	2154	19-7075	300.00	300.00
JOHN SHOALS	BOARD SERVICE	APRIL/MAY 2017	2155	19-7075	300.00	300.00
KAREN WHITE	BOARD SERVICE	MAY 2017	2156	19-7075	100.00	100.00
LARA HR SERVICES	HUMAN RESOURCES	2017-005/ April 2017	2157	19-7076	1,650.00	1,650.00
LINDA AUSTIN	BOARD SERVICE	APRIL 2017	2158	19-7075	200.00	200.00
LIEBERT, CASSIDY WHITMORE	OUTSIDE COUNSEL	054/055/056/057/058059	2159	19-7070	7,365.00	7,365.00
L.I.T.B. INC.	STRUCTURES/GROUNDS	17-11915/2016-B1-14	2160	26-8065	19,359.80	19,359.80
	STRUCTURES/GROUNDS	17-11932REV-PO# 2017-022		26-8065	784.76	784.76
MICHAEL K. NUNLEY & ASSOCIATES	DIGESTER 1	3327	2161	19-7077	5,672.50	14,536.56
	HEADWORKS	3306		26-8065	4,530.46	
	REDUNDANCY PROJECT	3308		20-7080	4,333.60	
MINERS	EQUIPMENT MAINTENANCE	APRIL/MAY 2017	2162	19-8035	180.49	180.49
NORMAN & VASQUEZ ASSOCIATES	STRUCTURE MAINTENANCE	5/1/2017	2163	19-8061	5,290.00	5,290.00
OCSD	UTILITIES-WATER	04-07420-00	2164	19-7094	365.22	365.22
OILFIELD & ENVIRO. COMPLIANCE	CHEMICAL ANALYSIS	1701740	2165	19-7078	45.00	45.00
PG&E	ELECTRICITY	APRIL 2017	2166	19-7091	12,354.86	12,354.86
POLYDYNE INC.	PLANT CHEMICALS	1135838	2167	19-8050	5,821.53	5,821.53
PRAXAIR	EQUIPMENT RENTAL	77083192/77461799	2168	19-7032	58.83	58.83
READY REFRESH	HOUSEHOLD EXPENSE	17D0012917373	2169	19-8035	222.45	222.45
REGIONAL GOVERNMENT SERVICES	HUMAN RESOURCES	7007	2170	19-7076	2,121.00	2,121.00
R. S FIRE PROTECTION	SAFETY SUPPLIES	A51017X1	2171	19-8056	673.41	673.41
SAN LUIS POWERHOUSE	EQUIPMENT MAINTENANCE	37739	2172	19-8030	1,544.02	1,544.02
SO CAL GAS	UTILITIES-GAS	APRIL 2017	2173	19-7092	570.95	570.95
SOUTH COUNTY SANITARY	UTILITIES-RUBBISH	5641086/ APRIL/MAY	2174	19-7093	883.58	883.58
SOUTHLAND WATER TECH	CAPITAL EQUIPMENT	052317-231	2175	19-8010	4,889.02	4,889.02
SPRINT	COMMUNICATIONS	205201234-142	2176	19-7013	219.29	219.29
STATE FUND	WORK COMP	MAY 2017	2177	19-6080	5,580.67	5,580.67
STATE WATER RES CONT. BOARD	PROF. CERTS/LICENSES	MUI/RENEWAL	2178	19-7055	300.00	300.00
STANLEY SECURITY	COMMUNICATIONS ALARMS	14522721	2179	19-7011	64.06	64.06
THOMA ELECTRIC	EQUIPMENT MAINTENANCE	37913	2180	19-8030	2,652.18	2,652.18
USA BLUEBOOK	EQUIPMENT SUPPLIES	762/314/052/388/302	2181	19-8030	4,042.66	4,042.66
VWR	LAB SUPPLIES	1162/7376/9864/9865/2306/7377/3573	2182	19-8040	1,032.55	1,032.55
WENDY STOCKTON	PROF SERVICES ATTORNEY FEE	APRIL 2017	2183	19-7071	10,290.00	10,290.00
WINEMA	SAFETY SUPPLIES	1119	2184	19-8056	181.68	181.68
WSC	RECYCLED WATER FACILITIES	2531	2185	20-7090	2,357.50	2,357.50
SUB TOTAL					\$ 147,622.81	\$ 147,622.81
SO. SLO CO. SANITATION DISTRICT	PAYROLL	04.28.17-5.12.17-5.26.17	2186		94,618.89	94,618.89
	CALPERS HEALTH	JUNE 2017			18,341.80	18,341.80
	CALPERS RETIREMENT	APRIL/MAY 2017			12,247.36	12,247.36
	WEBHOSTING	May-17			153.40	153.40
GRAND TOTAL					\$ 272,984.26	\$ 272,984.26

We hereby certify that the demands numbered serially from 06072017-2124 to 06072017-2186 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:

Chairman

Board Member

DATE:

Board Member

Secretary

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

Grover Beach City Council Chambers
154 South 8th Street,
Grover Beach, CA

Action Summary Minutes of the
Meeting of Wednesday April 5, 2017
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Chairman Shoals called the meeting to order and recognized a quorum.

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: Gerhardt Hubner, District Administrator;
Gilbert Trujillo, District Legal Counsel

2. FLAG SALUTE

3. AGENDA REVIEW

Upon motion of Director Hill seconded by Director Austin the Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Andrew Burnett commented on Administration and legal and Human Resources expenses.

Lindsey Westbrook commented on Administration and training.

Leland Simpson commented on decline in plant operations.

Kristie Victorine spoke about follow up on the Knudson report, stewardship and hostile work environment.

Colleen Koogler asked about proper procedures and requirements for administrative leave.

Joe Schacker commented on lack of cleanup of vagrants and garbage around the District property.

Julie Tacker spoke about employing a full-time Administrator versus a part-time Administrator, the Administrator Report and use of consultants.

Ron Holt commented on Administration, Director Hill's investigation, legal counsel advice, conflict of interest and employee relations.

Ron Arnoldson commented on Administration, leadership, lack of projects and plant operations.

Mary Lucey spoke about the fine, deferring maintenance and working with the Coastal Commission and State.

David Nichols agreed with comments made by another speaker.

Shelly Cochran commented on Administration and the Knudson Report.

Patricia Price commented on Administration, the Knudson Report, the sewage spill of 2010 and the plant formally being on the brink of bankruptcy

Debbie Peterson commented on secrecy and fear.

Patty Welsh commented on personnel, basic equipment maintenance, plant shut down and plant operations.

David Odell questioned costs of plant operations today versus one year ago.

Shirley Gibson commented on unfair criticism of new personnel.

Chairman Shoals closed public comment.

5. CONSENT AGENDA

5A. Approval of Warrants

5B. Financial Review at February 28, 2017

5C. Approval of Minutes of Meeting of March 1, 2017

Director Hill spoke on dates being coded in error on the Warrant Register, the March 1st meeting and legal fees.

Chairman Shoals opened the public comment period on Items 5A, 5B and 5C.

Kris Victorine commented on approving warrants with no review of supporting documents and Phase 1 mediation.

Julie Tacker spoke on approval of the Mediator, the Oakes contract and expanding the Action Minutes.

Ron Arnoldson commented on the minutes.

District Legal Counsel Gilbert Trujillo advised that discussion on the Mediator falls under personnel privacy rights and therefore he is unable to give further information.

Director Hill noted that backup documents to verify expenses are available.

Chairman Shoals closed public comment.

Motion: Director Austin made the motion to approve 5A, 5B and 5C with corrections to the dates on the Warrant Register.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. Approval of Minutes of Meeting of December 21, 2016

Chairman Shoals opened the public comment period.

Patricia Price, Lindsey Westbrook and Julie Tacker asked about letters being included in the Board packet and attached to Minutes.

Chairman Shoals closed the public comment period.

Motion: Director Austin made a motion to approve the Minutes of December 21, 2016 and not attaching the letters to these minutes.

Second: Director Shoals

Action: Motion passed 2 – 1. Director Hill Voted no.

6B. Purchase of Crane for Flatbed Truck

Approval to purchase a replacement crane the District's flatbed truck in the amount of \$19,401 from Industrial Truck Bodies.

Administrator Hubner reported on the need to purchase a crane for the flatbed truck.

Chairman Shoals opened the public comment period.

Mary Lucey spoke on the age of the crane.

Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to approve staff recommendation.

Second: Director Austin

Action: Approved unanimously by roll call vote.

6C. Request for Proposal to Clean Primary Digester No. 1, and Allow the District Administrator to Proceed to Execute a Contract for Digester Cleaning not to exceed \$380,000

1. Release of Request for Proposal for Cleaning of Primary Digester No. 1;
2. District Administrator to Execute Contract Not to Exceed \$380,000; and
3. For Fiscal Year 2016-17 utilize \$201,200 from Fund 20, Project No. 2016-B1-01 (AG Sewer Bridge Repair) & \$178,800 from Fund 20 fund balance.

Administrator Hubner gave a presentation on the need for clean out and maintenance on the Primary Digester No. 1. He advised the Board Digester No. 1 was well overdue for cleaning and that it was standard industry practice to clean a wastewater facilities' digester every 8 to 10 years. Administrator Hubner gave a list of potential negative effects that can occur due to failure to clean the digester.

Administrator Hubner advised the Board the cleaning of the Primary Digester No. 1 was not included in the adopted Fiscal Year 2016/17 Budget but the funds were available in Fund 20. He further advised the Board the project may extend into the next Fiscal Year.

Director Hill stated concerns about issues in the coming year by delaying the Arroyo Grande Sewer Bridge project.

Discussion was held regarding where the funds would come from for the cleaning of Primary Digester No. 1, upcoming projects, the 2013 CIP List and the replacement list.

Chairman Shoals opened the public comment period.

Julie Tacker, Patty Welsh, Mary Lucey, Ron Arnoldson and Ron Holt commented on cleaning the Primary Digester No. 1 project, funds to also do the Arroyo Grande Sewer Bridge project, reserves if there should be future crisis and a priority list for future projects.

Chairman Shoals closed the public comment period.

Motion: Director Hill made a motion to approve staff recommendations, use funds from Fund 20 and not impact the Arroyo Grande Sewer Bridge Project.

Second: Director Austin

Action: Approved unanimously by roll call vote.

6D. Rental of a Dewatering Centrifuge to Assist with District's Digester Cleaning and Rehabilitation Project

1. Approval to enter into a rental contract with Pace DS for a dewatering centrifuge for a minimum 6-month time period or longer; and
2. For Fiscal Year 2016-17 utilize \$36,000 from Fund 19 & Fund 19/Schedule A-1, and include funds in the Fiscal Year 2017-18 draft Budget to support this rental.

Administer Hubner gave a presentation on the need of a temporary dewatering Centrifuge to assist with the District's Digester cleaning and rehabilitation project. He advised the Board that they had received three quotes based on a six-month period with the lowest overall quote coming from Pace DS.

Motion: Director Hill made a motion to approve staff recommendations awarding the contract to Pace DS as discussed.

Second: Director Austin

Action: Approved unanimously by roll call vote.

6E. District Administrator & Plant Operation's Report

District Administrator Hubner provided an update on the Sewer Bridge Project, Grit Removal Project, change orders to support implementation of the headworks project, request for revisions from the Coastal Commission on the Redundancy Project, Recycled Water Planning Facilities Study Grant, District Control building and office, Inflow & Infiltration Study, migration and transfer of old audio tapes to the new website, the Record Retention Policy, Personnel Policy Manual updates, completion and submittal of the SDMA questionnaire, the Cambria CSD plan to truck brine to the District's facility, the Plant's Report, staff trainings and call outs.

Director Hill noted the plant data does not include prior years and there is some movement on the I&I Study.

Chairman Shoals spoke on collaboration on the EIR and cost sharing, and stated the need for cost share in an MOU or another form of legal document.

Julie Tacker spoke about the migration of audio tapes being relevant to the Wallace investigation, cost sharing with the City of Pismo Beach, attendance at the water conference in San Diego, and Cambria brine limits.

Mary Lucey questioned if projects tied up with SGMA funds will have an impact on any of the District's projects.

Patricia Price spoke about the old audio tapes no longer being available and asked if there could be a link from the District's website to SLO Span.

Administrator Hubner advised the audio tapes are gone with no ability to retrieve them and streaming of the video or hosting of the video to SLO Span would be very costly.

Director Hill stated he would be interested to see if there is a way to recover the tapes.

Administrator Hubner was directed to bring back to the Board a cost for a link from the District's Website to SLO Span and to see if there is a way to recover the old audio tapes. He was further directed if the audio tapes are not recoverable to provide a document from the Webmaster stating why they are not recoverable.

7. 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.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

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

Julie Tacker spoke to mediator, paid administrative leave and performance review.

Terri Klier spoke favorably of John Clemons

Debbie Peterson posed question of which staff decided to delete audiotapes.

8. RECONVENE TO OPEN SESSION

At 9:54 pm. the Board reconvened to Open Session.

There was no reportable action from Closed Session.

9. ADJOURNMENT

The meeting adjourned at 9:54 pm

The next regularly scheduled Board meeting on April 19, 2017, 6 p.m. at the Grover Beach City Council Chambers, 154 South 8th Street, Grover Beach, California 93433

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

Grover Beach City Council Chambers
154 South 8th Street,
Grover Beach, CA

Action Summary Minutes of the
Meeting of Wednesday April 19, 2017
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Chairman Shoals called the meeting to order and recognized a quorum.

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: Gerhardt Hubner, District Administrator;
Gilbert Trujillo, District Legal Counsel

2. FLAG SALUTE

3. AGENDA REVIEW

Director Hill commented on various items not on the Agenda.

The Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Chairman Shoals opened the public comment period.

Patricia Price commented on items not on the Agenda, lack of answers to her questions, personnel placed on administrative leave, employee grievances, job descriptions, employee promotional process, and lack of promotions.

District Counsel Trujillo explained why the Board of Directors is unable to comment on personnel during open session.

Ron Arnoldson spoke about comments made at the Grover Beach City Council meeting regarding the Knudson Report.

Patty Moran commented on miscellaneous correspondence and oral comments.

Cinnamon Lofton wants everyone to play nice.

Shelly Cochran stated the Knudson Report recommendations need to be reviewed and commented on failure to recognize the role of the Superintendent.

Colleen Koogler asked about the authority of the Board of Directors and their lack of action.

Terri Klier commented on the Sanitation District, the Knudson Report, lack of accomplishments, off site meetings and accountability of Administration.

John Clemons spoke regarding the verbal exchange that occurred between Directors Hill and Shoals at the beginning of the meeting.

Julie Tacker commented on the treatment of Director Hill by Director Shoals, lack of agenda items, 2015/16 Audit, administrations payroll data and performance evaluation, administrations report, disposition of the Coastal Commission, the Redundancy Project, strategic plan, written communication and lack of items on the agenda.

Patty Welsh commented on the previous speaker's resume.

Mary Lucey spoke regarding how the District operated in 2010 and personnel documents with confidential information being published, by a previous speaker, on the Scrib website.

Kevin Rice commented on administration, hostile work environment, district litigation and lost audio files.

Chairman Shoals closed public comment.

Chairman Shoals clarified comments made at the Grover Beach City Council meeting.

Director Hill commented on there being no place on the agenda for Board Member comments or discussion.

District Counsel Trujillo advised of the Board's authority regarding personnel.

District Administrator Hubner commented on personal attacks and invited people to come to the plant and speak with him personally.

Director Austin asked for an update on the upcoming Coastal Commission meeting.

District Administrator Hubner advised the Coastal Commission is on track for the May meeting and that he will bring an item before the Board when the Coastal Development Permit Hearing (CDP) becomes available. He further advised the Board the 2015/16 Audit was close to completion.

5. CONSENT AGENDA

Upon request of Director Hill items 5B, 5C and 5D were pulled from the Consent Agenda.

5A. Approval of Warrants

Director Hill expressed concerns about the cost of legal and associated expenses based on historical records.

Chairman Shoals opened the public comment period.

Julie Tacker commented on legal bills, the OCSD service settlement reimbursement, water conference training costs, plant projects and the headworks change order.

Kris Victorine stated the warrant documents needed to be examined before approved, she further commented on Wallace, the final audit, changes from the Budget, and charges for the State report and legal expenses.

Chairman Shoals closed the public comment period.

Administrator Hubner advised the Board the settlement reimbursement was for an OCSD ratepayer that had been charged for years of wastewater service he had not received. He further advised the Moss, Levy & Hartzheim LLP invoice was paid to complete the delinquent State Controller report and avoid fines.

Motion: Director Austin made a motion to approve the Warrant Register.
Second: Director Hill
Action: Approved unanimously by roll call vote.

5B. Approval of Minutes of April 5, 2017 Meeting

Director Hill commented the minutes named individuals that spoke but did not state if they had spoken for or in opposition of anything.

Chairman Shoals opened the public comment period.

Kris Victorine stated the minutes do not accurately state what comments were made.

Julie Tacker had questions on the Liebert Cassidy Whitmore contract and speaker respect.

Chairman Shoals closed the public comment period.

District Counsel advised the Board the minutes were Action Summary Minutes intended to be a brief consistent summary of the meeting.

Motion: Director Hill moved to table the minutes and bring them back with amendments to include more detail.
Second: Director Shoals
Action: Motion passed 2 – 1. Director Austin Voted No.

5C. Financial Report for March 2017

Chairman Shoals opened the public comment period.

John Clemons stated an account showing on the report had been closed and commented on inaccuracies in the report.

Chairman Shoals closed the public comment period.

Administrator Hubner stated that based on past reports staff believed the overall report to be accurate. He further advised the Board staff was aware of the closed account and would verify the transfer of funds.

Motion: Director Austin made a motion to approve the Financial Report.

Second: Director Shoals

Action: Approved unanimously by roll call vote.

5D. Plant Operation's Report

Director Hill stated that prior years' data had been included in past reports but the historical data was missing from the current report.

Chairman Shoals opened the public comment period.

Julie Tacker commented on the historical data, current numbers compared to a year ago, the Shannon Sweeney contract, who wrote the report, who signed off on the report and who is running the plant.

Mary Lucey commented on the numbers and signatures on the reports.

Chairman Shoals closed the comment period.

Director Hill commented on the influent/effluent numbers, eliminating a 2 year backlog of maintenance work and historical data being included in the Report.

Administrator Hubner advised the Board staff had begun work on eliminating 269 backlog of work orders recorded in early March dating back to 2015. He further advised the Board work orders are the backbone of the District's preventative maintenance program.

The Plant Operation's Report was received and filed.

6. ACTION ITEMS:

6A. PROPOSED RESOLUTION NOS. 2017-364, 365 AND 366, AUTHORIZING RESOLUTIONS FOR THE DISTRICT TO SUBMIT A FINANCIAL PACKAGE IN SUPPORT OF A STATE WATER RESOURCES CONTROL BOARD STATE REVOLVING LOAN APPLICATION FOR THE WASTEWATER REDUNDANCY PROJECT

1. Consider and adopt Resolution No. 2017-364, a Resolution designating the District Administrator as the representative to sign and file a Financial Assistance Application for the Wastewater Redundancy Project.
2. Consider and adopt Resolution No. 2017-365, a Resolution stating the District's intent to reimburse itself for expenditures advanced for the Wastewater Redundancy Project; and authorizing and directing the District Administrator to Implement the Resolution.
3. Consider and adopt Resolution No. 2017-366, a Resolution pledging revenues and funds as specified for the Wastewater Redundancy Project; and for the District Administrator to Implement the Resolution.

Administrator Hubner gave a presentation on submittal of a financial package in support of a State Water Resources Control Board State Revolving Loan for the wastewater redundancy project, the Resolutions and updated wastewater rates plan by Bartle Well Associates (BWA).

Alex Handlers, representative from Bartle Wells Associates, spoke on the State Revolving Loan process.

Chairman Shoals asked about the timing of the application.

Administrator Hubner advised the Board that staff is trying to get the application in the State Water Resources Control Board State Revolving Loan queue. He stated that the District is small enough State Board may find funds or issue their own bonds and free up funds.

Chairman Shoals opened the public comment period.

Julie Tacker questioned the reference to the project manager and commented about the scope of work not yet being defined, waiting to submit the application until after the upcoming Coastal Commission meeting, 10-year authorization to use the plant and the hiring of Bartle Wells.

Mary Lucey spoke regarding the good rate, being in partnership with a disadvantage community and the potential of receiving a USDA loan.

Debbie Peterson commented on cash flow and legal fees.

Chairman Shoals closed the public comment period.

Alex Handlers, representative from Bartle Wells Associates, advised the Board the reference to project manager was someone who he spoke to at the State Board who does project management on the State Revolving Fund loans.

Motion: Director Hill made a motion to approve staff recommendations for Item 6A 1, 2 and 3 with correction to the agency name on Resolution Nos. 2017-365, 365 and 366.

Second: Director Austin

Action: Approved unanimously by roll call vote.

6B. UPDATE ON DEPOSITION OF AUDIOTAPES THROUGH WEBSITE DEVELOPMENT

1. Receive and File Report

Administrator Hubner advised the Board that Ted Kapner, website designer, had provided a link from the District Website to SLO Span. He further provided a letter from the web designer explaining what happened with the migration of the old audio tapes to the new website.

Chairman Shoals opened the public comment period.

Amy Simpson read a letter denying her authorizing the web designer to not migrate the old audio tapes to the new website.

John Clemons spoke in defense of Amy Simpson.

Ron Arnoldson commented on dogs and busses.

Terri Kleir commented on concerns regarding the web designers notes and insinuations that Amy Simpson was responsible for the old audio tapes not migrating over to the new website.

Kris Victorine commented on who directed the web designer to not migrate the old audio files.

Julie Tacker questioned why the web designer was giving the report, she stated that record retention items should be brought to the Board prior to destruction, Administration should be bringing solutions on how to resolve the issue to the Board and the DA would like to have the tapes.

Chairman Shoals closed the public comment period.

Ted Kapner, web designer, stated that the information in the letter he provided was truthful and factual. He advised the Board he did not do a backup of the old website and the change order was to address the pdf files. Mr. Kapner further advised the Board the files were kept for 30 days before the contents of the server were deleted. He stated a computer specialist would need to be hired to do a forensic audit of the District computers.

Upon unanimous consensus of the Board staff was directed to pursue recovery of the old audio files. Staff was further directed to bring back an estimate of the cost for pursuing recovery of the audio files on the District's existing IT network.

7. CLOSED SESSION

Chairman Shoals opened the public comment period.

John Clemons commented on personnel and paid leave.

Terri Klier commented on release of employees.

Colleen Koogler spoke on personnel and due process.

Sharon Brown questioned why the Board was considering personnel.

Julie Tacker commented on personnel and stated the Board needed to expedite the process.

Ron Arnoldson commented on personnel.

Chairman Shoals closed the public comment period.

District Counsel explained what the Board can discuss in Closed Session.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

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

8. RECONVENE TO OPEN SESSION

At 8:51 p.m. the Board reconvened to Open Session.

There was no reportable action from Closed Session.

9. ADJOURNMENT

The meeting adjourned at 8:54 p.m.

The next regularly scheduled Board meeting on May 3, 2017, 6 p.m. at the Grover Beach City Council Chambers, 154 South 8th Street, Grover Beach, California 93433

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

Grover Beach City Council Chambers
154 South 8th Street,
Grover Beach, CA

Action Summary Minutes of the
Meeting of Wednesday May 3, 2017
6:00 P.M.

1. CALL TO ORDER AND ROLL CALL

Chairman Shoals called the meeting to order and recognized a quorum.

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

District Staff in Attendance: Gerhardt Hubner, District Administrator;
Wendy Stockton, District Counsel
M Jones, Acting Chief Plant Operator

3. AGENDA REVIEW

Director Hill commented on various items not on the Agenda.

The Agenda was approved as presented.

4. PUBLIC COMMENTS ON ITEMS NOT APPEARING ON THE AGENDA

Jeff Edwards commented on the District Administrator's past history.

Chairman Shoals called for a recess.

Chairman Shoals reconvened the meeting and cautioned the audience about making personal attacks toward staff.

Sharon Brown asked about the acting District Secretary and the status of the office renovation.

Julie Tacker commented on the lack of old audio tapes being migrated to the new website, quote for the forensic audit of the District computers, timeline that had been presented which appeared to be tampered with, instructions from Host Gator on how to back up a website and mistakes in Administration reports.

Dave Nichols asked about the District Administrators experience, and commented on classification of operators, problem with digester and maintenance funds being removed from the budget.

Terri Clare commented on the past plant operation expenses, the Grand Jury, Citizen's Guide to Special Districts and extending the number of Board members.

Mary Lucey advised of documents she handed out to the community.

Cinnamon Lofton asked when it was appropriate to ask questions of the Board.

Shirley Gibson spoke about the ratepayers needing to be aware of an organized attack against the District Administrator and active undermining.

Patty Welsh commented on a group of people who were against the District Administrator.

Patricia Price spoke on her years of attending the Sanitation District meetings, and turnaround in the plant administration.

Dr. Ron Arnoldson commented on the District Administrator, poorly written staff reports, errors in financial reports, Grand Jury Report and similarities in what happened according to the Grand Jury Report and what is happening at the District.

Chairman Shoals closed the Public Comment period.

Chairman Shoals stated the Public can ask questions of the Board and as Chairman he can get the answers.

Director Hill advised that the Board is prohibited by State Law in responding during Public Comment.

Chairman Shoals also advised the Board cannot respond to personnel or Human Resource matters.

5. CONSENT AGENDA

Director Hill questioned the Warrant Register for the fluid resource management (FRM) account, annual memberships, CalPers costs and legal bills.

Director Hill stated the minutes need to reflect if the commenter spoke in favor of or against something.

Chairman Shoals opened the public comment period.

Julie Tacker stated the Board does not live by Roberts Rules but the Brown Act, and minutes need to capture the essence of the comment. She commented on legal costs, warrants not being passed until correct and the timing of hiring Liebert Cassidy.

Sharon Brown stated public comment should be accurate as to the sense of what is being said and requested her name be corrected in the minutes.

Ron Arnoldson commented on the accuracy of the minutes.

Chairman Shoals closed the public comment period.

Director Hill commented on the fluid resource management account, interstate management account, annual membership, CalPers retirement, costs of legal bill, and the Minutes.

5A. Approval of Warrants

Motion: Director White made the motion to approve the Warrant Register with amendments and clarifications as discussed.
Second: Director Shoals
Action: Motion passed 2 – 1 Director Hill voted No.

5B. Minutes of April 5, Approval of 2017 Meeting

Motion: Director Hill made the motion to continue the April 5, 2017 minutes to a future date.
Second: Director White
Action: Approved unanimously by roll call vote.

5C. Minutes of April 19, Approval of 2017 Meeting

Motion: Director Hill made the motion to continue the April 19, 2017 minutes to a future date.
Second: Director White
Action: Approved unanimously by roll call vote.

6. ACTION ITEMS:

6A. REQUEST APPROVAL TO PURCHASE A REPLACEMENT SIGHT GLASS FOR PRIMARY DIGESTER NO. 1

District Administrator Hubner reported on the need to purchase a replacement sight glass for Primary Digester No. 1.

Chairman Shoals opened the public comment period.

Julie Tacker spoke on the project price, maintenance for the digester being budgeted and inconsistency's in the General Manager reports.

Sharon Brown spoke about the sight glass being included in the budget, and the cleaning not being included in the budget.

Mary Lucey spoke about the delay in the maintenance of the digester and asked about the lifespan of the sight glass.

Chairman Shoals closed the public comment period.

Motion: Director Hill moved to approve purchase of a replacement sight glass for primary Digester No. 1 from Papailias Inc.
Second: Director White
Action: Approved unanimously by roll call vote.

6B. NEW DISTRICT RECORDS RETENTION SCHEDULE

District Administrator Hubner gave a presentation on the proposed new District Records Retention Schedule.

Discussion held on the proposed Records Retention Schedule and concerns were raised regarding the procedure to destroy documents.

Wendy Stockton, District Legal Counsel, advised the items ready for destruction could be reviewed by Counsel at the time of the proposed destruction and come back to the Board for final approval.

Chairman Shoals opened the public comment period.

Amy Simpson stated she was glad to see the item brought to the Board.

Ron Arnoldson stated he would like to see the Board authorize destruction of the records.

Patty Welsh asked if Amy Simpson was speaking as a member of the public or an employee.

Julie Tacker asked why the archived documents were in disarray, she stated the documents need to come before the Board for approval before they are destroyed and she does not like the 30-day retention policy for email.

Sharon Brown stated she agreed on the Board approving destruction of the documents and the 10-year retention of video.

Mary Lucey stated confidentiality of documents should be addressed

Patty Price supported documents coming before the Board before being destroyed and she agreed with Julie Tacker's comments.

Chairman Shoals closed the public comment period.

District Administrator Hubner advised the recommended retention of video in the new policy is 10 years.

Wendy Stockton, District Counsel, stated the confidential document would need to be reviewed by Counsel prior to destruction.

Motion: Director Hill moved to approve the new records retention schedule with the inclusion that documents scheduled for destruction must come to the Board for approval prior to destruction and Board meeting videos be retained for 10-years.

Second: Director White

Action: Approved unanimously by roll call vote.

6C. UPDATE ON COASTAL DEVELOPMENT PERMIT FOR DISTRICT'S

WASTEWATER REDUNDANCY PROJECT

District Administrator Hubner provided an update on the Coastal Development Permit for the District's Wastewater Redundancy Project.

Director Hill stated he was a proponent of the redundancy project. He further stated he was disappointed in the report and that the permit was only a 10 year permit. He stated he would urge jurisdictions to support a 30-year permit.

Chairman Shoals asked about the cost to move the plant.

Mike Nunley, Michael K. Nunley & Associates, stated the cost would be between \$150 - \$200 million to relocate the plant.

Chairman Shoals opened the public comment period.

John Clemons stated he was a proponent of the redundancy project. He further stated it was a 30-year plan.

Jeff Edwards stated the whole project has been misrepresented.

Brad Snick advised he had sent a letter to the Coastal Commission. He stated the district should be reviewing an alternative site.

Julie Tacker stated the project was inconsistent with the Coastal Act, she would support a temporary plant and she commented on the life of the facility. She stated she did support staff recommendation at the Coastal Commission.

Mary Lucey advised the plant did not flood in 2010 but the neighborhood did. She stated the plant was fine where it is located and she is supportive of the project.

Amy Simpson asked if there would be discussion on a smaller scale to make sure ratepayers would not be paying for a 30-million-dollar plant.

Patty Welsh stated she supported the redundancy project.

Debbie Peterson stated she does support the redundancy project.

Patricia Price spoke about an offsite plant and that she would support a temporary and less expensive redundancy project.

Chairman Shoals closed the public comment period.

Chairman Shoals stated he and District Administrator Hubner would be attending the Coastal Commission meeting. He further advised it was a major accomplishment to have a hearing before the Coastal Commission.

The Board took a 10-minute recess.

The Board reconvened at 8:40 p.m.

6D. UPDATE TO ATTORNEY CONTRACT

1. Consider a request by District Legal Counsel to update its contract; and
2. Consider and adopt Resolution No. 2017-368 (Attachment No. 1) authorizing the Chairman to execute an amended attorney contract.

Wendy Stockton, District Counsel, spoke on the current attorney contract. She stated they are requesting the contract be made modern and workable. She further stated she and Mr. Trujillo will cover the expenses, they are requesting an increase in the hourly rates and they are requesting a 30 day termination clause.

Discussion held on the costs of expenses.

Chairman Shoals opened the public comment period.

Jeff Edwards stated there needed to be a performance evaluation prior to entering into a new contract.

Sharon Brown expressed her concerns regarding provisions in the proposed contract and the increase in the billable hours.

Debbie Peterson stated it would be helpful to know what other Special Districts spend for legal counsel and consultants. She suggested a review be done of how many consultants are currently working for the district, what it is costing for these consultants and the Board do a review of the attorney's performance.

Julie Tacker commented on modernizing the contract, doing a performance review, Lexis Nexis, and outsourcing of the district Human Resources.

Patty Welsh was in support of a 6% increase for counsel.

Dr. Ron Arnoldson stated the District Administrator and District Counsel should have a performance evaluation once a year and he spoke in support of continuing education.

Patricia Price commented on the existing contract, proposed contract, why the district has special counsel, what indemnification is all about, and doing a performance evaluation prior to signing a new contract.

Chairman Shoals closed the public comment period.

Director Hill commented on authorization for special counsel, an annual review of the contract employees and support for the new contract.

Wendy Stockton, District Counsel, explained when there would be a need for special counsel and the indemnification clause.

Motion: Director White made a motion to approve the Resolution of the Board of the South San Luis Obispo Sanitation District authorizing and directing the Chairman to enter into updating an agreement for legal services for the South San Luis Obispo Sanitation District with Gil Trujillo and Wendy Stockton, Esqs. contingent on a positive performance review.

Second: Director Hill

Action: Approved unanimously by roll call vote.

6D. DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT

District Administrator presented the District Administrator's Report.

Director Hill spoke about the I&I Study, the recommendation for multi phases in collecting data, flow meters, financial review, and moving forward on the IT forensic audit.

Chairman Shoals opened the public comment period.

Amy Simpson spoke about closing accounts.

Julie Tacker commented on the SRF loan package, joint cost sharing and the closed account.

Sharon Brown commented on the 0% chlorine.

John Clemons stated the financial information on the warrant register is incorrect and that the Board had received a financial report with bad information.

Chairman Shoals closed the public comment period.

Receive and file report.

The Board received and filed the Report.

7. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

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

Chairman Shoals opened the public comment period.

There being no one to come forward Chairman Shoals closed the public comment period.

8. RECONVENE TO OPEN SESSION

The Board reconvened at 10:07 p.m.

There was no reportable action from Closed Session.

9. ADJOURNMENT

The meeting adjourned at 10:09 p.m.

The next regularly scheduled Board meeting on May 17, 2017, 6 p.m. at the Grover Beach City Council Chambers, 154 South 8th Street, Grover Beach, California 93433

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

STAFF REPORT

Date: June 7, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Via: Mychal Jones, Interim Plant Superintendent
Subject: **REQUEST APPROVAL TO PURCHASE A MOYNO SLUDGE PUMP AND APPURTENANCES FOR PRIMARY CLARIFIER NO. 1**

RECOMMENDATION

Consider and approve the purchase of a Moyno sludge pump and its appurtenances for Primary Clarifier No. 1 from KSB in the amount of \$18,101.66.

BACKGROUND

The current back-up centrifugal sludge pump is due for replacement. This sludge pump allows Operations staff to have more consistent pumping volumes, pumping volume control, reduced changes to process, one set of replacement parts, alike pump to the primary pump, and reduced energy consumption. Having the redundant sludge pump also allows Operations staff to have a redundant pump in case the primary sludge pump stops operating.

DISCUSSION

Due to this pump being proprietary and only having two distributors, Operations staff solicited quotes from two vendors. Both vendors, Flo-Systems Incorporated and KSB, responded. The quote from Flo-Systems Incorporated was \$18,998.48 (Attachment No. 1), and the quote from KSB was \$18,101.66 (Attachment No. 2). Both quotes meet the specifications needed by the District for this equipment by the District.

FISCAL CONSIDERATIONS

This piece of equipment was scheduled to be purchased during Fiscal Year 2016-2017. A line item of \$13,000.00 was included in the Adopted Budget for Fiscal Year 2016-2017, under Fund 19, Schedule A2, Project No. 2016-A2-01. Staff recommends that the budgeted funds along with remaining funds (\$5,872.54) for (2) Variable Frequency Drives (Fund 19, Schedule A1, Project No. 2016-A2-02) be used to purchase the Moyno sludge pump and appurtenances.

ATTACHMENT

1. Quote from Flo-Systems Incorporated
2. Quote from KSB



Established 1976

140 S. Chaparral Ct., Ste. 140, Anaheim Hills, CA 92808 | Phone: (714) 202-8101 | Fax: (714) 627-4936
Website: flo-systems.net

April 21, 2017

SOUTH SAN LUIS OBISPO CSD

Attn: Mychal Jones

805-489-6670

mychal@sslocsd.us

RE: Replacement of SN AS4907704 (similar to AS4421191)

Dear Mr. Jones,

Flo-Systems, Inc is pleased to present a copy of the proposal requested. Please let me know if there are any discrepancies, or if you have any questions.

We look forward to working with you on this project.

Regards,

Jessica Soltanieh

FLO-SYSTEMS INC | (714) 202-8101 | (714) 627-4936 | jessicas@flo-systems.net

Enclosure:
Proposal 6813
Terms of Sale



Established 1976

QUOTE

6813

DATE 4/21/2016

PAGE: 1 of 1

140 S. Chaparral Ct., Ste. 140, Anaheim Hills, CA 92808 | Phone: (714) 202-8101 | Fax: (714) 627-4936
Website: flo-systems.net

ATTN: MYCHAL JONES
SOUTH SLO CSD

PHONE: 805-489-6670

FAX:

Customer No.		Salesperson ID	Shipping Method	Payment Terms	
SOU171			FOB FACTORY/ALLOWED	N30	
Qty	Part Number	Description		Unit Price	Ext Price
1	SLUDGE PUMP REPLACEMENT FOR AS4907704 SIMILAR TO AS4421191	Progressing Cavity Pump MOYNO 1E022G1CDQX3AAA COMPLETE UNIT INCLUDING JC MECH SEAL, 5 HP 460/3/60 MOTOR, BELT & PULLEY ASSY, DISCHARGE GAUGE ASSY WITH PRESSURE SWITCH & BASE; 90 DEG CW SUCTION ROT FULL FREIGHT TO FIRST DESTINATION EXCLUDES: ANCHOR BOLTS, CONTROLS, CONTACTS		17,673.00	17,673.00
	MOY 1E022G1				
QUOTED BY JESSICA SOLTANIEH				Subtotal	17,673.00
QUOTE VALID FOR 90 DAYS					
QUOTE PROVIDED WITH A 3.5% CASH OR CHECK				Freight	0.00
DISCOUNT. CREDIT CARD PURCHASES DO NOT APPLY					
FOR THIS DISCOUNT.				Sales Tax	1,325.48
EST. LEAD TIME 14-16 WEEKS ARO PLUS TRANSIT TIME					
				Total	18,998.48



Established 1976

140 S. Chaparral Ct., Ste. 140, Anaheim Hills, CA 92808 | Phone: (714) 202-8101 | Fax: (714) 627-4936
Website: flo-systems.net

TERMS OF SALE

1. ACCEPTANCE. These terms govern the purchase and sale of equipment, contractors services, etc, referred to in SELLER'S proposal or acknowledgement. Acceptance by SELLER, such offer or acceptance is conditioned on BUYER'S assent to these terms. SELLER rejects all additional or different terms in any of BUYER'S forms or documents unless specifically accepted by SELLER in writing. Where our Principal (manufacturer) reserves the right to accept the purchase order and invoice BUYER directly, our principals' terms and conditions shall apply if same is included with the proposal.

2. PAYMENT. Terms are Net 30 days from date of shipment and invoice, subject to approval of credit. SELLER may ship on a "when ready" basis and partial invoice for the equipment that has shipped. Partial invoices are bound by the same terms as those invoices submitted upon complete shipment of equipment. Interest at one percent per month or at the legal maximum rate will be assessed for late payment.

3. RETENTIONS not previously approved in writing by SELLER are not permitted.

4. BACK CHARGES accepted only upon written approval by SELLER.

5. DELIVERY. SELLER shall not be liable for delays in delivery due to fire, flood, labor issues, war, civil disorders, delay in transportation, inability to obtain materials, accidents, acts of God or other causes beyond SELLER'S reasonable control. If shipment is delayed due to BUYER or by government action, payment becomes due when the factory is ready to make shipment and storage charges, if any, become the BUYERS responsibility.

6. RESPONSIBILITY. SELLER shall not be responsible for damage to equipment if misused, improperly stored, installed or maintained. SELLER SHALL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, COLLATERAL, LIQUIDATED OR OTHER INDIRECT DAMAGES. CONSEQUENTIAL DAMAGES FOR THE PURPOSE OF THIS AGREEMENT SHALL INCLUDE BUT NOT BE LIMITED TO, LOSS OF USE, INCOME, PROFIT, LOSS OF OR DAMAGE TO PROPERTY, ETC. These limitations apply whether the liability is based upon contract, tort, strict liability or any other theory.

7. WARRANTY. For benefit of the original user, SELLER warrants all new equipment sold to be free from defects in material and workmanship, and will replace or repair, F.O.B. at its factories or other location designated by it, any part or parts returned to it which SELLERS examination shall show to have failed under normal use and service by the original user within one year following initial shipment to the BUYER. This warranty does not cover damage by decomposition from chemical action or wear caused by abrasive materials nor does it cover damage resulting from misuse, alteration, accident or neglect, or from improper operation, maintenance, installation, modification or adjustment. Such repair or replacement shall be free for all items except for those items that are consumable and normally replaced during maintenance. THIS WARRANTY IS EXPRESSLY MADE BY SELLER AND ACCEPTED BY BUYER IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS OR IMPLIED.

Warranty does not cover removal and installation of equipment.

8. TAXES. Prices are exclusive of all taxes, federal, state local of any kind or nature.

9. TRANSPORTATION. Unless otherwise set forth herein, prices are F.O.B. our factories. The consignee must report all claims for damages in transit to the carrier.

10. COMPLIANCE WITH LAWS. BUYER shall be solely responsible for securing any necessary permits and for compliance with all safety, health, sanitation and any other laws, ordinances and regulations in connection with the design, installation and operation of the equipment.

11. INDEMNIFICATION. It is understood that SELLER has relied upon data furnished by and on behalf of BUYER with respect to the safety aspects and application of the equipment and that it is BUYER'S responsibility to assure that the equipment will, when installed and put in use, be in compliance with requirements fixed by law and otherwise legally adequate to safeguard against injuries or damage to persons or property. BUYER hereby agrees to defend, indemnify and hold harmless SELLER, its agents and employees against any and all losses, costs, damages, claims, liabilities or expenses, arising out of or resulting from any injury or damage to any person or property caused by the inadequacy of safety features, devices or characteristics in the equipment or in the installation, use or operation of the same, except claims for repair or replacement of defective parts are provided in Paragraph 7 hereof. SELLER will indemnify, defend and hold BUYER harmless from any claim, cause of action or liability incurred by BUYER as a result of third party claims for personal injury, death or damage to tangible property, to the extent caused by SELLER'S sole negligence. SELLER shall have the sole authority to direct the defense of and settle any indemnified claim. SELLER'S indemnification is conditioned on BUYER (a) promptly notifying SELLER of any claim, and (b) providing reasonable cooperation in the defense of any claim. SELLER'S liability is limited to the coverage offered and paid by the SELLERS insurance policies.

12. TITLE & LIEN RIGHTS. After delivery to Buyer, Seller will have all such rights, including security interests and liens, in the equipment as lawfully may be conferred upon Seller by contract under any applicable provision of law.

13. MISCELLANEOUS. Goods may not be returned without previous written permission and are subject to a restocking charge. The SELLER may cancel agreement only upon written notice and payment of reasonable cancellation charges, including anticipated profit. Attorney's fees and court costs necessary to enforce these terms of sale will be paid to the prevailing party. No part of the Agreement may be changed or cancelled except by a written document signed by SELLER and BUYER. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable and all other terms shall remain in full force and effect. BUYER may not assign or permit any other transfer of the Agreement without SELLER'S prior written consent. The Agreement shall be governed by the laws of the State of California without regard to its conflict of laws provisions

Rev. Quote # 1705007
Thursday, May 04, 2017

Item 5E Attachment 2
Page 1



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
www.sslocsd.org

STAFF REPORT

Date: June 7, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **REQUEST AUTHORIZATION TO PROCEED WITH KENNEDY/JENKS CONSULTANTS FOR DESIGN AND CONSTRUCTION SERVICES FOR DISTRICT'S WASTEWATER REDUNDANCY PROJECT**

RECOMMENDATION

Consider and authorize Kennedy/Jenks Consultants to proceed with Final Design (and other phases) within its existing contract to provide design and construction services for the District's Wastewater Redundancy Project.

BACKGROUND

At the Board's March 16, 2016 meeting, the Board unanimously approved the issuance of a Notice of Award to Kennedy/Jenks Consultants, Inc. and execution of the District's agreement with several scope of work phases under the contract. However, the approval also specified that any further phases (or phases beyond permitting, CEQA and project management, design work supporting permitting) would be subject to authorization from the Board in order to proceed, after permitting from the Coastal Commission had concluded.

DISCUSSION

On May 10th, the California Coastal Commission voted unanimously to adopt a 30-year Coastal Development Permit for the District's Wastewater Redundancy Project. On June 7th, the Commission will consider adoption of Revised Findings to support the Commission's May 10th decision. Note, the June 7th hearing is not to reconsider the permit approval, permit term or conditions, but rather to reaffirm the Commission's May 10th decision.

In order for the District's Wastewater Redundancy Project to proceed to the next step expeditiously, staff feels it is appropriate now to authorize Kennedy/Jenks Consultants to proceed to Final Design and also complete all remaining phases of their contract.

If authorization is approved today, the schedule for the Wastewater Redundancy Project is as follows:

December 2017:	30% Design
March 2018:	60% Design
June 2018:	90% Design
July/August 2018:	100% Design
September/October 2018:	Bidding
December 2018:	Award of Contract
March 2019:	Notice to Proceed
Summer 2019:	Construction Begins
March 2021:	Construction Completed

FISCAL CONSIDERATIONS

A line item of \$1,500,000 was included in the Adopted Budget for Fiscal Year 2016-2017, under Fund 20, Project No. 20-7080. The original contract amount is \$1,837,704. Sufficient funds will be included in the Draft Budget for Fiscal Year 2017-18 to support this contract.



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STAFF REPORT

Date: June 7, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **MEMORANDUM OF AGREEMENT WITH THE CITY OF PISMO BEACH TO COST SHARE AN ENVIRONMENTAL IMPACT REPORT TO SUPPORT THE REGIONAL GROUNDWATER SUSTAINABILITY PROJECT**

RECOMMENDATION

Consider, approve and authorize the District Administrator to sign a Memorandum of Agreement with the City of Pismo Beach to cost share an Environmental Impact Report (EIR) to support the Regional Groundwater Sustainability Project (RGSP).

BACKGROUND

Water Recycling Facility Grant: In February 2015, the District applied for, and later received, a \$75,000 grant from the State Water Resources Control Board (SWRCB) under its Water Facilities Planning Grant program. The total amount of the Study was approximately \$150,000, with 50% local match equally shared (50% each) between the District and the City of Arroyo Grande. The District selected and entered into a contract with a local consulting firm, Water System Consulting (WSC,) to complete the Study.

On January 4, 2017, the Board held a workshop and presented the highlights of the Draft Study, followed up on January 24, 2017, with the District staff jointly presenting with City of Arroyo Grande staff, and WSC consultants, to the City Council. After inclusion of a recommendation section, the Final Study was recently submitted to the SWRCB.

The completion of the Study now provides an opportunity to take the next step to promote recycling within the South San Luis Obispo County area. In the Study's Executive Summary, it outlines a number of upcoming initiatives to implement the RGSP. In the first row of Table 1-6 under Expanded EIR it states: "Provide the RGSP stakeholders with the necessary environmental documents to ensure California Environmental Quality Act (CEQA) compliance. Provide additional environmental impact information needed to complete the SWRCB State Revolving Fund and other funding applications". Today's item is implementing that Study initiative.

Regional Groundwater Sustainability Project:

The RGSP is a collaborative water reuse project between the City, the District and the District member agencies (i.e. City of Arroyo Grande, City of Grover Beach and the Oceano Community Services District), which is anticipated to include the phased implementation and construction of an Advanced Treatment Facility (ATF), conveyance infrastructure, injection wells to protect against seawater intrusion in the Santa Maria Groundwater Basin and improve water supply reliability for the region.

The RGSP is envisioned to be implemented in two phases, the first of which will include advanced treatment and injection of flows from the Pismo Beach wastewater treatment plant, and the second of which would include upgrades to the ATF to increase capacity and additional injection wells to allow increased injection and/or distribution to irrigation customers of flows from the District's wastewater treatment plant.

DISCUSSION

For the past several months, District staff has participated in multiple meetings with our City staff partners to continue discussions on possible cost sharing formulas for a joint EIR with the City of Pismo Beach to support the *Regional Groundwater Sustainability Project ("RGSP")*. We also have participated over the past year in the various Stakeholder meetings, and recently in EIR consultant proposal reviews and interviews. The City of Pismo is now ready to proceed to award a contract to a consultant to initiate the environmental review process, and complete an EIR under the California Environmental Quality Act (CEQA) for the RGSP. Exhibit "A" Scope of Work for the environmental review (Attachment No. 2) describes the ranges of tasks and services Rincon consultants have proposed to complete the EIR. The scope of services has the typical elements necessary for an EIR including: Project Descriptions, Notice of Preparation and Initial Study, Project Alternatives, Technical Reports (Biological and Cultural Resources Evaluations, Transportation and Circulation Study), Draft Administrative, Draft and Final EIR, Findings, and Notice of Determination, Findings and Mitigation Monitoring and Reporting Program. Additional work includes environmental permitting, and consultations with regulatory agencies. Optional tasks would include National Environmental Policy Act (NEPA) compliance and Hybrid Alternatives/Agriculture Irrigation evaluation. The total cost of the proposal is \$221,312.

Memorandum of Agreement (MOA) with City of Pismo Beach

The MOA sets the terms and conditions for administrating and cost share funding for the environmental review and an environmental impact report for the RGSP.

City of Pismo Beach Responsibilities:

The City will be the administrative lead and contract for environmental review services to prepare an Environmental Impact Report for the RGSP. The environmental review services are scoped to comply with the CEQA, and the City will also be designated as the lead agency for such environmental review.

The City will contract for program management and engineering services for the RGSP pursuant to its own contracting policies, and all other services necessary to complete the first phase of the RGSP.

District's Responsibilities:

The District agrees to pay for one-half of the expenses incurred by the City of Pismo for such environmental review services, including but not limited, to the preparation of an environmental impact report, to a maximum of \$127,500. This amount also includes a contingency amount to account for any unforeseen circumstances. It is important to note that the District will only be billed for actual EIR expenses. The District will be considered a co-equal during the environmental review process. The City and District agree to coordinate the environmental review process with any concurrence preliminary design at the District's facility to avoid duplication of effort.

Other Agencies Responsibilities:

It is understood and noted that a separate agreement between the cities of Arroyo Grande, Grover Beach and Pismo Beach will be entered into for cost sharing of the engineering services required to complete the environmental impact report.

Joint Responsibilities:

Each Party shall be responsible for the costs it incurs in the performance of the tasks contemplated by this Agreement, and either Party may withdraw from this Agreement for any reason, or for no reason at all by giving the other Party at least thirty (30) calendar days written notice thereof. The withdrawing Party shall be responsible for its allocated costs up to the date of its withdrawal.

Conclusion

Staff recommends entering into this MOA with the City of Pismo Beach to jointly cost share and fund the environmental review for the RGSP. The funding of this MOU will help promote both recycling efforts in the south San Luis Obispo County area, and move the RGSP into the next phase. It will also provide at least two benefits to the District (cost saving and efficiency). By working with the City on a joint EIR, the District leverages an existing effort and avoids having to solely obtain separate professional environmental review consulting services, and overseeing a process for a separate environmental document for any future District reclamation project.

FISCAL CONSIDERATIONS

Staff proposes to utilize the cost saving obtained from completing its Enhanced Compliance Project (Grit Removal System) under the Settlement Order with the Regional Water Quality Control Board. That saving equated to \$221,962.56, since the District's already was committed to funding and completing the Grit Removal System project through inclusion of a line item in the Adopted Budget for FY 2016-17. Therefore, these funds will be carried over through fund balance, and proposed to be used to fund this MOA in the Draft Budget for Fiscal Year 2017-18.

ATTACHMENT

1. Memorandum of Agreement between City of Pismo Beach and SSLOCSD for Cost Sharing for the RGSP's EIR
2. Exhibit "A", Scope of Work for Environmental Review by Rincon Consultants

**MEMORANDUM OF AGREEMENT
BETWEEN CITY OF PISMO BEACH AND
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT (PARTIES)
TO PROVIDE COST SHARING FOR REGIONAL GROUNDWATER SUSTAINABILITY
PROJECT'S ENVIRONMENTAL REVIEW**

This Memorandum of Agreement (Agreement or MOA) is entered into effect on July 1, 2017 between the City of Pismo Beach ("City") and the South San Luis Obispo County Sanitation District ("District") (collectively referred to as the "Parties" and individually a "Party").

RECITALS

WHEREAS, the Regional Groundwater Sustainability Project ("RGSP") is a collaborative water reuse project between the City, the District and the District member agencies (i.e. City of Arroyo Grande, City of Grover Beach and the Oceano Community Services District), which is anticipated to include the phased implementation and construction of an Advanced Treatment Facility (ATF), conveyance infrastructure, and injection wells to protect against seawater intrusion in the Santa Maria Groundwater Basin and improve water supply reliability for the region;

WHEREAS, the RGSP is envisioned to be implemented in two phases, the first of which will include advanced treatment and injection of flows from the Pismo Beach wastewater treatment plant, and the second of which would include upgrades to the ATF to increase capacity and additional injection wells to allow increased injection and/or distribution to irrigation customers of flows from the District's wastewater treatment plant;

WHEREAS, the proposed scope of work for the Environmental Review is set forth on Exhibit "A", attached hereto and incorporated herein by reference;

WHEREAS, the City will be leading the efforts to complete the program management, and environmental impact review for the RGSP and will be the contracting entity for the services;

WHEREAS, the District will be a co-equal with the City in the RGSP project concerning the environmental review process for the RGSP;

WHEREAS, the District will contribute co-equal funding for the environmental review;

WHEREAS, a separate agreement between the cities of Arroyo Grande, Grover Beach and Pismo Beach will be entered into for cost sharing of the engineering services required to complete the environmental impact report; and

WHEREAS, nothing in this Memorandum of Agreement is intended to approve the RGSP project; instead, this agreement shall be read to require consideration of the environmental effects of the project, including but not limited to its potential rejection, as required by the California Environmental Quality Act.

NOW, THEREFORE, for valuable consideration, receipt for which is hereby acknowledged, the Parties agree as follows:

1. The term of this Agreement shall begin on July 1, 2017.

2. The City will contract for environmental review services to prepare an Environmental Impact Report for the RGSP pursuant to its own contracting policies. The environmental review services shall be scoped to comply with the California Environmental Quality Act and other applicable law. City shall be designated as the lead agency for such environmental review. The District agrees to pay for one-half of the expenses incurred by City for such environmental review services, including but not limited to the preparation of an environmental impact report, to a maximum of \$127,500.
3. The City will contract for program management for the RGSP pursuant to its own contracting policies.
4. The City and District agree to coordinate the environmental review process with any concurrence preliminary design at the District's facility to avoid duplication of effort.
5. The City will contract for all other services necessary to complete the first phase of the RGSP pursuant to its own contracting policies. The City shall pay for such services, and the District shall not be required to pay for such services, other than as set forth in paragraph 2 and 3 above.
6. Except as set forth in this Agreement, each Party shall be responsible for the costs it incurs in the performance of the tasks contemplated by this Agreement. To the extent this Agreement calls for one Party to make payment to the other Party for expenses incurred in the RGSP, each Party agrees to submit payment for its cost share set forth in this Agreement within 30 calendar days of receipt of an invoice for such cost share from the other Party.
7. Either Party may withdraw from this Agreement for any reason or for no reason at all by giving the other Party at least thirty (30) calendar days' written notice thereof. The withdrawing Party shall be responsible for its allocated costs up to the date of its withdrawal. From the date of a Party's withdrawal or the date that the withdrawing Party pays all of its allocated costs, whichever is later, that Party shall no longer be bound by any term of this Agreement other than the indemnification and hold harmless provision.
8. Each Party shall assume the defense of, indemnify and hold harmless the other Party and each of its officials, officers, employees and agents from and against any and all actions, damages, liability or claims for death, injury, loss, damage or expense to persons or property arising from or related to the negligent or willfully wrongful acts or omissions of the indemnifying and defending Party in connection with performance of this Agreement, except to the extent such actions, damages, liabilities or claims have arisen from or relate to the negligent or willfully wrongful acts or omissions of the other Party.
9. Nothing in this Agreement is intended, nor may be construed, to create any rights, confer any benefits, or relieve any liability, of any kind whatsoever in any third person not party to this Agreement.
10. Waiver by a Party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other conditions of performance under this Agreement. In no event shall the making by any Party of any payment constitute or be construed as a waiver by that Party of any breach of covenant or any default that may then exist on the part of any other Party, and the making of any such payment by a Party shall

in no way impair or prejudice any right or remedy available to that Party or any other Party with regard to such breach or default.

11. The Parties acknowledge that activities under this Agreement will require the frequent interaction between them in order to pursue opportunities and resolve issues that arise. The Parties shall work cooperatively and in good faith, with the goal of completing the Environmental Impact Report for the RGSP in an expeditious and cost-effective manner.
12. As a condition precedent to a Party bringing any suit for breach of this Agreement, that Party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the Parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both Parties. Each Party shall pay an equal share of any costs for the services provided by such a third party as such costs are incurred. The existence of a dispute shall not excuse the Parties from performance pursuant to this Agreement.
13. This Agreement, including any other documents incorporated herein by specific reference, constitutes the entire and integrated agreement of the Parties regarding the subject matter described herein. This Agreement supersedes all prior oral or written communications, negotiations, representations, agreements and promises. This Agreement may not be modified or amended, nor any provision or breach waived, except in a writing signed by all Parties which expressly refers to this Agreement.
14. No Party shall assign or transfer any interest in this Agreement or any part thereof, whether by assignment or novation, without every other Party's prior written consent. Any purported assignment without written consent shall be null, void, and of no effect. In the exercise of their respective rights and obligations under this Agreement, the Parties each act in an independent capacity, and neither is to be considered the officer, agent, or employee of the other. In the exercise of its rights and obligations under this Agreement, neither Party shall provide, without the consent of the other Party, any contractor with a release that waives or purports to waive any rights the other Party may have to seek relief or redress against that contractor either pursuant to any cause of action that the other Party may have or for violation of any law.
15. In the exercise of their respective rights and obligations under this Agreement, each Party shall comply with all applicable Federal and California laws and regulations applicable to the subject matter of the Agreement. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of California, excluding California's choice of law rules. Venue for any such action relating to the Agreement shall be in the San Luis Obispo County Superior Court.
16. Any person executing this Agreement on behalf of a Party warrants and represents that he or she has the authority to execute this Agreement on behalf of that Party and has the authority to bind that Party to the performance of its obligations hereunder.
17. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same agreement. A signed copy of this Agreement transmitted by email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Agreement for all purposes.

18. Any notice pursuant to this Agreement shall be made by certified mail or registered letter, return receipt requested, or by overnight courier at the following addresses:

To the City —

Public Works Director
City of Pismo Beach
760 Mattie Road
Pismo Beach, California 93449
Phone: (805) 773-4657

To the District —

District Administrator
South San Luis Obispo County
Sanitation District
1600 Aloha Place
Oceano California 93445
Phone: (805) 489-6666

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date first set forth above.

**MEMORANDUM OF AGREEMENT
BETWEEN CITY OF PISMO BEACH AND
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT (PARTIES)
TO PROVIDE COST SHARING FOR REGIONAL GROUNDWATER SUSTAINABILITY
PROJECT**

Signature Page

By the authorized signatures below the **CITY OF PISMO BEACH** agrees to the Agreement and agrees to provide for cost sharing as provided in the Agreement.

Signature: _____
James R. Lewis,
City Manager

Date: _____

ATTEST:

Erica Inderlied, City Clerk

**MEMORANDUM OF AGREEMENT
BETWEEN CITY OF PISMO BEACH AND
SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT (PARTIES)
TO PROVIDE COST SHARING FOR REGIONAL GROUNDWATER SUSTAINABILITY
PROJECT**

Signature Page

By the authorized signatures below the **SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT** agrees to the Agreement and agrees to provide for cost sharing as provided in the Agreement.

Signature: _____ Date: _____
Gerhardt Hubner
District Administrator



City of Pismo Beach

Environmental Document Preparation for Regional Groundwater Sustainability Project

January 18, 2017

Submitted to:
Eric Eldridge, PE, Senior Engineer
City of Pismo Beach
Engineering Department
760 Mattie Road
Pismo Beach, California 93449

Rincon Consultants, Inc.
www.rinconconsultants.com

Environmental Scientists Planners Engineers



2. Work Program

2.1 Approach

As demonstrated in the subsequent sections of this proposal, our team has a comprehensive understanding of the key issues for the project and is uniquely suited and fully committed to accomplishing the City's objectives for this assignment.

The environmental review process needs to be integrated seamlessly into project planning and completed efficiently to allow sufficient time for design and construction to satisfy the overall project schedule. At the same time, the environmental process must allow for additional, meaningful public input, must satisfy several regulatory permitting agencies, and must allow for detailed consideration of the environmental consequences of the project to inform the project design to avoid or minimize environmental impacts. Rincon proposes an approach that balances the need for expedited environmental review with the need for comprehensive and accurate consideration of environmental impacts. Our project management and technical approach is designed to accomplish those objectives through vigilant identification and monitoring of critical pathways for the environmental clearance phase, and through a program of regular and consistent communication with the City, including its consultant team, as well public agencies, and the local community, as appropriate.

We practice the following techniques to ensure quality and responsiveness:

- Direct and open communication with the City's Project Manager and staff to facilitate mutual understanding of assumptions and decisions made;
- An interactive planning process with ample opportunity for product review and approval by the City;
- Use of concise summaries and clear presentation of analysis results for decision-makers; and
- Use of graphics and comparison tables, highlighting critical points.

Early and ongoing communication among the consulting team, City staff, and, as appropriate, the community, ensures that the planning process is well served. In our experience, this approach helps to diffuse public controversy and facilitates successful completion of the CEQA process. Frequent communication can also result in improved project design through the development of community-sensitive mitigation measures and/or alternatives.

The Rincon team has been designed to provide the key technical expertise necessary to provide a solid foundation of evidence to support environmental impact conclusions. We also recognize that the process of CEQA compliance is not purely technical in nature. An objective, comprehensive and logical analysis, clearly stated and supported by facts, is critical to successful EIRs, and the information must be presented in a way that is accessible to all members of the community. We expect a high level of community involvement in the preparation of this EIR and we are committed to communicating with the public in a responsive and respectful manner.

The CEQA process, and potentially the NEPA process, will require close coordination with City, State Water Resources Control Board (SWRCB), federal lead agency (e.g., U.S. Environmental Protection Agency), County, and other agency staff. We have successfully coordinated with multiple agencies to deliver high quality combined CEQA/NEPA documents on numerous projects throughout the region.

Rincon employs a creative and problem-solving approach to the CEQA, NEPA, and regulatory permitting process. By assigning highly qualified professionals who are skilled at isolating relevant issues and preparing clear, concise analyses, we will quickly focus the analysis on issues of concern. This will facilitate City, SWRCB, and federal agency review of technical analysis throughout the CEQA and NEPA process.

The following is a summary of the key features of our team and approach that we believe makes us uniquely suited for this important assignment.



Providing High-Quality, Objective Analysis

We have assembled a highly qualified team with strong credentials to prepare the environmental documents. As demonstrated in this proposal, our staff has managed CEQA and NEPA documents on many complex projects throughout the state, including large scale projects in similar settings. Our experience working in Central Coast communities ensures a sound understanding of the nuances of local development issues. This combination of local expertise and similar project experience will facilitate the City accomplishing its objectives for this project. The Rincon team's technical experts will prepare state-of-the-industry technical studies that provide a firm foundation of information on which to base project decisions. This will greatly reduce the potential for ongoing iterative review of studies by multiple reviewing agencies, and will therefore serve to maintain the project schedule.

Practicing a Solution-Oriented Approach

Rincon understands the need to effectively become an extension of City staff for a specific project. Our management team, including our Principal-in-Charge, Richard Daulton, and Project Manager, Jennifer Haddow, has a history of working closely with clients to assure that expectations are met or exceeded. This particular team was chosen because of their collective experience with similar environment issues on projects throughout California and in the local area, including direct experience working with public agencies and permitting processes. The fact that we offer direct involvement of principals and senior management staff in the firm ensures a high level of professionalism in achieving City objectives. Our general approach is to work very closely with City staff and its consulting engineers and to act as the functional equivalent of staff during the assignment. This is greatly facilitated by the fact that our work will be managed by key staff operating from our San Luis Obispo office and supported by our Ventura office. We will coordinate closely with Public Works and other agency staff throughout the environmental review process and will integrate steps into the process that minimize repetition and maximize the efficient use of the staff's time.

Apply Extensive Recent Experience on Similar Projects

As demonstrated in previous sections of this proposal, our staff has managed environmental documentation for some of the most complex environmental planning projects in the state. Locally, our experience working in communities throughout the Central Coast, ensures a sound understanding of the working relationship with key agencies. We are currently actively working on a very similar work program for the City of San Luis Obispo Water Resources Recovery Facility Project, which includes preparation of an EIR that meets the requirements of **CEQA Plus**, and the regulatory agency permitting process. Rincon will prepare the CEQA and (optional) NEPA documentation for the project in accordance with City standards, the State CEQA Statutes and Guidelines, SWRCB **CEQA Plus** requirements, and the applicable federal agency NEPA guidance.

Rincon has considerable experience with combined CEQA and NEPA documents that effectively address the processing and substantive requirements of both laws in a consolidated document or coordinated documents, including use of the NEPA/CEQA Handbook published in 2014.

The purposes of the CEQA and NEPA documentation (if required) will be to:

- 1) Meet all of the legal requirements of CEQA and NEPA;
- 2) Identify the significant environmental effects of the proposed project;
- 3) Suggest feasible mitigation for identified significant impacts;
- 4) Identify possible alternatives that reduce or eliminate identified significant impacts; and
- 5) Involve the community and public agencies in the planning process.

We will take a solution-oriented approach to the environmental review process that focuses on resolving problems. This will be accomplished in a variety of ways, including:

- Providing robust technical evidence upon which to base impact conclusions;
- Effectively engaging stakeholder groups and the general public;
- Developing effective mitigation measures for identified impacts; and
- Comprehensively evaluating all aspects of the project.



The regulatory permitting process can be complex and can take an extended amount of time. Therefore, we will initiate this component of the work program immediately upon receiving notice to proceed. As necessary, we will proactively select sites suitable for the creation, enhancement, and/or restoration of jurisdictional features, prepare the required analyses and technical studies and permit applications/ notifications, and coordinate with the regulatory agencies to achieve approvals. We will quickly set up an analytical program that efficiently identifies suitable mitigation sites (most likely the project area itself) and will develop a matrix of required approvals, strategies, technical studies, and schedules to gain the approvals. In our experience, it is beneficial to engage with the regulatory agencies early in the environmental review process to identify mitigation requirements and successfully prepare initial submittal packages addressing the permitting requirements for potential impacts to biological resources, including waters of the U.S. and State of California.

2.2 Scope of Work

The following describes our step-by-step approach to successful completion of the CEQA, NEPA, and environmental permitting processes for the project.

Task 1. Kickoff Meeting and Review of Available Studies and Documentation

This task includes the steps needed to initiate the CEQA environmental review process, including the kickoff meeting and data gathering. As part of this task, Rincon will undertake ongoing environmental coordination with the City and its design team, as well as SWRCB, as necessary.

Rincon will review existing relevant literature, maps and inventories, including the Pismo Beach and South San Luis Obispo County Sanitation District (SSLOCSD) Recycled Water Facilities Planning Studies (RWFPS), Sludge Dewatering Project environmental evaluations, Redundancy Project environmental documents, resource inventories and other environmental and land use studies for the project vicinity. Rincon will also request relevant technical studies, and identify potential areas of concern, through coordination with resource and regulatory agencies. A field review will be conducted to verify the findings of this research.

Rincon will prepare for and organize a kickoff meeting with City staff and the Project Team within 10 days of notice to proceed. This meeting will serve as a forum to review and confirm study objectives and establish an operational protocol. Working schedules will be finalized and details for scheduled tasks will be discussed. The consultant team will use this opportunity to collect any relevant studies and information not already transmitted. A communication plan will be presented during the kickoff meeting.

Task 2. Prepare Project Description

Working closely with the design team, Rincon will prepare a detailed Project Description to initiate the environmental analyses and documentation for the proposed project. The Pismo Beach RWFPS and the SSLOCSD RWFPS, anticipated to be released in early 2017, and any other available facilities planning documentation, will serve as the basis for the project description. Based on past experience it is anticipated that the various components of the Project Description will have varying degrees of detail with regard to location, size, design, etc. To facilitate moving forward with the CEQA without detailed design we will establish a reasonable, worst-case disturbance footprint for the project to capture potential impacts that may occur so that additional CEQA is not required as the project is refined through the design process. The project description will fully describe the action to be undertaken, including, as applicable, the project limits, construction activities, including staging areas and facilities, any utility relocation(s), and construction activities that may require temporary facilities. Proposed “off-site” injection wells, groundwater monitoring wells, and potable production wells along with the required conveyance infrastructure will also be described. Optional conveyance alignments, wells and support facilities under consideration at the time of development of the project description will also be included. We have successfully used this multi-option analysis approach in the past to meet our clients’ needs for flexibility in the final project design and construction methodology as the design process progresses after completion of the CEQA document. The project description, and analysis to follow, will also convey the characteristics of the project that would improve environmental conditions

compared to the existing facility (e.g., water quality improvements, odor controls, improved energy efficiency, operational noise reductions, etc.).

Textual, tabular, and graphic presentation will be used as necessary to facilitate a thorough understanding of the proposed project. Any state or federal permit or consultation requirements will be noted. The project description will discuss features that have been incorporated into the project to minimize potential environmental or land use conflicts. A brief discussion of the environmental setting will also be provided. Up to 6 figures will be provided. The project description will include the following elements:

- The location and boundaries of the proposed project.
- A statement of objectives sought by the proposed project, including the underlying purpose of the project.
- A comprehensive project description and scope.
- A discussion of the benefits of the project.
- A statement briefly describing the intended uses of the EIR, including a list of the agencies that are expected to use the EIR in their decision making; a list of permits and other approvals required to implement the project; and a list of related environmental review
- Consultation requirements required by federal, state, or local laws, regulations, or policies.

The project description will include the elements required by **CEQA Plus**.

This scope of work assumes two rounds of review / comment revisions from the City.

Task 3. Prepare Notice of Preparation and Initial Study

As directed by the RFP, Rincon has included preparation of a Notice of Preparation (NOP) as well as an Initial Study (IS) as part of this scope of work. The IS-NOP will be used to refine the scope of the EIR. However, to expedite publication of the NOP, which is a key step in the process of the State Revolving Fund loan program, the NOP could be published without the Initial Study. In accordance with Section 15063 of the State CEQA Guidelines, “If the Lead Agency can determine that an EIR will clearly be required for the project, an Initial Study is not required.” Because the EIR will address most of the issues on the CEQA Guidelines environmental checklist, the City could forgo the Initial Study to save time and money. For any issues that will not be covered in detail in the EIR, we would include a section titled “Effects Found to Be Less Than Significant” that will provide a brief explanation of why significant impacts are not anticipated for those issues (refer to the Technical Approach in Task 6).

Regardless of whether or not it is accompanied by an IS, Rincon will prepare and publish the NOP in the local paper with the largest circulation, and will distribute the NOP to the State Clearinghouse and project stakeholders, based on a list of stakeholders to be provided by the City. This scope of work assumes one round of review and consolidated comments from the City. Rincon will also attend a public scoping meeting for the project EIR. Rincon will prepare a sign-in sheet, comment cards, and a PowerPoint presentation for the meeting. Rincon will review responses to the NOP, summarize the NOP comments in the EIR, and incorporate responses to the comments into the development of the EIR. An executive summary of comment review will be provided, with recommendations for inclusion into the EIR.

Task 4. Prepare Project Alternatives

Rincon will collaborate with City staff and the Project Team to develop a strategy for including the three project alternatives in the EIR (one at the City’s WWTP, one at SSLOCSD’s WWTP, and one at an offsite location to be identified) and achieving compliance with the CEQA criteria. It is assumed that the Project Team will select a “Preferred Alternative” location to be analyzed in depth in the EIR and the other locations will be analyzed as alternatives in the Alternatives section of the EIR. CEQA Guidelines require that the EIR identify and develop a range of reasonable alternatives to the proposed project that meet most of the project objectives and reduce an environmental impact. The Alternatives section of the EIR will consider the remaining two alternative locations (besides the preferred alternative) as well as the No Project Alternative. If needed, we will also include one additional alternative specifically tailored to reduce identified impacts of the

project to satisfy the requirements of CEQA. The alternatives will be analyzed at a sufficient level of detail so that they could be adopted as the project if needed. (Note that if the project requires NEPA documentation, alternatives will be evaluated at an equal level of detail, as described in Optional Task 13).

Task 5. Prepare Technical Reports

This task involves the preparation of City- and SWRCB-compliant technical studies in support of the EIR. Detailed technical reports may be required for specific resource areas. This scope of work assumes that technical studies to be prepared will consist of a Biological Resources Evaluation and a Cultural Resources Survey Report. Preparation of the technical reports will include consultation with applicable federal and state agencies with jurisdiction over resources in the project area and in compliance with “CEQA-Plus.”

Draft versions of each study will be submitted for City review. Our scope of work assumes that we will receive one round of consolidated comments from the City for each technical study.

This list of technical studies represents our best professional estimate at this time regarding the studies likely required to be completed to support the EIR. However, this list is subject to change through the project scoping process. Rincon will notify the City immediately if additional environmental studies are determined to be necessary. If the public review process leads to a determination that additional issues are required for examination or that particular issues require a greater depth of analysis than proposed, additional budget and a modified scope of work may be required.

Biological Resources Assessment. The scope of work for a biological resources assessment has been developed by Rincon, and represents the industry’s standard requirements for a typical biological resources investigation. The scope of work for a biological resources assessment consists of data procurement, literature and database reviews, field surveys, and report preparation that would include a summary of our findings upon completion of the survey efforts. The objectives of the resultant biological report are to support analysis of impacts and development of avoidance, minimization and mitigation measures in accordance with CEQA, as well as to present effects determinations and facilitate Section 7 consultations with the USFWS and NMFS in accordance with the Federal Endangered Species Act (ESA), if necessary.

Data Procurement. Obtain and evaluate baseline data (e.g., aerial photograph, topographic quadrangle, soil survey).

Literature and Database Reviews. Review and evaluate background information regarding biological resources in the vicinity of the project (e.g., previously prepared reports, primary literature, Rincon project files, resource agency guidelines and technical reports). Review the official online species list from the USFWS identifying federally listed, proposed, or candidate species that may potentially occur, or be affected by projects, in the vicinity of the project. Review the CDFW Rare Find [otherwise known as the California Natural Diversity Data Base (CNDDB)] for reported occurrences of special status species within approximately five miles of the project site. In addition to the aforementioned database reviews, Rincon will review the California Native Plant Society Inventory of Rare and Endangered Plants of California for reported occurrences of special status plant species within the project vicinity.

Field Survey. Rincon will conduct a reconnaissance-level biological survey to evaluate the project’s existing conditions (including the proposed recycled water pipeline alignment, injection well locations, and other components as described in the RFP), and the project’s potential to support special status species and vegetation communities. Habitat types present on-site and their suitability to support special status species will be documented. We will also characterize and map the vegetation communities present and document all plants and animals observed on the project site.

Reporting. Rincon will prepare a comprehensive report describing the methods and results of the biological resources assessment, including a figure depicting terrestrial vegetation communities, habitat types and other biological features observed during the field reconnaissance survey. The intent of this report is to assist with future project design and/or mitigation planning efforts. A draft report will be submitted to the City for review

and comment. Following City review, the report will be finalized and up to two (2) final copies and an electronic copy in Portable Document File (PDF) format of the report will be delivered.

Cultural Resources Evaluation. Rincon understands that the project will require a Section 404 Permit in accordance with the Clean Water Act; therefore the project is under the jurisdiction of the USACE and will be required to comply with Section 106 of the National Historic Preservation Act (Section 106). Rincon's cultural resources study will be completed in accordance with Section 106 and **CEQA Plus** for SWRCB review. Rincon also understands that an October 2014 cultural resources report (Enright and Morlet of Applied EarthWorks, Inc.) was completed for the WWTF site. Rincon will review and incorporate the results of that study into the current analysis.

Area of Potential Effects Map. Rincon will prepare an APE map that delineates both an area of direct impacts (i.e., all areas of project ground disturbance including staging areas) and area of potential indirect effects (e.g., visual effects).

Cultural Resources Records Search. Rincon will conduct a California Historical Resources Information System (CHRIS) records search of the project APE and a 0.5-mile radius around the APE at the Central Coastal Information Center (CCIC) located at University of California Santa Barbara. The primary purpose of the records search is to identify any previously recorded cultural resources known to exist within or near the APE. In addition to the archaeological inventory records and reports, an examination will be made of historic maps, the National Register of Historic Places (NRHP), California Register of Historical Resources (CRHR), the California Historical Resources Inventory, and the listing of California Historical Landmarks. The records search will also reveal the nature and extent of any cultural resources work previously conducted within the APE and adjacent vicinity. A map showing the results of the literature search including areas previously inventoried and previously recorded sites will be provided. Rincon Consultants assumes that CCIC will conduct this records search within a maximum direct expense of \$700.

Section 106 Consultation. Rincon will request a records search of the Sacred Lands File (SLF) from the Native American Heritage Commission (NAHC). The SLF search will indicate whether cultural resources important to Native Americans are present within the vicinity of the APE. The NAHC will also provide a contact list of Native American contacts for the project that they believe should be contacted for additional information. Rincon will prepare and mail a letter to each of the NAHC-listed contacts, requesting that they contact us if they know of any Native American cultural resources within or immediately adjacent to the project area. Rincon will follow-up with each contact by telephone. As many as two telephone calls will be made to each of the contacts to document "good-faith" efforts to follow-up and the results will be documented in a table.

Rincon will also contact individuals and/or organizations who may have knowledge of, or concerns with, historic properties in the area. Consultation will include inquiries to local governments and local historic groups regarding their knowledge of historic properties in the immediate vicinity of the APE. As many as two telephone calls will be made to each of the groups to document "good-faith" efforts to follow-up.

Field Survey. Upon completion of the CHRIS records search, Rincon will conduct a Phase I intensive pedestrian survey of the project APE (including the proposed recycled water pipeline alignment, injection well locations, and alternative locations as described in the RFP). A Rincon cultural resources specialist will conduct the survey using transects spaced at maximum intervals of 10-15 meters with transect accuracy maintained through use of a hand-held global positioning system (GPS) unit. For the purposes of this proposal and cost estimate, Rincon assumes that the survey will not identify any archaeological resources that require recordation or updating. Should any archaeological resources be identified during the survey, the budget would need to be augmented to record or update the resources. No subsurface testing will be conducted, nor will any artifacts, samples, or specimens be collected during the survey.

Rincon's cultural resources specialist will examine any buildings or structures within the APE for potential historic significance. Buildings and structures that are found to be older than 45 years of age and not previously evaluated within the past five years will be recorded or updated on Department of Parks and



Recreation (DPR) 523 Series Forms and evaluated for listing in the NRHP, the CRHR and local significance. Historic research will be conducted to confirm the age and developmental history of the property and its structures, which will be summarized in the technical report. For the purposes of this scope and cost estimate, Rincon assumes that a maximum of three buildings and/or structures older than 45 years of age will require recordation and evaluation. Should additional buildings or structures be identified as a result of the field survey, a budget augment would be necessary.

Cultural Resources Technical Study Report. Rincon will prepare a technical report documenting the results of the cultural resources analysis, as well as provide management recommendations for cultural resources within or near the project APE. The report will be prepared following the California Office of Historic Preservation's Archaeological Resource Management Reports (ARMR): Recommended Contents and Format, and will include a historic context, methods and impacts considerations. The report will include figures depicting the area surveyed and studied for cultural resources. The DPR forms will be included as an appendix. Draft copies of the report (digital pdf) will be submitted to the lead agency for review and approval. Rincon assumes two rounds of comments from the local and federal lead agencies will be necessary. Once reviewed, digital copies of the final report will be prepared and submitted.

Paleontological Resources Assessment. Rincon will conduct a paleontological resources assessment to identify the geologic units that may be impacted by project development, determine the paleontological sensitivity of geologic units within the project site, assess potential for impacts to paleontological resources from development of the proposed project, and recommend mitigation measures to avoid or mitigate impacts to scientifically significant paleontological resources. Rincon will conduct a formal paleontological locality search through the Natural History Museum of Los Angeles County (LACM), and will review paleontological data available online from the University of California Museum of Paleontology (UCMP), and the Paleobiology Database (PBDB) and Neogene Mammal Mapping Portal (NEOMAP) to provide documentation of any previously recorded paleontological resources from within the project area or within outcrops of the same geologic units that occur on the project site. Published and unpublished literature and geologic maps will be reviewed in order to assess the paleontological resource potential of the study area.

Following the background literature review and formal locality search, Rincon will prepare a Paleontological Resources Assessment Report documenting the results of the paleontological study. The report will include a project description that provides details on project activity that could impact paleontological resources; provide a discussion of the regulatory setting for paleontological resources; describe the geology of the project area in terms of paleontological sensitivity, present the results of the paleontological sensitivity analysis, summarize and discuss previously recorded fossil localities within the project areas (if any); provide an assessment of potential impacts to paleontological resources from project development; and present paleontological resource mitigation recommendations. If applicable, the report will also include geologic maps(s) and provide a paleontological sensitivity map depicting areas where further mitigation (such as construction monitoring) may be required.

Assumptions:

- Rincon Consultants assumes that the CCIC will conduct the records search within a maximum direct expense of \$700.
- Rincon assumes that the field survey will be completed within two days and require a maximum of two field staff.
- Rincon assumes that the survey will not identify any archaeological resources that require recordation or updating. A maximum of three built environment resources will be recorded and evaluated as a result of the field survey. Should any additional cultural resources be identified during the survey, the budget would need to be augmented to record or update the resources. No subsurface testing will be conducted, nor will any artifacts, samples, or specimens be collected during the survey.
- Rincon assumes that the direct cost of the formal locality search at the LACM will not exceed \$300 and that no paleontological field survey will be required.



Transportation and Circulation Study. Associated Transportation Engineers (ATE) will prepare a Transportation and Circulation Study. ATE's services to complete the study are outlined in the follows tasks:

Subtask 1 – Assemble existing data related to the study. Discuss project with City staff and the Project Team

Subtask 2 – Conduct a field review of the existing roadway, sidewalk, bicycle, transit and parking facilities along the pipeline routes for the three alternatives

Subtask 3 – Provide a qualitative assessment of the traffic impacts that would result from the pipeline/injection well construction activities for the three alternative ATF locations. The impact assessment will be based on the proposed construction plan elements that will be provided by the City and the project team (i.e. construction area footprint, proposed construction scheduling, construction workforce requirements, etc.) The impact assessment will discuss short-term impacts that could include:

- Travel lane closures or reduced travel lane widths
- Sidewalk closures
- Driveway closures
- Loss of on-street parking
- Transit stop closures
- Construction vehicle parking and equipment staging

Subtask 4 – Recommend measures to mitigate project-generated construction impacts. These may include the following:

- Traffic control plans for lane closures or reduced lane widths
- Pedestrian detour plans for sidewalk closures
- Construction phasing
- Shifting construction work outside of peak hours
- Access management plans
- Parking management plans
- Transit route revisions
- Construction workforce parking areas
- Construction material staging areas
- Public information and outreach program

Task 6. Prepare Administrative Draft EIR

This task shall include the preparation of the Administrative Draft EIR for review by the City and Project Team. This shall include completion of a table of contents, preparers and reference chapters. This scope of work assumes two rounds of review / comment revisions by the City, with all comments in each round being provided in a compiled format.

The EIR will be prepared in accordance with the State CEQA Guidelines, which set the standards for adequacy of an EIR. Specifically, the State CEQA Guidelines declare that:

An EIR should be prepared with a sufficient degree of analysis to provide decision-makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of a proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible.

The analysis will rely on available technical reports to streamline the analytical effort. The overall approach to the analysis will be to verify and utilize existing data, supplemented where necessary with new information or modeling, to create a programmatic EIR that maximizes the use of performance standards and/or policies to ensure that future project development requires minimal or no subsequent environmental review as the design progresses.



Executive Summary. Rincon will prepare a summary of the proposed project and associated environmental consequences. This information will be presented in tabular format to simplify review by decision-makers and the general public. This section will summarize project impacts and proposed mitigation measures. The summary will also note areas of known controversy and will summarize the alternatives reviewed and their associated impacts. The summary will also identify the environmentally superior alternative and rationale for its selection as such.

Introduction and Environmental Setting. Rincon will prepare an Introduction and Environmental Setting for inclusion in the EIR. The environmental setting will provide a general description of the project vicinity and site, including its geographic extent, climatic conditions and demographic conditions. The environmental setting will also describe our approach to and basis for the cumulative impact analysis.

Environmental Impact Analysis. Each environmental issue addressed in the EIR will have four main subsections:

- Setting
- Impact analysis
- Mitigation measures
- Level of significance after mitigation

Where possible, impacts will be quantified. If existing data does not allow definitive quantification, reasonable assumptions will be used to qualitatively forecast potential impacts. Cumulative impacts will be discussed within this analysis, but at a lesser level of detail than the project-specific impacts. All mitigation measures will be compared to existing regulations, and where the existing regulation is determined to be adequate to reduce the identified impact, the existing regulations will be cited. All mitigation measures will be presented in wording that can be directly applied as conditions of approval for the project, and will include monitoring requirements. All impacts will be classified as Class I, Class II, Class III or Class IV, and the significance remaining after mitigation discussion will identify the effectiveness of the mitigation measures and monitoring procedures. This will include a discussion of conditions that may trigger future environmental review, consistent with State CEQA Guidelines Section 15183.

As each impact analysis section is prepared, Rincon will compile source reports and other data for inclusion in the administrative record.

Alternatives. The alternatives developed as described in Task 4 will be evaluated at a level of detail that will provide decision-makers and the public adequate information to decide among alternatives. For each of the selected alternatives, each environmental issue area will be briefly evaluated in a qualitative manner to determine whether the alternative would have the potential to result in greater, similar, or reduced environmental impacts when compared to the impacts of the proposed project. Where appropriate and feasible, quantitative comparisons will be provided. The results of the alternatives analysis will be summarized graphically in a comparison matrix. This section will also identify the “environmentally superior alternative.” If the No Project Alternative is determined to be environmentally superior, the EIR will identify the environmentally superior alternative among the remaining scenarios.

Other CEQA-Required Sections. The EIR will include all other sections required by the State CEQA Guidelines, including growth inducing impacts and irreversible significant effects.

The growth-inducing impacts section of the EIR will focus on the extent to which project implementation will serve as the removal of a barrier to growth. This evaluation will be based on project growth trends relative to infrastructure capacity, as coordinated in local and regional planning documents, such as the General Plan and its EIR.

Rincon will provide a digital copy of the Administrative Draft EIR for City and Project Team review. Thereafter, key consultant team members will meet with the review team in order to discuss any concerns, modifications, and input to the analysis and proposed mitigation measures. Rincon assumes that all comments will clearly

indicate the requested changes. It will be the responsibility of City staff to resolve internal inconsistencies among the various commenters.

The Administrative Draft EIR will be provided electronically to the City. No hard copies will be provided. If needed, we can manage document submittal via electronic document management systems, such as SharePoint and Procore.

Technical Approach. The technical approach to analyzing each potential environmental issue is described herein.

Based on our understanding of the project, the following environmental issues will be addressed in detail in the EIR.

- Air Quality
- Biological Resources
- Cultural Resources
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use/Policy Consistency
- Noise
- Transportation and Traffic

Our approach to each of these technical sections is outlined below.

Air Quality

The air quality section will be prepared in accordance with the methodologies outlined in the San Luis Obispo Air Pollution Control District (APCD) guidelines and the requirements of **CEQA Plus**. The EIR will include a detailed discussion of the current air quality setting within the local airshed along with local climatic and air pollution data from local air monitoring stations. Emission factor data, when not identified in the APCD guidelines, will be obtained from EPA AP-42, Compilation of Air Pollutant Emissions Factors, Third Edition, and any updates published by the EPA. The motor vehicle constituents of concern include reactive organic gases (ROG), nitrogen oxide (NO_x), carbon monoxide (CO), and particulate matter (PM₁₀). Significance criteria will be based on APCD thresholds.

Demolition and construction emissions will be estimated for the Preferred Alternative using estimates of the types of equipment needed for individual construction projects for the worst-case day during construction using the California Emissions Estimator Model (CalEEMod) software. Emissions will also be estimated using CalEEMod for the other two alternative sites as part of the analysis in the EIR Alternatives section. Though the APCD has not adopted quantitative daily thresholds for construction emissions, standard measures to minimize construction-related impacts will be incorporated.

For new stationary emissions sources, Rincon will retrieve and compile data from the City, which is assumed to include each piece of stationary source equipment in use, the horsepower rating and number of hours of operation of each piece of equipment with an internal combustion engine, vendor trip data (number of trips and point of origin), and employee commute trip data. Rincon will use CalEEMod to estimate emissions of CO, ROG, NO_x, and PM₁₀, from activities associated with the project. Operational emissions associated with changes in energy usage at the site due to the project will also be evaluated using CalEEMod.

The section will include a qualitative discussion and analysis of odor or improvements to control due to proposed facilities.

The proposed project's consistency with the Clean Air Plan (CAP) will also be analyzed. In addition, per the requirements of CEQA Plus, the conformity of the project with the State Implementation Plan (SIP) will be evaluated and annual maximum emissions will be compared to *de minimis* thresholds for nonattainment pollutant emissions. If projected emissions would exceed APCD significance thresholds and/or *de minimis* thresholds, measures to mitigate air quality impacts will be identified.



Where necessary, the EIR will identify measures required to mitigate air quality impacts identified, such as:

- Dust control measures during construction
- Measures to minimize or avoid stationary source emission impacts
- Proposed measures to minimize odor impacts
- Community Plan design guidelines or standards to promote alternative trip modes
- Measures to minimize engine idling
- Development of an air impact fee program

Biological Resources

The impact analysis will be based on the Biological Resources Assessment and will evaluate the project's impacts relative to both state and federal requirements as well as locally recognized thresholds of significance. It will include analysis of both direct and indirect impacts as well as temporary impacts that may occur during project construction. Existing data sources, such as existing technical reports prepared for the City by local experts and the California Natural Diversity Database, and data collected as part of Rincon's biological investigations previously described, will be used to identify sensitive species and habitats with potential to occur on or adjacent to the subject project site.

We will consult with the appropriate resource agencies and conservation organizations, as necessary, for information on the potential presence of special status species and potential migration corridors present on or adjacent to the site. The data will be reviewed to determine whether or not nearby sensitive biological resources could be either directly or indirectly impacted by the proposed project.

Avoidance, minimization, and mitigation measures will be developed for all impacts identified. Mitigation measures will focus on measures that will be required to ensure that the proposed project adequately avoids, minimizes, and mitigates potential impacts to sensitive biological resources.

Cultural Resources

The EIR section will be based on the Cultural Resources Evaluation and will include a discussion of the archaeological, historical, and paleontological setting of the site, a description of impacts based on the cultural resources technical report and any additional information, and identification of mitigation measures for identified impacts. Rincon will summarize applicable federal, state and local cultural resources regulations. The analysis will assess the existing setting information that has been provided, and qualitatively determine the likelihood of impacting resources within the project site as a result of development. Mitigation measures will be proposed, as appropriate, to reduce potential impacts to cultural resources.

Environmental Justice/Social Equity

The EIR will include an analysis of potential impacts to environmental justice. Pursuant to Executive Order 12898 (February 11, 1994), the environmental and human-health effects of a project on minority and low-income communities must be considered in federal decision making. In accordance with the requirements of Executive Order 12898, Rincon will evaluate whether an environmental justice impact would occur based on whether minority or low income communities would be subjected to disproportionately high and adverse environmental effects, or if minority and low income populations were not granted an opportunity to participate in the public review process. This section will identify potential impacts and recommend mitigation measures, if necessary.

Greenhouse Gas Emissions

The EIR will evaluate impacts related to greenhouse gases (GHGs) and climate change. This analysis will consider the proposed project's potential contribution to cumulative impacts related to climate change. The study will include an overview of the types and sources of GHGs, and the potential environmental effects of GHGs and climate change. An overview of the current regulatory framework regarding GHGs/climate change, including Senate Bill (SB) 32, Assembly Bill (AB) 32, SB 97, and SB 375, as well as adopted amendments to the State CEQA Guidelines, will also be described.

The analysis will quantify carbon dioxide equivalent (CO₂e) units associated with future construction and operation. Emission factors and methodologies from the Local Government Operations Protocol (LGOP) for the Quantification and Reporting of Greenhouse Gas Emissions Inventories (June 2010) will be used to calculate GHG emissions from the proposed project. These emission factors will be applied through the use of CalEEMod, which was developed by air districts throughout the state and is designed as a uniform platform for government agencies, land use planners and environmental professionals to quantify potential criteria pollutant and GHG emissions associated with project construction and operation. CalEEMod quantifies direct emissions from construction and operation (including vehicle use), as well as indirect emissions, such as GHG emissions from energy production, solid waste handling, vegetation planting and/or removal, and water conveyance. Further, the model calculates the benefits from implementing mitigation measures, including GHG mitigation measures developed and approved by the California Air Pollution Control Officers Association (CAPCOA).

Rincon will work closely with the City and Project Team to coordinate information regarding project sustainability features, as well as project features that may increase energy use at the site. If the project will include features to reduce energy use at the site, GHG emissions reductions from project sustainability features will be calculated using CalEEMod, and the net increase or decrease in total project GHG emissions will be identified.

GHG emissions impacts will be based on APCD bright-line thresholds and/or the consistency of the project with the City's Climate Action Plan, prepared by Rincon Consultants. The potential for the project to comply with the Climate Action Plan will be assessed, including a consideration of any energy-saving project components. In addition APCD's quantitative thresholds would be applied to determine significance of impacts and would include a quantitative analysis of emissions from new stationary emissions sources. Rincon will retrieve and compile data from the City regarding new stationary sources, which is assumed to include each piece of stationary source equipment in use, the horsepower rating and number of hours of operation of each piece of equipment with an internal combustion engine, vendor trip data (number of trips and point of origin), and employee commute trip data. Rincon will use CalEEMod to estimate operational emissions of carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O), which are the GHGs that make up 98.9 percent of all GHGs by volume. Consistency with other regulatory requirements, such as AB 32, will also be discussed.

Specifically, the GHG emissions section will include the following:

- Description of the applicable GHG emissions/climate change regulatory framework, including all applicable federal, state, and local regulations and standards;
- Description of the methodology and significance thresholds, which will detail the criteria for determining a project's contribution to cumulative greenhouse gas emissions/climate change impacts;
- Consideration of energy-saving project components;
- Determination of the significance level of project generated GHG emission contributions to cumulative GHG emissions/climate change using appropriate thresholds;
- Identification of any necessary or recommended mitigation measures; and
- Assessment of residual GHG emissions impacts.

Hazards and Hazardous Materials

Rincon will summarize applicable federal, state and local hazardous waste regulations; evaluate any available geologic or soil testing reports; identify and discuss known contamination of soil and groundwater, including sites where contamination is likely based on known land use; and discuss and evaluate impacts on general public health and safety, potential exposure to workers, and waste disposal handlers. This analysis will include evaluation of chemical handling, storage, and transport associated with treatment plant construction and operation. A review of online databases to identify potential sites where contamination is likely will include the three treatment facility sites as well as proposed pipeline alignments and injection well locations. No field verification or file review will be conducted. Rincon will prepare the environmental setting, identify levels of significance, determine potential impacts, and define mitigation measures to reduce potential health and safety impacts.



Hydrology and Water Quality

Rincon will summarize existing water quality conditions in the area, including those related to the existing wastewater facility. The characteristics of the local watershed will be characterized, impaired streams within the watershed will be identified, and flood hazard zones will be described using FEMA and County maps. Rincon will assess existing runoff conditions and character of surface water features, and will evaluate the impacts of proposed site disturbance on surface runoff and changes in drainage patterns. Changes to the groundwater table as a result of project will also be discussed qualitatively. The quality of current and potential storm water runoff, and water quality considerations related to the operation of the treatment plant, will be described, compared to existing conditions with the current facility, based on operational information to be provided by the City project team. Analysis of water quality issues will include the final use (irrigation and urban use) of effluent as provided for under Title 22 and NPDES. The analysis will consider any low impact development and flood proofing components of the proposed project. Rincon will summarize the hydrologic and water quality setting, relevant regulatory framework, potential impacts, level of significance, and mitigation measures necessary to reduce impacts.

Land Use /Policy Consistency

This section will discuss general land use compatibility and issues related to agricultural resources, as necessary, but will focus on the consistency of the Preferred Alternative with the applicable local and regional planning documents, such as the applicable General Plan(s) and Local Coastal Program(s) (LCP). Rincon will provide a policy-by-policy analysis of consistency with the LCP, both to satisfy environmental review requirements and to facilitate coastal permitting for the project.

Noise

No long term increase in peak hour trip generation is anticipated from the proposed project; therefore, the analysis will focus on long-term changes to equipment noise at the site and construction related noise. The analysis will review applicable City noise and land use compatibility criteria for the project area. For each of the three sites under consideration, up to three short-term noise level measurements will be conducted on and around the sites (up to 9 total measurements).

Construction noise will be estimated at nearby sensitive receptors and evaluated in terms of maximum levels (Lmax) and hourly equivalent continuous noise levels (Leq). Impacts associated with construction vehicular traffic will be assessed using the U.S. Federal Highway Traffic Noise Model (TNM) based on information to be provided by the City. In some cases, the individual components of the proposed project are anticipated to contribute to an overall reduction in noise generated by on-site equipment, given ongoing improvements in technology. Mitigation measures will be provided as necessary that establish noise performance standards to reduce impacts to less than significant levels.

Transportation and Traffic

The transportation analysis will incorporate the findings of the Transportation and Circulation Study prepared by ATE (scope of work to prepare this study is described above in Task 5). Impacts related to construction traffic will be discussed in detail in this section.

The project may increase visitation to the site during operation. However, vehicle trips associated with such increases in visitation are anticipated to be outside of peak travel periods and therefore would not be anticipated to significantly affect roadway or intersection level of service, or average vehicle miles traveled. The less than significant operational traffic impacts of the project will be described qualitatively.

Effects Found to be Less than Significant

This section will describe environmental issues for which significant impacts were not identified, if it is decided that an Initial Study will not be prepared for the project.

Long-term visual impacts (i.e., visual character and views from adjacent areas) resulting from the project will be reviewed. The analysis will also consider light and glare impacts from potential alterations in lighting at the

site of the Preferred Alternative.. Although the project may increase the heights of certain structures compared to existing conditions, depending on the site selected, there is the potential for proposed facility upgrades to improve the overall visual condition of the site as viewed from public viewpoints. As necessary, mitigation measures will be recommended to reduce any identified significant visual impacts.

The analysis will confirm that there would be no effect on farmland or forestland such that the project would not convert such lands to another use. The potential for the project to provide delivery of water for agriculture irrigation will be highlighted in this section if Optional Task 13 is authorized.

Based on readily available sources, this analysis will identify existing regional and site-specific geology and soils constraints (such as compressible soils, landslide hazards, disruptions, displacements, compaction, and subsidence) at the three sites under consideration. Impacts to mineral resources will also be described. Geotechnical evaluation is not included in this scope of work.

It is not anticipated that the project would displace substantial populations or require the construction of additional housing. Growth inducing effects of the project would be addressed in a separate section.

Impacts to recreational facilities, public services and utilities will be address qualitatively in this section.

Task 7. Prepare Public Review Draft EIR

After receiving comments regarding the Administrative Draft EIR, Rincon will revise the EIR to address comments, and produce the public Draft EIR with Technical Appendices. Upon receiving clearance, Rincon will print and deliver one reproducible unbound copy, 25 bound copies (ten for the City and 15 for the State Clearinghouse), ten (10) electronic copies on compact disks, and an electronic copy on compact disk suitable for posting on the City's website. Rincon will be responsible for posting of all notices, including posting notices of availability with the County Clerk. Rincon will coordinate with the City to prepare a list of recipients of the Notice of Availability (NOA), prepare the NOA, and publish it in the local paper with the largest circulation

Rincon's principal-in-charge or project manager shall prepare for and attend two public hearings. The public hearings will include a presentation of environmental components of the EIR and a response to technical questions that arise during the public hearing. Following the public hearings, meeting notes will be prepared, and written and oral comments will be collected and summarized for submittal to the City for review. Mitigation measures will be reviewed with the appropriate advisory body for input.

Task 8. Prepare Final EIR

The final formal stages of the EIR process involve responding to comments, public hearings, and final publication tasks.

We anticipate having a meeting with City staff immediately following the close of the comment period to discuss the comments received, the implications of these and the general approach to responses. After this meeting, Rincon will submit a digital copy of the draft responses for City review, including any added or substantially revised sections of the Draft EIR that may be necessary. This scope of work assumes that no more than 20 comment letters are received, and that no more than 68 hours of professional time will be required to respond to public comments on the Draft EIR. This scope of work assumes two rounds of review/comment revisions from the City. The final version of the response to comments will be incorporated into the Final EIR. Rincon will provide 10 printed copies, 10 electronic copies on CD, and an electronic version suitable for posting on the City's website.

Rincon's principal-in-charge or project manager shall prepare for and attend one public hearing during a City Council Meeting.

Task 9. Prepare Findings, Notice of Determination (NOD), and Mitigation Monitoring and Reporting Program (MMRP)

Rincon will prepare the CEQA findings for the project. CEQA Guidelines §15091 requires that no public agency approve or carry out a project, for which an EIR has been completed and identifies one or more significant



effects, unless the public agency prepares findings for each significant effect. The findings will include information related to whether those significant impacts identified in the EIR will be reduced to below a level of significance by mitigation measures identified in the EIR. CEQA Guidelines §15093 requires that when an agency approves a project that will have a significant adverse environmental effect that is unavoidable, the agency must make a Statement of Overriding Considerations. If a significant and unavoidable impact is identified in the EIR, Rincon will prepare the Statement of Overriding Considerations. Rincon will provide an administrative draft of the CEQA findings to the City for review and comment, and then incorporate one round of City comments into a final document.

Rincon will collaborate with the City and Project Team to finalize the MMRP, which shall include an introduction explaining its purpose and use. If existing regulations or performance standards are recommended as the means to mitigate impacts, a general table will be prepared that identifies the regulation and how it substantially reduces the impact. The MMRP will be provided in a format designed for use by planners or code enforcement officers. Essentially, this plan will take the form of a detailed table that compiles all of the adopted mitigation measures developed within the body of the EIR, as well as information necessary to monitor compliance with each measure. Rincon will submit a draft of the MMRP for City review and comment, and then incorporate City comments into a Final MMRP. The program will include:

- Suggested wording as a condition of approval
- Identification of persons/agencies responsible for monitoring compliance with each condition
- Timing when monitoring must occur, including the relevant phase of the project
- Frequency and location of monitoring
- Criteria to be used to determine compliance with conditions

It is anticipated that a workshop or meeting to go through the MMRP with the City and Project Team prior to finalization will be needed to ensure that the provisions of the program are clear and lend themselves to inclusion in future bid documents for construction of the project.

Rincon will also prepare a draft Notice of Determination (NOD) for City review and comment, and then incorporate City comments into a Final NOD. Rincon will post the NOD with the County Clerk and State Clearinghouse and pay the CDFW filing fee.

Task 10. Prepare Environmental Package for CWSRF Financial Assistance Package

Rincon will complete the Environmental Package portion of the CWSRF Financial Assistance Package and be responsible for gaining final approval/acceptance of the environmental package by the SWRCB. This scope of work assumes one round of review comment of the draft Environmental Package from the City.

Rincon will also assist the City in responding to informal SWRCB staff questions and information requests.

Task 11. Environmental Permitting, Approvals, and Consultations

In addition to CEQA-Plus compliance (and NEPA, if applicable – see Task 12), several federal, state and local permits and/or authorizations might be needed for the proposed improvements and upgrades for the proposed RGS Program. We understand from the RFP that the following permits and approvals are anticipated to be required but that this list will be refined through development of the project design and preparation of detailed project description:

- Clean Water Act (CWA), Section 404. Department of the Army Permit from the USACE.
- CWA, Section 401. Water Quality Certification from the RWQCB.
- California Fish and Game Code, Section 1600 et seq. Streambed Alteration Agreement from the CDFW.
- Federal ESA, Section 7. Issuance of Biological Opinions (BOs) from the USFWS and NMFS.
- California ESA, Section 2081. Issuance of an Incidental Take Permit (ITP) from the CDFW.
- California Coastal Act, Section 30230. Coastal Development Permit (CDP) from the City, City of Grover Beach, and County of San Luis Obispo pursuant to the Local Coastal Programs that were certified by the California Coastal Commission.



- National Historic Preservation Act, Section 106. Consultation with the SHPO.
- California Native American Heritage Commission (NAHC). Consultation with the NAHC.
- AB 52 Compliance. Consultation and coordination as required under AB 52.

Compliance with the latter three anticipated authorizations listed above will be coordinated as described under Task 5, Cultural Resources Evaluation. Additionally and based on the absence and limited potential for occurrence of state listed as endangered or threatened species and the federally threatened steelhead on the site, we have concluded that securing a Section 2081 ITP from the CDFW pursuant to the California ESA and a BO from the NMFS pursuant to the Federal ESA are not necessary for this project. For planning purposes, it is important to note that the Environmental Package portion of the CWSRF Financial Assistance Package cannot be deemed complete until any necessary Federal ESA Section 7 consultations are complete (e.g., issuance of a BO and/or concurrence letter). Accordingly, the following scope of work describes our approach to secure the permits and authorizations for the remaining anticipated permits and authorizations listed above.

Rincon will be responsible for preparation of permit applications/notifications, agency coordination, and other tasks required for compliance with the CWA (Sections 401, 404) and Section 1600 et seq. of the California Fish and Game Code. We expect the permit applications/notifications to include the following items at a minimum:

- Name of applicant;
- Project description;
- Location description;
- Description of existing conditions and expected impacts (acres and/or linear feet);
- Proposed ground-disturbance (type and volume of fill material[s]) and/or removal of vegetation; and
- Proposed measures to avoid, minimize, and mitigate impacts to natural resources.

The following scope of work presents a detailed description of our approach to this task.

Jurisdictional Delineation. Rincon will conduct a jurisdictional delineation of waters of the U.S. and state of California, including wetlands, at the proposed project areas using the most current guidance provided by the regulatory/resource agencies. Wetlands will be classified, documented, and mapped in general accordance with Corps of Engineers Wetlands Delineation Manual (1987) and Regional Supplement to the Corps of Engineers Wetland Delineation Manual: Arid West Region (2008a). The Ordinary High Water Mark (OHWM) of Pismo Creek and any other drainages will be delineated in general accordance with the methods prescribed in A Field Guide to the Identification of the Ordinary High Water Mark (OHWM) in the Arid West Region of the Western United States (2008b) and Updated Datasheet for the Identification of the Ordinary High Water Mark (OHWM) in the Arid West Region of the Western United States (2010). Rincon will delineate the boundaries of jurisdictional features and the results of the delineations will be incorporated into a stand-alone report that will be suitable as an attachment to the permit applications that will be prepared for the project. In the essence of efficiency, Rincon will conduct the delineation field work in conjunction with the field survey associated with Task 5, Biological Resources Assessment.

Deliverables: Rincon will submit the draft jurisdictional delineation report to the City for review and comment. Following City review, the report will be finalized and up to two (2) final copies and an electronic copy in PDF format of the report will be delivered.

Agency Coordination. Rincon will informally consult with the USACE, RWQCB, CDFW, USFWS, and NMFS as necessary and appropriate, to confirm the type of permits and permit requirements for the project. Much of this communication will take place during preparation of the environmental document. Upon finalization and certification of the EIR, Rincon will inform responsible and trustee agency staff and convey any changes in the project description. In particular, Rincon will confirm the permit process and requirements of the City-approved project with agency staff. The majority of this agency communication will be accomplished through e-mail, telephone calls, and conference calls; however, Rincon has scoped for a total of up to two (2) meetings with agency and/or City staff, if any such meetings are requested or advisable. Rincon will inform and confer with City staff throughout this process through regular progress reports and updates.

Deliverables: Rincon will prepare and submit to City staff all meeting minutes and emails that summarize substantive meetings and/or conversations with all agency staff throughout the permitting process.

USACE Section 404 Department of the Army Permit. Once the permit requirements are confirmed, Rincon will prepare an application for a Department of the Army permit. A Nationwide Permit (NWP) is currently thought to be the most applicable permit for this project to achieve compliance with Section 404 of the CWA based on preliminary fill calculations that indicate less than 500 linear feet and 0.5 acre of waters of the U.S. would be impacted by the proposed project. To document baseline functional conditions for wetland and non-wetland waters as part of the NWP application, we would implement the California Rapid Assessment Method (CRAM). CRAM is a Level 2 assessment method for rapidly assessing the ecological health of wetlands and riparian habitats in California. Since its inception CRAM has increasingly become a requirement in the regulatory permit approval process under Section 404 of the CWA, and on March 2, 2012 the USACE released a Public Notice which stated that “[f]or most individual or substantial impact (e.g., greater than ½ acre or 300 linear feet of streambed) permit actions or mitigation credit proposals, a Level 2 assessment may be appropriate.” The CRAM results are anticipated to be included in a Wetland Mitigation and Monitoring Plan (WMMP) that will be prepared to complete the NWP application package.

Since the USACE will likely act as the lead federal agency for Federal ESA compliance (based on our recent experience with the City of San Luis Obispo Water Resource Recovery Facility Project), Section 7 consultations with the USFWS and NMFS pursuant to the Federal ESA will be conducted by the USACE. Our biological report will be included in the NWP application package to facilitate Federal ESA compliance and ultimate issuance of a BO from the USFWS and/or concurrence letter from the NMFS.

In the event (based on at least 60% design plans) impacts to waters of the U.S. would not occur from the project and thereby not requiring a NWP, our level of effort and associated cost for this subtask would be reduced accordingly.

Deliverables: Rincon will provide two (2) copies of the NWP permit application package, CRAM documentation, and WMMP to the City.

RWQCB Section 401 Water Quality Certification. Due to the need for a NWP, issuance of Water Quality Certification (WQC) from the RWQCB is also required to achieve compliance with Section 401 of the CWA. This task involves preparation and submittal of an application for WQC. We will provide you the completed application for review and, upon your approval; Rincon will submit it to the RWQCB and SWRCB. In addition to the items identified above, the application will include all measures that will be employed to avoid and minimize water quality impacts from sedimentation during construction. The City will be responsible for the application fee to be submitted to the RWQCB with the complete application package. In the event impacts to waters of the U.S. would not occur from the project and thereby not requiring a WQC, our level of effort and associated cost for this subtask would be reduced accordingly.

Deliverables: Rincon will provide two (2) copies of the WQC application package to the City.

CDFW Section 1602 Streambed Alteration Agreement. The proposed project will also require issuance of a Streambed Alteration Agreement (SAA) from the CDFW pursuant to Section 1602 of the California Fish and Game Code. The CDFW requires notification through submittal of a notification package. This task includes the preparation and submittal of the notification for SAA. The completed notification will be provided to the City for review and approval prior to submitting it to the CDFW. The City will be responsible for the notification fee to be submitted to the CDFW with the complete notification package.

Deliverables: Rincon will provide two (2) copies of the SAA notification package to the City.

Coastal Development Permits. Since the project is located within an area that is covered by three separate Local Coastal Programs (City, City of Grover Beach, and County of San Luis Obispo), we will coordinate with each local agency prior to submittal of each application to initiate review and approval of each of up to three CDPs. Rincon’s participation in up to two (2) meetings per CDP with each of these local agencies is assumed in this subtask. This subtask additionally includes attendance at one (1) hearing per CDP with each of these local agencies

(one at the City’s Planning Commission or City Council for the City’s CDP, one at the City of Grover Beach’s Planning Commission or City Council for the City of Grover Beach’s CDP, and one at the County Planning Commission for the County’s CDP). We assume that staff from Rincon’s San Luis Obispo office will attend these meetings and hearings, to limit travel time. We also assume that three (3) hours will be adequate for attendance at each meeting/hearing. In the event one or more local agencies determine that the component(s) of the project within their jurisdiction(s) qualify for an exemption and thereby not requiring a CDP, our level of effort and associated cost for this subtask would be reduced accordingly.

Deliverables: Rincon will provide two (2) copies of each CDP application package to the City.

Respond to Agency Comments. While it is Rincon’s intention to provide complete permit applications/notifications to the agencies, we may encounter one or more agencies that deem them incomplete. It is assumed that agency staff will require additional information or clarification, such that agency coordination will be ongoing post-submittal and resubmittals may be necessary. Upon receipt of any comments on completeness of the permit applications/notifications, Rincon will prepare for City review and then submit responses and/or resubmittals to agency staff. It is assumed that all supplemental information provided will be sufficient to have the applications/ notifications deemed complete, such that a third submittal would not be required. Upon the determination of permit applications/notifications completeness, Rincon will coordinate with agency staff on the timing for issuance of the permits. Rincon’s participation at up to a total of two (2) meetings is assumed in this subtask. Additional meeting and/or hearing attendance will be completed by Rincon’s staff on a time and expense basis.

Deliverables: Rincon will provide two (2) copies to the City of written response to comments in a cohesive letter or spreadsheet format.

AB 52 Consultation. Rincon will assist the with Native American government-to-government consultation in accordance with AB 52. Rincon assumes the City will provide a list of tribes who have requested AB 52 notification from the City. Rincon will draft letters and maps for Native American tribal government contacts, as well as provide the City with a tracking sheet and instructions for successful AB 52 consultation. Native American contacts have 30 days to respond and request further consultation.

Deliverables: Rincon will provide electronic copies of letters and maps to send to tribal governments.

Optional Task 12. NEPA Compliance

As noted in the RFP there is no federal nexus (partner or funding source) to initiate the preparation of a joint CEQA/NEPA document at this time. However, the City may pursue federal grant funding in future. If successful, the project would be financed, or approved in whole or in part by a federal agency, then a NEPA document would need to be prepared and a joint CEQA/NEPA document could be utilized. Alternately, depending on when the federal nexus is identified, a stand-alone EA could be prepared which is informed by the information in the EIR. It is our experience that in some cases, depending on what point in the process the documentation has reached, it can be more time efficient and cost effective to prepare a separate NEPA document rather than reformat an already-underway EIR to address NEPA requirements.

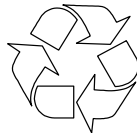
Given the potential project impacts it is anticipated that the level of documentation required for a joint CEQA/NEPA document or standalone NEPA document would be an EIR/Environmental Assessment (EA) or EA, respectively. The CEQA-Plus documentation and review process encompasses many of the analyses that are required for NEPA documentation and federal environmental regulation compliance. Therefore, if federal funding is obtained after the EIR is initiated; Rincon will either convert the CEQA-Plus EIR into an EIR/EA or prepare an EA using the technical studies already available. It is anticipated that an EIR/EA or a separate EA could be completed within the timeframe shown in our proposed schedule in Section 2.2. Note, if the timing of receipt of federal funding and nexus is known prior to the Public Draft EIR then a combined CEQA/NEPA document is recommended; if the receipt of federal funding and federal nexus is after publication of the Draft EIR then then a stand-alone EA is the recommended document.

Fees for this optional scope of work are provided in Section 4, in a separate sealed envelope, including the addition of a socio economics analysis and section. Assistance with NEPA required noticing in the Federal Register would also be provided.

Optional Task 13. Hybrid Alternative to Include Agricultural Irrigation

As noted in the RFP the project team is considering using the advanced purified water for a combination of groundwater recharge and agricultural irrigation for the land to the southeast of the SSLOCSD WWTP. This hybrid alternative would include conveyance infrastructure to up to 61 properties as well as a potential pumping station in addition to the facilities described as a part of the groundwater recharge option. As an optional task, Rincon will analyze the Hybrid Alternative as part of the EIR Alternatives Section. Information about this alternative provided in the SSLOCSD RWFPS would be leveraged in this analysis. This Alternative will be analyzed at a sufficient level of detail such that it could be incorporated into the Preferred Alternative scenario, if needed. Therefore, in order to meet CEQA Plus requirements, this optional task will involve the following subtasks:

- **Subtask 13.1 – EIR Alternatives:** Utilizing information from subtasks 13.2 through 13.4, the EIR will analyze an additional alternative in the EIR Alternatives section that analyzes impacts associated with the hybrid alternative and compares it to the Preferred Alternative.
- **Subtask 13.2 – Biological Resources Assessment**
 - For the sake of efficiency, Rincon would conduct this optional subtask in accordance with the scope of work presented in and would include the results in the same report produced as part of Task 5, Biological Resources Assessment.
- **Subtask 13.3 – Jurisdictional Delineation**
 - Similar to Subtask 13.2, Rincon would conduct this optional subtask in accordance with the scope of work presented in and would include the results in the same report produced as part of Task 11, Jurisdictional Delineation.
- **Subtask 13.4 – Cultural Resources Evaluation**
 - Consistent with Rincon’s approach for Subtasks 13.2 and 13.3, the Cultural Resources analysis for this optional subtask would be completed in accordance with the scope of work presented in Task 5 and would include the results in the same report produced as part of Task 5, Cultural Resources Assessment.



This proposal was printed on 50% recycled paper with 50% post-consumer content.

3. Schedule

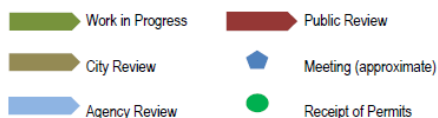
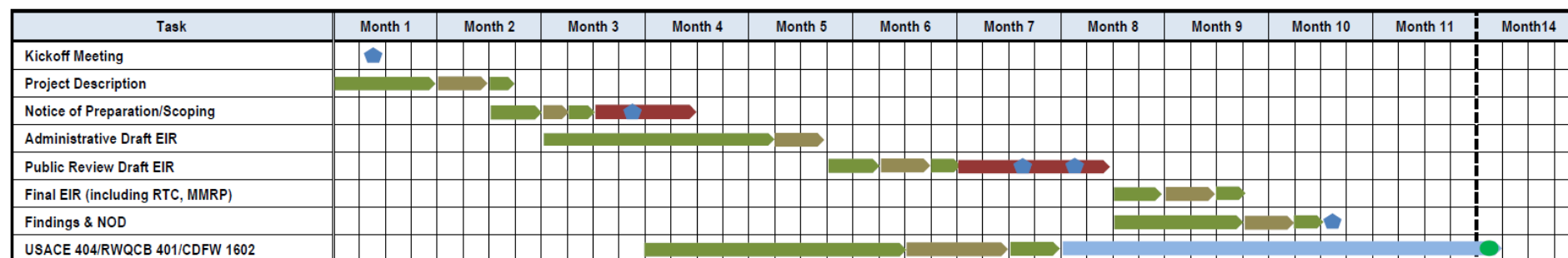
We understand that timely completion and circulation of the Draft EIR and submittal of the CWSRF Environmental Package is required for the proposed program for obtaining required funding and financing, and that an expedited EIR and CEQA Plus process would assist the City during the application for funds under the CWSRF. In all of our projects Rincon endeavors to provide a high quality work product that meets our clients' needs. In order to meet the needs of the City, an expedited schedule for completion of the **CEQA Plus** EIR is provided below, which would achieve completion of the CEQA process in 10 months and allow for expedited submittal of the Environmental Package of the SRF Loan Program Application. This schedule assumes that no Initial Study is prepared. If an Initial Study is prepared it would commence after the Project Description is submitted to the City for review and would require approximately 8 weeks to finalize. A second schedule, including preparation of an Initial Study is also provided. The project schedule also includes an approach to expediting the regulatory permitting schedule, should permits be necessary, which involves early consultation with the agencies. This approach allows for agency approval of the permit applications within three months of certification of the Final EIR, assuming necessary design details are available.

Expedited Schedule

City of Pismo Beach

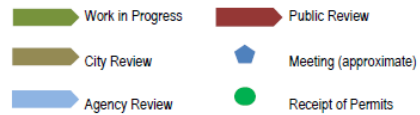
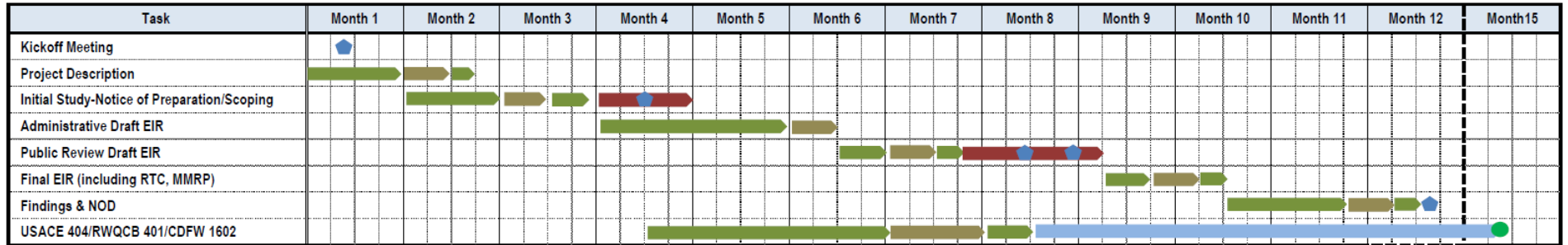
Environmental Documents for the Regional Groundwater Sustainability Program

Proposed Schedule



Regular Schedule

City of Pismo Beach
Environmental Documents for the Regional Groundwater Sustainability Program
Proposed Schedule



4. Proposed Fee (Separate Sealed Envelope)

Rincon Consultants will provide environmental and permitting services for the City of Pismo Beach Regional Groundwater Sustainability Project, in accordance with our proposed scope of services, for a fee not-to-exceed **\$201,258**. Optional tasks are included for NEPA compliance and evaluation of a Hybrid Alternative, for a total fee of **\$25,620**. If optional tasks are selected, the total not-to-exceed fee would be **\$221,312**. Costs per task are shown in the table below.

Additional work, not included within our proposed work program, will be completed in accordance with our Standard Fee Schedule only upon written authorization.

This offer for professional services will remain in effect for a period of ninety (90) days from the date of this proposal.

Cost Estimate									
Tasks (Base Fee)	Cost	Rincon Labor Hours	Rincon Consultants						
			Principal II \$120/hour	Sr. Prof. II \$135/hour	Sr. Prof. I \$145/hour	Prof. II \$100/hour	GIS/CADD II \$110/hour	Technical Editor \$100/hour	Clerical/Admin I \$68/hour
1. Kickoff Meeting and Review of Available Studies and Documentation:									
1.1 Kickoff Meeting	\$1,128	7	2	4					1
1.2 Review of Studies	\$1,330	9	1	4	2	2			
2. Prepare Project Description	\$6,712	54	4	12	4	16	12	2	4
3. Prepare Notice of Preparation and Initial Study (includes Scoping Meeting)	\$7,396	62	2	8	12	30	4	4	2
4. Prepare Project Alternatives	\$2,080	15	1	6	2	2	4		
5. Prepare Technical Reports	\$0								
5.1 Biological Resources Assessment	\$7,678	67	2	6	8	40	8	2	1
5.2 Cultural Resources Evaluation	\$10,548	89	3	8	18	50	7	2	1
6. Prepare Administrative Draft EIR	\$0								
6.1 Executive Summary	\$2,938	25	1	4	2	12	4	1	1
6.2 Introduction and Environmental Setting	\$3,958	33	1	8	2	16	4	1	1
6.3 Environmental Impacts and Mitigation Measures:	\$272								4
Air Quality	\$6,280	47	2	8	20	16		1	
Biological Resources (EIR section only; use information from Task 5.1)	\$2,980	25	2	4		16	2	1	
Cultural Resources (EIR section only; use information from Task 5.2)	\$2,980	25	2	4		16	2	1	
Environmental Justice	\$3,900	29	2	4	12	10		1	
Greenhouse Gas Emissions	\$5,300	39	2	8	16	12		1	
Hazardous Materials	\$3,520	27	2	4	8	12		1	
Hydrology and Water Quality	\$5,120	39	2	8	12	16		1	
Land Use/Policy Consistency	\$5,430	41	2	6	16	12	4	1	
Noise	\$4,410	35	2	2	12	16	2	1	
Transportation (Rincon labor only)	\$2,450	20	1	2	4	8	4	1	
Effects Found Not to Be Significant	\$4,340	33	2	8	8	14		1	
6.4 Alternatives (4)	\$6,798	57	2	6	12	32	2	2	1
6.5 Other CEQA	\$1,498	13	1	2		8		1	1
7. Prepare Public Review Draft EIR (includes 2 hearings)	\$6,392	50	2	16	8	12	4	4	4
8. Prepare Final EIR (includes 1 hearing)	\$8,572	70	4	12	12	34	2	2	4
9. Prepare Findings, NOD and MMRP	\$4,636	36	4	8	4	16		2	2
10. Prepare Environmental Package for CWSRF Financial Assistance Program	\$2,956	22	2	2	10	4	2		2
11. Environmental Permitting, Approvals and Consultations	\$0								
11.1 Jurisdictional Delineator	\$5,478	52	1	2		40	8		1
11.2 Agency Coordination	\$2,780	16	8	4		4			
11.3 USACE Section 404 Department of the Army Permit	\$7,608	71	2	4		56	8		1
11.4 RWQCB Section 401 Water Quality Certification	\$3,438	32	1	2		24	4		1
11.5 CDFW Section 1602 Streambed Alteration Agreement	\$3,438	32	1	2		24	4		1
11.6 Respond to Agency Comments	\$2,520	16	4	8		4			
11.7 Coastal Development Permits	\$11,820	90	12	24		48	6		
11.8 AB 52 Consultation	\$1,030	8	1	2		4		1	
Project Management	\$15,924	108	14	60	16				18
Subtotal Labor (Base Fee):	\$175,638	1,394	97	272	220	626	97	35	51
Additional Costs									
Traffic and Circulation Study (ATE)	\$9,700								
Records & Locality Search Fees	\$1,000								
Printing DEIR (25 hardcopies, 10 CDs, e-version)	\$2,025								
Printing FEIR (10 hardcopies, 10 CDs, e-version)	\$1,000								
Newspaper Notices	\$1,000								
CDFW Filing Fee	\$3,078								
Supplies and Miscellaneous Expenses (including mailing)	\$5,600								
General & Administrative	\$2,217								
Subtotal Additional Costs (Base Fee):	\$25,620								
TOTAL LABOR + ADDITIONAL COSTS	\$201,258								
OPTIONAL TASKS									
12. NEPA Compliance	\$9,564	74	8	16	12	24	4	2	8
13. Hybrid Alternative to Include Agricultural Irrigation									
13.1 EIR Alternative	\$3,876	31	2	4	8	12	2	1	2
13.2 Biological Resources Assessment	\$2,338	21	1	2		12	4	1	1
13.3 Jurisdictional Delineator	\$1,938	17	1	2		8	4	1	1
13.4 Cultural Resources Evaluation	\$2,338	21	1	2		12	4	1	1
Subtotal Optional Costs:	\$20,054	164	13	26	20	68	18	6	13
TOTAL LABOR + ADDITIONAL COSTS + OPTIONAL TASK COSTS	\$221,312								



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STAFF REPORT

Date: June 7, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **UPDATED 2017 DISTRICT CAPITAL IMPROVEMENT PROJECT (CIP) AND REPLACEMENT SCHEDULE**

RECOMMENDATION

Receive and File the 2017 District's Capital Improvement Project and Replacement Schedule.

BACKGROUND

Typically, public agencies create and maintain a list of their facilities or assets through a Capital Improvement Project List, and associated Replacement Schedule. The last time the District updated its CIP and Replacement Schedule was in Calendar Year 2013, now four years old. If kept up on a yearly basis, CIP and replacement schedules can be a very useful tool in developing detailed lists of the District's equipment needing repair, maintenance or replacement. That list can then be folded into each year's proposed Fiscal Year Budget.

DISCUSSION

As described above, the District's CIP and Replacement Schedule needs to be updated. In addition, as part of this year's draft budget development this Spring, staff undertook and made it a priority to update the District's 2013 CIP and Replacement Schedule. The 2013 CIP and Replacement Schedule was last updated by Ms. Shannon Sweeney. With this expertise in mind, we requested and received her assistance again with this update. Ms. Sweeney and District staff examined the entire 2013 CIP list, evaluated it for relevance and completeness. A significant number of revisions were made to eliminate outdated information (equipment replaced, surplus, no longer used), and added new equipment (grit removal system, headworks, etc.). In addition, staff has now included our trunk sewer lines on the equipment list, so that information collected through Phase I and II of the trunk sewer maintenance program (video logging, line jetting and inspection) can be used to develop cost figures for any future repairs.

The 2017 CIP and Replacement Schedule (Attachment No. 1) has the following columns included: name of equipment, item(s) within the equipment, equipment number, replacement criteria, replacement years, original date of install or purchase, last done (replacement), cost at new/replaced, current cost to replace/purchase and estimated date for next replacement. The

rows list all the equipment we have in our inventory including major facilities, vehicles, and laboratory equipment.

Conclusion

Today, we are proud to submit the 2017 CIP and Replacement Schedule for review and feedback. It is our intent to utilize and update this tool on a more regular basis to track and make regular replacements of essential District equipment and parts. In the long run, we believe it will help prolong the life cycle of the District's wastewater facility equipment and save money.

ATTACHMENT

1. 2017 CIP and Replacement Schedule

Equipment Current Year

2017

	Item	Equip #	Replace Criteria	Rplc yrs	Orig	Last Done	\$ at New/ Replaced	Current Cost	Estd Nxt Rplcmnt
Headworks	Structure			60	1966	1966	\$350,000	\$1,015,000	2026
	Structure Coating			52	1966	1966	\$14,500	\$42,050	2018
	Parshall Flume Flow Transmitter			5	1966	2012	\$5,000	\$5,395	2017
	Influent Slide Gate			55	1966	1966	\$20,000	\$58,000	2021
	Auger #1		going awa	100	1966	1998	\$5,300	\$7,500	2098
	Auger #2		going awa	100	1966	1998	\$5,300	\$7,500	2098
	Mechanical Bar Screens			30	2017	2017	\$577,000	\$577,000	2047
	Influent Pump #1 (3,500 gpm)			20	1966	2012	\$50,000	\$53,950	2032
	Pump 1 Effluent Valve	RW 14 (16")		20	1966	2012	\$2,000	\$2,158	2032
	RW 14 Check Valve			20	1966	2012	\$2,000	\$2,158	2032
	Pump 2 Influent Valve	RW 13 (16")		20	1966	2012	\$2,000	\$2,158	2032
	Influent Pump #2 (3,500 gpm)			20	1966	2013	\$50,000	\$53,450	2033
	Pump 2 Effluent Valve	RW 15 (12")		20	1966	2012	\$2,000	\$2,158	2032
	RW 15 Check Valve			20	1966	2012	\$2,000	\$2,158	2032
	RW12 (16-inch)	RW 12 (16")		35	1966	2012	\$2,000	\$2,158	2047
	Influent Pump #3 (3,500 gpm)			20	1966	1999	\$37,000	\$51,430	2019
	RW 16 14-inch	RW 16 (14")		34	1966	2012	\$2,000	\$2,158	2046
	RW 16 Check Valve			34	1966	2012	\$2,000	\$2,158	2046
	RW 10 16-inch	RW 10 (16")		20	1966	2012	\$2,000	\$2,158	2032
	Influent Pump #4 (3,500 gpm)			20	1966	2012	\$50,000	\$53,950	2032
	Influent Pump #1 VFD			15	2014	2014	\$10,000	\$10,610	2029
	Influent Pump #2 VFD			15	2014	2014	\$10,000	\$10,610	2029
	Influent Pump #3 VFD			15	2014	2014	\$10,000	\$10,610	2029
	Influent Pump #4 VFD			15	1966	2015	\$10,000	\$10,400	2030
	RW 17 (16-inch)	RW 17 (16")		20	1966	2012	\$2,000	\$2,158	2032
	RW 17 Check Valve			20	1966	2012	\$2,000	\$2,158	2032
	Diesel Pump Inlet valve	RW 19 (12")		20	1966	2012	\$2,000	\$2,158	2032
	Diesel Pump			15	2005	2015	\$20,000	\$20,800	2030
	Diesel Motor			20	2005	2005	\$60,000	\$73,920	2025
	Hydro ranger			5	1966	2016	\$2,000	\$2,040	2021
	Hoist		going awa	10	2010	2010	\$2,000	\$2,244	2020
Grit Remova	Grit King			30	2017	2017	\$492,000	\$492,000	2047
Splitter Box	Structure			60	1966	1966	\$350,000	\$1,015,000	2026
	Structure coating			20	2012	2012	\$40,000	\$43,160	2032
	Effluent Valve to PC#2	RW 21 (24")		20	1966	1996	\$4,700	\$6,782	2016
	Effluent Valve to PC#1	RW 23 (20")		20	1966	2011	\$6,000	\$6,594	2031
	Effluent Valve to Bypass Primary	RW 22 (20")		20	1966	2011	\$6,000	\$6,594	2031
Primary Clar	Clarifier #1 Structure			70	1966	1966	\$500,000	\$1,450,000	2036
	Clarifier #1 Coating			15	1966	2012	\$20,000	\$21,580	2027
	Clarifier #1 Mechanism			50	1966	2012	\$140,000	\$151,060	2062
	Clarifier #1 Drive			30	1966	2012	\$136,195	\$146,954	2042
	Clarifier #1 Bridge			30	1966	2012	\$77,189	\$83,287	2042
	Clarifier #1 Sludge Pump #1			5	1966	2016	\$20,000	\$20,400	2021
	Clarifier #1 Sludge Pump #1 VFD			15	1966	1998	\$5,000	\$7,075	2013
	Clarifier #1 Sludge Pump #2			5	1966	1990	\$13,000	\$20,813	1995
	Clarifier #1 Sludge Pump #2 VFD			15	1966	1998	\$5,000	\$7,075	2013
Primary Clar	Clarifier #2 Structure			50	1990	1990	\$900,000	\$1,440,900	2040
	Clarifier #2 Coating			30	1990	1990	\$25,000	\$40,025	2020
	Clarifier #2 Mechanism			25	1990	1990	\$250,000	\$400,250	2015
	Clarifier #2 Drive			25	1990	1990	\$90,500	\$144,891	2015
	Clarifier #2 Bridge			25	1990	1990	\$51,000	\$81,651	2015
	Clarifier #2 Sludge Pump #4			4	1990	2017	\$20,000	\$20,000	2021
	Clarifier #2 Sludge Pump #4 VFD			15	1990	2016	\$5,000	\$5,100	2031
	Clarifier #2 Sludge Pump #6			4	1990	1990	\$13,000	\$20,813	1994
	Clarifier #2 Sludge Pump #6 VFD			15	1990	1990	\$3,500	\$5,604	2005
FFR	FFR #1 Structure			50	1986	1986	\$1,200,000	\$2,134,800	2036
	FFR #1 Rotary Mechanism			30	1986	1986	\$250,000	\$444,750	2016
	FFR #1 Media			30	1986	1986	\$450,000	\$800,550	2016
	FFR Pump 1 Inlet Valve	FF1 (12")		20	1986	2013	\$3,000	\$3,207	2033
	FFR Feed Pump #1			25	1986	2013	\$35,000	\$37,415	2038
	FFR Feed Pump 1# VFD			15	1986	2013	\$10,000	\$10,690	2028
	FFR Pump #1 Outlet Valve	FF3 (12")		20	1986	2013	\$3,000	\$3,207	2033

Equipment Current Year

2017

	Item	Equip #	Replace Criteria	Rplc yrs	Orig	Last Done	\$ at New/ Replaced	Current Cost	Estd Nxt Rplcmnt
	FFR Pump #2 Inlet Valve			20	1986	2011	\$3,000	\$3,297	2031
	FFR Feed Pump #2	FF2 (12")		25	1986	2012	\$35,000	\$37,765	2037
	FFR Feed Pump #2 VFD			15	1986	2008	\$10,000	\$11,620	2023
	FFR Pump #2 Outlet Valve			20	1986	2011	\$3,000	\$3,297	2031
	FFR Pump #3 Inlet Valve			20	2014	2014	\$3,000	\$3,183	2034
	FFR Feed Pump #3			25	2014	2014	\$35,000	\$37,135	2039
	FFR Pump #3 VFD			15	2014	2014	\$10,000	\$10,610	2029
	FFR Pump #3 Outlet Valve			20	2014	2014	\$3,000	\$3,183	2034
	FFR Blower #1			30	1986	1986	\$3,000	\$5,337	2016
	FFR Blower #1 Motor			20	1986	2007	\$10,000	\$11,700	2027
	FFR Blower #2			30	1986	1986	\$3,000	\$5,337	2016
	FFR Blower #2 Motor			20	1986	2007	\$10,000	\$11,700	2027
Sec Clar #1	Sec Clarifier #1 Structure			60	1966	1966	\$900,000	\$2,610,000	2026
	Sec Clarifier #1 Coating			60	1986	1986	\$30,000	\$53,370	2046
	Sec Clarifier #1 Mechanism			60	1986	1986	\$240,000	\$426,960	2046
	Sec Clarifier #1 Drive			31	1986	1986	\$80,000	\$142,320	2017
	Sec Clarifier #1 Bridge			31	1986	1986	\$100,000	\$177,900	2017
	Sec Clarifier #1 Sludge Pump			10	2013	2013	\$8,000	\$8,552	2023
	Sec Clarifier #1 Sludge Pump VFD			15	1998	1998	\$5,000	\$7,075	2013
	Sec Clarifier #1 Scum Pump #1			10	2010	2010	\$20,000	\$22,440	2020
	Sec Clarifier #1 Scum Pump #2			10	2008	2008	\$20,000	\$23,240	2018
Thickener #1	Sludge Thickener #1 Structure		not used	100	1979	1979	\$35,000	\$74,445	2079
	Sludge Thickener #1 Coating		not used	100	1979	1979	\$25,000	\$53,175	2079
	Thickener #1 Mechanism		not used	100	1979	1979	\$35,000	\$74,445	2079
	Thickener #1 Drive		not used	100	1979	1979	\$85,000	\$180,795	2079
	Plant Air System		not used	25	1979	2004	\$60,000	\$76,140	2029
Digester #1	Digester #1			70	1964	1964	\$480,000	\$1,414,080	2034
	Digester #1 Coating			15	2005	2005	\$130,000	\$160,160	2020
	Digester #1 Cleanout			10	1964	2005	\$300,000	\$369,600	2015
	Digester #1 Gas Train Piping			25	1964	2005	\$228,170	\$281,105	2030
	Site glasses			10	1964	2005	\$16,000	\$19,712	2015
	APCD Pieces			10	1964	2005	\$40,000	\$49,280	2015
	Digester #1 Valves			25	1964	2005	\$25,000	\$30,800	2030
Digester #2	Digester #2			50	1992	1992	\$900,000	\$1,392,300	2042
	Digester #2 Coating			10	1992	2008	\$100,000	\$116,200	2018
	Digester #2 Cleanout			10	2008	2008	\$50,000	\$58,100	2018
	Digester #2 Gas Train Piping			25	1992	2009	\$228,170	\$259,201	2034
	Site glasses			15	2009	2009	\$15,500	\$17,608	2024
	APCD pieces			10	2009	2009	\$40,000	\$45,440	2019
	Digester #2 Valves			25	2009	2009	\$25,000	\$28,400	2034
Heating & Mi	Heating and Mixing Building			50	1982	1982	\$580,741	\$1,101,666	2032
	Sludge Recirc Pump #1			30	1982	2017	\$21,000	\$21,000	2047
	Recirc Pump #1 Motor			30	1982	2017	\$3,500	\$3,500	2047
	Vaughn Chopper Pump			30	1982	2005	\$30,000	\$36,960	2035
	Boiler			15	2007	2014	\$100,000	\$106,100	2029
	Hot Water Recirc Pump			20	1982	2017	\$21,000	\$21,000	2037
	Hot Water Recirc Pump Motor			20	1982	2017	\$1,900	\$1,900	2037
	Heat Exchanger #1			30	1982	2007	\$7,617	\$8,912	2037
	Sludge Feed Pump #1			7	2012	2012	\$20,000	\$21,580	2019
	Sludge Feed Pump #1 VFD			15	2015	2015	\$5,000	\$5,200	2030
	Sludge Feed Pump #2			7	2012	2012	\$20,000	\$21,580	2019
	Sludge Feed Pump #2 VFD			15	2015	2015	\$5,000	\$5,200	2030
	Macerator			15	2012	2015	\$20,000	\$20,800	2030
	Centrifuge			15	2010	2010	\$1,000,000	\$1,122,000	2025
	Centrifuge Macerator			15	2008	2008	\$25,000	\$29,050	2023
Reclaim Wat	Amiad Filters			20	2011	2011	\$10,000	\$10,990	2031
Flare	Flare			25	1964	2003	\$4,200	\$5,468	2028
Chemical Fe	Ferric Chloride Tank			15	1992	2007	\$10,000	\$11,700	2022

Equipment Current Year

2017

	Item	Equip #	Replace Criteria	Rplc - yrs	Orig	Last Done	\$ at New/ Replaced	Current Cost	Estd Nxt Rplcmnt
	Ferric Chloride Feed Pump			15	1992	2016	\$5,000	\$5,100	2031
	Sodium Hypochlorite Tank 6K			20	1979	2010	\$10,000	\$11,220	2030
	Sodium Hypochlorite Tank 3K			20	1979	2010	\$6,000	\$6,732	2030
	Sodium Hypochlorite Feed Pump			10	1979	2012	\$5,000	\$5,395	2022
	Sodium Bisulfite Tank			25	1990	1990	\$6,000	\$9,606	2015
	Sodium Bisulfite Feed Pump			10	1979	2012	\$5,000	\$5,395	2022
	CCT Chemical System			10	1990	2016	\$30,000	\$30,600	2026
	Polymer Feed Systems			30	1990	1990	\$12,000	\$19,212	2020
Effluent	Chlorine Contact Chamber			60	2007	2006	\$2,700,000	\$3,267,000	2066
	Effluent Pump 100HP #1			30	2005	2006	\$45,000	\$54,450	2036
	vfd			15	2005	2016	\$10,000	\$10,200	2031
	Effluent Pump 100 HP #2			30	2005	2006	\$45,000	\$54,450	2036
	vfd			10	2005	2005	\$10,000	\$12,320	2015
	Ocean Outfall			50	1964	1978	\$1,500,000	\$3,360,000	2028
Flow Meters	ISCO 2100 Flow Meter			10	2016	2016	\$5,250	\$5,355	2026
	ISCO 2100 Flow Meter			10	2017	2017	\$5,250	\$5,250	2027
Miscellaneous	Emergency Generator			20	2009	2009	\$600,000	\$681,600	2029
	Cogeneration Unit			10	2009	2009	\$470,000	\$1,500,000	2019
	Plant Well Water System			20	1982	2005	\$163,147	\$200,997	2025
	Plant Well Water pump			10	1982	2016	\$5,000	\$5,100	2026
	Standby Water Well			20	1964	1999	\$4,500	\$6,255	2019
	Operations Building			50	1982	1982	\$844,161	\$1,601,373	2032
	Maintenance Shop			50	1982	1982	\$202,495	\$384,133	2032
	Maintenance Building			20	1996	1996	\$205,000	\$295,815	2016
	Facility Asphalt			25	1992	1992	\$20,000	\$30,940	2017
	Digester #1 sump pump			10	1996	2009	\$6,000	\$6,816	2019
	Digester #2 sump pump			10	1996	2009	\$6,000	\$6,816	2019
	Security System			10	2006	2006	\$4,000	\$4,840	2016
	IT System			5	2016	2016	\$5,000	\$5,100	2021
	SCADA System			10	2016	2016	\$100,000	\$102,000	2026
	Fuel Tank			35	1980	1980	\$5,000	\$14,000	2015
	Arroyo Grande Pipe Bridge			34	1966	1980	\$90,000	\$300,000	2014
	Filters			5	2011	2011	\$8,000	\$8,792	2016
Mobile Equip	John Deere Diesel Gator			10	2014	2014	\$13,202	\$14,007	2024
	John Deere Lawn Mower			15	2002	2002	\$12,000	\$15,816	2017
	6-inch Trash Pump			15	2003	2004	\$4,500	\$5,711	2019
	6-inch Trash Pump Motor			15	2003	2004	\$20,000	\$25,380	2019
	Street Sweeper			15	1990	1998	\$40,000	\$56,600	2013
	Diesel Pump			15	2005	2005	\$80,000	\$98,560	2020
	Forklift			20	2006	2006	\$70,000	\$84,700	2026
	2013 Ford F150 Single Cab			16	2013	2013	\$17,900	\$19,135	2029
	2015 Ford F350 Flatbed			16	2015	2015	\$18,280	\$19,011	2031
	2013 Ford F150 Extended Cab			16	2013	2013	\$18,300	\$19,563	2029
	2004 Ford Explorer			16	2004	2004	\$29,000	\$36,801	2020
	Front Loader			20	1998	1998	\$200,000	\$283,000	2018
	Cushman Electric Vehicles (Ops)			15	2010	2010	\$10,000	\$11,220	2025
	Cushman Electric Vehicle (Lab)			15	2015	2015	\$10,000	\$10,400	2030
	Cushman Electric Vehicle (Ops)			15	1986	1986	\$10,000	\$17,790	2001
	Cushman Electric Vehicle (Maint)			15	2000	2000	\$10,000	\$13,580	2015
	Taylor Dunn Electric Vehicle (Ops)			15	2015	2015	\$10,000	\$10,400	2030
Lab Equipm	Thermo Fisher Sci BOD Incubator			8	2014	2014	\$4,800	\$5,093	2022
	Fisher Scientific Isotemp Frige/Freezer			10	2004	2004	\$3,200	\$4,061	2014
	IEC Centrifuge			10	1990	1990	\$2,850	\$4,563	2000
	OHAUS Adventurer Scale			10	2004	2004	\$2,400	\$3,046	2014
	HACH Turbidimeter			10	2006	2006	\$2,500	\$3,025	2016
	MARKET FORGE AUTOCLAVE			10	2014	2014	\$11,700	\$12,414	2024
	Thermolyne Furnace			10	2003	2003	\$5,000	\$6,510	2013
	Precisa Scale			10	2007	2007	\$5,650	\$6,611	2017
	Thelco Laboratory Oven			10	2003	2003	\$3,900	\$5,078	2013
	Fisher Scientific Isotemp Incubator			10	2002	2002	\$2,700	\$3,559	2012
	YSI 5000 Dissolved Oxygen Meter & Probe			10	2001	2001	\$1,900	\$2,550	2011

Equipment Current Year

2017

	Item	Equip #	Replace Criteria	Rplc - yrs	Orig	Last Done	\$ at New/ Replaced	Current Cost	Estd Nxt Rplcmnt
	ASKO Dishwasher 8-Steel System			10	2005	2005	\$8,300	\$10,226	2015
	Teledyne ISCO 5800 Refrigerated Sampler			5	2015	2015	\$6,400	\$6,656	2020
	Thermo Scientific Coliform Incubator Waterbath			10	2016	2016	\$2,000	\$2,040	2026
	Teledyne ISCO 5800 Refrigerated Sampler			5	2016	2016	\$6,500	\$6,630	2021
	Teledyne ISCO 3710FR Refrigerated Sampler			5	1999	1999	\$4,750	\$6,603	2004
Total								\$34,883,391	



**SOUTH SAN LUIS OBISPO COUNTY
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STAFF REPORT

Date: June 7, 2017

To: Board of Directors

From: Gerhardt Hubner, District Administrator

Subject: THIRD (3RD) QUARTER FISCAL YEAR 2016/17 BUDGET PERFORMANCE REVIEW

Recommendation:

Receive and File the District's 3rd Quarter Fiscal Year 2016/17 Budget Performance Review.

Executive Summary:

On March 31, 2017, the District Fiscal Year 2016/17 3rd 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 March 31, 2017. Accounting information for July 1, 2016 to March 31, 2017, 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 3rd Quarter, and Table No. 3 Fund Balance.

Through the 3rd Quarter, the District overall expended 53% of its budgeted expenditures (at the 75% Benchmark).

Table No. 1 – Revenues

	FY 2016/17 Budget	Received as of 03-31-17	
		Amount	Percent
Fund 19	\$4,437,000	\$ 3,364,475	76%
Fund 20	\$187,800	\$121,283	65%
Fund 26	\$0	\$0	
Total	\$4,624,000	\$3,485,758	75%

Table No. 2 - Expenses

	FY 2016/17 Budget	Expended as of 03-31-17	
		Amount	Percent
Fund 19	\$3,909,700	\$3,424,789	87%
Fund 20	\$2,362,700	\$326,946	13%
Fund 26	\$946,200	\$61,549	7%
Total	\$7,218,600	\$3,813,284	53%

Table No. 3- Fund Balance

	FY 2016/17 From End of Year Reconciliation	Current Fund Balance Available as of 03-31-17	
		Amount	
Fund 19	\$1,228,879	\$1,720,535	*Includes Reserve of \$248,990
Fund 20	\$3,928,286	\$3,111,117	
Fund 26	\$403,958	\$843,512	*Transfer of \$561,200 from Fund 19
Total	\$5,561,123	\$5,675,164	

Analysis:**Revenue**

Brine Disposal Service (Account No. 19-4050) is significantly higher at 143% than predicted. Revenues from the Oceano CSD property taxes are slightly below at 67% than predicted. Grant reimbursement of \$75,000 for Fund 20 from the State Water Resources Control Board is not expected until next Fiscal Year.

Expenditures

Fund 19 - The vast majority of our expense accounts are at, below or significantly below budgeted amounts. The following accounts listed below are greater than the budgeted amount at close of the 3rd quarter (75% benchmark).

1. Account No. 19-6050 S.S. & Medicare: 83%.
2. Account No. 19-7070 Professional Services – Outside Counsel: 87%.
3. Account No. 19-7082 Professional Services – Computer Support: 98%.

The submittal of our one-time payment(s) of \$887,850 for our Administrative Civil Liability Complaint to the State Water Resources Control Board and Bay Foundation, and other one-time payments, tend to skew the overall Fund 19 percentage slightly high.

Fund 20 – The low percentage in this fund is due to the vast majority of funds set aside for the Redundancy Project Design and not yet expended awaiting Coastal Commission permitting.

Fund 26 – The low percentage in this fund is due to the Headworks project expenses that will occur in the 4th Quarter. The Cherry Ave Sewer Bridge Maintenance and Concrete Sludge Lagoon projects construction will be initiated and expensed in FY 2017/18.

Conclusion:

Overall, the District expenditures remained 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 with the best cost benefit and investment of District funds.



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STAFF REPORT

Date: June 7, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator
Subject: **DRAFT BUDGET FOR FISCAL YEAR 2017-18**

RECOMMENDATIONS:

1. Receive a presentation on a proposed Draft Budget for Fiscal Year 2017-18 beginning July 1, 2017;
2. Provide staff with Board member feedback and direction, as appropriate; and
3. Direct staff to return to the June 21, 2017 Board meeting with a Final Budget for Fiscal Year 2017-18 for consideration and adoption.

DISCUSSION:

The purpose of today's item is to give the Board a high-level summary of the contents of the proposed District Draft Budget for Fiscal Year 2017-18. This Fiscal Year covers the period of July 1, 2017 to June 30, 2018.

The draft Fiscal Year 2017-18 Budget, and its supporting attachments purpose and objective are to provide a "blue print" to fund investments in the District's facilities now and into the future, and provide for our Capital Improvement and Replacement Program. It is also intended to fund initiatives needed by the District to fully support its programs including: Board and administrative support, human resources, fiscal management and audits, website/IT/public outreach, and pollution prevention and health and safety programs. Furthermore, the intent of this draft budget is to continue with last year's efforts to complete several previously neglected programs, policies and housekeeper functions necessary for the District to remain in compliance with health and safety and the wellbeing of its employees, and set the stage for future years. Next year we also intend to provide more focus on routine maintenance, and repair and replacement projects through implementation of our 2017 CIP and Replacement Schedule.

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

In preparing this Draft Budget, 3rd quarter actuals and April 30th actuals were used to project end of year balances. Furthermore, each line item was crosschecked with proposed budgeted amounts and compared with the past year's actual expenses. In many cases these values were revised downward or upward from last year.

This Draft Budget for Fiscal Year 2017-18 was prepared using conservative approaches and assumptions to not exceed existing revenues, mindful of the need to operate our facility cost effectively, efficiently, and remain in compliance with applicable federal, state and local requirements, using past experiences, and utilizing best professional judgement. Revenue values for wastewater and collection fees were obtained from the District's 2016 Rate Study/Ordinance No. 2016-01 approved by the Board on February 17, 2016.

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

Below are summary values from the attached Consolidated Budget Spreadsheet:

Consolidated Budget
(Attachment No. 1)

Starting Fund Balances

	Fund 19	Fund 20	Fund 26	Totals
	\$1,250,000	\$3,050,000	\$240,000	\$4,540,000

Revenues by Fund Source

	Fund 19	Fund 20	Fund 26	Totals
All Sources	\$4,914,950	\$153,000		\$5,067,950
Transfer from Fund 19			\$1,067,000	

Expenditures by Fund Source

	Fund 19	Fund 20	Fund 26	Totals
All Charges	\$2,679,700	\$165,000		\$2,844,700
Capital Outlay	\$70,500	\$1,875,000	\$1,307,000	\$3,252,500
Transfer to Fund 19	\$1,067,000			
Contingency	\$100,000			
Reserve	\$250,000			
Totals	\$4,167,200	\$2,040,000	\$1,307,000	\$7,514,200

Projected Ending Balances

	Fund 19	Fund 20	Fund 26	Totals
	\$1,997,750	\$1,163,000	0	\$3,160,750

Fund 19

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

Fund 19 supports the following general categories of District activities:

- Personnel – Salaries, Wages and Benefits & Other Personnel Costs
- Permits, Fees and Licenses
- Communications (Alarm, Phones & Internet, Cell)

- Administrative Support (Temporary Labor, Advertisements/Recruitment, Office Space, Insurance Liability, LAFCO, Zone 1/1A Property Tax, Office and Safety Supplies/H&S Exam)
- Professional Services – Legal (In-house/Outside), Consultant Services (Scientific, Fiscal Management/Audits, Billing, Public Outreach, Human Resources, Engineering, Chemical Analysis, Records Management, AGP Video, Computer, GIS & Website Support, Strategic Planning, Board Member/Meeting Support)
- Disposal Services (Solids Handling, Brine Disposal Sampling)
- Utilities (Electricity, Gas, Rubbish, Water)
- Maintenance, Tools & Replacements – Equipment Maintenance (Schedule A-1), Automotive Maintenance, Small Tools, Structural Maintenance (Regular and Major)
- Materials, Services and Supplies - Equipment Rentals, Gas & Oil, Household Expense, Laboratory Supplies, Plant Chemicals
- Training, Education and Memberships – Professional Certificates/Licenses, Training/Operator Exam Preparation, Memberships/Seminars/Meetings
- Scheduled Maintenance: \$171,000. See Schedule A-1
- New Capital Equipment: \$70,500. See Schedule A-2
- Transfer of Funds to Support Fund 26 Projects - \$1,067,000

Staffing

No changes are proposed for staffing over the coming Fiscal Year. The roster of staff consists of District Administrator, Secretary/Bookkeeper, Plant Superintendent, Shift Supervisor, Plant Operator III (2), Laboratory Technician, Plant Operator II (2) and Maintenance Assistant (0.5). No vacancies currently exist. Funding is included to support our Student Intern program.

Proposed Initiatives:

- Human Resources: Complete revisions to PPM and adoption by Board, staffing survey, and Memorandum of Understanding with SEIU.
- District Operation and Administrative Office: Construction of new flooring (carryover), and upgrades and improvements to comply with current building codes and ADA access.
- Records Management Assessment: Storage of C-train files.
- Public Outreach: Ongoing development of outreach materials, newsletter, website materials, and pollution prevention program.
- Strategic Planning/Plan: Completion of process through workshop and plan development.

Proposed Operation and Maintenance Projects:

1. Budget of \$171,000 is proposed under Line Item No. 19-8030 (See Schedule A-1 for Detailed List of Existing Assets, Scheduled Maintenance), including \$20,000 for unexpected maintenance contingency.
2. Budget of \$70,500 proposed. (See Schedule A-2 Detailed List of New Capital Equipment).

Placeholder:

- \$100,000 (Contingency) - To provide funds to support any miscellaneous or unknown costs that arise or emergencies. To access the contingency fund, Board approval is required.

Fund 20

Fund 20 revenue is provided primarily from connection fees from our three member agencies. A minor amount of revenue is received from interest on the fund balance account. In addition, we expect \$75,000 in grant reimbursement this year from the SWRCB, with the completion and submittal of our Final Study.

This fund traditionally supported capacity, expansion, or replacement projects and studies. However, we believe the Board has discretion to also pay certain charges from this fund.

- Wastewater Redundancy Project: On March 16, 2016 approved a contract with Kennedy Jenks for Phase I of the Project (see separate item on today's agenda to initiate further services under this contract). We anticipate services and budget needed to complete Final Design and other phases of \$1.5 million, with \$30,000 for the Coastal Monitoring Plan and \$5,000 for financing support (i.e. SRF loan or other borrowing).
- Phase I – Truck Sewer Video Logging - Proposed \$55,000.
- Phase I - Jetting/Cleaning - Proposed \$50,000.
- Phase II – Truck Sewer Inflow & Infiltration Study – Proposed \$70,000.

Proposed Charges:

- Cogeneration EISA: Debt Service, Principal and Interest \$37,500. This is final payment which will be made in August.
- MOU with City of Pismo Beach for a Joint Environmental Impact Report for the Regional Groundwater Sustainability Project. Proposed 50% Cost Share with City: \$127,500.

Fund 26

Fund 26 revenues are wholly supported by transfers from Fund 19 (\$1,067,000) is proposed for transfer). Fund 26 has traditionally supported replacement projects at the District's facility.

Proposed Fund 26 Project Budgets:

1. Budget of \$1,245,000 is proposed under Line Item No. 26-8065 (See Schedule B1 for Replacement & Improvement Projects detailed list).
2. Budget of \$62,000 is proposed under Line Item No. 26-8065 (See Schedule B2, Laboratory Replacement Projects for detailed list).

Detailed List of Replacement & Improvement Projects (as listed in Schedule B1)

- Arroyo Grande (Cherry Ave) Sewer Bridge Project: This Project is to perform maintenance on the existing structure, removing paint and debris and replace its anti-corrosion coating. This fiscal year we anticipate initiating/completing construction. Proposed: \$250,000, with construction inspection oversight \$10,000.
- Primary Digester No. 1 Cleaning: \$300,000. Rental Centrifuge \$100,000, Engineering Support \$10,000. The Board approved this project at its April 19th meeting. Carryover from FY 2016-17.
- Primary Digester No. 1 Repair: \$200,000 (estimated placeholder, will not be known until cleaning completed).
- Biosolids Handling Facility w/contingency & construction oversight: Proposed: \$40, 000 with Contingency & Engineering. Carryover from Fiscal Year 2016-17, due to Coastal Commission permitting.
- Primary Clarifier No. 2, drive, bridge, scraper replacement, and scraper ramp with engineering support: \$320,000.

- Security System: \$5,000

Reserve Account

On June 15, 2016, the Board adopted Resolution No. 2016-352 approving a Reserve Policy. Subsequently, on October 19, 2016, the Board adopted Resolution No. 2016-358 to implementing annual transfers to the Reserve account. In Fiscal Year 2016-17, \$248,990 was set-aside in a reserve account. We propose a similar amount or approximately \$250,000 by set aside this year in the budget. The exact amount to be set aside will be able to be determined through the end of Fiscal Year 2016-17 Final Budget Reconciliation.

Conclusion

Above, we have provided a comprehensive narrative summary of the proposed draft Fiscal Year 2017-18 Budget and “Blueprint” for funding the District’s operations, projects and initiatives. Today we request Board member and community feedback on this proposed draft Budget, and the Board provide direction to staff to proceed to return at the June 21, 2017 Board meeting, or another future meeting to consider its final adoption.

ATTACHMENTS

1. Draft FY 2017-18 Budget, including:

- Consolidated Budget Spreadsheet
- Fund 19 Budget Spreadsheet, with Schedules A1-A2
- Fund 20 Budget Spreadsheet
- Fund 26 Budget Spreadsheet with Schedules B1-B2



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

FY 2017/18 Budget

Consolidated

	Fund 19 Fund	Fund 20 Fund	Fund 26 Fund	FY 2017/18 Total
Revenues				
Gross Revenues				
Service Charges and Fees	4,602,000			4,602,000
Connection Fees		66,000		66,000
Interest	10,000	12,000		22,000
Other Revenues	302,950			302,950
Grant Reimbursement		75,000		75,000
Total Revenues	4,914,950	153,000		5,067,950
Expenditures & Other Uses				
Operating Expenditures				
Salaries and Wages	813,200			813,200
Employee Benefits and Other Personnel Costs	479,000			479,000
Permits, Fees and Licenses	25,000			25,000
Communications	14,000			14,000
Computer Support	15,000			15,000
Administrative Costs	141,000			141,000
Professional Services	389,500			389,500
Disposal Services	69,000			69,000
Utilities	168,500			168,500
Maintenance, Tools & Replacements	304,500			304,500
Materials, Services and Supplies	230,000			230,000
Training, Education & Memberships	31,000			31,000
Total Operating Expenditures	2,679,700			2,679,700
Other Charges				
MOU with City of Pismo Beach for Joint EIR		127,500		127,500
Cogen EISA - Debt Principal and Interest		37,500		37,500
Contingency	100,000			100,000
Total Other Charges	100,000	165,000	0	265,000
Capital Replacement/Maintenance				
Capital Outlay				
Capital Equipment	70,500	1,875,000	1,307,000	3,252,500
Total Capital Outlay	70,500	1,875,000	1,307,000	3,252,500
Other Financing Sources & Uses				
Transfers Out (In)	1,067,000		1,067,000	0
Reserve	250,000			
Total Other Financing Sources & Uses	1,317,000			
Beginning Cash Balance Used for Funding	1,250,000	3,050,000	240,000	4,540,000
Net Change (Deficit)	1,997,750	1,163,000	0	3,160,750

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
FY 2017/18 BUDGET**

Fund 19 - Operating Fund		FY 17/18 Draft Budget	
19-4005 Beginning Fund Balance		1,250,000	
Revenues			
Gross Revenues			
Service Charges and Fees			
19-4015	Arroyo Grande Services	2,210,000	
19-4022	Grover Beach Services	1,643,000	
19-4035	OCSD Services	736,000	
19-4040	Other Service Income	8,000	
19-4045	School Services	5,000	
Total Service Charges and Fees		4,602,000	
19-5015	Interest	10,000	
Total Interest		10,000	
Other Revenues			
19-4050	Brine Disposal Service	300,000	
19-4055	Lease (AT&T)	2,200	
19-5020	Other Reimbursements	0	
19-5023	FOG Reimbursement	750	
Total Other Revenues		302,950	
Total Revenues		4,914,950	
Fund 19 Total Operating Revenue		6,164,950	
Expenditures & Other Uses			
Salaries and Wages			
19-6030	Plant Operators	595,000	
19-6035	Student Intern	5,000	
19-6040	Bookkeeper/Secretary	59,000	
19-6045	District Administrator	154,200	
Total Salaries and Wages		813,200	

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
FY 2017/18 BUDGET**

Fund 19 - Operating Fund		FY 17/18 Draft Budget	
Employee Benefits and Other Personnel Costs			
19-6010	Medical Insurance	210,000	
19-6025	Dental Insurance	9,000	
19-6050	Social Security & Medicare	63,000	
19-6055	State Disability Insurance	3,500	
19-6060	State Retirement	60,000	
19-6075	Medical Reimbursement	5,000	
19-6080	Worker's Compensation	72,000	
19-6065	Unfunded Liability	45,000	
19-6090	Payroll Process Fee	3,500	
19-6095	Unemployment Reimbursement	8,000	
19-7025	Employee Uniforms	11,000	
Total Employee Benefits and Other Personnel Costs		479,000	
Permits, Fees and Licenses			
19-7068	Permit Fees	25,000	
Total Permits, Fees and Licenses		25,000	
Communications			
19-7011	Comm (Alarm)	2,000	
19-7013	Communications - Telephone and Internet	9,500	
19-7014	Communications - Cell Phones	2,500	
Total Communications		14,000	
Computer Equipment			
19-7015	Computers/Printers/Laptops	15,000	
Total Computer Support		15,000	
Administrative Costs			
19-6085	Temporary Labor Services	10,000	
19-7005	Advertisements/Legal & Recruit	30,000	
19-7040	Admin. Office Space	12,000	
19-7043	Insurance Liability - Auto	30,000	
19-7069	LAFCO Budget Share	13,000	
19-7095	Zone 1/1A Property Tax	30,000	
19-8045	Office Supplies	8,000	
19-8056	Safety Supplies/H&S Exam	8,000	
Total Administrative Costs		141,000	

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

FY 2017/18 BUDGET

Fund 19 - Operating Fund		FY 17/18 Draft Budget	
Professional Services			
19-7070	Prof Services - Outside Counsel/Litigation	50,000	
19-7060	Prof Services - Electrician/Integrator	20,000	
19-7071	Prof Services - Attorney Fee	96,000	
19-7072	Prof Services - Auditing	17,000	
19-7073	Prof Services - AG Billing	22,000	
19-7074	Prof Services - OCSD Billing to NBS	10,000	
19-7075	Prof Services - Board Members/Meetings	5,500	
19-7065	Prof Services - Public Outreach	5,000	
19-7076	Prof Services - Human Resources	20,000	
19-7077	Prof Services - Engineering	50,000	
19-7078	Prof Services - Chemical Analysis	13,000	
19-7079	Prof Services - Records Mngt	5,000	
19-7080	Prof Services - AGP Video	14,000	
19-7081	Prof Services - GB Billing	22,000	
19-7082	Prof Services - Computer, GIS & Website Su	15,000	
19-7083	Prof Services - Fiscal Services	12,000	
19-7088	Prof Services - Strategic Planning	13,000	
Total Professional Services Cost		389,500	
Disposal Services			
19-7085	Solids Handling (incl Digester Cleaning)	65,000	
19-7086	Brine Disposal Sampling	4,000	
Total Disposal Services		69,000	
Utilities			
19-7091	Utilities - Electricity	150,000	
19-7092	Utilities - Gas	10,000	
19-7093	Utilities - Rubbish (incl Grit)	7,000	
19-7094	Utilities - Water	1,500	
Total Utilities		168,500	
Maintenance, Tools & Replacements			
19-8015			
19-8030	Equip Maint Reg and Minor Replacement	171,000	Schedule A1
19-8032	Automotive Maintenance	5,000	
19-8055	Small Tools	3,500	
19-8060	Structure Maintenance - Regular	25,000	
19-8061	Structure Maintenance - Major	100,000	
Total Maintenance, Tools & Replacements		304,500	
Materials, Services and Supplies			
19-7032	Equipment Rental	5,000	
19-8020	Gas and Oil	5,000	
19-8035	Household Expense	5,000	
19-8040	Laboratory Supplies	10,000	
19-8050	Plant Chemicals	205,000	
Total Materials, Services and Supplies		230,000	

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
FY 2017/18 BUDGET**

Fund 19 - Operating Fund		FY 17/18 Draft Budget	
Training, Education & Memberships			
19-7055	Prof. Certs./License	1,000	
19-7067	Training/Operator Exam Prep	10,000	
19-7050	Memberships/Seminars/Meetings	20,000	
Total Training, Education & Memberships		31,000	
Total Operating Expenditures		2,679,700	
Capital Outlay			
19-8010	Capital Equipment	70,500	Schedule A2
Total Capital Outlay		70,500	
Other Financing Sources & Uses			
19-8079	Transfer out to Fund 26	1,067,000	
19-8077	Contingency	100,000	
Total Other Financing Sources & Uses		1,167,000	
Reserve		250,000	
Total Uses		4,167,200	
Budget Income (Deficit)		1,997,750	
Fund 19 Balance		1,997,750	

Schedule A1 Detail List of Equipment Maintenance in Fund 19 Existing Assets - Scheduled Maintenance		
	Account 19-8030	
Project No.	Project	Cost
2017-A1-01	Amiad Filters	1,500
2017-A1-02	Boiler	5,000
2017-A1-03	Cart Tires	5,000
2017-A1-04	CCT Rising Stem Valve	7,500
2017-A1-05	Centrifuge	25,000
2017-A1-06	Centrifuge Auger Flip	10,000
2017-A1-07	Chemical Feed Pumps	2,000
2017-A1-08	Chemical Feed Backup Systems	2,000
2017-A1-09	CCT Chloride/Bisulfite Control	5,000
2017-A1-10	Plant Degeneration Control	5,000
2017-A1-11	Electrical Conductor Replacement	7,500
2017-A1-12	Electrical Equipment Replacement	7,500
2017-A1-13	Flare	6,000
2017-A1-14	Flow Calibration	2,000
2017-A1-15	Flow Chart Repair	2,000
2017-A1-16	Forklift	2,000
2017-A1-17	Front Loader	5,000
2017-A1-18	Heat Exchanger	1,000
2017-A1-19	Moyno Pumps	5,000
2017-A1-20	Plant Storm Drains/Pumps	5,000
2017-A1-21	Primary Clarifier #1	5,000
2017-A1-22	Sludge Mixing Pump	1,000
2017-A1-23	Sludge/Water Valves	25,000
2017-A1-24	Emergency Maintenance Pump	2,000
2017-A1-25	Emergency Maintenance Generator	2,000
2017-A1-24	Tree Line Maintenance	5,000
2017-A1-25	Unexpected Maintenance Contingency	20,000
	Total for Fund 19-8030	\$171,000
	TOTAL OF EQUIPMENT MAINTENANCE FUND 19	\$171,000

	Schedule A2	
	Detail List of New Capital Equipment in Fund 19	
Project No.	Capital Equipment Account 19-8010	Cost
2017-A2-01	Clarifier #1 Sludge Pump NO. VFD	7,000
2017-A2-02	Effluent Pump #2 VFD	12,500
2017-A2-03	FFR Blower #1	5,250
2017-A2-04	FFR Blower #2	5,250
2017-A2-05	Parshall Flume Flow Transmitter	5,500
2017-A2-06	Primary #2 Sludge Pump #6	20,000
2017-A2-07	Shed for Emergency By-Pass Pump	5,000
2017-A2-08	Sodium Bisulfite Tank	10,000
	Total for Fund 19	\$70,500
	Total Of Capital Equipment In Fund 19	\$70,500

**SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT
FY 2017/18 BUDGET**

Fund 20		FY 2017-18 Draft BUDGET	
Beginning Balance		3,050,000	
Revenues			
Connection Fees			
20-4010	Arroyo Grande Connections	30,000	
20-4020	Grover Beach Connections	30,000	
20-4030	OCSD Connections	6,000	
Total Connection Fees		66,000	
Grant Reimbursement	Grant Reimbursement	75,000	
Total Grant Reimbursement		75,000	
Interest			
20-5015	Interest Income	12,000	
Total Interest		12,000	
Total Revenues		3,203,000	
Expenditures & Other Uses			
Other Charges			
MOU with City of Pismo Beach for Joint EIR		127,500	
20-7096	Cogeneration EISA - Debt Principal and Interest	37,500	
20-1010	Transfer to Fund 26	0	
Total Other Charges		165,000	
Capital Outlay			
20-8010			
20-8015	Phase I - Truck Sewer Video Logging	55,000	
	Phase I - Truck Sewer Jetting/Cleaning	50,000	
	Phase II - Truck Sewer Inflow & Infiltration Study	70,000	
20-7080	Redundancy Project - Contract with KJ	1,500,000	
	Financing Support	5,000	
	Coastal Monitoring Plan	30,000	
20-7090			
Total Capital Outlay		1,875,000	
Total Uses		2,040,000	
Budget Income (Deficit/Use of Fund Balance)		1,163,000	

SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

FY 2017/18 BUDGET

Fund 26		FY 2017-18 Draft Budget
Beginning Balance		240,000
Other Revenues		
26-5040	Transfer from Fund 19	1,067,000
26-5040	Transfer from Fund 20	
Total Other Revenues		1,307,000
Total Revenues		1,307,000
Expenditures & Other Uses		
26-8015	Trunk Sewer Maintenance	
26-8061	Structures/Grounds Maint-Maj	62,000
26-8065	Structures/Grounds Repl/Imp	1,245,000
26-8070	Emergency Equipment Repair	
Total Expenditures		1,307,000
Total Uses		62,000
Budget Income (Deficit/Use of Fund Balance)		0

	Schedule B1	
	Detail List of Replacement & Improvement Projects in Fund 26	
	26-8065 Structures/Grounds - Replacement and Improvement	
Project No.	Item	Cost of Purchase & Installation
2017-B1-01	AG Cherry Ave Sewer Bridge Maint Project	250,000
	Engineering, Construction and Biological Support	10,000
2017-B1-02	Primary Digester No. 1 Cleaning	300,000
	Centrifuge Rental	100,000
	Engineering Support	20,000
2017-B1-04	Biosolids Handling Facility w/Continquency & Eng.	40,000
2017-B1-05	Primary Clarifier No. 2 Drive, Bridge, Scraper Replacement, Scraper Ramp	300,000
	Engineering Support	20,000
2017-B1-06	Security System	5,000
2017-B1-07	Primary Digester No. 1 Repair	200,000
	TOTAL OF ALL PROJECTS IN FUND 26	1,245,000

	Schedule B2	
	Detail List of Laboratory Replacement Projects in Fund 26	
	26-8065 Structures/Grounds - Replacement and Improvement	
Project No.	Item	Cost of Purchase & Installation
2017-B2-01	Fisher Scientific Isotemp Fridge/Freezer	4,000
2017-B2-02	ASKO Dishwasher-Steel System	10,000
2017-B2-03	Fisher Scientific Isotemp Incubator	3,500
2017-B2-04	HACH Turbidimeter	3,000
2017-B2-05	IEC Centrifuge	4,500
2017-B2-06	Media Dispenser	2,000
2017-B2-07	OHAUS Adventure Scale	3,000
2017-B2-08	Precisa Scale	6,500
2017-B2-09	Teledyne ISCO 3710FR Refrigerated Sampler	6,500
2017-B2-10	Thelco Laboratory Oven	5,000
2017-B2-11	Thermolyne-Furnace	6,500
2017-B2-12	YSI 5000 Dissolved Oxygen Meter & Probe	2,500
2017-B2-13	Laboratory Calibrations	5,000
	TOTAL OF ALL PROJECTS IN FUND 26	62,000



SOUTH SAN LUIS OBISPO COUNTY SANITATION DISTRICT

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

Date: June 7, 2017
To: Board of Directors
From: Gerhardt Hubner, District Administrator, Mychal Jones, Interim Plant Superintendent, & Fanny Mui, Laboratory Technician
Subject: **DISTRICT ADMINISTRATOR AND PLANT OPERATION'S REPORT**

Today's report presents ongoing information on latest District staff activities of possible interest to the Board and members of the public, major capital project and studies updates, programmatic initiatives, regional collaboration, NPDES discharge permit renewal, our Plant Operation's report detailing our operation and maintenance activities. *Updates since the last report are provided in italics below:*

Major Capital Projects and Studies:

- **Cherry Ave. Arroyo Grande Sewer Bridge Project:**

CEQA: Status: Complete. Board approved MND at its September 7, 2016 meeting.
Regulatory permits: Complete. All Regulatory permits received.

Final Design and Bid Package: *The project went out to bid on Tuesday, April 25th with a pre-bid walk through held on May 15th, and final bids due May 25th. Unfortunately, we received only one bidder in the amount of \$318,200. The engineer's estimate for the project ranged from \$149,000 to \$249,000. The adopted Budget for this Fiscal Year contained \$209,000 for this project. Garing Engineering and District staff are working with the bidder to determine if the project costs can be reduced. Alternatively, if they are not successful, then the project will likely be re-bid in order to try obtain a lower bid amount. In that event, staff will be working to initiate the rebidding process as soon as possible.*

- **Grit Removal System:** Status: Operational and Complete.
- **Mechanical Bar Screen** – Status: *Operational*

Start up and testing of the bar screens was held the week of May 27th. Next steps, after a successful operational test period will be project close out (final payment and record drawings).

- **Redundancy Project:**

Design: On March 16, 2016, the Board approved a design contract with Kennedy Jenks for Phase I of this project. Phase I includes: assistance with CEQA, permitting, special studies, geotechnical and surveying. Later design phases are on hold until project permitting is completed. See *today's agenda item on this subject*.

Coastal Commission Permitting:

On May 10, 2017, the Commission voted unanimously to approve a 30-year Coastal Development Permit for the Project (see attached press release). The Commission will consider revised Findings on June 7th to finalize their May 10th decision.

CEQA: Status: Complete. At the September 7, 2016 Board meeting, the Board approved a CEQA Addendum to the 2010 Mitigation Negative Declaration.

Financing: *The remaining piece (financial portion) of the SRF loan package application has been submitted to SWRCB. We also received notice of several SRF Policy and Prioritization workshops scheduled in June and July around the state.*

- **Recycled Water Planning Facilities Study Grant:** *Complete. Staff submitted the Final Study to SWRCB. We will now be closing out the grant, and compiling/submitting our documentation to receive final grant reimbursement.*
- **District Control Building and Office:** Significant issues and problems are evident in the District's Operational and Administrative Building. *New concrete flooring for the building is expected to be installed in Mid-July.*

District staff executed a contract with an architectural firm for an audit/assessment of the existing building for disabled access and 2016 Building Code compliance. The Audit Report completed identifies a number of deficiencies that will need major and minor corrective actions. A follow-up effort was initiated to prepare design documents and cost estimates are underway.

- **New Capital Projects:** Staff has initiated several new capital projects including:

- **Biosolids Concrete Slab:** Preliminary engineering and design work is complete. *With Coastal Commission approval now received, this project can proceed to the next step, with bid advertisement, and award. We anticipate construction of this project (approximately \$33,000) occurring in late 2017 or Spring 2018.*
- **Primary Digester No. 1 Cleanout and Structural Evaluation:** The District has two primary digesters at its facility. Primary Digester No. 1 (constructed in 1965) is long overdue for its regular clean out and inspection (last completed in 2005). In addition, staff and our consultant engineering firm MKN, are concerned with its structural integrity. The first phase is for the cleanout of the digester. The second phase will involve, after cleanout, an inspection and structural survey to determine the digester's structural integrity. Recommendations for any repairs are also proposed as part of this second phase. *At the April 5th Board meeting, the Board approved funding for 1st phase of this project. After advertising and soliciting bids for the project, only one bid was received for \$527,316 (over the Board approved amount of \$380,000). Staff, in consultation with our MKN, reviewed*

the bid, and determined that several items could be removed and/or done more cost-effectively. Therefore, the project was re-advertised with bids due June 16, 2017.

- **Inflow & Infiltration (I & I) Study:** The District's plant received significant increased flow this year as a result of this season's wet weather. Staff is proposing the investigation of this inflow and infiltration into our collection system with the goal of ultimately determining the source. We are proceeding with a multiple phased study approach, first with the installation of new flow meters to measure any increase flow from our member agencies collection system. *Both Phase I and Phase II of the Study are included in the draft Budget for Fiscal Year 2017-18.*

Programmatic Initiatives

- **Outreach Initiative:** Future public outreach efforts include drafting the next edition of our newsletter with focus on the District's capital projects. *A press release announcing approval by the Coastal Commission of a CDP for our Redundancy Project was prepared and released. In addition, a new feature has been added to the front page of our website: "What's Happening at the Sanitation District" allows us to more quickly announce news and other important information to our ratepayers. In addition, we presented to the RWQCB at its May 11th Board meeting, announcing two sets of positive news: the completion of our obligations under the Settlement Agreement and recent Coastal Commission CDP approval.*
- **Records Management Initiative:** At the May 3, 2017 Board meeting the Board adopted a comprehensive overhaul of our existing Records Retention Policy. *As a follow-up to the Board directive, our IT consultant conducted forensics of our server and desktop in search of past audiotapes. One audiotape, from the May 20, 2015 Board meeting, was found.*
- **Human Resources/Personnel Policy Manual Update:** All Sections of PPM have now been reviewed (including legal input), updated with significant and comprehensive revisions. Subsequently, the entire revised and updated Manual was sent on April 28th to SEIU employee union representatives. *This begins the "meet and confer" for the PPM, which must be concluded prior to the PPM consideration and adoption by the Board. Staff continues to meet (next meeting on June 8th) with SEIU representatives to discuss and negotiate a Memorandum of Understanding.*
- **Strategic Planning Initiative:** In preparation for an upcoming Strategic Planning Workshop Board members, staff, City and General Managers from our member agencies were interviewed and/or surveyed. These interviews and surveys were captured 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 achieve in the next five years. *The Workshop has been postponed to July.*
- **Financial Initiative:**
Annual Fiscal Year 2015-2016 Audit: District auditors Glenn Burdette, continue to work with staff to complete our Audit, most recently in a teleconference on May 17th. The remaining item revolves around fixed assets purchased from FY 15-16. The Auditors have told us that they expect to complete the Audit by the end of June.

GASB 68 Accounting Report/Pension: The District completed and submitted its GASB 68 Report to our Auditor, which evaluates and reports our pension obligations and liabilities.

Regional Collaboration

- Regional Groundwater Sustainability Project (RGSP): This project consists of a potential future regional recycling project in the South San Luis Obispo County area in conjunction with the City of Pismo, and the District (which participation of our member agencies: Cities of Arroyo Grande, Grover Beach, and Oceano CSD). *On today's agenda is a separate item to consider a MOU to fund a joint EIR.*
- North Cities Management Area Technical Group - The NCMA TG, formed as a result of the Santa Maria Groundwater Basin (SMGB) Adjudication, 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. *The next meeting is June 12th.*
- 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 and reclamation. *The latest meeting of the Chapter was May 25th.*
- Zone 1/1A Flood Control Advisory Committee – The Committee focus is to provide input and coordination on proposed improvements and maintenance of the Zone 1/1A flood facilities, working with the Coastal San Luis Resource Conservation District. *The next meeting is scheduled for June 20th.*
- Integrated Regional Water Management (IRWM). IRWM is a collaborative effort with the County of San Luis Obispo to manage all aspects of water resources on a region wide scale. *The next scheduled meeting is June 7th.*
- San Luis Obispo County Flood Control and Water Conservation District Water Resources Advisory Committee (WRAC) – *The next scheduled meeting is June 7th.*
- Countywide Water Action Team/Water Management Efforts: Water managers throughout San Luis Obispo County meet quarterly to discuss and collaborate on water supply management solutions. *The last meeting was held May 5th.*

RWQCB NPDES Permit Renewal

Based upon a recent conversation with RWQCB staff, a draft permit is not likely to be released for public review before late 2017.

In addition, staff revised the Sewer System Management Plan Audit Report to come in compliance with our General WDR. The WDR requires an Audit be completed every two years. Unfortunately, this Audit report which was due last summer, was not timely completed. This Audit Report describes our planned activities under the Plan for the upcoming year.

District's Brine Disposal Program:

District staff completed a revised Brine Disposal Plan this month, and submitted it to the RWQCB for review and evaluation.

Public Records Requests

- For the Month of May, staff fulfilled 14 individual requests for 35 separate documents. Several required legal review.
- Year to Date (July 1st to May 30th), staff fulfilled 89 individual requests.

Plant Operation's Report

During this reporting period (May 1st through May 31th, 2017) the District's facility exceeded its effluent NPDES permit limitation for total chlorine residual on May 3, 2017. The permit limit for total chlorine residual instantaneous maximum is 9.96 mg/L. The District recorded an effluent total chlorine residual of 32mg/L. The District's chlorine system has not been functioning properly and Operations staff have been working diligently to rectify the issue. Since the exceedance, the issue has been corrected, the chlorine system is back in normal operation, with total chlorine residual results within permit limitations. This exceedance has been reported to the Regional Water Quality Control Board.

All other process values (lab test results) were within permit limits.

Plant Data (Monthly Data as of May 31st, 2017)

May 2017	INF Flow MGD	INF Peak Flow MGD	INF BOD mg/L	EFF BOD mg/L	BOD % Removal	INF TSS mg/L	EFF TSS mg/L	TSS % Removal	Fecal Coliform MPN/100mL	Chlorine Usage lbs/day
Low	2.29	3.4	419	16.9		406	18		<1.8	94
High	2.76	4.7	554	23.5		506	29.4		460	467*
Average	2.44	3.8	463.3	19.9	95.7	453	23.3	94.9	35.2	203
May 2016 AVG	2.2	3.5	470	38.4	91.8	435	44.1	89.9	29	172
Limit	5.0			40/60/90	>80		40/60/90	>80	2000	

* The District's recent violation, noted above, was an adverse effect caused by the excessive chlorine usage.

**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 (April 27th – May 31st, 2017)

- Shut down plant influent to clean Fixed Film Reactor netting, orifices, and grab an oil sample from FFR turntable
- San Luis Powerhouse in to replace engine starter and ground wire for controller on Emergency By-pass Pump
- Replaced broken coupling on hose for headworks auger debris wash down
- Shorten and reinstall bollard in-between MCC and H&M building
- Fabricate water piping for Secondary Clarifier hose and trough wash down
- Begin reviewing Overflow Emergency Operating Procedures
- Troubleshoot and repair chlorine pump leak
- Install new rubber coupling on Secondary Clarifier sludge pump

- Remove, repair, and re-install vehicle pit sump pump
- Install new battery back-ups in Laboratory
- Fluid Resource Management began Headworks Bar Screen Project
- Remove, repair, and re-install brine flow meter
- Remove damaged coupling, install new coupling, realign pump and motor, and placed Digester No. 1 Sludge Recirculation pump back into operation.
- Review and mark USA near District's trunk sewer line located on Cherry Ave.
- Back-up Chlorine System
 - Troubleshoot system
 - Change out probe cap and gel
 - Re-calibrate system
- Ferric Chloride pumping station:
 - Install new backflow valve
 - Replace ferric tote containments
 - Thoroughly rinse down area
- Autosys in to assist Operations Staff with:
 - Reprogram FFR pump variable frequency drives
 - Troubleshoot #1 Reclaim Water Pump
 - Inspect issue with Centrifuge electrical panel cooling system
 - Troubleshoot FFR pumps' automatic operation to ensure automatic restart after power failure
- Continue troubleshoot of primary chlorine system:
 - Install replacement cable for connection to probe from controller
 - Reinstall probe to new cable
 - Re-calibrate chlorine system
 - Placed system back in normal operation
 - Continue calibration of chlorine system to ensure proper operation, chemical usage, and fine tune
- Work Orders:
 - Monthly checks and services for all Plant Carts
 - Loader preventative maintenance
 - Monthly inspection of 6" Wacker Pump
 - Monthly Plant Safety Walkthrough
 - Continue update of work order system
 - Inspect CCT water champ
 - Test run Standby Emergency Generator
- Centrifuge
 - Replace centrifuge polymer differential pressure switch
 - Removed partially torn centrifuge conveyor belt
 - Cal-Coast Refrigeration in to troubleshoot centrifuge electrical panel cooling system
 - Build and install new roller for auger chute

Training

- No staff trainings to report this reporting period.

Call Outs

- May 7th, 6:09am – Power Failure. Operator Jackman responded and inspected plant. Emergency Generator was not running due to power being restored.